

**REPORT OF THE
SECRETARY OF ECONOMIC DEVELOPMENT ON**

**Efforts of the Commonwealth's
Agencies to Promote
Nontraditional Beneficial
Uses of Agricultural
Lands and Rural Resources
in Virginia**

TO THE GENERAL ASSEMBLY OF VIRGINIA



HOUSE DOCUMENT NO. 6

**COMMONWEALTH OF VIRGINIA
RICHMOND
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COMMONWEALTH of VIRGINIA

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MEMORANDUM

TO: Members of the Virginia General Assembly

The 1990 General Assembly, by House Joint Resolution 107 (1990), requested the Secretary of Economic Development and state agencies to promote the rural economy of the Commonwealth through all reasonable and beneficial means, including new and innovative uses of rural resources, and to report annually to the General Assembly.

Enclosed for your review and consideration is a report that has been prepared in response to this resolution.

In addition, the Governor held a statewide Rural Development Conference on September 20-21, 1990, and three task forces were appointed to further identify needs and develop recommendations for rural Virginia. We expect to have the report completed in January, 1991.

Sincerely yours,


Lawrence H. Framme, III

LHF, III/pcb

Enclosure

Preface

House Joint Resolution No. 107 (adopted 1990) requires eight named agencies--Virginia Polytechnic Institute and State University, Virginia State University, the Department of Agriculture and Consumer Services, the Department of Forestry, the Department of Game and Inland Fisheries, the Department of Economic Development, the Department of Conservation and Recreation, and the Department of Historic Resources--to report annually to the Secretary of Economic Development on, among other things, their efforts to encourage the nontraditional uses of agricultural lands and rural resources, who in turn is to report annually to the General Assembly on:

" . . .all efforts of the Commonwealth's agencies to promote the nontraditional beneficial uses of agricultural lands and rural resources in Virginia. Such report shall describe all efforts made by the state agencies to promote new beneficial uses of rural resources, the results of such efforts, and recommendations of the Secretary of Economic Development for the future."

Pursuant to the charge of House Joint Resolution 107, each of the agencies named above submitted to the Secretary of Economic Development a report, the highlights of which are compiled herein. The assistance of each of the agencies named above is hereby gratefully acknowledged. With help from staff in the Department of Agriculture and Consumer Services, staff in the Office of the Secretary of Economic Development drafted this report. The assistance of staff is also gratefully acknowledged.

This report is the first in a series of annual reports mandated by the joint resolution.

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Executive Summary

House Joint Resolution 107 requires eight named state agencies to report annually to the Secretary of Economic Development on their efforts to encourage the nontraditional uses of agricultural lands and rural resources. The Secretary in turn is to compile an annual report describing these efforts. This report is the first of the Secretary's annual reports.

It is evident, after reviewing the detailed agencies' report, that many programs are now in existence to encourage the nontraditional uses of agricultural lands and rural resources. The report details a myriad of nontraditional uses encouraged by the named agencies - from raising llamas and late varieties of cabbage to fostering bed-and-breakfast inns throughout the Virginia countryside. It includes raising apples intensively on the site of an abandoned coal mine, and describes programs of the state land-grant universities developed with an awareness that farmers may raise fish profitably and that tourism is a major industry that can benefit rural Virginia.

House Joint Resolution 107 requested the development and distribution of a Virginia Rural Development Assistance Guide and a Virginia Rural Recreational Opportunities Guide. Because of budget reductions in all state agencies and because no monies were appropriated for the two Guides, it was impossible to publish the two Guides this year.

Next year's report will include not only the agencies' traditional report, but will be based, at least in part, on efforts resulting from the Governor's Rural Development Conference held in September 1990 and the final report which will be finalized in December 1990.

Chapter 1. -- Introductory Chapter.

