

Johnston County Agriculture – 2019 in Review

As I look back on 2019, it has been a challenging year for agriculture in Johnston County. I find that in agriculture we often use the words challenging and difficult, and to be honest agriculture is challenging even in the good years. It is challenging because of constant change and adversity. Farmers must deal with and manage all of the business aspects that most any business would manage including labor, finance, marketing, assets, liability and more. However in addition, they are heavily influenced by weather conditions. 2019 was no different and the weather was again challenging this year. The biggest challenge that we faced was the rain and wind from Hurricane Dorian. Luckily this was not nearly as severe as some storms that we have faced, but it did impact crops like tobacco, corn, and cotton. However, the weather challenges of 2019 pale in comparison to the marketing challenges that farmers faced.

Trade Issues

Most farmers and agricultural professionals have never experienced a trade situation as difficult as we faced in 2019. The trade imbalance with China and the tariffs the Chinese imposed on agricultural products in retaliation, had drastic effects on American agriculture while the general economy has been seemingly unstoppable. China is a big economy that has the potential to demand significant imports of U.S. agricultural goods like meat, soybeans, and tobacco. The U.S. and North Carolina have cultivated the market for our goods in China, but all of that came to a grinding halt in the trade war. The biggest effects in Johnston County were felt by tobacco and soybean growers. It is important to note, most Johnston County farmers grow both of these crops.

In addition to the tariff situation with China, the strength of the U.S. economy has meant a very strong U.S. dollar. You may ask, "Don't we want the dollar to be strong?" Well, certainly this is a good thing if the dollar is strong against foreign currencies especially if we are trying to buy goods from a country with a weaker currency. However, we compete from a global perspective, especially in agriculture and we want to export much of what we produce. Therefore, if a company is based in Europe and wants to purchase flue-cured tobacco or soybeans their currency will buy a greater amount of product from another country. The strong dollar makes our goods expensive for those in other countries to acquire and this hurts U.S. farmers.

In the simplest terms, growers have seen lower demand for tobacco meaning that we grew fewer acres. Demand was very soft from leaf dealers and some grades were either not purchased or purchased at a very low price. In the past 5 years, growers have seen the average price of flue-cured tobacco drop approximately \$0.15 to \$0.20 per pound.

2019 Crops

During the 2019 production season, crops did perform relatively well. As I mentioned earlier, yields of tobacco, cotton, and corn were negatively impacted by the storm. Nevertheless growers were able to harvest these crops and salvage decent yields in many cases.

The new crop on the block in 2019 was Industrial Hemp. Farmers have given this crop a try in hopes that it may replace some of the income loss faced in other crops and commodities. Overall, growers had a good production year with hemp producing yields in excess of expectations. However, the crop was not without problems including disease, insect pressure, security problems, residue concerns, and ultimately as of this writing, many if not most farmers have not been paid for the product they delivered.

Sweet potatoes have been a bright spot for our agricultural economy this year. Sweet potatoes are considered to be a superfood for their nutritious and healthy aspects. Consumption of sweet potatoes is trending upwards and the production fits very well within our agricultural system. Growers in Johnston County were able to produce higher than normal yields in 2019, quality has been excellent and early market prices were higher than in several years.

Land Disappearance and Urban Interface

The on-going rapid development of Johnston County and other rural communities throughout North Carolina is also taking a toll on agriculture. Throughout 2019, in the areas under the jurisdiction of the County of Johnston, 56 new residential subdivisions were approved with 1,611 lots. The land area associated with these subdivisions was 3,284.75 acres. This means that approximately 2 acres of land available for farming or timber production is lost for every new home that is built in Johnston County. This includes the land that is being converted to roads, utility areas, and what is defined as open space. However, for all practical purposes even the “open space” is no longer feasible to farm or produce and harvest timber due to access or incompatible uses. These numbers do not include any commercial development or any development that has taken place in municipalities throughout the county.

Is this all bad for agriculture? Not necessarily, however it is certainly negative for some of the types of agriculture that we practice in Johnston County. If farmers own land, development and interest in development drives land prices upwards and increases farmer equity in this land. However, if farmland becomes landlocked or inaccessible or infeasible to tend due to neighbors and traffic, landowners could be faced with limited options. Remember, to qualify for reduced property taxes under the North Carolina law, land enrolled in present use value must be used for production. This means that agricultural, horticultural, and forestland must eventually produce a harvest. It must be more than just something a landowner enjoys or likes to view.

Residential subdivisions and agricultural practices are not necessarily compatible neighboring land uses. Building setbacks in Johnston County are often only 10 feet and this is just not enough distance between some ag practices and a residence, ornamental plants, pets, and the other things that you find around a home. Someone who has a ½ acre lot might feel that they do not want to give up even a 10 foot border, but neither does a farmer. The Voluntary Agricultural District program is one way that farmers can mitigate this risk. When you open the Johnston County GIS tool, you will see all of the Voluntary Agricultural Districts highlighted in yellow. Just because parcels are not included, does not mean they are not agricultural parcels,

it simply means they have not been enrolled. All agricultural parcels in Johnston County should be enrolled; there is no downside.

JoCo Grows Agriculture

In 2019, through support by Johnston County Farm Bureau, Johnston County Visitors Bureau, and NC Cooperative Extension with support from the County of Johnston, a new agricultural marketing effort was initiated. This effort is called *JoCo Grows Agriculture*. Oversight for this effort is being shepherded by a committee of farmers and agribusinesses representing Johnston County. While this effort is underway, there is much more to come. To connect with *JoCo Grows Agriculture* and support your local farmers check out the effort at www.jocogrows.org or look for the group on Facebook: JoCo Grows Agriculture or Twitter @JoCoGrowsAg or feel free to call our office at 919-989-5380.

2020 and Beyond Predictions

As we look ahead to 2020, farmers are fully involved in planning right now. Many of the soil samples to determine lime and fertilizer needs have already been taken. Fields have been cleaned up, mowed, and cover crop has been planted. The seed potatoes for the next crop are in storage and farmers are making plans for what crops they will plant next year. Hopefully, recent movement on the China trade negotiations will pay big dividends in 2020.

It is likely that tobacco acres will continue to decline unless there is a trade situation in another country like Brazil or Zimbabwe that favors the US. As long as there is a market for flue-cured tobacco, we will almost certainly grow the crop in Johnston County. Farm size for typical row crop and animal farms will continue to grow, while the number of these farms declines. However, niche opportunities and small part-time farms and farm activities will result in an overall growing number of farms.

In spite of the problems we have faced, we hope and pray for good weather conditions throughout 2020, and a safe and prosperous new year.