

Growing hemp: To 'blindly' go where no Pittsylvania County farmer has gone before

By Caleb Ayers cayers@registerbee.com Jul 10, 2019



Robert "Bob" Harris walks between two rows of cloned, organic industrial hemp plants. He is one of 31 producers in Pittsylvania County experimenting with the plant and hopes to generate a profit from it.

Photos by Caleb Ayers/Register & Bee

CALLANDS

There is no instruction manual for growing industrial hemp in the United States, but that isn't stopping tobacco farmers Robert Mills, Robert "Bob" Harris and 29 others in Pittsylvania County from trying.

Mills said that both Virginia Tech — the university he grew some research hemp for in 2018 — and North Carolina State University have done research and provided some assistance, but there are only recommendations. There aren't any proven processes for the soil conditions in the county.

“It’s so new that all of us are going blindly,” Mills said.

Tobacco quite literally put the city of Danville on the map, but the industry has seen a pointed decline during the past several years. Harris said 2013 was the last really good year, and the past five years have been extremely rough for local farmers. Even still, Pittsylvania County remains one of the national leaders in the production of flue-cured tobacco.

With major drops in demand because of health concerns, tariffs that limit exporting options and tobacco companies choosing to cut costs by importing from other countries, tobacco is not the cash crop that it once was. The lack of profit has led many farmers to quit and others to diversify and expand, spreading their cost of production and generating more financial security.

“Agriculture in general right now is in a tough spot,” Harris said.

To offset the losses, many farmers are experimenting with industrial hemp — which has a rapidly growing market that has the potential to generate a significant profit for producers. Elaine Lidholm, a spokesperson for the Virginia Department of Agriculture and Consumer Services, says as of as of July 3 there are 847 registered hemp growers across the state, which is more than twice as many as there were in March.



Robert Mills walks back to his truck after showing several different variations of cloned, organic hemp plants. He is one of 31 producers in Pittsylvania County who is experimenting with the plant and hopes to generate a profit from it.

Caleb Ayers/Register & Bee

Even though there is great profit potential for these growers, there also is significant risk due to the lack of instructions for growing in the country and the soil variations in Pittsylvania County.

Industrial hemp has a variety of uses, but the Pittsylvania farmers growing it are focusing on harvesting CBD — which is short for cannabidiol. The oil occurs naturally in the flowers of the female plant and has been used primarily for pain relief.

Industrial hemp has been used in the United States for years, but it hasn't been grown here for many decades. A report from the Farm Bureau states “Canada is the largest supplier of hemp to the U.S., accounting for as much as 90 percent.”

As the research production of industrial hemp has increased in recent years, the amount of imported hemp has decreased.

That number has skyrocketed since Congress legalized the commercial production of industrial hemp that contains less than 0.3% tetrahydrocannabinol — or THC, which is the part of marijuana that makes someone high — with the Hemp Farming Act of 2018.

States are still allowed to regulate production, and the amount of regulation has ranged widely. Right now, 18 states allow the commercial production of hemp, all with varying degrees of regulation. Many other states only allow research production, and some states don't have any laws on the matter.

Here in Virginia, all research and commercial hemp programs are supervised by Virginia Department of Agriculture and Consumer Services, as well as the Virginia Commissioner of Agriculture and Human Services.



Robert Harris examines his field of industrial hemp plants.

Caleb Ayers/Register & Bee

Mills is a first-generation farmer who runs a diverse operation with tobacco, cattle and poultry. Of the 31 growers in Pittsylvania, Mills is growing the most.

“This has the most potential to be the profit like tobacco used to be,” he said.

With Pittsylvania County covering such a large geographic area, there is significant variation in the soil types within the county, which makes it hard for the farmers to effectively compare notes. Mills said the composition of the soil east of U.S. 29 reflects that of the Piedmont region, whereas the soil west of U.S. 29 is more similar to the foothills of the Blue Ridge Mountains.

Mills is using all of the same techniques and equipment he would use with tobacco.

“We planted it with a tobacco planter, we cultivated it with tobacco equipment, we cut it with our dark tobacco knives, and we’re going to put it in our tobacco barn and dry it,” he said.

Others like Harris are using plastic coverings for grass control, as well as a drip irrigation system, which involves a tube with holes running under the row of plants. Harris planted his by hand, which was a very labor-intensive process. Both Harris and Mills described the different strategies as “management decisions.”



Rows of industrial hemp plants at Robert Mills' farm.

Contributed photo

After planting in June and July, the farmers plan to harvest in September and October. Harris says the longer they leave it out, the more CBD each plant will have. The longer they wait, however, the more THC will develop as well. Their goal will be to maximize the amount of CBD without going over the legal limit of 0.3% THC — at which point they would be required to destroy the plants in the whole field.