House Joint Resolution No. 107 (adopted 1990) requires eight named agencies to report annually to the Secretary of Economic Development on, among other things, their efforts to encourage the nontraditional uses of agricultural lands and rural resources, who in turn is to report annually to the General Assembly on:

". . .all efforts of the Commonwealth's agencies to promote the nontraditional beneficial uses of agricultural lands and rural resources in Virginia. Such report shall describe all efforts made by the state agencies to promote new beneficial uses of rural resources, the results of such efforts, and recommendations of the Secretary of Economic Development for the future."

Nontraditional use of land and resources can be important to the revitalization of rural economies. The ability of certain traditional rural activities, such as farming and forestry, to supply sufficient income to sustain fully all inhabitants of an area has been eroded, and many rural residents must supplement their incomes to survive. The use of agricultural lands and rural resources in nontraditional manners provides means by which to supplement income and new opportunities for economic development in rural areas.

Chapter 2. -- Efforts and Results

Virginia Polytechnic Institute and State University (VPI & SU)

Virginia Polytechnic Institute and State University:

-Is evaluating new vegetable enterprises for Virginia's Eastern Shore, an area where four major crops have been grown on 27,000 acres.

-Is attempting to lengthen the cabbage-producing season on the Eastern Shore, thus reducing problems associated with traditional harvests in September and the associated low prices accompanying large quantities of cabbage made available at harvest time.

-Has developed six local or area marketing guides for farmers selling agricultural products directly to consumers, and is cooperating with Maryland, West Virginia, and Pennsylvania in a regional direct-marketing publication to provide guidance to area farmers in marketing their products to local specialty outlets. These publications will concentrate on helping farmers understand the needs for local agricultural produce and how best to fill a marketing niche.

-In cooperation with Virginia State University, between 1987 and 1989, through the home-based business program, has assisted 12 bed-and-breakfast businesses and 15 alternative agricultural endeavors, including pick-your-own fruit and vegetable operations, rural retreats, raising llamas, mail-order shallots, and raising domestic rabbits and other animals (such as goats) for food. This program is continuing.

-Has been involved in distributing information on how to develop a bed-and-breakfast inn.

-Has published and distributed to more than 10,000 landowners a full-color bulletin entitled, "A Landowner's Guide to Wildlife Abundance Through Forestry" and offered to landowners representing 37,500 acres of rural land short courses emphasizing the optimization of wildlife production and use.

-Is conducting an inventory and water-quality assessment of springs in rural Virginia. One purpose of the study is to recommend economic uses of these springs for aquaculture and recreation.

-Is working to develop recirculating-water aquaculture units for use by rural landowners.

-Has established, in cooperation with the National Park Service, a research unit (in 1989) to increase recreation-oriented research. For example, two new studies are beginning which consider the economic value of small National Park Service areas (such as battlefields) to rural communities.

-Has developed a county-wide tourism marketing plan for Wise County. There are tentative plans to conduct such tourism-marketing plans for all of Southwest Virginia. The implementation of these plans is contingent upon receiving a grant from the Southern Rural Development Station (USDA, Mississippi).

-Is developing an undergraduate specialization in outdoor recreation, designed to increase the ability of students at the university to promote and manage outdoor recreation resources of all kinds, including rural lands.

-In conjunction with the Farmers' Direct Marketing Association conducts an annual conference devoted to enhancing pick-your-own produce opportunities.

Virginia State University (VSU)

Virginia State University has developed the Alternative Agricultural Program. The primary goal of the program is to help landowners become more knowledgeable about the production and marketing of new and nontraditional enterprises that will generate additional farm income. The university has emphasized developing and implementing educational programs in production and marketing of specialty crops, including exotic mushrooms, elephant garlic, medicinal herbs, culinary herbs, dried flowers, specialty fruits and vegetables, organic fruits, as well as organic and exotic livestock products. In addition, aquaculture and hydroponics have been recently added to the program.

Among accomplishments are the following:

-Offering a workshop on American ginseng and a presentation, in conjunction with VPI & SU, on commercial production of American ginseng. (Sixty-two people have begun commercial cultivation of American ginseng.)

-Conducting a session on alternative agriculture at the Virginia Sustainable Agriculture Conference in Charlottesville.

