



## Henderson County, NC: Where a Sense of Place Drives Economic Development

*Weather. Climate. Water. Winter Sunshine.* It sounds like a list of environmental planning considerations or a brochure cover advertising second home development.

In fact, those factors are the key drivers of an economic development strategy in Henderson County, North Carolina, which decided to build a place-based approach to recruiting, retaining, and expanding businesses in the 21<sup>st</sup> century. Nationally, the economic development landscape has shifted in recent years, away from the traditional “big-dollar” recruitments of manufacturing and textile projects. Many smaller counties and regions have struggled to adapt, with rural communities losing out on technology-based recruitments because of a lack of qualified labor and technological infrastructure.

But Henderson County wasn’t giving up: Their weather, climate, water resources, and year-round sunshine were key elements in their decision to implement an agricultural economic development strategy focused on maximizing their natural resources to recruit, retain, and expand business opportunities. The region has a long agricultural history, with second and third generation farms still in operation but seeking new crops to grow to keep up with a changing food market. Henderson is home to the Mills River Mountain Horticultural Research Station, a partnership between the NC Department of Agriculture and Consumer Services and NC Cooperative Extension, and the town of Mills River has always been a transition town, a point of entry to the mountains further north and west for trains, logging trucks, farmers, miners, and many others in the past two hundred years.



The first step in the county’s agricultural economic development was the creation of a public-private economic development commission, [AgriHC](#), to formulate and implement agribusiness initiatives. They hired a full-time agricultural economic developer, Mark Williams, and his position became the third such position in North Carolina (Polk and Orange counties have agricultural developers on staff).<sup>1</sup>

AgriHC forms one of the four pillars of the county’s comprehensive economic development strategy, and works within that larger framework, guided by oversight from the Board of Commissioners and the [Economic Development](#) Advisory Board.<sup>2</sup>

One of AgriHC’s early successes relied on effective marketing of the county’s apple industry, in which farms were already an agritourism draw and an exporter of fresh apples. County staff built and marketed that identity to land [Bold Rock Cider’s East Coast expansion](#), touting their clean water sources and readily available supply of locally grown apples.<sup>3</sup>

---

<sup>1</sup> <http://www.agrihc.org/>

<sup>2</sup> <http://gohendersoncountync.org/>

<sup>3</sup> <http://www.agrihc.org/why-henderson-county/success-stories/4-bold-rock-hard-cider.html>

## An Unlikely Partnership Bridges Traditional Agriculture with New Approaches

The [second landmark recruitment](#) also sounds like a trick question: an Israeli grafting company, a local greenhouse poinsettia operation, and a fumigation company in Greenville walk into a room...<sup>4</sup>

But that's exactly what happened.

Henderson County was home to a well-respected local greenhouse operation that for more than fifty years produced most of the greenhouse poinsettias for holiday markets up and down the East Coast.



When that company's founder passed management to his two sons, they began reaching out to the international greenhouse network their father had built. They found the Triest Ag Group, a Greenville-based company specializing in soil fumigation, drip irrigation and fertigation services; SIS/Centro Seia, an Italian-based group of companies in

Southern Europe whose nurseries produce over 80 million seedlings each year (of which 40 million are grafted); and Hishtil, a six-country nursery operation based in Israel and involved in developing new technologies and production protocols. In these discussions, the idea for a new grafting company was formed, and TriHishtil headed for Henderson County.

"We're here in WNC because of climate, water, and geographic location. We can supply Florida in twelve hours and be all across the East Coast within a day, and we have an interstate and an airport right out the back door," Bert says.

## A Successful Recruitment Relies on County Capacity to Manage Resources & Partners

Their partnership was furthered by the County's commitment to recruiting them, obtaining a Golden LEAF grant matched with county funds to help run 6" water lines to their 40-acre land purchase outside Mills River. The county worked with a local gas company and a fiber internet service provider to make sure the site would have access to the high levels of resource inputs they needed as well as constant connectivity with their international partners.

This kind of development project is especially dependent on the availability of inputs like gas, water, and internet – international companies require the ability to communicate and connect at nearly all hours of the day, at high speeds, and resource-intensive projects like this one are critically dependent on a steady and reliable infrastructure to keep the plants alive and in good health. With a full-time agricultural developer on staff to manage the coordination of regional infrastructure contacts and ensure that setup



"We're here in WNC because of climate, water, and geographic location. We can supply Florida in twelve hours and be all across the East Coast within a day, and we have an interstate and an airport right out the back door."

- Bert Lemkes, TriHishtil

<sup>4</sup> <http://www.agrihc.org/why-henderson-county/success-stories/3-tri-hishtil.html>

would be as smooth as possible, the county had an advantage over other sites that were under consideration.

