



# Tightening the Farm Belt

## Key Trends in Indiana Agriculture

By **Matt L. Ottinger**

Indiana has long been synonymous with agriculture. Today is no different. According to Indiana State Department of Agriculture Director Joe Kelsay, the industry represents \$25 billion annually for the state and over 16% of the Hoosier workforce is connected to the field.

And while the vision of the family farm may seem like it belongs more in Norman Rockwell paintings than in today's seemingly ever-urbanizing world, a recent poll indicates the number of farms in Indiana actually increased between 2002 and 2007. Released in 2009, the 2007 Census of Agriculture revealed the number of farms and ranches rose by 1% to 60,938 (and by 4% to 2.2 million nationally) in that time. Prior to that, the number of U.S. farms had been dwindling since World War II.

"We had seen a steady decline in farms, but that doesn't imply a loss of overall cropland," clarifies Greg Preston, director of the Indiana Agriculture Statistics Service. "Many years ago people lived off farms, but the societal structure has now changed. But now it looks like Baby Boomers are nearing retirement age, and they buy some land, and eventually animals, and sort of re-create grandma and grandpa's farm."

The census also illustrates that the average age of the American farmer rose from 55.3 years in 2002 to 57.1 years in 2007. In a Purdue University report, Preston explained this trend could become problematic if the knowledge gained through years of agricultural work is not passed down to the next generation.

### The natural trend

One encouraging sign, Preston notes, is that some newcomers are also beginning to cultivate smaller farms, especially to produce organic and natural foods. The number of American farms in the smallest category (one to nine acres) actually increased by 79% – also bucking previous trends.

He notes LaGrange (34 organic farms with 1,500 acres) and Elkhart (24 organic farms with 600 acres) counties are the state's heaviest organic producers.

"Indiana has 14,000 acres and almost 300 farms dedicated to organic farming, but my guess is those numbers are understated a bit," Preston says, adding that the Hoosier state remains distantly behind organic leaders like California and Wisconsin. "Being organic is a complicated process because you have to be (U.S. Department of Agriculture) certified, so there's a lot of paperwork and inspections, and there can't be any chemicals on the land for so many years. So a lot of these farmers just use the term 'naturally grown.'"

## Incubation: Nurturing Fledgling Wabash Valley Businesses

**W**hen Indiana State University decided to move its driver's education program from an off-campus building near U.S. 41 back to the main campus several years ago, the school donated that facility to the Wabash Valley Fairgrounds.

That gesture has been transformed into an opportunity for some of the state's fledgling agriculture-related businesses by a Rosedale-based marketing company and its partners. Doug Edge of Edge Marketing, which does promotional work for the fairgrounds, began plans to turn the building into an incubator for local businesses in June 2009.

"The main focus is agribusiness start-ups," Edge says. "It's designed for companies after the research and development phase that are ready to go to market. It's designed to help companies market their services."

Edge adds that in addition to the fairgrounds, supporters for the project include the Terre Haute Chamber of Commerce, the West Central Small Business Development Center, the Indiana Department of Agriculture and the Terre Haute Regional Hospital.

"We're working to raise funds through private donations," Edge offers, noting that the Wabash Valley Fairgrounds is a non-profit entity and can also apply for grants. "We want to

raise \$200,000 for the building's rehabilitation."

He explains fundraising is on track for the incubator to open its doors early this year, and believes the distinct attributes of the facility will be appealing.

"One unique thing about our incubator is that it's on the fairgrounds," Edge notes. "We have 360 acres so companies can showcase their products and services, and can have test plots."

"There are a lot of high-tech and medical incubators in the state, but there weren't really any dedicated to agribusiness," he adds. "Obviously, we're not going to compete with universities like Purdue or Rose-Hulman; they're great at developing high-tech (businesses). But we learned the (Indiana Small Business Development Corporation) was involved with some ag businesses that were struggling to get started, and we wanted to help with that."

Edge also relays the building will feature environmentally friendly technology such as recycled building materials, low-flow restroom facilities, new eco-friendly lighting and potentially some type of solar power.

**Resource: Doug Edge, Edge Marketing, at [www.goedgemarketing.com](http://www.goedgemarketing.com)**

### Ill effects of the flu

One pressing issue of a toxic nature for Indiana farmers was, and remains, the H1N1 flu scare that permeated the global consciousness in 2009. According to Kelsay, a great deal of effort has been expended in the past year clearing up misconceptions that the pork industry is responsible for the H1N1 virus, because it was initially labeled as "swine flu."

"That really impacted the pork industry," he explains. "We've estimated it cost Indiana pork farmers \$40 (million) to \$50 million."

Though no official state advertising campaign was launched to bolster pork's sullied reputation, Kelsay says the message

was delivered statewide.

"In every opportunity we had to speak, on the road or to our commodity partners, we've tried to clear up that misconception," he reveals.

He adds that in addition to unfortunate perception, livestock producers everywhere have been hit with high input costs, especially due to the recent lagging economy.

Kelsay explains that the state has recently embarked upon a new strategic plan focusing on advocacy, environmental stewardship and economic opportunity.

