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The Changing Landscape of Central Pennsylvania: Agricultural Industry at a Crossroads

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The Changing Landscape of Central Pennsylvania: Agricultural Industry at a Crossroads

Abstract

Central Pennsylvania's agriculture community is facing increasing pressures from encroaching urban development and shrinking agricultural support infrastructure. As medium-sized agriculture seeks to expand and intensify production, pressure from local residents and townships have increased to keep farming operations small. A qualitative study identified the perceived barriers and challenges that agriculture faces in remaining profitable. The farmers appeared to be expecting a less favorable future, while large agricultural businesses viewed their future positively. The shortage of agricultural labor was the one theme that all sectors of the industry viewed as being a barrier to their future business success.

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Introduction

Central Pennsylvania's agriculture community is facing increasing pressures from encroaching urban development and shrinking agricultural support infrastructure. As medium-sized agricultural production operations seek to expand and intensify their production to remain economically viable, pressure from local residents and townships has increased to keep farm production at its current size. Yet residents give voice to the value of green space as a major support to the quality of life in the area. The conflict appears when the methods of agriculture production impinge on the suburban ideal of "rural living."

Penn State Cooperative Extension and the Central Pennsylvania Workforce Development Corporation collaborated on a study of the status of agricultural production in the central region of Pennsylvania, which comprises nine counties. The study was designed to identify issues that both entities could use to develop strategies to help agriculture remain a valuable part of the area's economy and social fabric.

The focus group interview was determined to be the most effective process for obtaining the needed data. In January and February of 2001, 54 individuals engaged in agricultural production, processing or financial lending, provided input in five separate focus groups or interviews.

Methodology

The focus group process was selected as the preferred research method because the study was seeking to uncover the perceived barriers that the area agricultural industry faces to remain profitable. The process is a non-directive means by which participants provide information without being directed to answer specific questions (Krueger, 1994).

Participants of three focus groups were individuals from medium-sized farms, defined as ones in

which the operator worked full-time in agriculture production that provided his/her major income source and that had three or fewer full-time employees. Individual participants were selected on the basis of their geographic location and specific to the commodities most prevalent in identified county units. Each group also had an organic producer.

Cooperative Extension agents invited the locally identified individuals who met these criteria to participate. The agricultural operators groups' members were 17% female and 83% male, and their ages ranged from 26 to 56 years. Their reported income ranged from \$5,000 to over \$50,000 per year. Education ranged from a high school diploma to graduate school experience.

Focus groups also were conducted with Amish farmers and a group of agricultural business representatives. The Amish farmer group was comprised of all full-time medium-sized farmers. The agriculture businesses were large firms, reporting annual gross sales of more than \$1,000,000 and employing 100 or more workers. The employees typically have GED or high school diploma, range in age from 18 to 45 years, and most frequently are white, with some minority representation. Financial lenders whose agencies serve the area were individually interviewed by phone.

All of these groupings provided a good cross-representation of the area's agricultural production entities. Each group participated in 2-hour focus groups conducted by the researcher. The group interviews were recorded, transcribed verbatim into a written format, and coded. The emerging themes were identified using thematic content analysis and summarized.

Participants were asked questions regarding:

- What assets do production agriculture offer Central Pennsylvania's residents and the local economy?
- How has agriculture changed in Central Pennsylvania in the last ten years?
- What are the greatest barriers currently facing the profitability of area agriculture?
- Who should address identified barriers and what strategies can be used?
- What roles should local workforce and economic development agencies provide in helping medium-sized production agricultural operations remain profitable?
- What is the future of medium-sized agriculture in the area?
- What are the greatest challenges in the future to earning a profitable living from medium-sized agriculture?
- Who will operate your agricultural business or farm in the future?

Findings

Throughout all of the groups, a consistent picture of agriculture in central Pennsylvania emerged. The interrelated nature of the groups' perceptions of the assets and issues related to maintaining agriculture as a profitable business in central Pennsylvania paints a clear picture of the challenges facing the industry and the area. The following findings and conclusions reflect the perceptions of the individuals who participated in the focus groups. The themes that these groups identified provide a means to open dialogue within community groups and agencies to assist in identifying strategies to help keep agriculture a viable component of the area.

The major emerging themes from the focus groups include the following.

Changing Agriculture Production

- Urban expansion has increased farmland value.
- Increasing numbers of non-farm residents reduce farmland and have an impact on farm operations.
- Increasing specialization pressures farmers to expand or remain small, relying on off-farm income.
- Contract production requires more specialization and concentration of farm operations.
- Shrinking business support base increases the stress of farming.
- Farming is becoming less profitable and more demanding.

Labor Shortage Affects on Agricultural Business

- Lack of a consistent and reliable labor supply affects ability to remain in business.
- Migrant labor is viewed as a positive alternative.
- Agriculture employers' pay is equal to or above area's standard wage.
- Most employees lack technical and foundation skills, which hampers profitability.

