Max Runge
Extension Economist
Alabama Cooperative Extension
System, Auburn University



- Alabama Cooperative Extension System
- Overview of Agriculture in Alabama



County Agents

- Alabama Cooperative Extension System (ACES)
 - Alabama A&M University
 - Auburn University
- Land Grant System
 - Instruction
 - Research
 - Extension







Mission Statement-

The Alabama Cooperative Extension System, the primary outreach organization for the land-grant mission of Alabama A&M University and Auburn University, delivers research-based educational programs that enable people to improve their quality of life and economic well-being.





- Offices in all 67 Counties
- "County Agents"
 - Local Government Funding/Partnership





- County Coordinators
- Regional Extension Agents
 - Program focus
- State Specialists
 - Program specialty
- Program Priority Team (PPT)





- 4-H and Youth Development
- Agronomic Crops
- Aquatic Resources
- Commercial Horticulture
- Community and Workforce Development
- Family and Child Development
- Family Resource Management & Workforce Development





- Farm and Agribusiness Management
- Food Safety and Quality
- Forestry, Wildlife and Natural Resource Management
- Home Grounds, Gardens and Home Pests
- Human Nutrition, Diet and Health
- Poultry





- Great Resource
- Research-based Educational Programs
- www.aces.edu
 - New & Improved website January 2018



2016 Alabama Rank Cash Receipts #25 Wheat

2 Catfish

 # 3 Peanuts # 26 Corn

#33 Fruits & Nuts #4 Broilers

 # 6 Cotton #34 Honey

 # 7 Chicken Eggs # 34 Turkeys

 # 8 Pecans # 29 Cattle and Calves

 # 16 Peaches # 40 Vegetables &

Melons # 22 Soybeans

45 Milk

Source: USDA ERS Commodity State Ranking







- Diverse
- Opportunities



Principal Operators - Primary Occupation	Number	Percent	
Total Farmers	43,223		
Farming	19,114	44	
Other	24,109	56	
Principal Operators by sex			
Female	5,414	13	
Male	37, 809	87	
Ave Age Principal	59.3		
Race - White		91	
Census of Ag 2012			

- 4-H'er with 20 backyard chickens
- 600 ft long X 60 ft wide Mega Chicken House
 - About \$500,000 each
- Retiree with a 1.5 acre garden gives away extra vegetables
- Commercial greenhouse computer controlled environment shipping 18 wheeler loads bound for the East Coast



- Alabama 4-H
- Chick Chain
- Pig Squeal
- Possible producers
- Consumers



Alabama Crop Yields

	Corn	Soybeans	Cotton	Peanuts	
2017*	<u>170/</u> 174.9	44/49.5	976/889	4,200/4,257	
2016	120	32	988	3,600	
2015	147	41	866	3,250	
2014	<u>159</u>	40	901	3,150	
2013	147	43.5	789	3,550	
2012	98	<u>45</u>	946	4,000	

^{*} USDA, NASS Estimates

Source: USDA, NASS, Crop Production Oct 12, 2017



- Big Business
 - Economy
 - Individual
- Big Risks
 - Uncontrollable
- Large Investment



Per Acre Costs

Butterbeans \$1,000

– Okra \$7,050

– Pumpkin \$5,875

Squash \$6,250

Sweet Corn \$2,105

Sweet Potatoes \$3,575

Tomatoes \$12,800

– Watermelons \$3,500



Per Acre (Irrigated)