-Making 17 presentations during 1990 in Virginia on alternative agricultural enterprises.

-Demonstrating high-density apple production in Wise County on a coal mine reclamation site.

-Establishing several nontraditional agricultural enterprises and production-systems demonstrations on the university's Randolph Farm. More than 4,500 farmers, policy makers, agricultural professionals, and youth viewed the demonstrations.

-Through a special project funded by the Farmers Home Administration, working with individual small and part-time farmers, resulting in 78 farmers increasing their individual net worth by an average of \$1,940 and increasing their income by \$8,134.

-Developing a statewide aquacultural data base. Those interested in aquaculture may by telephone access information contained in the data base relating to such matters as marketing and production.

-Initiating a successful hybrid-striped bass distribution program to facilitate the establishment of a viable commercial aquaculture industry. As a result, approximately 50,000 fingerlings have been distributed to 25 cooperators throughout the Commonwealth.

-Conducting a series of workshops on home-based business opportunities, including a seminar on crafts marketing.

-Adding courses to the curriculum, including hydroponics, aquaculture, and alternative agriculture.

-In cooperation with VPI & SU between 1987 and 1989, through the home-based business program, assisting 12 bed-and-breakfast businesses and 15 alternative agricultural endeavors, including "pick-your-own fruit and vegetable operations, rural retreats, raising llamas, mail-order shallots, and raising domestic rabbits and other animals (such as goats) for food. This program is continuing.

-Educating landowners, especially small farmers and minorities, about the importance of wills and deeds in assuring that land is conveyed to intended beneficiaries. The project, the only one of its kind in Virginia, educates landowners about their rights and responsibilities. Sixteen thousand, one hundred seventy-three rural, urban, and suburban landowners received information on this subject during the year.

-Through the university's efforts, realizing the following results:

-Fifty-five landowners began commercial production of herbs and dried flowers for the first time.

-Forty-eight persons began commercial cultivation of elephant garlic.

-Two thousand one hundred limited-resource landowners increased their knowledge of water-quality issues through participation in the Small Farm Water Quality Effort.

-Two thousand five hundred farm families gained additional knowledge about or adopted practices in alternative agricultural production as a result of participating in educational tours, workshops, and seminars held at the university's Randolph Farm.

-Over 2,000 interested farmers, agricultural professionals, and vocational agricultural students have received materials or attended workshops describing the process for growing lettuce and tomatoes hydroponically.

-One thousand four hundred farmers in ten counties became aware of the provisions of the 1985 Food Security Act, which helped them to remain eligible for U.S.D.A. program benefits.

Department of Agriculture and Consumer Services

The Department of Agriculture and Consumer Services promotes an extensive network of pick-your-own produce by distributing more than a quarter of a million brochures each year describing the various pick-your-own commodities. Guides for this program include pumpkins, apples, honey, peaches, grapes, retail farmers' markets, berries, Christmas trees, vegetables, and herbs.

In addition to promoting pick-your-own operations, this department promotes diversification of agriculture. Diversification seeks to foster the production of crops and products not traditionally produced in a given area in an effort to increase the stability of the economy of the region in question and to increase opportunities for development of resource-based industries. The department's diversification activities, which seek to enhance marketing of agricultural products, are designed to work in conjunction with the efforts of VPI & SU and VSU, which seek to develop diversification products, technical assistance and information through research. The Department of Agriculture and Consumer Services' diversification programs include:

-Providing, in cooperation with Virginia State University, the Cooperator/Demonstrator program which supplies to fish farmers stocking fingerlings and specialized equipment in exchange for

production information to increase the data available on aquaculture.

-Assisting farmers in marketing the products of aquaculture and promoting the growth of the aquaculture industry.

-Funding, in cooperation with the Department of Housing and Community Development, a grant program that funds promising projects that seek to diversify the products of Southwest Virginia, a region which has relied heavily on coal production and a few types of agricultural products. Projects in this program have introduced a variety of new products to the Southwest, from potatoes to ginseng.

