

Kent County Agri-Business Opportunities & Challenges

Adam J. Kantrovich, Ph.D.
Farm Management
Michigan State University Extension

Ag Stats

- 10 Million Acres of Farmland, 55,000 Farms (182 Acre Avg.)
 - 32% of the farmland is in some form of preservation agreement
 - 48% of farmers name farming as their primary occupation
 - Avg. Age of principal owner is 57.6
- Between 20%-25% of the population works within an agriculturally related field
 - Production, logistics, banking, manufacturing, etc...
 - MI's total employment is 923,000 (Direct, Indirect, Induced) representing 22% of Michigan's employment
 - Farm Sector: approx. 73,000, Production & Processing: 14,000
- MI's Food and Ag Industry contributes \$96 Billion annually to the state's economy, MI's Ag Products account for \$13 Billion
 - In 2013 MI exported \$3.2 Billion of Ag Products

Opportunities

- Agricultural Production located near diverse population
- Agricultural Production in/near areas that recognize agriculture's importance
- Potential for continued growth in areas of processing
- Regional Agricultural Producers/Processors near good transportation facilities
 - Highways/Interstates, Rail, Air, Water
- Potential for inter/intra governmental partnerships
 - Zoning, Ordinances and Economic Development

Challenges

- Education
 - Lack of younger generation receiving an education at the secondary/post-secondary levels in areas of Agriculture
 - Lack of understanding by general public of commercial ag.
- Politics over Science
 - 3rd Parties using money to further their social/philosophical agendas vs. using sound science to influence law and regulation
- Federal and Local Regulation
 - Water ways, livestock, zoning/ordinances
- Economics
 - Market Volatility and Access to Financial Resources
 - Cut backs in federal, state, and local funding for agricultural education and outreach

What Tools or Methods are Valuable in Ensuring Sufficient and Suitable Land for Agricultural Production?



- Proper Planning and Zoning & Ordinance Regulation
- Purchase of Development Rights/Land Preservation
- Proper and realistic taxation on property based on *Land Use* not *Potential Land Use*
- Making it easy and efficient for land to transfer to the next farming generation without difficulty or cost

What Efforts Should be used to Encourage/Support Local Market Outlets?
Are Some Outlets Superior to Others in the Context of Promoting Agriculture?



- What Efforts Should be used to Encourage/Support Local Market Outlets?
 - Method is dependent on Market Outlet type.
 - Education
 - Marketing Material & Agri-Tourism
 - “Michigan Produced, Michigan Made”, “Pure Michigan”
 - Producer assistance in business development and marketing
 - Outreach programming
 - Don’t saturate market types (i.e. Farmer’s Markets)
 - Are Some Outlets Superior to Others in the Context of Promoting Agriculture? Commercial vs. Niche
 - Economically most bang for buck is to get locally grown products used and sold that can expand the market use of products: groceries, restaurants, hotels, food service industry, processing facilities and get Michigan products exported

What Can be Done Locally to Support Production and to Encourage Producers to be Located Close to Production to Enhance Efficiency?

- Think State & Regional Partnerships
 - Promote joint planning, zoning and services to make it easier for businesses to research areas without having to worry about multiple zoning regulations and ordinances
 - Marketing Campaign of ag. based economic development (for processing facilities)
 - Tax Incentives
 - Make sure appropriate infrastructure is in place
 - Communication, Transportation, Water, Education, Recreation, Culture
 - Promote Entrepreneurship
 - Specialized agricultural innovation programs
 - i.e. MSUE Product Center, Farm Business Management, Ottawa County Ag Tech Incubator, MSU Bio-economy Institute
- It will come down to Economics

Is There Anything Government is Currently Doing that Hinders the Growth of Agri-Business in Kent County? What can Local Government do to Support Kent County's Agribusinesses and Agricultural Economy on a Regional and National Scale?

- Is There Anything Government is Currently Doing that Hinders the Growth of Agri-Business in Kent County?
 - Government hindrances are typically due to one of a few items
 - Improper planning and zoning (or too many different local government variations of planning/zoning/ordinances)
 - Urban Encroachment
 - Certain value added activities may be hindered in ag zoned areas
 - Lack of proper infrastructure: i.e. water and sewage
 - Property Taxation
 - State and Federal Regulations that can significantly hinder Agricultural Production
 - Water Way laws (EPA, Army Corp)
 - Immigration Reform
 - Livestock production (understanding Animal Welfare vs. Animal Rights and what is Science vs. Personal Thought)

- What can Local Government do to Support Kent County's Agribusinesses and Agricultural Economy on a Regional and National Scale?
 - Work with other agencies and local governments to promote ag economic development, Market, Market, Market:
 - Market West Michigan's Opportunities for Ag economic growth, viability, vitality, and resources (Natural, Educational, Population, Skills, Transportation, etc..)
 - Develop a Regional Economic Development Group for Agriculture
 - Recruitment, Innovation, Entrepreneurship, Education
 - Develop national and international export opportunities/partnerships
 - » East Coast, Upper Midwest, Gulf Coast
 - » Asia and Europe
 - Think LONG-TERM Investment:
 - Promote the return of Agricultural Education programs beginning at the Junior High/Middle Schools and at the High schools that are Science, Math, and Business Based.

Adam J. Kantrovich, Ph.D.
Farm Business Management
Michigan State University Extension
akantrov@msu.edu
616-834-8377

