

Agricultural Wealth

Pennsylvania Transfer of Wealth Study 09.15.15

Background and Introduction

The Center for Rural Entrepreneurship has been retained by the <u>Center for Rural Pennsylvania</u> to update the Commonwealth's **Transfer of Wealth Opportunity** (TOW) analysis. Related to this project, the Center has prepared a <u>series</u> of mini-reports focusing on unique factors that impact community TOW opportunities. This mini-report addresses **Agricultural Wealth**.

Question and Additional Information

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What does Pennsylvania Agriculture Look like?

Agriculture is not among the Top 10 economic drivers or wealth drivers for rural Pennsylvania, but it is an important industry. Agriculture supplies \$7.4 billion of local food and inputs for food processing industries and it is an employment driver for the operators of its 59,309 farms. The map below shows PA counties ranked by dollar value of crop and livestock sales. The top five product areas are milk, poultry and eggs, grains, oilseeds and legumes, nursery products, and cattle and calves. Pennsylvania is a Top 5 State in commodities such as tree fruits, mushrooms, snap beans, pumpkins, maple syrup and oats. Most of the high-sales counties are clustered around Lancaster County in the southeast.









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Why is Agriculture Important to Wealth? The 7.7 million acres of Pennsylvania farmland are an important source of wealth. However, agricultural land is an asset that is not easily converted to cash. In fact, farmland is rarely sold outside the family that owns it due to the high capital cost of entering agriculture. The Pennsylvania Dutch households of Lancaster County are renowned for their cultural value of buying and holding farmland. The illiquid nature of farmland is why it cannot be fully considered in our Transfer of Wealth calculations. The map below shows counties by the total value of farmland including farm buildings. The average value per acre grew by 3.1% from 2013 to 2014.



Supporting Research and Sources

The source for this analysis is USDA's <u>2012 Census of Agriculture</u> and USDA-National Ag Statistics Service's <u>Pennsylvania Agricultural Statistics 2013-2014</u>.



The Center promotes and sustains the vitality of Pennsylvania's rural and small communities by sponsoring research projects to identify policy options for legislative and executive branch consideration and action; collecting data on trends and conditions to understand the diversity of rural Pennsylvania; publishing information and research results to inform and educate audiences about the diverse people and communities of rural Pennsylvania; and participating in local, state and national forums on rural issues to present and learn from best practices.

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