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Legacy Report

Delaware farm income is rising, nearly a quarter of state farmland is permanently preserved, new generations are starting their own farms, more land is irrigated, and city neighborhoods are benefiting from urban farms and gardens. Those are a few snapshots of how Delaware agriculture has thrived and grown under the Markell Administration.

The environment that the administration has developed and nurtured has helped lead to unprecedented prosperity in Delaware's agriculture sector. That in turn has allowed our residents to buy locally raised farm products for relatively low prices - everything from chicken to watermelon, lima beans to peaches.

Under Secretary Ed Kee and Deputy Secretary Austin Short, the Delaware Department of Agriculture has worked over the last eight years to enhance and promote the strength and viability of our agriculture industry, which accounts for \$1.2 billion in sales and has an estimated \$8 billion economic impact.

Notable success stories include the preservation of farmland; the startup of new young farmers; leadership development for the agriculture community; the expansion of irrigation; the success of the buy-local movement for fruits and vegetables; the support to the poultry and grain sectors; and the growth of urban agriculture.



PRESERVING AND PROTECTING FARMLAND

More farms have become permanently preserved under the Markell Administration than under either previous governor.

More than 30,000 new acres of farmland, making up 320 farms, have been preserved under the Markell Administration, more than a fifth of the total acreage in permanent preservation. This means more opportunity for farmers, more open space for Delawareans to enjoy, and the establishment of a core base of farmland that will sustain future generations.

BENCHMARKS

In spite of the state's financial and budgetary challenges, more individual farms have been enrolled in farmland preservation under Gov. Markell (320) than in under either Gov. Minner (265) or Gov. Carper (237). Total acreage and expenditures are down in comparison, however.

In 2013, according to the American Farmland Trust, Delaware accounted for 15.4 percent of all preservation easements acquired by states, only behind Pennsylvania.

More than 120,000 acres of farmland have been permanently preserved since the Delaware Farmland Preservation Program began purchasing preservation easements in 1996.

PRESERVATION BY ADMINISTRATIONS

Carper (5 years)

237 farms, 53,468 acres

Payments to Landowners: \$55.246 million

Landowner Discounts: \$41.153 million

Minner (8 years)

265 farms, 33,911 acres

Payments to Landowners: \$90.784 million

Landowner Discounts: \$106.468 million

Markell (7.5 years)

320 farms, 30,085 acres

Payments to Landowners: \$64.649 million

Landowner Discounts: \$131.549 million

Note: Totals are estimated, as settlements have occurred on just two of the 17 easements selected for Round 20. Additionally, Round 21 easements are expected to be announced in December, increasing this administration's totals.

SUPPORTING YOUNG FARMERS

Twenty-seven young farmers have broken into farming or expanded their businesses thanks to a Markell Administration initiative.

There are 27 young farmers across the state working the land and raising livestock and poultry who may not be doing so without the help of the Markell Administration. The Delaware Young Farmers Program provided them with no-interest loans to purchase land, often an obstacle to young people with little capital. More than 2,230 acres have been purchased through the program so far. This means that more land is in farming, more land is permanently preserved, and young generations are starting new family farms.

BENCHMARKS

Before the Markell Administration, Delaware had no program to help young farmers get their start. The Administration recognized that the cost of land represented a high barrier to new farmers looking to set out on their own, and began this program with strong support from members of both parties in the General Assembly.

Note: Totals include only settled loans. Six additional loans on 287 acres have been approved, but not yet settled, totaling 33 loans of \$7.448 million for the life of the program.

DEVELOPING NEW LEADERS

43 farmers and agriculture professionals have benefited from leadership training through a joint Markell Administration/UD program.

The business of agriculture has grown in new areas with new technology and production strategies, and translating those needs to the public and policy makers is critical. Agriculture and related industries need experienced and trained advocates to provide a voice and a direction for the future of the industry. The LEADelaware program is a partnership between the Delaware Department of Agriculture and the University of Delaware to offer the next generation of farmers and agricultural leaders an opportunity to find that voice. Over two years, the LEAD Fellows learn about state, national and global agriculture; state and national policymaking; and valuable leadership skills such as communications, conflict management, personal development and more.

