



NEWS RELEASE

Controlled Environment Agriculture Experiencing Rapid Growth

High Costs, Labor, Knowledge All Represent Significant Barriers For New Operators

DENVER (May 15, 2018) — Technological advancements and consumer demand of fresh, local and year-round supplies of high-quality produce are growing the controlled environment agriculture industry across the U.S., according to a new report from CoBank’s Knowledge Exchange Division.

CEA, a technology-based approach toward food production to use optimal growing conditions and often indoors, occurs in all 50 states, but the vast majority of the large facilities growing tomatoes, cucumbers and peppers are in the Northeast, West and Southwest.

“The rising demand for local, high-quality food – and the need for a year-round supply of it - is creating market opportunities,” said Christine Lensing, senior analyst for CoBank’s KED. “Although there is a steep learning curve, high cost and other barriers to CEA, this segment is likely to continue growing for the next five years.”

Those barriers are not stopping CEA growers from entering the market at high rates, according to the report, partially due to the realization of price premiums and significantly higher yields that the technology, such as hydroponics, provides.

“What has happened with tomatoes over the last 20 years, where about 50 percent of all domestic tomatoes are grown using CEA, is starting to happen in other industries,” said Lensing. “There are significant opportunities in leafy greens, microgreens, herbs and other novelties such as turmeric and ginger. However, as new ventures are coming online, they must be very aware of three things, the high cost of operating, fluctuations in the market and competition in this growing space.”

According to the report, CEA is an efficient way to produce food locally, save on costs like transportation, meet consumer demands and diversify current operations. This technology will not likely take place of the conventional agriculture of the future, but all indications point to it being an important tool for meeting rising consumer demand for quality produce year-round.

For a brief video synopsis of “Controlled Environment Agriculture: Farming for the Future?” click [here](#). The full report is available at cobank.com.

About CoBank

CoBank is a \$133 billion cooperative bank serving vital industries across rural America. The bank provides loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states. The bank also provides wholesale loans and other financial services to affiliated Farm Credit associations serving more than 70,000 farmers, ranchers and other rural borrowers in 23 states around the country.

CoBank is a member of the Farm Credit System, a nationwide network of banks and retail lending associations chartered to support the borrowing needs of U.S. agriculture, rural infrastructure and rural communities. Headquartered outside Denver, Colorado, CoBank serves customers from regional banking centers across the U.S. and also maintains an international representative office in Singapore. For more information about CoBank, visit the bank’s website at cobank.com.

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