- Corn \$975

- Cotton \$800

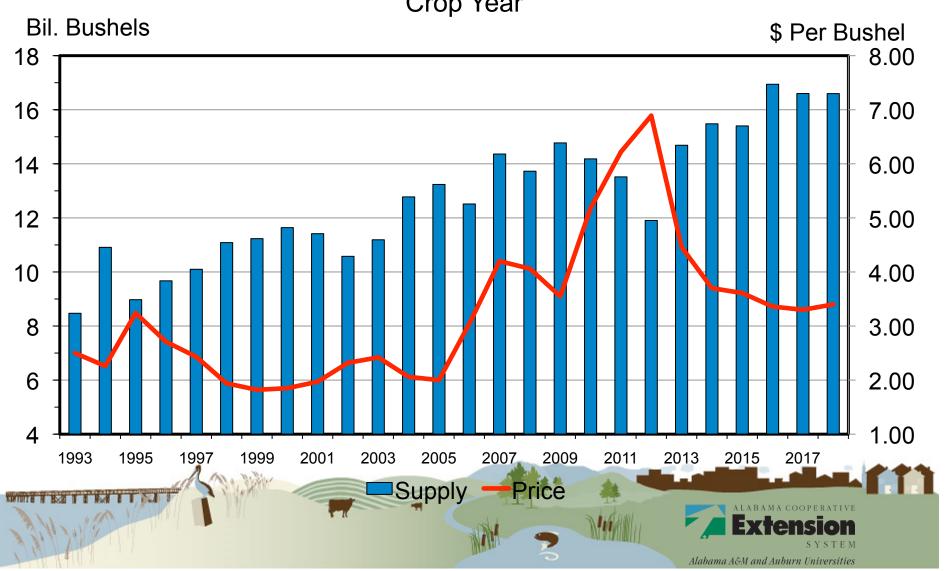
Peanuts \$965

- Soybeans \$576

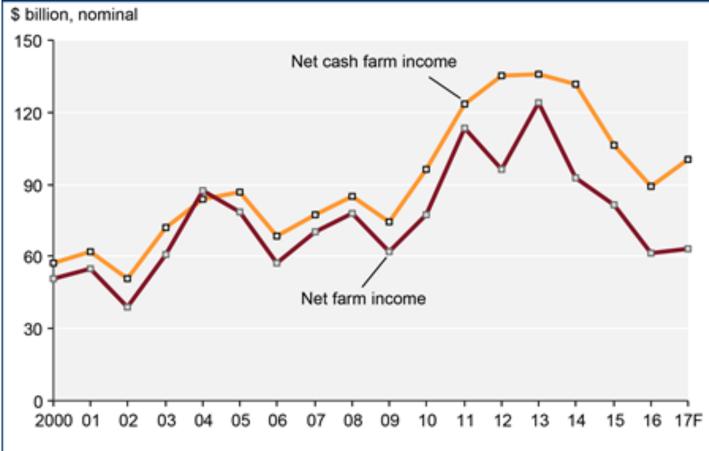


US TOTAL CORN SUPPLY AND PRICE

Crop Year



Net farm income and net cash farm income, 2000-2017F



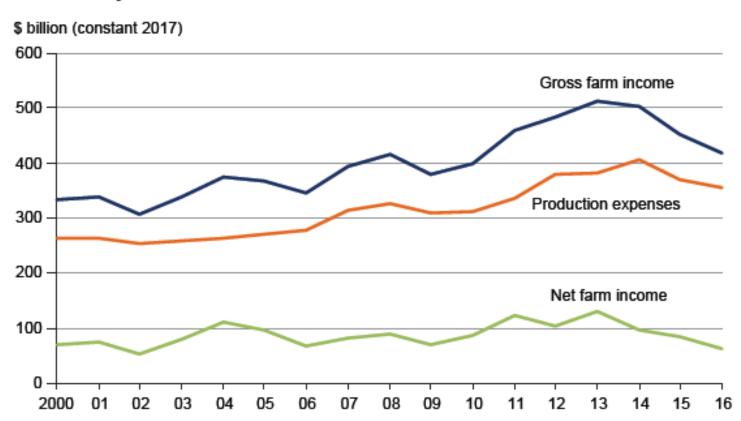
Note: F = forecast.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics.

Data as of August 30, 2017.