All of the farmers growing in Pittsylvania County are working using different variations of organic, cloned plants from Colorado, provided through their contract with US Agro Logistics located in Danville. For this planting season, each organic cloned hemp plant cost \$7.

“We stand to make a whole lot of money, but then again, we also stand to lose a whole lot of money,” said Harris.

Both farmers have already experienced difficult weather conditions that have threatened their plants. The 2018 farm bill has provisions for insurance covering industrial hemp, but the regulations and details have still not been determined. As a result, there is no insurance available for the producers.

“That kind of keeps you up at night,” said Harris.

Ayers reports for the Register & Bee. Reach him at (434) 791-7981.

Once a king crop in Dan River Region, tobacco on shaky ground as production continues decline

By Caleb Ayers cayers@registerbee.com Aug 5, 2019



Tobacco farmer Daniel Moore, 34, explains that the top leaves in a tobacco plant are thicker and generate more money than the bottom leaves.

Caleb Ayers/Register & Bee

Pittsylvania County is the tobacco capital of Virginia with no other county coming close in terms of production.

Located in the thick of the tobacco belt, the county produces about one-fourth of Virginia's flue-cured tobacco, according to U.S. Farm Service Agency data.

Tobacco was the reason the city of Danville came into existence and it has played a major part in upholding the economies of both the city and the county.

As county growers have begun harvesting the leaves — a process that will last into October for many — the tobacco industry as a whole is on unsteady ground.

Production in Pittsylvania County and throughout the United States is on a significant decline while profit margins grow thinner and thinner. Growers with decades of experience, their family legacies and very livelihoods tied into tobacco are unsure of how much longer, or if, tobacco can continue to sustain them.

Production decline

Tobacco production nationwide has consistently dropped during the past several years after an increase in the previous five years. Pittsylvania County flue-cured tobacco acreage steadily rose from 4,736.9 in 2009 to a peak of 6,342.94 in 2014, according to the Farm Service Agency. Since then, acreage in the county has been on a steady decline, though not as drastic as the rest of the state.

According to a March report from the National Agricultural Statistics Service and the United States Department of Agriculture, Virginia farmers across the state intended to set 17,000 acres of flue-cured tobacco, which is a nearly 20% decrease from the previous year.

The decline in production can be attributed to several factors.

First, there has been a major reduction in tobacco consumption both domestically and internationally because of health concerns, said Stephen Barts, an extension agent from Virginia Tech who studies agriculture and natural resources and crop and soil sciences in Pittsylvania County. He said the domestic market has been declining between 2% and 3% per year, but the significant scaling back in major markets like Russia and China is the real issue.

“The real cause for these drastic cuts in some areas is loss of some of those international markets,” he said.

Another problem for American tobacco farmers is the price. Countries like Brazil and Zimbabwe are increasing their tobacco production and selling it for much cheaper than U.S. farmers can afford, farmer and president of the Pittsylvania County Farm Bureau Bob Harris said.

“We physically can’t grow as cheap as they can,” he said.

The current strength of the U.S. dollar means anything grown internationally will be cheaper, and the major tobacco companies are gravitating to the lower price point instead of higher quality.

“We grow the best tobacco in the world, but we are a costly market,” Barts said.

Robert Mills, a tobacco farmer who serves on the Virginia Farm Bureau Board of Directors, said international tariffs and the trade war have had a strong negative impact on tobacco growers in the county.

“One of the biggest ones affecting us is the tariff situation and the trade war. For us, it has decimated the tobacco industry,” he said.

The actual number of planted acres will be released by the Department of Agriculture later this month, and farmers won’t know for sure if their crop was profitable for several months.



One of Robert Mills' flue-cured tobacco fields, which are spread throughout several different properties and cover approximately 90 acres.

Caleb Ayers/Register & Bee

Growing tobacco

Most Pittsylvania farmers purchase their tobacco plants from another business' greenhouse and begin planting their flue-cured tobacco sometime between late April and mid-May.

Even within the county, there is significant variation in the soil and exact needs of the plants during the months they are in the soil. Barts said ideal tobacco growing season in Pittsylvania County includes adequate rainfall in the first weeks of May, a dry June, a relatively wet July and a couple rains in the beginning of August.

This growing season, no hurricanes or major storms caused severe damage to crops as has happened in previous years, but the weather still caused some problems. Intense rainfalls in May caused root damage in many plants, which made it difficult for the plants to deal with the dry June.

"The extremes, they're hard to mitigate, but a grower can certainly mitigate drought stress better than water stress," Barts said.

Late in the process, growers cut the flower off the top of the plant — a process called topping. This causes the plants to stop growing upward and invest more nutrients into its leaves.