BENCHMARKS

The program began with one class of Fellows under the Minner Administration; the Markell Administration has seen three classes. The Administration created a \$20,000 line item in DDA's FY16 budget to fund the program. Since the completion of the LEADelaware program, many Fellows have become leaders in their communities or careers. Farmers include Dave Marvel, Mark Davis and Brandon Bonk, who are often asked to serve on boards and committees throughout the state. Philip Dukes, a farmer from Milton, joined several farmers to visit with the Governor in spring 2015 in support of the farmland preservation program. Robin Talley, from the USDA Farm Service Agency, received the 2015 Secretary's Award for Distinguished Service to Agriculture.

GROWING IRRIGATION

Nearly 3,200 acres of Delaware cropland are newly irrigated thanks to an innovative Markell Administration loan initiative.

More than 3,190 acres of Delaware cropland are now irrigated that would not have been thanks to a Markell Administration initiative providing \$1.18 million in loans. The Delaware Rural Irrigation Program began in 2011 as a risk management tool for our farmers. A DDA-commissioned study on field corn irrigation found that in 2013, irrigated fields produced 27 percent more corn per acre on average than non-irrigated fields. Irrigation also provides environmental benefits, making crops more efficient in the uptake of nutrients so they don't remain in the soil during dry weather and then add to nutrient loading during the wet fall and winter months.

BENCHMARKS

Before the Markell Administration, Delaware had no program to help expand irrigation and help ensure profitability in the face of drought. The Administration recognized that the cost of equipment and installation created an obstacle to some farmers, and launched DRIP to assist them, operated jointly by DEDO and DDA; 56 loans have settled thus far.

Irrigation through DRIP should increase corn yields by approximately 100 bushels per acre. While the exact economic impact will vary from year to year depending on crop prices, using corn prices around \$4 per bushel, we arrive at an economic impact of \$1,278,000 for 2016 for the 3,195 acres that have added irrigation thanks to DRIP.

SUPPORTING FRUIT AND VEGETABLE GROWERS

Delaware families are buying more local food than ever, and Delaware farmers are selling more fruits and vegetables to more markets.

Delaware families are buying more local food than ever - from farmers' markets, farm stands and grocery stores – thanks in part to the marketing support provided by the Markell Administration. Delaware farmers are recognizing increased opportunity in selling to groceries, institutions and foreign markets. This benefits both residents who enjoy the best fresh food and farmers who are seeing increased revenues.

BENCHMARKS

There are a variety of benchmarks that reveal this trend:

- Our family farms sold \$4.3 million of food products direct to consumers in 2012, up from \$3.5 million in 2007, according to the U.S. Census of Agriculture. That includes roadside stands, farm retail operations, or farmers' markets.
- Delaware's community-run farmers' markets have seen sales increase more than 225 percent, from \$800,000 in 2008 to \$3 million in 2015. That includes sales of products from farmers and value-added products such as breads, jams, or cheeses.
- Multiple farmers' markets are now offering sales to SNAP recipients, a program that began with a state-supported pilot program under the Markell Administration.
- Several markets are piloting a new WIC program in the latter half of summer 2016, in a partnership with DDA and DHSS. Many markets have expressed interest in participating in the 2017 season.
- All 19 public school districts are now purchasing products from Delaware farmers, which was supported by the establishment of a formal Farm to School program begun under the Markell Administration.
- Anecdotally, more farmers are selling more products to grocery stores in Delaware, including sweet corn, apples and watermelon. Partnerships between the Kenny Family ShopRite stores and southern Delaware farmers have been bolstered with three years of farm tours organized by the Department of Agriculture.
- Relationships have been cemented between state growers and growers and buyers in Chile and Canada through a series of trade missions in partnership with the Department of State that will bear fruit in future years.

