



Agricultural Economic Development Assessment

CHARLES COUNTY, MARYLAND



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ACKNOWLEDGEMENTS

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INTRODUCTION

Several decades removed from what was once predominantly recognized as a single-crop identity, Charles County, Maryland, has a rich history of traditional agriculture. Located within the rapidly developing D.C. Metro Region, Charles County is experiencing growth in a historically rural region, and local agriculture is continuing to evolve and have a positive impact on the local economy.

Agriculture has been a mainstay of the region's economy and culture for many years but since the decline in the region's tobacco industry, the County's agricultural landscape has become far more diversified. Today, Charles County is home to 385 farms across more than 41,000 acres.

Although traditional agriculture remains prominent in the State of Maryland, a steady decline in total farms and farmland is leading to new and emerging trends capable of keeping farming operations sustainable. These trends, such as agritourism and value-added agriculture, present opportunities for growth within the agricultural industries but may require adjustments to policy and regulatory framework.



BACKGROUND

Farms and Farmland

The 2017 USDA Census of Agriculture reported 385 farms in Charles County across 41,201 acres (see Table 1). Although Charles County has the third most farms out of the five Counties in the Southern Maryland region (Prince George's, Anne Arundel, Calvert, Charles, and St. Mary's), it has the second most farm acreage and largest average farm size as reported by the Census of Agriculture.

Table 1
Maryland Farms and Acreage, by County

	# of Farms	Farm Acreage	Avg. Farm Size
Calvert	280	25,152	90
Anne Arundel	390	27,003	69
Howard	321	32,436	101
Prince George's	367	34,399	94
Allegany	290	35,282	122
Charles	385	41,021	107
Somerset	255	59,440	233
St. Mary's	615	61,803	100
Montgomery	558	65,537	117
Cecil	533	73,793	138
Harford	628	74,273	118
Baltimore	708	76,123	108
Wicomico	494	88,559	179
Garrett	707	90,357	128
Talbot	317	93,622	295
Worcester	369	99,239	269
Washington	877	119,248	136
Caroline	588	128,052	218
Dorchester	371	132,166	356
Kent	346	134,262	388
Carroll	1,174	146,778	125
Queen Anne's	483	163,001	337
Frederick	1,373	188,576	137
Maryland	12,429	1,990,122	160

Source: USDA Census of Agriculture



Since 2007, it was reported that Charles County lost more 10,000 acres of active farmland. This reported loss in acreage is more than 20% less than the farm acreage reported in 2007 and a far greater loss than statewide trends (see Table 2). Although active farm acreage has been on the steady decline statewide over the past decade, the State of Maryland has seen just a 3% loss since 2007.

Maryland's reported number of farm operations also decreased by approximately 3% from 2007 to 2017. The similar percentage lost in both number of farms and total acreage kept the average farm size across the state hovering around 160 acres. Charles County, which has historically had an average farm size below the State average, has seen the average farm size drop more than 14%, from 125 to 107.

Despite the consistent loss of agricultural acreage, Charles County has not experienced a significant decline in the total number of farms. However, the loss of acreage has led to a notable increase in the number of small-scale farms.

Table 2
Charles County Farms and Acreage

	2007	2012	2017	% Change
Number of Farms (acres)	418	382	385	-7.89%
Land in Farms (acres)	52,056	46,659	41,201	-20.85%
Average Size of Farm (acres)	125	122	107	-14.40%

Source: USDA Census of Agriculture

Most Charles County farms reported in 2017 were under 50 acres, and the shift to smaller acreage operations is significant. The only visible growth in farm numbers were for operations under 50 acres (see Table 3). The total number of farms between 1 and 9 acres in size saw a major increase of more than 67% over the 10-year span, from 43 to 72 farms.

With the increase in smaller-sized farms throughout Charles County, the loss of larger farms was not consistent by size. Although Charles County has had fewer than ten farm operations on 1,000 or more acres, a loss of three of these massive operations since 2012 could correlate with the County's loss in total farm acreage, as well as the boom in smaller scale farm operations. As of the 2017 USDA Census of Agriculture, more than 85% of Charles County farms are less than 180 acres in size (see Figure 1).