Changing Community View of Agriculture

- Area residents demonstrate less tolerance of local farming operations.
- Non-farming public views food as a commodity to be purchased at the lowest price.
- Non-farm residents value green open space, but not agricultural production.
- Large farm operations are viewed as a nuisance by some non-farm residents.
- Outmigration of farming youth deprives rural communities of future farmers.

Government and Agriculture

- Agriculture needs to be viewed and supported by government as a business that contributes

- to the local economy.
- Increasing federal, state, and local regulation is noted.
- Subsidies are an integral part of farm income.
- Workforce and economic development agencies are not addressing agriculture's issues.
- New industry is using prime farmland.
- Local farmers lack the skills and commitment to effectively interact with government entities.

Agriculture's Uncertain Future

- Few local farmers' children expressed a desire to remain in farming.
- Majority of today's farming family's children leave farming for other careers or jobs.
- Medium-sized farming is mostly at risk from future downsizing and bankruptcy.
- Few individuals can enter farming without inheriting land or equipment.
- Uncertainty is driving local farmers to consider other alternatives for their future.

Discussion

The qualitative study confirmed area Cooperative Extension County Agents' perceptions of the changing agricultural community. The findings provided a means to focus future program planning and delivery. The results assisted area workforce and economic development agencies in understanding the business pressures that the agricultural industry currently is experiencing. County Commissioners from the region were updated concerning changes that were taking place in the area that would impact the overall economy and landscape.

Of interest in the study were the responses from participants in the farming county grouping closest to a large expanding urban area. In this area, urbanization of land increased by 62% from 1992 to 1997 (Fulton, Pendall, Nguyen, & Harrison, 2001). These farmers were more likely to be considering sale of their farms. They were not considering major expansion. Their changing agricultural practice seemed to be in response to, or in fear of, the ever-growing non-farm population influx.

The "speculative effect," which refers to farm owners' shortened time horizon, appeared to be operating and supporting the "impermanence syndrome" that was reflected in area farmers making decisions to decline or decrease investment in their farm business (Larson, Findeis, & Smith, 2001). As agricultural land values increased, the farm support base decreased and farmers' children or family expressed no desire to continue in farming as a vocation, these farmers' decisions to remain in farming were being negatively affected.

All of the farm groups expressed a negative perspective about the future of area farming. They generally agreed that their farm operations were becoming less compatible with the increasing suburbanization of their communities. Livestock operations, particularly large scale, were especially vulnerable to community criticism. As the community's negativity increased, the farming community voiced less ability to affect change in that perspective. They surrendered their ability to bring about a change in the non-farm population's perception of agricultural production. "What's the use to try, there are many more of them than us, and they have all of the power."

However, area food processors and manufacturers voiced a positive perspective of their business's future in the area. Their raw materials were coming less from local farmers and more from national and overseas suppliers. Cost of doing business was their major concern as slotting fees, government regulations, insurance costs, and marketing costs increased.

The shortage of agricultural labor was the one issue that all of the groups expressed as the most critical constraint to their ability to remain profitable and expand their business operation. All of the groups expressed high-level frustration with their inability to hire a local workforce that would be reliable and committed. All of the groups expressed that migrant labor appeared a viable alternative that would be willing "to do the work and be reliable." The challenge that all of these groups face is finding strategies to improve the local community's attitudes toward migrant and seasonal worker populations so that they can become an integral part of the local workforce and economy (Rosenbaum, 2002; Gutierrez, 1995).

It is important to recognize that Central Pennsylvania's agricultural producers face a variety of issues that extend into the realm of public policy decision-making. Some of these are farmland taxing structure, farmland preservation conservancy, and farm subsidies. Alone, the agricultural community cannot resolve many of the issues facing it. Finding a way to collaborate with the non-agricultural community is critical to its survival.

Central Pennsylvania's agricultural industry is at a pivotal crossroads. While farming is still a way of life for area medium-sized farmers, the reality is that these farmers face constant economic and social pressures. If their profitability becomes too low and land values continue to increase, all indications are that there will be a marked reduction in agricultural landmass in the future.

Conclusions

Preserving agriculture, both farmland and farmers, in the face of expanding suburbanization is the challenge facing many northeastern states. The Northeast is consuming land at a much greater rate than it is in adding population (Fulton, Pendall, Nguyen, & Harrison, 2001). The land resources

transformed to accommodate growing urban sprawl most typically is farmland.

With the growth of suburban-style living comes the conflict over traditional agricultural production practices. As farmers perceive themselves as more isolated and less favorably supported by the remaining community, they frequently develop a shortened time horizon and delay investment in their farming enterprise. Reinforcing their choice to delay investment is the lack of reliable labor and an eroding farm business support system. The one asset that is ever increasing for them is the value of their land. However, increasing land costs limits the availability of the land for farmers to expand.

Medium-sized farmers appear to be at a crossroads of change, pressured by many forces out of their control.

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