

April 2024



Agricultural Economic Development Assessment

CHARLES COUNTY, MARYLAND



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Charles County Government
Economic Development Department

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ACKNOWLEDGEMENTS

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INTRODUCTION

Several decades removed from what was once predominantly recognized as a single-crop identity, Charles County, Maryland, has a rich history of traditional agriculture. Located within the rapidly developing D.C. Metro Region, Charles County is experiencing growth in a historically rural region, and local agriculture is continuing to evolve and have a positive impact on the local economy.

Agriculture has been a mainstay of the region's economy and culture for many years but since the decline in the region's tobacco industry, the County's agricultural landscape has become far more diversified. Today, Charles County is home to 371 farms across more than 47,000 acres.

Although traditional agriculture remains prominent in the State of Maryland, a steady decline in total farms and farmland is leading to new and emerging trends capable of keeping farming operations sustainable. These trends, such as agritourism and value-added agriculture, present opportunities for growth within the agricultural industries but may require adjustments to policy and regulatory framework.



BACKGROUND

Farms and Farmland

The 2022 USDA Census of Agriculture reported 371 farms in Charles County across 47,747 acres (see Table 1). Although Charles County has the fourth most farms out of the five Counties in the Southern Maryland region (Prince George's, Anne Arundel, Calvert, Charles, and St. Mary's), it has the second most farm acreage and largest average farm size as reported by the Census of Agriculture.

Table 1
Maryland Farms and Acreage, By County

	# of Farms	Farm Acreage	Avg. Farm Size
Allegany	270	34,179	127
Anne Arundel	454	36,003	79
Baltimore	783	70,217	90
Calvert	285	24,654	87
Caroline	525	111,470	212
Carroll	1,180	130,195	110
Cecil	575	81,040	141
Charles	371	47,747	129
Dorchester	366	129,197	353
Frederick	1,367	188,832	138
Garrett	680	95,546	141
Harford	613	65,954	108
Howard	345	37,639	109
Kent	396	141,662	358
Montgomery	583	69,759	120
Prince George's	381	32,892	86
Queen Anne's	505	162,145	321
St. Mary's	656	64,380	98
Somerset	244	63,019	258
Talbot	357	96,228	270
Washington	869	121,251	140
Wicomico	384	69,906	182
Worcester	361	104,121	288
Maryland	12,550	1,978,036	158

Source: USDA Census of Agriculture



Since 2012, it was reported that Charles County gained about 1,000 acres of active farmland in 2022. This reported gain in acreage is a 2.3% increase reported in the last 10 years (see Table 2). This increase is a far greater gain than statewide trends. Although active farm acreage has been on the steady decline statewide over the past decade, the State of Maryland has seen just a .6% loss since 2017.

Maryland's reported number of farm operations also decreased by approximately 2.5% from 2012 to 2022. The similar percentage lost in both number of farms and total acreage kept the average farm size across the state hovering around 160 acres. Charles County, which has historically had an average farm size below the State average, has seen the average farm size increase more than 5%, from 122 to 129.

Despite the gain of agricultural acreage, Charles County has experienced a significant decline in the total number of farms by over 2%, losing 11 farms.

Table 2
Charles County Farms and Acreage

	2012	2022	% Change
Number of Farms	382	371	-2.88%
Land in Farms (acres)	46,659	47,747	2.33%
Average Size of Farm (acres)	122	129	5.74%

Source: USDA Census of Agriculture



Most Charles County farms reported in 2022 were under 50 acres, and the shift to smaller acreage operations is significant. However, the only visible growth in farm numbers were for operations 500 to 999 acres (see Table 3). The total number of farms between 500 and 999 acres in size saw a major increase of more than 45% over the 10-year span, from 11 to 16 farms.