STRENGTHENING POULTRY AND GRAIN

Supporting economic opportunity and improving water quality have been hallmarks of the Markell Administration.

Poultry is Delaware's dominant agricultural sector, making up more than 65 percent of farm cash receipts. More than 670 family farms grow broiler chickens, and more than 700 farms grow corn and soybeans primarily to feed those birds. While the growth in the sector is primarily driven by market demand, the Delaware Department of Agriculture under the Markell Administration has made strengthening and supporting this industry a priority in a variety of ways.

BENCHMARKS

- DDA sought and achieved passage of legislation in 2014 (S.B. 160) increasing the weight limit for live-haul poultry trucks within 100 miles of processing plants. This led to savings approaching \$327,000 from the four processing companies in the first 15 months after the law was signed. This was a new initiative under the Markell Administration.

Jim Perdue, Chairman, Perdue Farms: "The State of Delaware under Governor Markell has been a great partner with Perdue Farms. Gov. Markell's appreciation for business and specifically for agriculture's importance has created a supportive environment for growth in our foods and agribusiness divisions. Gov. Markell has always been eager to help grow our business and we have enjoyed working with him. A good example is the cooperation between the State of Delaware and the poultry industry on live poultry transport. Surrounding states allow higher Gross Vehicle Weights for trucks hauling live poultry. The Secretary of Agriculture worked with our trade organization, Delmarva Poultry Industry Incorporated, to raise allowable trailer weights. Higher trailer weights reduces the number of trips to farms, thus less emissions and fewer trucks on the roads, and reduces our carbon footprint. This partnership allowed the Delaware poultry industry to remain competitive with other growing areas."

- More poultry litter is now relocated with state support out of areas with a surplus to areas in need of the valuable fertilizer, decreasing the environmental load on the land and waterways. Under the Markell Administration, there has been a 78 percent increase in state-supported relocated tonnage, now at 697,784 tons, up from 390,701 tons during the Minner Administration.
- Delaware poultry growers and companies are fully prepared for an outbreak of avian influenza, which has threatened our state's dominant industry. DDA has led this effort, writing a new response plan and bringing together a coalition of partners to address this potential challenge.

GROWING URBAN FARMS & COMMUNITY GARDENS

The number of community gardens has increased substantially with support from the Markell Administration.

A variety of grassroots projects and initiatives supported by the Markell Administration have collectively led to more access to fresh produce for urban residents, which enhances nutrition and improves economic opportunity.

These are partnerships that represent the best of public-private cooperation, and have been supported by the Department of Agriculture with financial support, through building relationships, or by sharing expertise.

- Throughout New Castle County and the City of Wilmington, there are now more than 70 community gardens and urban farms, up from almost none eight years ago. These range from small shared neighborhood plots to larger ventures such as the 12th and Brandywine Urban Farm or the Rodney Reservoir garden.
- DDA has supported Urban Acres, an operation of four farm stands, by building relationships with farmers from Kent and Sussex counties and connecting Urban Acres with the Philadelphia Food Trust to work on a grant for additional technical assistance in expanding the distribution. This has increased access to fresh fruits and vegetables to low-income neighborhoods in Wilmington sourced from southern Delaware farmers.
- The Cool Spring Farmers' Market, established with support from DDA, has seen sales increase from \$32,000 in 2011 to \$61,357 in 2015.
- A healthy corner store initiative funded by a federal grant through DDA is working to stock healthy products in neighborhood shops.
- A multi-purpose garden housed at Herman Holloway Campus in Newark began in 2010. This project was a partnership between DDA and DHSS. The garden offers a weekly farmers' market, a community supported agriculture (CSA) program, and therapeutic elements for the residents of the Campus.

DDA has institutionalized these varied initiatives through a micro-grant urban agriculture program, providing small grants of up to \$1,000 range to assist urban farms and community gardens across the state. A DDA pilot program provided \$10,000 in total funding to 11 sites during FY16, and the Markell Administration created a \$20,000 line item in the FY17 budget. Ranking bonuses are given to projects in the Administration's Downtown Development District program.