He believes that, all told, the future for agriculture looks bright – namely in Indiana. Perhaps surprisingly, his optimism is tied to projections from economists rather than the *Farmer's Almanac*, as he touts predictions there will be over one billion middle-class households by 2020 (due to growth in countries like China and India).

"As incomes (in poorer countries) rise, people spend more on animal protein in their diets," Kelsay elaborates. "With more income, people will be able to eat better. (Indiana farmers) will have great advantages to meet that need and provide this food, due to our climate, resources and access to ports."

### Not all politics

Agriculture discussion is not limited to the farm fields. In 2009, after more than a year of study, the 20-person Indiana Agriculture Regulatory Structure Task Force delivered its recommendations to Lt. Gov. Becky Skillman. Chaired by Ted McKinney, U.S. food chain and state affairs leader for Dow AgroSciences, the task force's work is being considered by state officials.



**High input costs have burdened livestock producers in Indiana and across the country. Developing nations, however, are expected to add more protein to their diets, aiding Indiana's beef and pork industries.**

McKinney explains the group analyzed regulatory structure, not the regulations themselves, and came away pleased with both state officials and with Indiana's approach.

"Although our (agricultural) regulatory structure may look funny on paper, it is actually quite effective in most cases," he says, pointing out that Indiana includes many smaller regulatory arms in its governance of the industry. "By and large, the system works well."

McKinney suggests the Board of Animal Health (BOAH) and the Office of the Indiana State Chemist seem to be especially effective.

"The further you remove a regulatory agency from political dealings, the better it operates," he contends, explaining that BOAH is bipartisan (though appointed by the governor), and the board then selects the state veterinarian. "That's how you keep decision making science-based and not political. You then have experts in the field who are steeped in the discipline."

He adds that turnover at BOAH in Indiana is minimal compared to other states.

McKinney says the task force also recommended an agricultural advisory (albeit not statutory) council for the Indiana Department of Environmental Management. He reports that on a larger scale, an agricultural cabinet of sorts could enhance formal communication in the agricultural community.

"When you have many decentralized agencies like in Indiana, there is a need to ensure communication," he offers. "We want to promote and enhance communication for the regulatory organizations in the state."

## Biofuel boom

McKinney also touts the emphasis Gov. Mitch Daniels and Skillman have placed on agriculture as being encouraging for the state, and believes biofuels and wind energy will be key components in ensuring strong futures for Indiana's farms.

"Farmers are now facing lower commodity prices with increased input costs, which is putting a squeeze on them," he says. "That's happened before, but it's especially apparent now. Fortunately, we're blessed with great soil and a great climate for agriculture. And our ability to grow corn and soybeans will keep us primed to excel in the area of biodiesel in the future."

Kelsay adds, "Biofuels and bioenergy have been on our radar. We've been working to position Indiana with ethanol plants and wind energy. We want to keep economic development companies here."

The economic downturn has stunted some projects.

"Who could see the issues that we'd have at the economic level?" Kelsay asks. "But the desire is still there among the people, and the most exciting thing is the next generation of biofuels. We have to find what the next big opportunity is – maybe it's cellulosic ethanol. But our strategy is to develop a portfolio of opportunities."

## Sprouting the future

McKinney also believes that having the National FFA Convention in Indianapolis is a boon for the state in that it gives agriculture presence and prominence among young people and



**Alan Ayers of Bayer speaks to youth from around the state and nation at the National FFA Convention in October. Bayer attends the convention each year to educate future agriculture leaders about its CropScience division.**

allows Indiana to recruit the top agriculture-oriented minds.

Bayer, which has been a sponsor of the National FFA Organization for over 60 years, had a booth at the 2009 convention in October; it was manned by Alan Ayers, Bayer CropScience's director of state affairs and product stewardship.

"Bayer is in various industries, including pharmaceuticals, animal health and crop protection, and we need well-trained future employees," Ayers explains. "We're dedicated to agricultural products and sustaining food production."

Ayers contends more food will need to be produced in the next 20 to 40 years than has been produced in the previous 10,000 due to the growing population.

"(Working with the FFA) is an opportunity to educate kids about what we do and a way to get them involved, more than just giving them material to read – but actually communicating with them," he offers. "Ultimately, we want to help bring better skill sets to our youth and our workforce."

Kelsay also contends that one of the greatest challenges today facing agriculture is one that can ultimately be solved through education.

"One of the biggest long-term issues right now is the disconnect between the realities of agricultural production and the consumers who rely on that food every day to sustain and provide for themselves," he says. "We need real education and discussion on farms and what we're doing on the countryside. This is information consumers once got firsthand – maybe at grandpa's house. But now we're generations removed from that experience, so education is critical going forward."

### INFORMATION LINK

**Resources:** Alan Ayers, Bayer CropScience, at [www.bayercropscience.com](http://www.bayercropscience.com)

Joe Kelsay, Indiana State Department of Agriculture, at [www.in.gov/isda](http://www.in.gov/isda)

Ted McKinney, Dow AgroSciences, at [www.dow.com](http://www.dow.com)

Greg Preston, Indiana Agriculture Statistics Service, at [www.nass.usda.gov](http://www.nass.usda.gov)