Gross farm income, production expenses, and net farm income, inflation adjusted, 2000-16



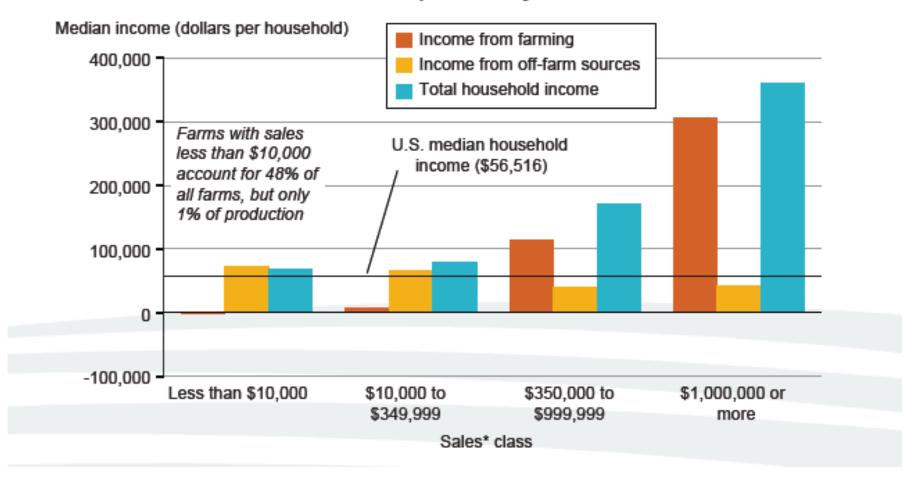
Note: Values are adjusted for inflation using the chain-type Gross Domestic Product (GDP) deflator, 2017 = 100. Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of August 30, 2017.



- Profitability is not bad!
- Farmers must be able a living



Median household income of farm operators by source and sales class, 2015

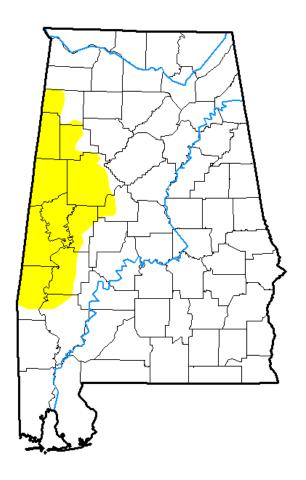




U.S. Drought Monitor Alabama

October 17, 2017

(Released Thursday, Oct. 19, 2017) Valid 8 a.m. EDT



Intensity:

D0 Abnormally Dry

D1 Moderate Drought

D2 Severe Drought

D3 Extreme Drought

D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:

Jessica Blunden NCEI/NOAA





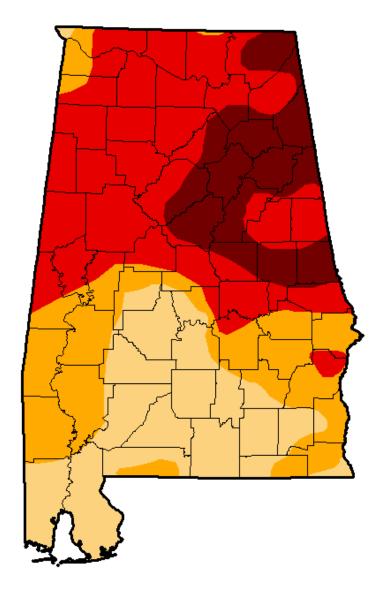




http://droughtmonitor.unl.edu/



U.S. Drought Monitor Alabama



November 1, 2016

(Released Thursday, Nov. 3, 2016) Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Сиптепт	0.00	100.00	100.00	74.76	51.91	14.84
Last Week 10/25/2016	0.00	100.00	100.00	73.14	33.03	9.94
3 Month's Ago 82/2016	32.44	67.56	40.76	18.33	2.90	0.00
Start of Calendar Year 12/29/2015	100.00	0.00	0.00	0.00	0.00	0.00
Start of Water Year 9/27/2016	17.15	82.85	47.12	17.94	6.36	0.00
One Year Ago 11/3/2015	63.77	36.23	0.00	0.00	0.00	0.00

Intensity:



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:

Deborah Bathke National Drought Mitigation Center









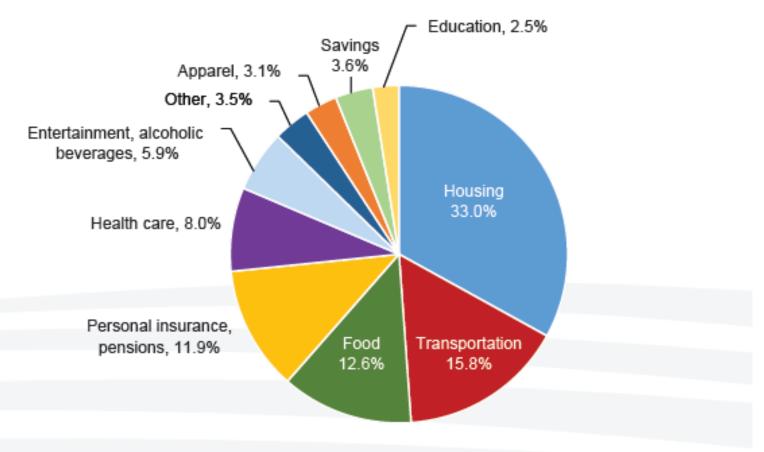
http://droughtmonitor.unl.edu/

Weather Local and National

Corn & Soybeans – Midwest matters Cotton & Peanuts – Alabama matters Vegetables, Greenhouse, Shrubs – Localized



Share of U.S. household consumer expenditures by major categories, 2016



Note: "Other" includes personal care products, tobacco, and miscellaneous expenditures. Source: USDA, Economic Research Service using data from U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, 2016.



Rural Concerns

- Rural Healthcare
- Trade Deals NAFTA, TPP, etc
- Labor
- Broadband
- General Economy
 - Rural areas slower to recover







- Very Diverse
- Profitability is a concern
- Natural Resources
 - Water
 - Climate



More Locally grown/consumed products desired

Alabama Agriculture and Food Deserts



Food Deserts in Alabama: How can Alabama agriculture help?

Brittney Goodrich

Assistant Professor and Extension Specialist

Dept of Agricultural Economics and Rural Sociology

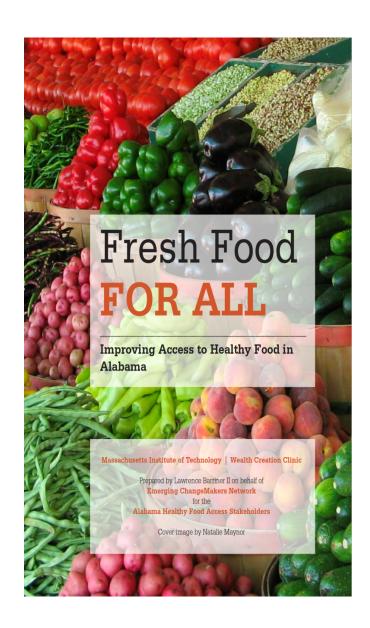
Auburn University

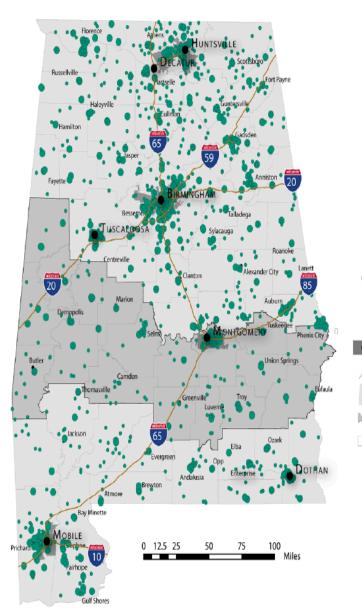




Food Deserts

- Definition from Barriner, L. et al. (2014):
 - Part of a low-income community where access to fresh, affordable, healthy food is limited
- Potential effects:
 - High rates of diet related diseases (Diabetes, obesity, heart disease)
 - Low quality of life
 - High medical costs





MAP 1

Supermarket & Grocery Store Locations

Sales volume of store annually (in \$1,000s)