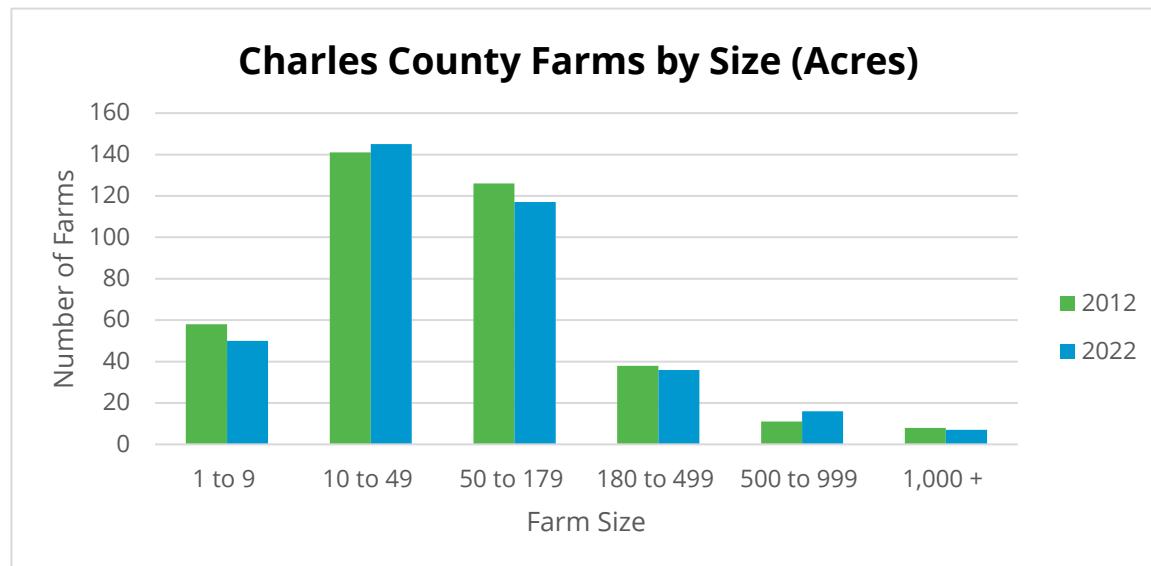
With the increase in smaller-sized farms throughout Charles County, the loss of larger farms was not consistent by size. Although Charles County has had fewer than ten farm operations on 1,000 or more acres. In 2022 Charles County lost 1 large-scale operations. As of the 2022 USDA Census of Agriculture, nearly 85% of Charles County farms are less than 180 acres in size (see Figure 1).

Table 3
Charles County Farms by Size

	# of Farms		% Change
	2012	2022	
1 to 9 (acres)	58	50	-13.79%
10 to 49 (acres)	141	145	2.84%
50 to 179 (acres)	126	117	-7.14%
180 to 499 (acres)	38	36	-5.26%
500 to 999 (acres)	11	16	45.45%
1,000 + (acres)	8	7	-12.50%
Total Farms	382	371	-2.88%

Source: USDA Census of Agriculture

Figure 1



Source: USDA Census of Agriculture



Farm Sales and Market Value

Charles County farms saw significantly steady growth in the market value of products sold over a 10-year span, despite a loss of more than 10 farms. Charles County farmers generated \$20,685,000 in gross sales in 2022 (see Table 4).

Table 4

Total Market Value, by County

In \$1000	Total Value	Crops	Livestock
Allegany	\$ 6,129	\$ 4,678	\$ 1,451
Anne Arundel	\$ 25,468	\$ 19,946	\$ 5,522
Baltimore	\$ 92,699	\$ 84,845	\$ 7,853
Calvert	\$ 15,249	\$ 12,075	\$ 3,174
Caroline	\$ 371,334	\$ 100,819	\$ 270,515
Carroll	\$ 138,487	\$ 86,280	\$ 52,207
Cecil	\$ 177,105	\$ 101,468	\$ 75,637
Charles	\$ 20,687	\$ 19,032	\$ 1,655
Dorchester	\$ 365,666	\$ 100,552	\$ 265,115
Frederick	\$ 184,393	\$ 98,997	\$ 85,397
Garrett	\$ 31,976	\$ 17,288	\$ 14,688
Harford	\$ 65,894	\$ 48,435	\$ 17,459
Howard	\$ 29,631	\$ 26,353	\$ 3,278
Kent	\$ 189,070	\$ 108,601	\$ 80,469
Montgomery	\$ 70,914	\$ 66,793	\$ 4,121
Prince George's	\$ 22,658	\$ 18,671	\$ 3,987
Queen Anne's	\$ 283,334	\$ 145,799	\$ 137,536
St. Mary's	\$ 35,266	\$ 29,164	\$ 6,102
Somerset	\$ 288,475	\$ 33,789	\$ 254,686
Talbot	\$ 109,705	\$ 67,495	\$ 42,210
Washington	\$ 167,907	\$ 55,297	\$ 112,610
Wicomico	\$ 396,840	\$ 97,962	\$ 298,878
Worcester	\$ 289,182	\$ 55,247	\$ 233,935
Maryland	\$ 3,378,072	\$ 1,399,588	\$ 1,978,483

Source: USDA Census of Agriculture



There has been consistency among the share of both crop and livestock within total market value of products sold. Since 2012 there has been a consistent split of around 90% crop to 10% livestock operations. Crop sales saw close to \$9 million in growth since 2012 and account for closer to 92% of Charles County total farm gross sales (see Table 5). Livestock sales have increased by 35% in sales since 2012 and is now approximately 8% of total market value of products sold.

