



GROWING VALUE IN NORTH CAROLINA AGRICULTURE

Expanding Manufacturing and Processing
Opportunities to Benefit North Carolina Farmers

Prepared for

**North Carolina Department of
Agriculture and Consumer Services**
2 W Edenton Street
Raleigh, NC 27601

Prepared by

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About NCAMPI

The purpose of the North Carolina Agriculture Manufacturing and Processing Initiative (NCAMPI) is to “fund and promote the establishment of value-added agricultural manufacturing and food processing facilities across North Carolina.” NCAMPI is intended to “fill existing gaps in the processing of agricultural products and to create a diverse and economically competitive array of high value-added goods and products manufactured in North Carolina from agricultural products grown or produced in North Carolina.”¹

The initiative was established in 2023 by the NC General Assembly and is administered by the NC Department of Agriculture and Consumer Services (NCDA&CS).

To date, NCAMPI has awarded 24 grants valued at approximately \$26.6 million across three rounds of grantmaking to support the creation and expansion of agricultural manufacturing and food processing facilities across North Carolina. The first round in August 2024 provided \$12.4 million across eight projects, leveraging over \$63 million in private investment.² The second round in December 2024 distributed \$6.6 million across six projects.³ The most recent round of funding in January 2026 allocated \$7.6 million across 10 projects focused on communities recovering from the impacts of Hurricane Helene.⁴

THE NCAMPI PROGRAM IS INTENDED TO¹

1

Provide support for agricultural processing opportunities that increase jobs and local property tax bases across the state and/or reduce costs and increase profit options for North Carolina farmers and ranchers.

2

Identify and assess opportunities to increase value-added processing of commodities produced in the state and fill geographic and commodity gaps across the state.

3

Market and recruit facilities to fill such gaps and meet such opportunities.

4

Support eligible entities with funding for eligible costs necessary to create or expand North Carolina agricultural manufacturing facilities and projects related to increased demand for agricultural products.

About This Report

This report aims to inform the strategic priorities of NCAMPI and other North Carolina-based efforts to strengthen agricultural manufacturing and processing (M&P) capacity in the state. It takes a purposefully wide look at the agricultural production and M&P landscape of North Carolina across all regions and many commodities, including crops, livestock, and forestry. The report highlights commodity-specific opportunities, identified through an evidence-based prioritization process, where NCAMPI is poised to make an impact. It draws on extensive secondary research and data aggregated across 45+ primary interviews from both North Carolina agricultural experts and national stakeholders with expertise on how global consumer, food manufacturing, and market trends can shape the state's agricultural M&P landscape.



THIS REPORT IS

- Focused on identifying and assessing commodity-specific agricultural M&P opportunities and key entry points for NCAMPI that exhibit (1) potential to return benefits to North Carolina farmers and (2) near-term investment readiness
- Focused on agricultural M&P opportunities involving enterprise-level operations serving multiple farmers
- Rooted in stakeholder perspectives and existing North Carolina agricultural production and M&P data

THIS REPORT IS **NOT**

- A comprehensive review of North Carolina's agricultural M&P sector or inventory of the state's agricultural M&P assets and opportunities
- A full stock-taking of the agricultural sourcing needs and requirements of large M&P companies operating in North Carolina
- A quantitative market sizing, economic, or financial valuation exercise
- Focused on on-farm value addition opportunities benefiting single farmers or operations
- A set of site-specific investment recommendations

Executive Summary

The North Carolina Agricultural Manufacturing and Processing Initiative (NCAMPI) aims to strengthen the state's agricultural manufacturing and processing (M&P) capacity via grants to private businesses that source from or serve multiple farmers. NCAMPI investments seek to amplify North Carolina's production agriculture sector and broader food, fiber, and forestry industries through local value addition. Intended outcomes include enabling farmers to access higher-value and more reliable markets; helping processors and food manufacturers achieve efficiencies and supply assurance through local sourcing; and strengthening local communities through increasing agricultural M&P jobs and local food spending.⁵

Maximizing farmer benefits is especially critical for NCAMPI given the uncertainty of global commodity markets and mounting financial pressures on farmers.