- \$5,622 or below
- \$5,623 \$174,000

Other Symbols

Major City

Interstate Highway

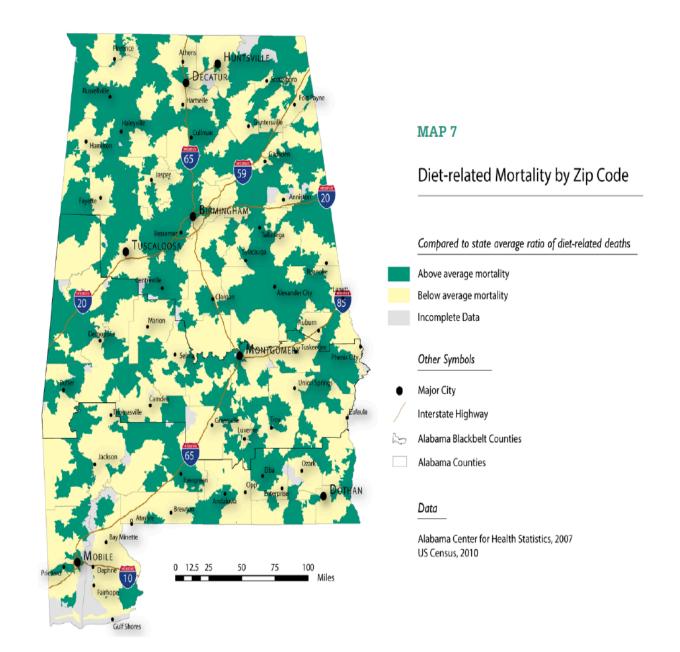
Alabama state boundary

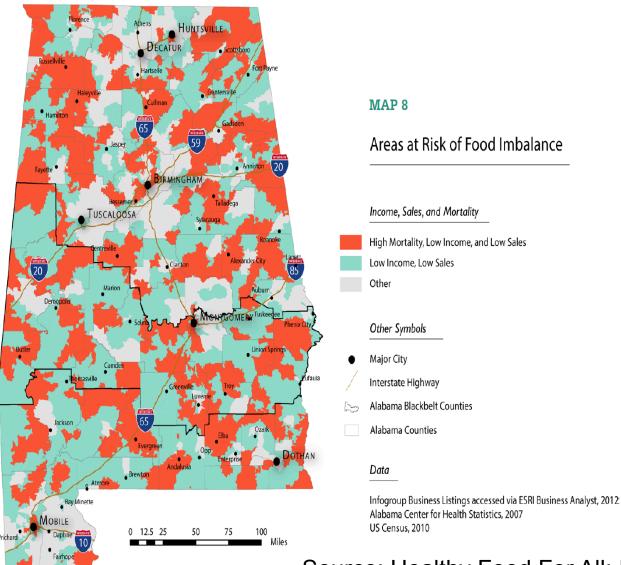
Alabama Blackbelt Counties

Alabama Counties

Data

Infogroup Business Listings accessed via ESRI Business Analyst, 2012 US Census, 2010





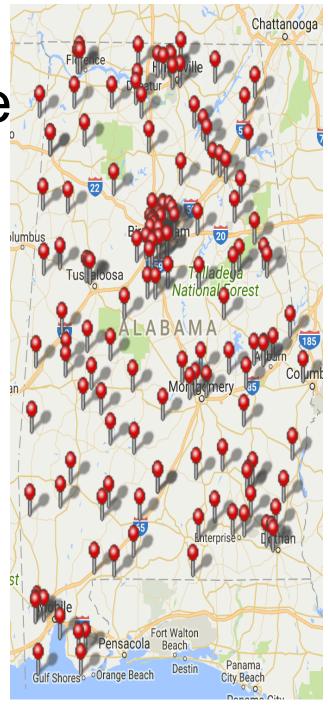
Source: Healthy Food For All: Improving Access to Fresh Food in Alabama, MIT, Emerging ChangeMakers Network, Alabama Healthy Food Access Stakeholders, 2014

Solutions to Alabama's Food Deserts:

- More supermarkets?
 - Solution for urban, but unlikely in rural areas
 - Limited demand and logistics difficulties make additional supermarkets economically infeasible
- Alternative: Local foods?
 - Not just for Millennials
 - Utilizing local foods can:
 - Increase AL farm incomes
 - Increase health and well-being of rural residents
 - Decrease healthcare costs
 - Support AL infrastructure and economic development

Direct-to-Consume

- 1999:
 - 17 Farmers Markets
 - 234 Vendors
- Today:
 - 168 Farmers Markets
 - 980 Vendors