Table 5
Charles County, Market Value of Products Sold

	2012	2017	2022	% Change
Crop Sales	\$ 10,726,000	\$ 12,439,000	\$ 19,032,000	77.44%
Livestock Sales	\$ 1,220,000	\$ 1,626,000	\$ 1,655,000	35.66%
Total Market Value	\$ 11,946,286	\$ 14,065,205	\$ 20,685,000	73.15%

Source: USDA Census of Agriculture

Unlike a patterned trend towards smaller farm operations, the changes in breakdown of total sales by farm was scattered (see Table 6). In 2012, nearly than 75% of total farms reported total sales less than \$10,000 and only 1% reported sales of \$500,000 or more. In 2022, the total number of operations reporting \$500,000 or more in sales grew to a total of 9 with an increase of 125%. There was a 66%

growth in farms reporting between \$50,000 and \$99,999 in sales, noticeable growth also occurred in farms earning between \$10,000 and \$24,999, and another increase in the \$250,000 to \$499,999 range in farm sales.

Table 6
Charles County Farms by Sales

	2012	2017	2022	% Change
Less than \$9,999	281	262	245	-12.81%
\$10,000 to \$24,999	36	54	48	33.33%
\$25,000 to \$49,999	28	24	29	3.57%
\$50,000 to \$99,999	12	18	20	66.67%
\$100,000 to \$249,999	15	12	11	-26.67%
\$250,000 to \$499,999	6	8	9	50.00%
\$500,000 or more	4	7	9	125.00%
Total Farms	382	385	371	-2.88%

Source: USDA Census of Agriculture



Agricultural Commodity Diversification

The shifts in farm size and income over the past decade of Census data are reflective of a diversifying industry. However, the full story of Charles County agriculture's evolution spans several decades, back to when tobacco was the predominant economic driver in regional agriculture. The Census of Agriculture reports released in the late 1970's and early 1980's reported about twice as many farms in Charles County as there are today, with more than 500 of those farms growing tobacco. By 1997, the Census of Agriculture had the number of Charles County farms down to nearly 100.

With the State's implementation of the Tobacco Buyout Program in 2000, Maryland put an emphasis on finding alternatives to tobacco and offered opportunity for diverse agricultural operations across the state. By 2012, the number of farms growing tobacco was in the single digits, as of 2022 there were no tobacco farms reported (see Table 7). The steady decline of tobacco in the region opened the door for significant growth in other commodities such as grains, vegetables, and pork.

Table 7
Charles County, Market Value of Product by Commodity

	2012	2017	2022	% Change
Tobacco	*(D)	(D)	\$ *-	-
Grains, oilseeds, dry beans, and dry peas	\$ 7,596,000	\$ 8,292,000	\$ 13,497,000	77.69%
Vegetables, melons, potatoes	\$ 942,000	\$ 2,065,000	\$ 2,274,000	141.40%
Nursery, greenhouse, floriculture, sod	\$ 1,526,000	\$ 899,000	(D)	-
Cattle and calves	\$ 508,000	\$ 462,000	\$ 561,000	10.43%
Hogs and Pigs	\$ 48,000	\$ 93,000	\$ 22,000	-54.17%

*(D)- Withheld to avoid disclosing data for individual farms

*(-)- Represents zero

Source: USDA Census of Agriculture

Although changes in the industry are apparent based on data from the Census of Agriculture, the evolution of local agriculture goes beyond what is now grown in fields or raised in pastures. The USDA Census of Agriculture captures a great deal of what has changed over past decades but does not account for the various industry trends that are quickly changing the local agricultural landscape.



An Aging Profession and Shifting Demographics

Along with the changing landscape of farms and agriculture-related industries, the demographics of principal producers are also changing. The USDA Census of Agriculture represents farming as a profession with one of the highest average ages nationwide. Charles County is slightly below the State and nationwide average, at 57 years old. Since 2012, Charles County saw a 625% increase of producers between the ages of 25 to 34. While the county average is slightly lower than the state and national average age nearly 64% of Charles County's principal producers are 55 years or older (see table 8).