The company also immediately liked the partnerships available through NC Cooperative Extension and Clemson University Extension, whose researchers are working on many of the same questions that the company faces in its operation. They maintain a strong relationship with many research units at both University networks.

### **Building Stronger Plants to Meet Global Consumption Demands**

Agrichemical challenges are a problem internationally, with companies working to research and develop new ways to ensure plant success while working with changing climates and an ever-evolving series of



soil bacteria and pests. Match those international challenges with the near-perfect climate in the Western North Carolina mountains, and what you see are huge greenhouse facilities where strong base plants, selected for their root systems and resistance to bacteria, are grafted with strong-producing fruit bearing plants.

“This process is as old as mankind, building stronger plants from the ones that come before,” explains Bert Lemkes, the manager of TriHishtil’s Henderson County operation. He’s found his way from thirty years in

Holland’s greenhouse industry to the flat, rich, valley bottomland in Henderson County, bounded on all sides with a view of the Great Smoky Mountains. “The grafting process started 2,000 years ago, in the Far East where they grew gourds for rice storage – finding bigger, better rootstocks they could combine to create one fruit that met their needs.”

Consumers, he says, are used to certain varieties of plants, and demand them: they want big round juicy tomatoes, deep pink watermelons with patterned green rinds, bell peppers that are large and firm and have a high water content. The problem is that the roots of those varieties cannot produce for 11 months straight – and consumers want to buy fresh tomatoes in November as well as in June. “It’s all a marketing question,” he laughs. “Grafting was originally driven by soil diseases, and we used rootstock to make better plants because we were planting in soil. Now we’re planting in greenhouses, in different mediums, because the market has changed and it demands year-round product.” For plants grown in rock wool or cocoa fiber, their “soil” is almost inert – so the producer can control the inputs to feed in exactly what that plant needs.

He sees TriHishtil as matching what consumers expect to see in their grocery store aisles with the plants that will actually enable farmers to grow those plants successfully, without a lot of extra investment in chemicals or supplements to keep them growing. Their brochure advertises that their “grafted plants afford growers the opportunity to use farmland previously unavailable due to disease or regulations.”

He believes that grafted plants meet a multitude of needs: addressing soilborne diseases through resistance rather than chemical applications, breeding more vigorous producers that provide more fruit in a longer season, and even helping meet the demand for “local to local” food demands by allowing greenhouse growers to produce vegetables nearly year-round with plants designed to thrive in those environments.



They’ve trialed different tomato plants in North Carolina, trying to find resistant rootstock that can withstand soil diseases that aren’t eliminated with traditional methods like crop rotation. Resistant rootstock would eliminate the need for crop rotation of field tomatoes. Similarly, they’re working towards supplying the grafted plants for greenhouse vegetable production, which is a huge industry on the East Coast; food safety regulations are easier to control for in

greenhouses, with controlled climates, and many of the challenges with rodents and bugs can be eliminated there.

### Planning for the Future

The facility is currently producing nearly 200,000 grafted plants per week, and plans to scale up to a half million plants a week in the coming year. That’s a lot of volume to manage, and it’s complicated by the myriad issues within the grafted plant industry: time sensitivity, seasonality, labor, seed supply, facilities, and inputs. Right now, they produce mainly tomato and watermelon plants, although they plan to move into additional plants soon.

As they grow, though, the international food industry is driving their changes, keeping them at the forefront of technological and scientific advances. That can only mean stability and expansion for the more than 80 employees they currently have on staff and the additional staff they’ll bring on in the coming years.

#### MORE INFORMATION

AgriHC | [www.agrihc.org](http://www.agrihc.org)

Tri-Hishtil | [www.tri-hishtil.com](http://www.tri-hishtil.com)

Henderson County Economic Development Partnership | <http://gohendersoncountync.org/>

---

#### NC GROWING TOGETHER PROJECT: LOCAL FOOD ECONOMIES INITIATIVE

*An effective way to revitalize the economy in local communities is through support for smaller-scale agricultural enterprises and food entrepreneurship. Local governments, regional councils, and planners and economic developers have a unique opportunity to support the recruitment, retention, and expansion of area businesses through local agriculture efforts, and to build stronger and more resilient communities. NCGT supports those efforts by providing resources, and tools for local governments and small business assistance providers across the state. For more information, contact Emily Edmonds, NCGT Extension & Outreach Program Manager, at [Emily.Edmonds@ncsu.edu](mailto:Emily.Edmonds@ncsu.edu), or Laura Lauffer, Local Food and Farms Coordinator, at [ldlauffe@ncat.edu](mailto:ldlauffe@ncat.edu), or visit these websites, [www.ncgrowingtogether.org](http://www.ncgrowingtogether.org) and [www.localfoodeconomies.org](http://www.localfoodeconomies.org).*