Farmers Markets and Food Insecurity

- How can farmers markets address food insecurity?
 - Give farmers market vendors the tools to accept Supplemental Nutrition Assistance Program (SNAP) and Women, Infants, and Children (WIC) programs



Food Hubs

- USDA Definition: A centrally located facility with a business management structure facilitating the aggregation, storage, processing, distribution, and/ or marketing of locally/regionally produced food products
- Benefits:
 - Provide wider access to markets for small and mid-sized producers
 - Increase access to healthy foods in rural areas
 - Capture local food dollars
- Potential for expansion in AL
 - If AL residents purchased 15% of their food for home use directly from AL farmers
 - \$980 million of additional annual income for AL Farmers (Meter, 2011)

Farm Food Collaborative

• 2012: First (and only) food hub in A

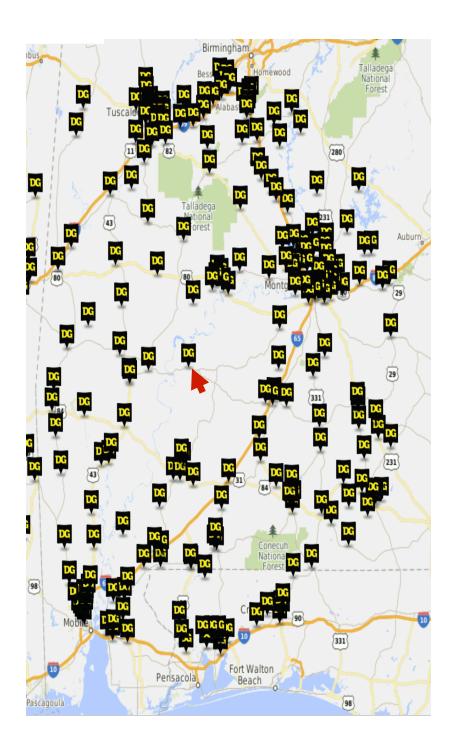
- Huntsville, AL
- Food Bank of North Alabama
- Connects local farmers with buyers
 - School districts, distributors, grocery stores, restaurants
- Since 2012:
 - Number of farms with food safety certification increased from 2 to 29
 - Facilitated \$600,000 in commercial sales
 - Helped AL Dept of Ed purchase \$1.6 million of fruits and vegetables for AL school lunches

Improve Food Quality in Smaller Stores

- Dollar General remodeling stores with more fresh produce
 - Average number cooler doors
 - 2012: 10
 - 2017 (Expected): 17



- Potentially significant for AL rural communities
 - Especially if local



 255 Dollar General stores within 100 miles of Camden, AL

Grocery Delivery

- Wright's Market
 - Opelika, AL



- As far as Phenix City to Shorter (~30 mile radius)
- Working to improve efficiency of logistics
- Approximately 40% of sales at Wright's Market are to SNAP customers
- Participating in USDA Pilot program allowing SNAP participants to use online-purchasing and delivery
 - Other Participants: Amazon, Wal-Mart
- Additional goal: Incorporate healthcare into grocery delivery
 - RNs at delivery locations to perform health screenings



Traveling Grocery Stores Corner market

Corner Market

 Community Food Bank of Central Alabama

- Locations:
 - Nauvoo
 - Sipsey
 - Pratt City/Birmingham





Ongoing Challenges for Alabama

- How to get healthy food into low-income, rural communities in an economically-feasible way?
 - Balancing act:
 - Must be profitable for farmers, grocery deliverers, and food hubs
 - Logistics important
 - There must be a demand from residents
 - Not too expensive
 - Accept SNAP and WIC participants

Resources:

- Developing food hubs in the South:
 - http://www.ssawg.org/foodhubs/
- Alabama Farmer's Market Authority
 - http://www.fma.alabama.gov/
- USDA Local Foods
 - https://www.ams.usda.gov/services/local-regional/fooddirectories
- Assisting Alabama farmers with regulations of direct-to-consumer marketing:
 - http://nationalaglawcenter.org/wp-content/uploads/assets/articles/ rrumley_alabamadirectfarm.pdf





Thank You! Questions?