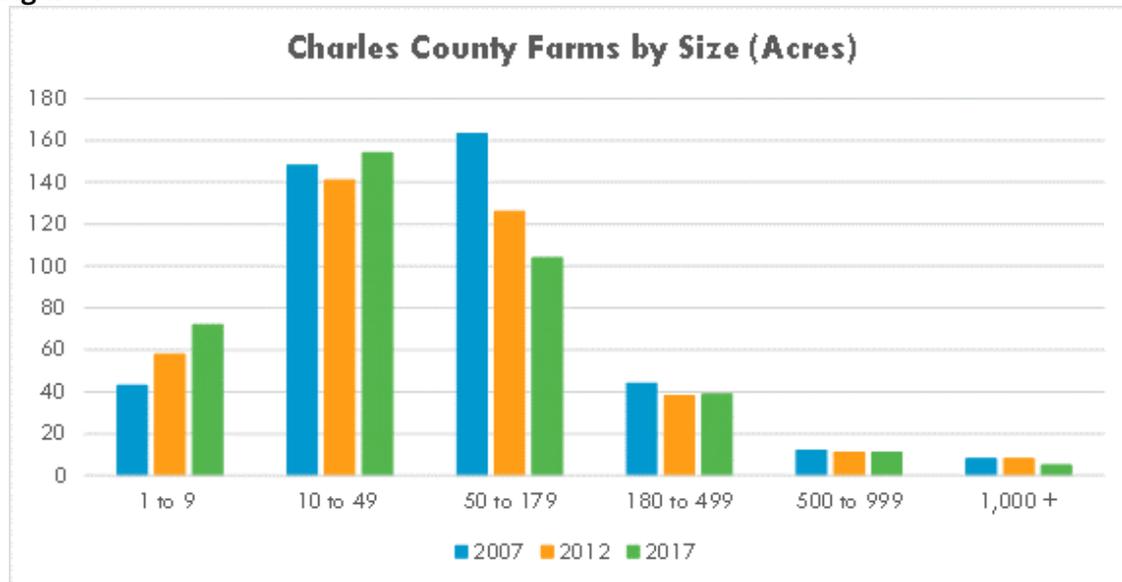


Table 3
Charles County Farms by Size

	# of Farms			% Change
	2007	2012	2017	
1 to 9	43	58	72	67.44%
10 to 49	148	141	154	4.05%
50 to 179	163	126	104	-36.20%
180 to 499	44	38	39	-11.36%
500 to 999	12	11	11	-8.33%
1,000 +	8	8	5	-37.50%
Total Farms	418	382	385	-7.89%

Source: USDA Census of Agriculture

Figure 1



Source: USDA Census of Agriculture

Farm Sales and Market Value

Charles County farms saw significantly steady growth in the market value of products sold over a 10-year span, despite a loss of more than 10,000 acres. Charles County farmers generated \$14,065,205 in gross sales in 2017, an increase of more than 58% (see Table 4).



Table 4
Total Market Value, by County

in \$1,000	Total Value	Crops	Livestock
Allegany	\$ 4,165	\$ 3,042	\$ 1,123
Calvert	\$ 6,322	\$ 5,701	\$ 621
Charles	\$ 14,065	\$ 12,439	\$ 1,626
Prince George's	\$ 17,568	\$ 15,248	\$ 2,321
Anne Arundel	\$ 18,153	\$ 12,837	\$ 5,317
St. Mary's	\$ 25,955	\$ 20,465	\$ 5,490
Howard	\$ 27,259	\$ 23,517	\$ 3,742
Garrett	\$ 29,036	\$ 12,312	\$ 16,723
Montgomery	\$ 42,581	\$ 37,829	\$ 4,752
Harford	\$ 45,885	\$ 34,112	\$ 11,773
Baltimore	\$ 67,519	\$ 58,663	\$ 8,857
Talbot	\$ 68,535	\$ 43,177	\$ 25,358
Carroll	\$ 110,447	\$ 72,493	\$ 37,954
Kent	\$ 111,214	\$ 68,499	\$ 42,715
Frederick	\$ 131,583	\$ 63,556	\$ 68,026
Cecil	\$ 136,820	\$ 78,051	\$ 58,770
Washington	\$ 153,725	\$ 38,050	\$ 115,675
Queen Anne's	\$ 180,556	\$ 91,607	\$ 88,949
Dorchester	\$ 188,673	\$ 57,550	\$ 131,123
Worcester	\$ 249,131	\$ 37,690	\$ 211,442
Somerset	\$ 262,201	\$ 22,101	\$ 240,010
Caroline	\$ 277,428	\$ 70,845	\$ 206,582
Wicomico	\$ 303,984	\$ 68,341	\$ 235,642
Maryland	\$ 2,472,805	\$ 948,125	\$ 1,524,591