While agricultural M&P investments have the potential to benefit farmers, such benefits are not guaranteed.^{6,7,8} NCAMPI investments must be intentionally designed to ensure farmers capture value from these investments. Potential benefits include higher-value and more reliable market access, reduced logistics costs and time burden, increased leverage in the supply chain (e.g., more control over timing of output sales), and product differentiation. Intentional design is especially important in a state like North Carolina, where the scale and diversity of agricultural production, as well as regional differences, impact how viable and beneficial agricultural M&P investments will be for farmers.

Over half of North Carolina farms are less than 50 acres, and most are family or individually owned.⁵ North Carolina “boasts the third most diverse agricultural economy in the U.S.” with a large vertically integrated animal agriculture industry and over 80 crops grown commercially.⁷

In 2025, the North Carolina Department of Agriculture and Consumer Services (NCDA&CS) commissioned RTI International, an independent research institute, to conduct a commodity study identifying agricultural M&P investment opportunities with high potential to (1) deliver farmer benefits and (2) be investment ready in the near-term.

RTI used a prioritization process informed by more than 45 stakeholder interviews, secondary research, and participatory workshops to identify 11 high-potential near-term agricultural M&P opportunities from an initial set of 70 candidates. The report also features four emerging opportunities that are aligned with current market and consumer trends but require further development of farmer benefit pathways.

This report profiles each prioritized agricultural M&P opportunity with information on the potential benefits to farmers, relevant market trends, North Carolina's existing strengths, and strategies for advancing each opportunity. The profiles include North Carolina-specific industry context and insights drawn from interviews with industry experts.

Table 1. Prioritized Agricultural M&P Opportunities

Commodity	Opportunity Title and Description
Near-Term Opportunities	
Apples	<p>Juice, puree, or cider processing for legacy processing varieties: <i>Incentivizing apple processors to establish operations in Western North Carolina would fill the market gap left by decreasing anchor processor demand.</i></p>
Peanuts	<p>Farmer-owned storage for extended sales options: <i>Peanut farmer ownership and access to storage would enable increased flexibility and leverage, lower transaction costs, and allow time to find markets for excess peanuts.</i></p>
Soybeans	<p>Scalable, modular extruder plants for animal feed and other input: <i>Scalable, modular soybean extruder plants would provide additional delivery points and processing opportunities for soybean farmers, as well as provide feed for livestock producers.</i></p>
Sweetpotatoes	<p>Gluten-free flour and pet food manufacturing for excess and Grade B crop: <i>Tapping into growing markets for gluten-free foods and grain-free pet foods would enable farmers to capture value from excess sweetpotatoes.</i></p>
Oysters	<p>Freezing and value-added processing for excess and large-sized crop: <i>Shared facilities for oyster freezing, processing, and storage would allow farmers to capture value from excess product that would otherwise go to waste.</i></p>
Red Meat	<p>Value-added processing of jerky, hotdogs, and smoked meats: <i>Value-added processing for meats would diversify farmer and rancher market options and fulfill unmet customer demand at existing processing facilities.</i></p>
Poultry	<p>USDA-inspected processing for independent farmers: <i>Increasing independent poultry processing would save farmers time and transportation costs and provide a North Carolina-based processing option where none currently exists.</i></p>
All Meat	<p>Rendering for value-added fats and other outputs: <i>Additional rendering capacity would provide independent livestock producers with additional options to capture value from meat by-products and waste.</i></p>