Table 8

Farm Operator Ages

	2012	2017	2022	% Change
Under 25 years	28	3	22	-21.43%
25 to 34 years	8	23	58	625.00%
35 to 44 years	35	53	98	180.00%
45 to 54 years	65	105	82	26.15%
55 to 64 years	101	131	207	104.95%
65 and older	145	196	237	63.45%

Source: USDA Census of Agriculture

Along with growth in minority representation within these industries, the increase in female producers is a state- and nationwide trend. Since 2012, the number of female producers has increased by over 20%, from 223 to 269 female producers (see table 9).

Table 9

Producers by Gender

	2012	2017	2022	% Change
Male	391	401	435	11.25%
Female	223	239	269	20.63%
Total	614	640	704	14.66%

Source: USDA Census of Agriculture

Historically, the USDA Agriculture Census has not reflected much diversity among principal farm operators, with more than 95% of all principal producers nationwide identifying as White. Although the number of minorities owning and operating farms is on the rise, almost 4% of reported principal producers in Maryland identified as Asian, Hispanic, Latino or Spanish and Black or African American (see Table 10). Charles County's percentage of minority principal operators is consistent with the State of Maryland at nearly 5%. Charles County's reported Hispanic, Latino, or Spanish and Black or African American principal producers account for more than nearly 4% of the County's total, and approximately 6% of the State's total principal producers.

The shifts in farm numbers, sizes, and demographics of principal producers are influencing and opening the doors for trends that are reshaping what a sustainable economy looks like for farms and agriculture-related industries.



Table 10
Farm Producers by Race, by County

	Hispanic, Latino, or Spanish Origin	American Indian/ Alaska Native	Asian	Black/ African American	Native Hawaiian / Pacific Islander	White	More than one race reported	Total Principal Producers
Allegany	0	0	0	0	0	460	4	464
Anne Arundel	12	7	3	18	2	871	2	915
Baltimore	18	1	7	38	0	1,422	10	1,496
Calvert	6	4	11	18	0	488	1	528
Caroline	13	1	9	7	1	877	5	913
Carroll	24	2	6	4	1	2,182	11	2,230
Cecil	19	0	1	0	0	1,035	12	1,067
Charles	14	5	2	12	0	680	5	718
Dorchester	4	0	31	3	0	615	3	656
Frederick	22	2	38	6	4	2,599	34	2,705
Garrett	7	0	1	1	0	1,224	5	1,238
Harford	10	8	5	1	0	1,159	17	1,200
Howard	26	0	11	21	0	673	21	752
Kent	5	0	0	0	0	809	7	821
Montgomery	34	2	28	23	0	1,135	8	1,230
Prince George's	16	2	10	69	0	580	21	698
Queen Anne's	9	7	0	8	0	943	10	977
Somerset	0	0	51	7	0	1,179	7	1,244
St. Mary's	11	2	4	3	0	332	6	358
Talbot	10	0	14	2	0	656	0	682
Washington	17	0	6	5	0	1,586	6	1,620
Wicomico	11	2	60	2	1	548	5	629
Worcester	13	1	39	21	0	593	0	667
Maryland	301	46	337	269	9	22,646	200	23,808

Source: USDA Census of Agriculture



TRENDS

Buy Local Movement

The viability of small-scale farms relies heavily on support from local consumers and the growing "Buy Local" movement. Selling directly to consumers allows farms to control higher margins on sales, and knowing the source allows consumers more transparency and familiarity with the food they consume. This consumer consciousness is foundational to the rise in other trends across the industry.

Although this trend towards direct sales and connecting with the local community has been current and rapid, the nationwide pandemic that began slowing and stopping the food supply chain in March of 2020 further emphasized the importance of local producers and community sustainability.

The "Buy Local" movement has many farms establishing or expanding business operations to include on-farm stands or store hours, local farmers markets, Community Supported Agriculture (CSA) subscriptions, deliveries, and farm-to-table relationships with local restaurant and other institutions.

This movement is not just a mind set for consumers or business model for local growers but encompasses events and promotions associated with educating the public on the importance of supporting local agriculture. Each July, the State of Maryland promotes "Buy Local Week" to encourage Marylanders to support their local farmers and producers by purchasing and enjoying locally produced farm products. In the Southern Maryland Region, the Southern Maryland Agricultural Development Commission (SMADC) has implemented the "Buy Local Challenge" (BLC) since 2007 and hosted a celebratory event to end each Buy Local Week.

Beyond this promotional week, SMADC implements numerous marketing projects and initiatives to promote buying local throughout the Southern Maryland region such as industry guides and industry-specific workshops to help farms expand or diversify.