Source: USDA Census of Agriculture

There has been noticeable change in the share of both crop and livestock within total market value of products sold. In 2007, there was an approximate 75% to 25% split in total market value for crops and livestock, respectively. Since 2007, crop sales saw close to \$6 million in growth since 2007 and now account for closer to 90% of Charles County total farm gross sales (see Table 5). Although livestock sales have increased since 2012, there has been almost a 30% decrease in sales since 2007 and is now approximately 12% of total market value of products sold.



Table 5
Charles County, Market Value of Products Sold

	2007	2012	2017	% Change
Crop Sales	6,602,000	10,726,000	12,439,000	88.41%
Livestock Sales	2,296,000	1,220,000	1,626,000	-29.18%
Total Market Value	8,898,000	11,946,286	14,065,205	58.07%

Source: USDA Census of Agriculture

Unlike a patterned trend towards smaller farm operations, the changes in breakdown of total sales by farm was scattered (see Table 6). In 2007, more than 75% of total farms reported total sales less than \$10,000 and only 2 reported sales of \$500,000 or more. In 2017, the total number of operations reporting \$500,000 or more in sales grew to a total of 7. Although there was some slight growth in farms reporting between \$50,000 and \$249,999 in sales, noticeable growth also occurred in the growth of farms earning between \$10,000 and \$24,999 from farm sales.

Table 6
Charles County Farms by Sales

	2007	2012	2017	% Change
Less than \$9,999	318	281	262	-17.61%
\$10,000 to \$24,999	38	36	54	42.11%
\$25,000 to \$49,999	25	28	24	-4.00%
\$50,000 to \$99,999	17	12	18	5.88%
\$100,000 to \$249,999	10	15	12	20.00%
\$250,000 to \$499,999	8	6	8	0.00%
\$500,000 or more	2	4	7	250.00%
Total Farms	418	382	385	-7.89%

Source: USDA Census of Agriculture

Agricultural Commodity Diversification

The shifts in farm size and income over the past decade of Census data are reflective of a diversifying industry. However, the full story of Charles County agriculture’s evolution spans several decades, back to when tobacco was the predominant economic driver in regional agriculture. The Census of Agriculture reports released in the late 1970’s and early 1980’s reported about twice as many farms in Charles County as there are today, with more than 500 of those farms growing tobacco. By 1997, the Census of Agriculture had the number of Charles County farms down to nearly 100.



With the State's implementation of the Tobacco Buyout Program in 2000, Maryland put an emphasis on finding alternatives to tobacco and offered opportunity for diverse agricultural operations across the state. By 2007, the number of farms growing tobacco was in the single digits, and there have been too few producers over the past decade for data to be disclosed (see Table 7). The steady decline of tobacco in the region opened the door for significant growth in other commodities such as grains, vegetables, and pork.

Table 7
Charles County, Market Value of Product by Commodity

	2007	2012	2017	% Change
Tobacco	\$ 151,000	(D)	(D)	
Grains, oilseeds, dry beans, and dry peas	\$ 3,286,000	\$ 7,596,000	\$ 8,292,000	152.34%
Vegetables, melons, potatoes	\$ 939,000	\$ 942,000	\$ 2,065,000	119.91%
Nursery, greenhouse, floriculture, sod	\$ 1,554,000	\$ 1,526,000	\$ 899,000	-42.15%
Cattle and calves	\$ 672,000	\$ 508,000	\$ 462,000	-31.25%
Hogs and Pigs	\$ 47,000	\$ 48,000	\$ 93,000	97.87%

Source: USDA Census of Agriculture

Although changes in the industry are apparent based on data from the Census of Agriculture, the evolution of local agriculture goes beyond what is now grown in fields or raised in pasture. The USDA Census of Agriculture captures a great deal of what has changed over past decades but does not account for the various industry trends that are quickly changing the local agricultural landscape.