The Department of Agriculture and Consumer Services also works with the Farmers Market Board to design and build regional farmers markets for the State. These farmers markets are not simply the traditional markets to which the public comes to buy fresh produce straight from the farm, but these markets are also regional distribution facilities which may allow farmers in a region to bypass middlemen in the sale of their products to grocery stores and other national concerns.

Department of Forestry

The Department of Forestry reports that Virginia has an abundance of hardwood resources which are underutilized. The new Louisiana-Pacific plant in Dungannon is providing a new market for raw materials. In addition, the department:

-Is cooperating with the Virginia Department of Transportation and the USDA Forest Service in the development of bridges in which wood is substituted for steel and concrete.

-Has trained citizens in various ways to enhance forest-related markets and marketing.

-Has worked with the Mount Rogers Christmas Tree Growers to establish a Fraser fir seed-production area in Grayson Highland State Park to produce seedlings of this tree. (Fraser fir is an excellent Christmas tree.) A second seed-production area is planned in Burke's Garden in Tazewell County in cooperation with the Southwest Resource Conservation and Development project.

-Is lending major technical assistance in enrolling 133,000 acres, representing more than 1,300 landowners, in the Forest Stewardship Program, a program to lend coordinated conservation support from various state agencies to the landowner, by 1995. This program is federally funded and will provide better coordination of services from natural resources agencies and

organizations to the private landowner. (The Department of Forestry is responsible for disbursing these Forest Stewardship Program funds to other state agencies to carry out responsibilities in those agencies' respective fields.)

-Through the federally funded Conservation Reserve Program, is assisting landowners through financial incentives in converting poor-quality agricultural land to woodland. In most cases this land is no longer productive as farmland, and the economic welfare of the landowner is better served by growing trees.

Department of Game and Inland Fisheries

The Department of Game and Inland Fisheries has undertaken efforts to:

- Promote the leasing of hunting rights;
- Encourage participation in Federal Farm Programs (for example, maintaining fields for dove hunting under the Conservation Reserve Program);
- Develop regulations to legalize the farming of fallow deer;
- Encourage aquaculture;
- Improve management of ponds;
- Establish sporting clays ranges at the Amelia Wildlife Management Area and elsewhere in the Commonwealth; and
- Construct foxhound training preserves.

Department of Economic Development

The Department of Economic Development has undertaken a study of tourism as it relates to rural areas. The study states in part that:

- "Virginia's rural areas. . .possess special needs related to tourism and general economic growth. Much research, product development, and educational work needs to be done before rural areas can be truly marketed as a tourism destination.
- "The single...most important marketing issue affecting rural tourism development is that communities must look to product

development to make them more competitive with other destinations, both in-state and out-of-state.

- "In a survey taken of Virginia communities and cities who have some form of a destination marketing organization, and communities of like population size in competitive states, we found that the competition spends on the average, four to seven times more in promoting their destinations. Along with the fact that very few attractions in Virginia, of which there are over 700, have a marketing budget that allows them to market beyond that of publishing a brochure, Virginia's cumulative tourism marketing effect ranks as one of the lowest in the country.

- "Many programs--both existing and on the drafting table--are underway at the federal, state, regional and local levels to address issues inherent to rural tourism development. Both separately and in partnership, tourism's private sector and governmental agencies are working to reap the economic rewards for their respective constituencies.

- "Technical assistance programs are available from several state agencies, including the Virginia Community Development Block Grant Program, the Virginia Main Street Program, the Department of Historic Resources, the Virginia Commission for the Arts, the Virginia Foundation for the Humanities and Public Policy, and the Department of Economic Development--Division of Tourism."

Department of Conservation and Recreation

The Department of Conservation and Recreation has participated in the Forest Stewardship Program. This program is designed to help landowners identify opportunities for increasing the productivity of their lands while protecting resource values and maximizing the range of products their lands can produce. The Department is developing a guide, scheduled for completion late in 1990, that landowners and foresters can use to identify a wide range of alternative recreational uses, many of which can generate income, for forest lands and open space. The guide:

- Offers evaluative techniques and suggests options as to how the landowner can best manage his land.