The actual harvesting process for flue-cured tobacco takes several months. Tobacco plant leaves ripen from the bottom to the top, so farmers begin the harvest by removing the bottom layer of leaves. Then, depending on the weather, they will come back in a few weeks to take the next layer of leaves. For flue-cured tobacco, growers hope to get a total of 20 to 22 leaves per plant spread through four or five different pickings.

Not all the leaves are equal, as the lower level leaves tend to be smaller and thinner, while the top layers are thicker and weightier.

“All your money is in the upper stalk tobacco,” said Daniel Moore, a county tobacco farmer.

After the curing process — which involves as much as two weeks of keeping the tobacco in a barn at high temperatures that slowly escalate to up to 160 degrees — the leaves will become crumbly and take on a golden brown color.

The leaves are misted, put into bales that weigh 700 to 800 pounds and transported to the buyers.

“You have to put some moisture back into [the tobacco] so you can work with it,” Moore said.

Dry weather during the harvest season extends the time needed for the leaves to ripen, which can be costly. Generally, tobacco plants that aren’t harvested by the first frost will die.



Growers aim for each tobacco plant to produce between 20 and 22 leaves, with the top leaves producing the most weight and value.

Caleb Ayers/Register & Bee

Smaller profitsData from the U.S. Department of Agriculture shows between the censuses in 1997 and 2017, tobacco sales in Pittsylvania County have been cut from about \$40 million to \$20 million annually — a number that would be even larger if inflation were considered.

Some of that decline can be attributed to the previously mentioned decline in production, but not all of it. Up until the 1990s, farmers primarily sold their tobacco in auction houses, which allowed for strong competition between buyers and high prices.

Even though there were no contracts, farmers knew they could generate profit.

“Tobacco has always been king here in Southside [Virginia]. It was the one crop that you could make money on any given year,” Mills said.

With the shift from auctions to contracts with companies like Philip Morris and Reynolds, that has changed to uncertainty. The buyers now have more leverage and the authority to determine the quality — and therefore the selling price — of the tobacco they take.

As a result of the market change and striking decline in demand, selling prices have remained largely flat for the past several decades, and if anything, they have declined slightly, Harris said. In that same time frame, however, production costs have increased by as much as 400%.

The actual costs and profits vary depending on the contract, Mills said. Generally speaking, most county farmers will have somewhere between \$4,500 and \$5,000 invested per acre of tobacco, and hope to receive somewhere between \$500 and \$1,000 per acre on top of their initial investment. Much of that money goes toward paying labor.

One of the most significant increases has been in the cost of labor. The majority of Pittsylvania County farmers hire temporary migrant workers through the federal H-2A program, created by Congress in 1986 to allow farmers to legally and temporarily hire foreign workers. The U.S. Department of Labor sets the minimum hourly wage each year.

Farmers also are required to pay for housing and transportation for the workers they hire.

In Virginia, the U.S. Department of Labor has upped the minimum hourly wage for H-2A workers every year since 2013. For 2019 the minimum wage is \$12.25 hourly, which is a nearly 21% increase from the wage paid six years ago.

The squeeze particularly is strong on the smaller farmers, as many of their input costs, such as equipment and housing and transportation costs for their workers, are fixed regardless of how many acres they have. Moore has increased his production during the past several years in an effort to reach a sustainable profit margin.

“It’s just hard to stay afloat little anymore,” Moore said.

But farms of all sizes are feeling the strain.

“In today’s market, it’s pretty tough [to make money] regardless of how big or small you are,” Harris said.

Many county farmers have adapted by diversifying their operations as much as possible — adding cattle and calves, chickens, grain and other crops and livestock to reduce their dependence on tobacco.

Many tobacco farmers are experimenting this year industrial hemp — now that it’s legal to grow commercially in Virginia — which has significant risk as well as profit potential.

With the declining profits and demand, the future of the industry — and the way of life for the farmers involved — is up in the air.

“There’s a lot of uncertainty in the future of tobacco right now,” Harris said.

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Skilled gaming facility opens in Pittsylvania County, where businesses can operate units without special use permit

By Caleb Ayers cayers@registerbee.com Dec 12, 2019



Seventy-two-year-old Robert Blackwell plays some of the slot machine-like skilled games at the recently opened Double Dragons, the first skilled gaming operations in Pittsylvania County. Located slightly more than a mile outside Danville city limits. Before, he said that he had to drive more 30 miles to reach a skilled gaming machine; in Double Dragons, now he has to drive half a mile from home.

RINGGOLD — Sitting in one of the six seats surrounding the black table with brightly colored virtual fish and creatures swimming through a computer screen in the middle, Michelle Adkins aimed with a sparkly joystick and pushed a small button to shoot different types of weapons — which vary in the amount of money required to use them — at the passing animals.

As she played, the screen full of animals reset, resulting in a new surge of creatures streaking across. Adkins, the owner of the recently opened skilled gaming facility called Double Dragons, explained that the amount of money earned from each creature varies.