An Aging Profession and Shifting Demographics

Along with the changing landscape of farms and agriculture-related industries, the demographics of principal producers are also changing. The USDA Census of Agriculture represents farming as a profession with one of the highest average ages nationwide. The average age of the reported principal producers in Charles County is above the State and nationwide average, at 59.2 years old. Nearly 64% of Charles County's principal producers are 55 years or older.

Historically, the USDA Agriculture Census has not reflected much diversity among principal farm operators, with more than 95% of all principal producers nationwide identifying as White. Although the number of minorities owning and operating farms is on the rise, just over 1% of reported principal producers in Maryland identified as Asian and Black or African American, respectively (see Table 8). Charles County's percentage of minority principal operators is slightly higher than the State of Maryland at nearly 5%. Charles County's reported Black or African American principal producers account for more than 2% of the County's total, and approximately 6% of the State's total principal producers.



Table 8
Principal Farm Producers by Race, by County

	American Indian/ Alaska Native	Asian	Black/ African American	Native Hawaiian/ Pacific Islander	White	More than one race reported	Total Principal Producers
Allegany	0	2	0	0	412	1	415
Anne Arundel	0	3	13	5	510	3	534
Baltimore	2	6	17	0	964	5	994
Calvert	0	0	13	0	354	2	369
Caroline	0	4	3	0	741	1	749
Carroll	3	0	10	0	1,655	2	1,670
Cecil	0	0	1	3	735	0	739
Charles	3	2	12	0	486	8	511
Dorchester	0	20	12	0	423	6	461
Frederick	2	19	4	2	1,880	4	1,911
Garrett	10	0	0	0	900	2	912
Harford	3	0	0	0	867	17	887
Howard	0	5	4	0	415	4	428
Kent	0	0	0	0	501	1	502
Montgomery	4	15	14	0	746	20	799
Prince George's	2	2	60	2	429	4	499
Queen Anne's	3	0	10	0	647	2	662
Somerset	0	36	5	0	293	5	339
St. Mary's	6	0	1	0	786	1	794
Talbot	0	1	1	0	427	0	429
Washington	12	0	1	0	1,175	3	1,191
Wicomico	0	50	1	6	550	2	609
Worcester	2	46	16	1	410	0	475
Maryland	52	211	198	19	16,306	93	16,879

Source: USDA Census of Agriculture

Along with growth in minority representation within these industries, the increase in female producers is a state- and nationwide trend. The shifts in farm numbers, sizes, and demographics of principal producers are influencing and opening the doors for trends that are reshaping what a sustainable economy looks like for farms and agriculture-related industries.

TRENDS

Buy Local Movement

The viability of small-scale farms relies heavily on support from local consumers and the growing "Buy Local" movement. Selling directly to consumers allows farms to control higher margins on sales, and knowing the source allows consumers more transparency and familiarity with the food they consume. This consumer consciousness is foundational to the rise in other trends across the industry.

Although this trend towards direct sales and connecting with the local community has been current and rapid, the nationwide pandemic that began slowing and stopping the food supply chain in March of 2020 further emphasized the importance of local producers and community sustainability.



The “Buy Local” movement has many farms establishing or expanding business operations to include on-farm stands or store hours, local farmers markets, Community Supported Agriculture (CSA) subscriptions, deliveries, and farm-to-table relationships with local restaurant and other institutions.

This movement is not just a mind set for consumers or business model for local growers but encompasses events and promotions associated with educating the public on the importance of supporting local agriculture. Each July, the State of Maryland promotes “Buy Local Week” to encourage Marylanders to support their local farmers and producers by purchasing and enjoying locally produced farm products. In the Southern Maryland Region, the Southern Maryland Agricultural Development Commission (SMADC) has implemented the “Buy Local Challenge” (BLC) since 2007 and hosted a celebratory event to end each Buy Local Week.

Beyond this promotional week, SMADC implements numerous marketing projects and initiatives to promote buying local throughout the Southern Maryland region such as industry guides and industry-specific workshops to help farms expand or diversify.

Strengthening the grasp local producers have on the local food supply chain improves margins for these small businesses and opens the door for new and emerging ventures, such as value-added products and agritourism.