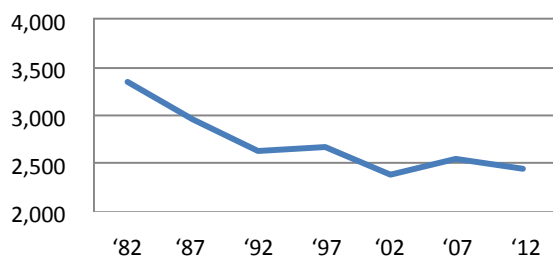
BENCHMARKS

These projects have all begun or grown dramatically under the Markell Administration. There were only a handful of community gardens at the start of the Administration, and the other initiatives did not exist.

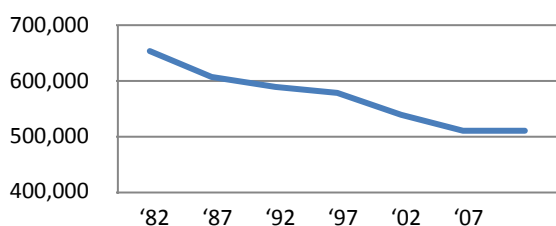
DELAWARE FARMING STATISTICAL SUMMARY



Number of farms, 1982-2012 *2012: 2,451 farms*

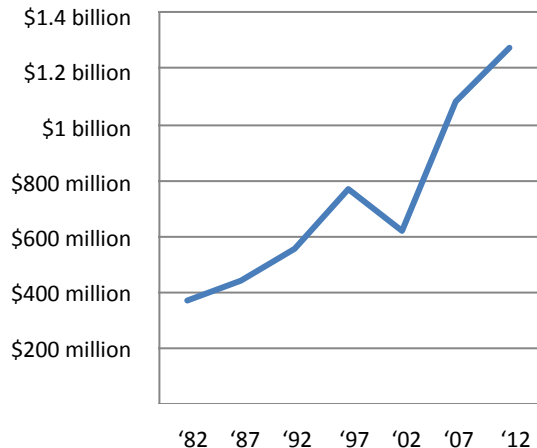


Acres in farmland, 1982-2012 *2012: 508,652 acres*

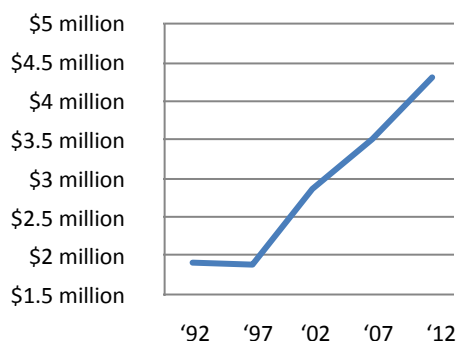


Market value of agricultural products sold, 1982-2012

2012: \$1.3 billion



Products sold directly to consumers for human consumption, 1992-2012 *2012: \$4.3 million*



COUNTY SNAPSHOTS

NEW CASTLE COUNTY

Farms: 374, or 15 percent of state farms

Farm acreage: 64,169

- 22 percent of county land
- 12.6 percent of state farmland

Average farm size: 172 acres

KENT COUNTY

Farms: 863, or 35 percent of state farms

Farm acreage: 172,251

- 45 percent of county land
- 33.8 percent of state farmland

Average farm size: 200 acres

SUSSEX COUNTY

Farms: 1,214, or 49 percent of state farms

Farm acreage: 272,232 acres

- 44 percent of county land
- 53 percent of state farmland

Average farm size: 224 acres

STATE SNAPSHOTS

FARM SALES

- 35 % of farms sell less than \$10,000 per year
- 30 % of farms sell more than \$500,000 per year
- 15 % of farms sell more than \$1 million per year

FARM SIZE

- 56 % of farms are under 50 acres
- 21 % of farms are between 100 and 500 acres
- 10 % of farms are larger than 500 acres