Commodity	Opportunity Title and Description
Near-Term Opportunities	
<p>Forestry</p>	<p>Forestry: Supporting existing mills, locally made products, and oriented strand board (OSB) for hardwood in Western North Carolina: <i>Strengthening existing mills, expanding local hardwood product markets, and supporting the development of OSB production would help preserve market outlets for Western North Carolina’s timber farmers.</i></p>
<p>Cross-Commodity</p>	<p>Technical support and incentives for North Carolina processors to source locally: <i>Targeted technical support to differentiate production, strengthen cooperatives, and foster mutually beneficial cross-value chain relationships would improve farmers’ leverage and agency amidst increasingly globalized, price-sensitive markets.</i></p> <p>Cold and freezer storage for fresh fruits and vegetables (F&V): <i>Co-mingled cold and freezer storage, coupled with expanded F&V processing, would simplify aggregation and extend seasonality of produce, making seasonal F&V profitable year-round.</i></p>
Commodity	Opportunity Title and Description
Emerging Opportunities	
<p>Soybeans</p>	<p>Fermentation processing for diversified products: <i>Investing in soy processing technologies—such as fermentation, oil and bioactive extraction, and protein isolation, concentration, or texturization—that expand the range of value-added products derived from local soybeans.</i></p>
<p>Cross-Commodity</p>	<p>Precision fermentation inputs for high-value ingredients: <i>Supporting growth in North Carolina’s precision-fermentation infrastructure would position the state to capture a rapidly growing global market for high-value food and agricultural inputs while creating steady demand for locally grown or manufactured feedstocks.</i></p> <p>Advanced data systems and infrastructure for supply chain optimization and traceability: <i>Equipping local supply chains with Artificial Intelligence, Internet-of-Things-enabled data systems and infrastructure would enable value chain actors to optimize manufacturing processing systems, reduce waste, improve food safety, and enable traceability.</i></p> <p>Packaging and preparation of ready-made meals: <i>Expanding capacity to source North Carolina products for and manufacture conveniently prepared and packaged meals would provide farmers with an additional market channel befitting North Carolina’s diverse, local food production base and consumer marketplace.</i></p>

Cross-cutting takeaways from the study highlight considerations for NCAMPI and other actors seeking to deliver farmer benefits via agricultural M&P investments.

- **Agricultural M&P investments provide a path to increase farmer benefits if intentionally targeted and designed.** Without an explicit farmer-centric approach and local sourcing strategy, the state’s agricultural M&P capacity may continue to grow without meaningful, positive impact for North Carolina farmers and ranchers.
- **Distinctions across commodities, regions, and value chain structures require assessing the underlying economics of each agricultural M&P opportunity.** No two agricultural M&P investment opportunities are alike; differences in value chain realities, downstream customer preferences, and other factors help determine whether a specific agricultural M&P opportunity is likely to be economically viable and sustainable over time.
- **NCAMPI can enable progress but is not sufficient to fully deliver farmer benefits from agricultural M&P investments.** NCAMPI investments can support but not fully create the types of incentives and value chain structures needed to significantly increase farmer benefits delivered through agricultural M&P. Deepened coordination between state agencies and others is needed to advance this broader ambition.

Actionable ways for NCAMPI and other North Carolina stakeholders to advance agricultural M&P to benefit farmers include:

- **Ensuring “local food” support extends to local sourcing for M&P.** North Carolina’s robust local food ecosystem spans local and regional food markets, direct-to-consumer sales channels,

and more. These local food channels primarily focus on aggregating and distributing fresh food. However, it is unclear the extent to which this local food infrastructure is deployed to meet the local sourcing needs of new and existing food manufacturers operating in the state. Explicit incentives and enabling mechanisms to connect the state’s existing local food ecosystem with North Carolina’s growing food manufacturing industry base would fill a key market facilitation gap.

- **Derisking differentiated production and promoting values-based supply chains.** Expanded agricultural M&P capacity can deliver meaningful farmer benefits under the right business conditions. Many North Carolina farmers operate in undifferentiated, price-sensitive supply chains where they are treated as “interchangeable suppliers.”⁸ Transitioning to values-based supply chains—where farmers are treated as equal partners and rewarded for differentiated outputs and production practices—requires coordinated action and risk sharing arrangements among farmers, processors and manufacturers.⁹ Examples identified from across the state – spanning berries, grains, cotton, and meat – offer models from which to learn and scale.
- **Investing in farmer-owned value addition, including via cooperatives.** Not all farmers have interest or ability to engage in value-added steps beyond production, but for those that do, farmer-owned, cooperatively managed M&P presents a promising pathway to improve farmer economic benefits and for farmers to gain leverage in agricultural supply chains. Interviewees point to the need to shore up North Carolina’s cooperative infrastructure amidst renewed farmer interest.

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