Value-Added Agriculture

The loss of farms and acreage in production is shifting the agricultural landscape. This shift towards buying local goods does not just include raw agricultural products but extends to processed or finished goods often referred to as “Value-Added Agriculture” (VAA), which aims to “enhance their social value, shelf-stability, and profitability”. Value-added processing is now a significant part of the State’s agricultural industries and can range in complexity of process and regulation.

A 2020 report released by Grow & Fortify on the economic impacts of Value-Added Agriculture in Maryland attributed nearly 74,000 jobs and a total statewide economic impact of more than \$20.6 billion annually. This report considered relevant forestry and energy products, seafood, agritourism, and certifications and marketing identity (“organic”, “sustainable”, etc.).

One of the fastest growing and an economically significant sector in value-added agriculture has been craft beverage production. Encompassing state-licensed wineries, breweries, distilleries, and other non-alcoholic beverages, the State’s beverage industry is a sector of value-added agriculture that has experienced significant growth.

Just a few years ago, when the State of Maryland was home to nearly 100 wineries and breweries each, Charles County had neither a state-licensed brewery or farm winery and no generalized regulations to attract or retain this industry. In 2018, the Charles County Board of



Commissioners enacted a Zoning Text Amendment which defined on and off-farm alcohol production facilities. Since this legislation, Charles County welcomed its first state-licensed brewery and farm winery. Charles County also lacked a clear definition and regulatory framework for agritourism until 2021.

Another sector of value-added agriculture that faces challenges, but is gaining demand in the region, is locally produced meats. The processing of locally raised meats is heavily regulated as high as the federal level, and services for livestock support and meat processing are few and far between. Efforts are underway in the Southern Maryland Region to alleviate some of these challenges.

Value-added agriculture not only enhances local products for an end user, but also presents new opportunities for connecting with consumers in the form of farm visits and agritourism.

Agritourism

Agritourism is often associated with “Value-Added Agriculture” because it is intended to enhance the value of farm products and experiences. However, instead of connecting with consumers through various marketing and sales channels, agritourism operations invite the public on to the farm. Expanding into agritourism may present additional considerations and challenges for a business owner including liability exposure, health department codes and permitting, and zoning-related regulations. Some counties in Maryland currently have more than 20 agritourism operations and have implemented necessary regulations and policies to allow for this type of expansion within the agricultural industries. Although Charles County is home to a few agritourism operations, the County lacked a zoning definition for the use until 2021.

In 2019, to address the lack of framework and policy in place for modern agricultural trends, Charles County Government established the Rural Planning and Zoning Task Force. The Rural Planning and Zoning Task Force is a temporary advisory task force established to “identify regulatory challenges that undermine the preservation of the County’s rural heritage and provide recommendations to the Board of County Commissioners...” with the goal of strengthening the business and regulatory environment for farms and agricultural businesses within Charles County. In November 2019, after numerous meetings over several months, the Rural Planning and Zoning Task Force presented several recommendations to the Board of County Commissioners to improve the County’s regulatory framework as it relates to local farms and rising agricultural trends. One of the recommendations presented by the Task Force was a Zoning Text Amendment for agricultural related uses and agritourism, which began the public process in 2020 and was enacted May 2021.

Defining “Agritourism” and expanding definitions and zoning language to recognize emerging value-added agricultural trends is the first step in supporting and strengthening the agricultural industries within Charles County.



SUMMARY CONCLUSIONS

- Charles County is seeing a steady loss of active farmland and shrinking farm sizes. This shrinkage in farm size is shifting agricultural businesses into new directions and operations.
- Most of Charles County farms are now smaller than 50 acres, and nearly 1 out of 5 farms is less than 10 acres.
- The decline in the tobacco industry several decades ago led to a significant shift in the diversification of Charles County farms, with vegetable and grain production showing the most growth.
- Although the USDA Census data is not all inclusive, there are related or natural resource-based industries, such as fisheries and forestry, that are economically beneficial and require the same considerations moving forward.
- The COVID-19 pandemic accelerated the growing “Buy Local” movement and shed light on the importance of transparency and local control of the food supply chain.
- “Value-Added Agriculture” and “Agritourism” are two economically beneficial trends that may require a modernized regulatory infrastructure.
- Since 2018, Charles County Government has implemented two Zoning Text Amendments to promote value-added agriculture and agritourism. Charles County most recently introduced a definition for “Agritourism” in 2021.

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