“You have to know what to shoot at and how to do it,” she said of the machine. “It’s like a video game basically.”

While Danville City Council and the city's planning commission have juggled dozens of applications for special use permits for skilled gaming machines back and forth, Double Dragons, which has 25 skilled gaming machines and resides in Pittsylvania County slightly more than a mile outside city limits, opened Tuesday. This is the first properly permitted skilled gaming facility in the county where no special use permits are currently required for the machines.

And though this is the only business that has reported skilled gaming machines to the county's zoning office, there are likely more skilled gaming machines spread throughout the county, said Karen Hayes, deputy director of community development for Pittsylvania County.

"I'm sure there's some more out there that we are not aware of," she said.

Hayes said so far Adkins has been the only applicant.

According to current zoning ordinances, businesses in the county can operate skilled gaming machines without a special use permit under the B-2 designation, an umbrella district "for general business and commercial enterprise whereby the public shall require direct and frequent access, but which is not characterized by constant heavy trucking." Under the B-1 district, which is more limited, applicants would need a special use permit, but neither of these explicitly reference skilled games.

"We don't have a specific reference to skilled games in our ordinance and I doubt that we will," said Greg Sides, assistant county administrator.

Mike Henderson, code official for the county, said under current code, neither the presence of or quantity of skilled gaming machines has an impact on the maximum occupancy. The square footage of a building determines the certificate of occupancy, which determines the parking requirements.

"They all kind of go hand and foot," he said.

At Double Dragons, located along South Boston Highway, a security guard meets you at the door to check your identification. For the fish tables and the five stand-up machines — primary machines to be operated in many of the Danville facilities seeking a permit — players put money onto a card, which they then insert into the machines to play. At any point, they can take the card to store employees and cash out whatever balance is on it.

Late Thursday morning, 72-year-old Robert Blackwell sat at one of the computers, playing some of the slot-like games. The computers have 23 different games with a chance to win money.

“I like to come up during the daytime, when it’s quiet and peaceful,” he said.

He enjoys casino-style games and has played in different gaming facilities across the country. Before, the closest skilled gaming facility was more than 30 miles away; now, it’s half a mile from his home.

In Danville, an anonymous tip about skilled gaming machines set up in convenience stores set off an investigation that has led to dozens of applications bouncing back and forth between the planning commission and city council over the last two months as officials attempt to define indoor recreation and determine the proper zoning requirements — including certificate of occupancy and parking requirements.

Sides said county staff have not been watching the city all that closely in this matter.

“Quite frankly, the actions in Danville haven’t been a big factor in our decisions in how to proceed,” he said.

Adkins also applied for a special use permit in Danville for a 21-game facility — offering slot-like video games — at the former Something Special Restaurant and Lounge at 401 S. Ridge St. In a 4-3 vote, the planning commission recently voted to table the application yet again to better determine the definition of indoor recreation.

She used to manage a similar facility in North Carolina and, because so many customers were from Danville, decided to pursue opening her own businesses in the Dan River Region.

All of these applications are pouring in even though the legal standing of these skilled gaming machines, which have flooded the state over the past year and come under serious scrutiny from many localities, is under question. State leaders have floated the possibility of banning what they are calling “gray machines,” because they fall into a gray area of the law.

There are about 4,500 to 9,200 of the skill-based games found statewide, according to a report from the Joint Legislative Audit and Review Commission — the research arm of the Virginia General Assembly. The study found that gray machines bring in substantial revenue and are competing with authorized forms of gambling and depressing those revenues.

Adkins has been told that pending legal cases concerning the legality of such machines could impact their ability to operate down the road. The state is leaving it up to the commonwealth’s attorney’s office in each locality to decide whether such machines are legal or not.

“The County takes no position on their legality,” County Attorney Vaden Hunt said in a written statement to Adkins. “Any operators of such games in the County do so at their own risk.”

With the machines’ legal standing still to be determined, Adkins acknowledged this is a risk, but she feels this is an important place for area residents.

“This is something that the people want to do,” she said. “Sometimes you just got to take a risk.”

In the business’ first days, as many as 40 people have filled the facility at once, with most of the rushes occurring at night.

Even though Double Dragons just opened, county staff are currently looking into the option of requiring special use permits to operate any sort of amusement center, including one that has skilled games. It has been many years since the county received an application for a similar amusement or game center, so this has sparked the conversation about special use permits for all gaming facilities.

“It makes sense to go the special use route regardless of what happens with the skilled [games],” Sides said.

The county planning commission will discuss the possibility of changing the ordinance to require a special use permit in January, at which point they would make any recommendations to the Board of Supervisors. Multiple public hearings would need to take place before the ordinance could be changed.

Since Double Dragons is already open and properly permitted under current code, Sides said the business would likely be grandfathered in.

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