Strengthening the grasp local producers have on the local food supply chain improves margins for these small businesses and opens the door for new and emerging ventures, such as value-added products and agritourism.



Value-Added Agriculture

The loss of farms and acreage in production is shifting the agricultural landscape. This shift towards buying local goods does not just include raw agricultural products but extends to processed or finished goods often referred to as "Value-Added Agriculture" (VAA), which aims to "enhance their social value, shelf-stability, and profitability". Value-added processing is now a significant part of the State's agricultural industries and can range in complexity of process and regulation.

A 2020 report released by Cultivate & Craft (formerly Grow & Fortify) on the economic impacts of Value-Added Agriculture in Maryland attributed nearly 74,000 jobs and a total statewide economic impact of more than \$20.6 billion annually. This report considered relevant forestry and energy products, seafood, agritourism, and certifications and marketing identity ("organic", "sustainable", etc.).

One of the fastest growing and an economically significant sector in value-added agriculture has been craft beverage production. Encompassing state-licensed wineries, breweries, distilleries, and other non-alcoholic beverages, the State's beverage industry is a sector of value-added agriculture that has experienced significant growth.

Just a few years ago, when the State of Maryland was home to nearly 100 wineries and breweries each, Charles County had neither a state-licensed brewery or farm winery and no generalized regulations to attract or retain this industry. In 2018, the Charles County Board of Commissioners

enacted a Zoning Text Amendment which defined on and off-farm alcohol production facilities. Since this legislation, Charles County welcomed its first state-licensed brewery and farm winery. Charles County also lacked a clear definition and regulatory framework for agritourism until 2021.

Another sector of value-added agriculture that faces challenges, but is gaining demand in the region, is locally produced meats. The processing of locally raised meats is heavily regulated as high as the federal level, and services for livestock support and meat processing are few and far between. Efforts are underway in the Southern Maryland Region to alleviate some of these challenges.

Value-added agriculture not only enhances local products for an end user, but also presents new opportunities for connecting with consumers in the form of farm visits and agritourism.



Agritourism

Agritourism is often associated with "Value-Added Agriculture" because it is intended to enhance the value of farm products and experiences. However, instead of connecting with consumers through various marketing and sales channels, agritourism operations invite the public on to the farm. Expanding into agritourism may present additional considerations and challenges for a business owner including liability exposure, health department codes and permitting, and zoning-related regulations. Some counties in Maryland currently have more than 20 agritourism operations and have implemented necessary regulations and policies to allow for this type of expansion within the agricultural industries. Although Charles County is home to a few agritourism operations, the County lacked a zoning definition for the use until 2021.

In 2019, to address the lack of framework and policy in place for modern agricultural trends, Charles County Government established the Rural Planning and Zoning Task Force. The Rural Planning and Zoning Task Force is a temporary advisory task force established to "identify regulatory challenges that undermine the preservation of the County's rural heritage and provide recommendations to the Board of County Commissioners..." with the goal of strengthening the business and regulatory environment for farms and agricultural businesses within Charles County. In November 2019, after numerous meetings over several months, the Rural Planning and Zoning Task Force presented several recommendations to the Board of County Commissioners to improve the County's regulatory framework as it relates to local farms and rising agricultural trends. One of the recommendations presented by the Task Force was a Zoning Text Amendment for agricultural related uses and agritourism, which began the public process in 2020 and was enacted in May 2021.

Defining "Agritourism" and expanding definitions and zoning language to recognize emerging value-added agricultural trends is the first step in supporting and strengthening the agricultural industries within Charles County.



SUMMARY CONCLUSIONS

- Charles County is seeing a rise of active farmland and rising farm sizes. While most farms are smaller scale due to shifting agricultural businesses into new directions and operations.
- Most Charles County farms are now smaller than 50 acres, and nearly 1 out of 10 farms is less than 10 acres.
- The decline in the tobacco industry several decades ago led to a significant shift in the diversification of Charles County farms, with vegetable and grain production showing the most growth.
- Although the USDA Census data is not all inclusive, there are related or natural resource-based industries, such as fisheries and forestry, that are economically beneficial and require the same considerations moving forward.
- The COVID-19 pandemic accelerated the growing “Buy Local” movement and shed light on the importance of transparency and local control of the food supply chain.
- “Value-Added Agriculture” and “Agritourism” are two economically beneficial trends that may require a modernized regulatory infrastructure.
- Since 2018, Charles County Government has implemented two Zoning Text Amendments to promote Value-Added Agriculture and Agritourism. Charles County most recently introduced a definition for “Agritourism” in 2021.

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