- Suggests a variety of recreational choices for consideration.

Department of Historic Resources

The Department of Historic Resources has a program that seeks to enhance the rural economy through matching grants to local governments and state universities to undertake surveys of rural historic areas and properties in the counties of Clarke, Frederick, Powhatan, Roanoke, Warren, Botetourt, Caroline, Montgomery, Pulaski, Buckingham, and Fluvanna.

This department administers a federal program that offers tax credits for the rehabilitation of historic buildings, which have been used in rural areas to promote revitalization of small town commercial areas as well as facilities such as bed-and-breakfast inns.

The Department of Historic Resources also has an historic easement program, which provides property and estate-tax relief to property owners who consent to the long-term preservation of their historic properties. Another historic-property-preservation program, the Virginia Register, promotes tourism in rural areas as well as urban areas. The Virginia Register designation of special rural historic districts has been used in Orange, Tazewell, Loudoun, Caroline, Albemarle, Louisa, Culpeper, and Clarke Counties.

Chapter 3. -- Recommendations of the Secretary for the Future

The agencies of the Commonwealth charged with responsibilities under House Joint Resolution 107 have done much to encourage nontraditional uses of agricultural land and rural resources. There is more to be done.

On September 21, 1990, Governor Lawrence Douglas Wilder convened the Governor's Rural Development Conference, in Roanoke. Nearly 600 people participated in the conference, representing the private sector and all levels of government. At the conference, the Governor commissioned three task forces, bearing the following names:

- Investing in Rural Areas
- Expanding Rural Enterprise
- Financing Rural Development.

Each of these task forces is to study problems of rural Virginia within its sphere of responsibility and to report in 1991 with a strategic plan to address those problems.

These strategic plans very well may involve state agencies in further evaluation and encouragement of nontraditional uses of agricultural land and rural resources. Any such additional measures resulting from the Governor's Rural Development Conference will be reported in subsequent annual reports.

Appendixes

A copy of House Joint Resolution 107 is attached as Appendix A of this report.

GENERAL ASSEMBLY OF VIRGINIA--1990 SESSION**HOUSE JOINT RESOLUTION NO. 107**

Requesting the Secretary of Economic Development and state agencies to promote the rural economy of the Commonwealth through all reasonable and beneficial means, including new and innovative uses of rural resources.

Agreed to by the House of Delegates, February 11, 1990

Agreed to by the Senate, February 27, 1990

WHEREAS, a legislative subcommittee of the House of Delegates has recently completed its study of how to promote the nontraditional means of improving the rural economy of the Commonwealth; and

WHEREAS, the subcommittee found that while some rural people in the Commonwealth have successfully developed profit-making enterprises on their property so as to supplement the income they derive from agricultural production, many agricultural landowners are unaware of such enterprises which could be conducted upon their property, nor are they aware of state or federal programs which might enable them to receive the funding and technical assistance necessary to successfully develop such enterprises; and

WHEREAS, the subcommittee also found that the development, publishing and distribution of a directory of all agricultural landowners who offer such activities on their property would promote the public's participation in such activities, thereby helping to assure the success of these enterprises while providing information about activities for which there is a great demand; and

WHEREAS, while providing additional income to rural people, these types of uses of agricultural lands also promote improved environmental protection, including improved water quality, such as in the Chesapeake Bay, and help prevent erosion, especially upon lands with highly erodible soils; and

WHEREAS, a number of federal programs exist that allow landowners to receive some form of compensation for retiring marginal farm lands from production or granting conservation easements to the government, including the Conservation Reserve Program and the Farmers Home Administration Program, whereby the federal government forgives the unpaid balance of loans in exchange for a fifty-year easement over highly erodible lands or wetlands; and

WHEREAS, other states, such as Minnesota, Illinois, Massachusetts, and Connecticut, have successfully implemented programs which promote profitable nontraditional uses of their agricultural lands and other rural resources by coordinating their programs in a manner which utilizes existing federal programs so as to gain maximum leverage in the use of public funds; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the promotion of nontraditional uses of agricultural lands and rural resources will result in financial and environmental benefits to the people of the Commonwealth; and, be it

