

Ag Land Likely to Become Premium

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The Ledger

June 11, 2007

BONITA SPRINGS - Citrus and agriculture has a bullish future in the state, but it's likely to become more concentrated in Southwest Florida because agricultural land in other regions, particularly Central Florida, is disappearing at faster rates.

That's one of the conclusions from "Ag Business in SW Florida: Present and Future," a study done by Stuart Van Auken and Howard Finch, professors at the Lutgert College of Business at Florida Gulf Coast University.

"Along the I-4 corridor, a lot of the land that's been in agriculture is coming out. The opportunity costs of keeping that land in agriculture is too high," Finch said Wednesday at the annual meeting of the Gulf Coast Citrus Growers Association in Bonita Springs.

The primary opportunity cost is the large amounts of money developers are offering for agricultural land, Finch and Van Auken said. Although that has declined somewhat during the past year, it has not stopped because Florida's population continues to grow.

"In Central Florida, more so than other areas, development pressure is coming from people moving into the state and moving from the coastal areas," Finch told The Ledger after the presentation.

The meeting was part of the three-day Florida Citrus Industry Annual Conference sponsored by Lakeland-based Florida Citrus Mutual, the state's largest growers representative. The conference ends today.

A recent University of Florida study, "Florida in the Year 2060," projects the state population at 38 million people that year, which will require 7 million acres of undeveloped agricultural land to accommodate, Van Auken said. More than likely, Central Florida will provide much of that land.

"People who suggest there's not a lot of land available haven't been in an airplane flying over Central Florida," Finch said.

Agriculture land in Southwest Florida holds an advantage over other regions because it enjoys a warmer three-month winter growing season not found elsewhere in the state or the U.S., the report says.

Although Central Florida enjoys a climate advantage compared to the rest of the country, it is much more susceptible to damaging freezes, Finch told The Ledger. That risk begins increasing north of Lake Okeechobee.

Southeast Florida enjoys the same climate advantage, he said, but that area is more

developed and faces the same kind of future development pressures found in Central Florida.

The development pressures elsewhere in Florida increase the price of the remaining agricultural land in the state, the professors said. That provides a substantial economic benefit to agriculture land owners.

"The security blanket is land. If you go to sleep at night, you know your security is in the land and the promise it will go only up in value as the years go by," Van Auken said.

Farmers and ranchers who don't sell all their land to developers will sometimes sell smaller parcels to raise money for their agricultural operations, particularly in lean market years, he said.

Two other factors are favoring preservation of agricultural land in Southwest Florida, the professors reported.

One is the movement away from the scattered, uncontrolled development of Florida's past toward planned communities, such as Ava Maria, that involve denser urban cores surrounded by agriculture and other developed properties, Finch said.

The other related development is that the environmental community has come to support the preservation of agricultural lands as a way to limit commercial development, he said. Environmentalists, who were also interviewed for the study, support planned denser development.

"The operative word among that crowd was urban sprawl. They do not want to see urban sprawl," Finch said. "They would like to see agriculture thrive in this region because that would leave large (undeveloped) tracts in between (urban cores) for years to come."

The report also identified weaknesses and threats faced by Florida agriculture.

Among the threats were labor issues, including the threat from a crackdown on illegal immigration; rising production costs and rising land costs. The last particularly affects farmers who lease their land because it raises rents. It also makes it more expensive to expand existing operations.

Threats included foreign competition, particularly from Brazil for citrus growers; diseases; environmental and other government regulation; and water availability.

Despite those threats and weaknesses, almost all of the more than 40 people interviewed for the study, both in and outside agriculture, were bullish on the future of agriculture, Finch and Van Auken said. Citrus people, for example, expressed a lot of confidence that scientific research would find solutions to citrus canker and greening, the top disease issues facing the industry.

"It was a fairly uniform response. We didn't hear a lot of negativity," Finch said.