RESOLVED FURTHER, That the Secretary of Economic Development, Virginia Polytechnic Institute and State University, Virginia State University, the Department of Agriculture and Consumer Services, the Department of Forestry, the Department of Game and Inland Fisheries, the Department of Economic Development, the Department of Conservation and Recreation, and the Department of Historic Resources are requested, individually and in concert with each other, to promote profitable, nontraditional uses of agricultural lands and rural resources by:

1. Developing programs which encourage the nontraditional uses of agricultural lands and rural resources, including recreational uses such as hunting, fishing, hiking, pick-your-own-produce activities, bed and breakfast inns, as well as others which allow agricultural landowners and rural people to supplement their traditional farm income;

2. Encouraging profitable recreational uses of private rural resources in conjunction and in coordination with uses of nearby natural and historic resources of the Commonwealth, thereby promoting and enhancing both public and private efforts in this regard;

3. Developing, maintaining and coordinating programs in a manner which utilizes federal programs so as to gain maximum leverage in the use of public funds;

4. Sharing information concerning each agency's on-going efforts in these regards so as to avoid unnecessary duplication; and

5. Reporting annually to the Secretary of Economic Development on their efforts in this matter; and, be it

RESOLVED FURTHER, That the Secretary of Economic Development is requested to:

1. Coordinate the efforts of all agencies of the Commonwealth in promoting the nontraditional uses of agricultural lands and rural resources in Virginia.

2. Annually, after reviewing all reports submitted to it, report to the General Assembly

on all efforts of the Commonwealth's agencies to promote the nontraditional beneficial uses of agricultural lands and rural resources in Virginia. Such report shall describe all efforts made by the state agencies to promote new beneficial uses of rural resources, the results of such efforts, and recommendations of the Secretary of Economic Development for the future.

3. With the cooperation of Virginia Polytechnic Institute and State University, Virginia State University, the Department of Agriculture and Consumer Services, the Department of Forestry, the Department of Conservation and Recreation, the Department of Economic Development, the Department of Game and Inland Fisheries, the Department of Historic Resources and other relevant state agencies, develop, publish and distribute a Virginia Rural Development Assistance Guide and a Virginia Rural Recreational Opportunities Guide. Both guides should be updated, republished and redistributed every two years; and, be it

RESOLVED FURTHER, That the Virginia Rural Development Assistance Guide is for the use of the rural people of Virginia and should describe nontraditional, financially beneficial uses which can be made of agricultural lands and rural resources, the methods of developing such uses, and the sources of financial and technical assistance which might be utilized by agricultural landowners and rural people in such endeavors. This guide should provide the names, addresses, and telephone numbers of specific state and federal agency personnel and others who are knowledgeable about certain ideas and/or programs or about financing alternatives or who are capable of providing the technical assistance necessary for developing profitable opportunities on agricultural property or in rural areas. Copies of this Guide should be distributed as widely as possible to farmers and the rural people of Virginia by the Virginia Cooperative Extension Service and through all other available means; and, be it

RESOLVED FURTHER, That the Virginia Rural Recreational Opportunities Guide should provide, with the written consent of any business or persons to be named therein, the names, addresses, and telephone numbers of all agricultural landowners and rural people who offer to the public recreational activities, including a description of the type of recreation offered, prices and hours of operation. Copies of this Guide should be distributed by the Division of Tourism to the public by all means possible, including distribution at all visitors' centers; and, be it

RESOLVED FINALLY, That the Clerk of the House of Delegates shall transmit copies of this resolution to the Secretary of Economic Development, Virginia Polytechnic Institute and State University, Virginia State University, the Department of Agriculture and Consumer Services, the Department of Forestry, the Department of Game and Inland Fisheries, the Department of Economic Development, the Department of Conservation and Recreation and the Department of Historic Resources.