



**VISTA 2025 Goal 3:**

***Expand business attraction and retention efforts with a focus on targeted industry clusters***

**Goal 3 Team Meeting**

**June 15, 2017**

**Meeting Notes**

**Team Members Attending:** Mike Bray, Chris Alonzo, Bill Bogle, Tom Fillippo, Roger Legg, Dan Miller, Mark Rupsis

**Also Attending:** Marybeth DiVincenzo, Jodi Gauker, Mike Grigalonis, Leslie Rylke, David Sciocchetti, Gary Smith

**Mark Rupsis**

Welcomed those in attendance and invited them to introduce themselves. Asked if there were any comments on the meeting notes from the previous meeting. None were presented. Invited C. Alonzo to report on challenges facing the mushroom industry in Chester County.

**Chris Alonzo**

Noted that Chester County is the mushroom capital of the world, producing 49% of US mushrooms alone and with Berks County 63%. Indicated that the industry generates

over 10,000 jobs and \$2 billion in revenue.

Explained that the industry was started in Chester County by Italian immigrants who grew a network of companies based in Kennett Square. Commented on how the industry had changed over the years from small buildings to new ones of 115,000 square feet. Noted that one way it had not changed was that mushrooms still required people to do hand harvesting.

Stated that the industry faced a labor shortage for a number of reasons. Noted that average pay was \$12 per hour when many industries have moved to \$15 per hour. Added that recent changes on immigration policies had helped reduce the number of people available to harvest mushrooms. Stated that seven day a week harvesting schedules generate less interest from workers.

### **Mike Grigalonis**

Questioned whether recent immigration enforcement actions were a major cause of the labor shortage.

### **Chris Alonzo**

Responded that ICE was always present and enforcement was mostly handled as a routine process. Commented that the Kaolin situation was due to an unfortunate set of circumstances that had since calmed down. Added that the real problem was that there were no plans for additional seasonal workers. Noted that increasing competition from Canada related to exchange rates had attracted workers and displaced as much as 50,000 pounds of production.

### **Bill Bogle**

Questioned whether Canada had any special imported labor program and was advised that they did not.

**David Sciocchetti**

Asked what assistance was needed to address the challenge and how serious was the risk to the county mushroom industry.

**Chris Alonzo**

Responded that in the next 12 months it was very likely that some county mushroom farms would be lost. There simply were not enough people to complete harvesting and packing.

**Mark Rupsis**

Asked about new worker recruiting efforts.

**Chris Alonzo**

Responded that there was no viable mechanism to identify workers and get them here.

**David Sciocchetti**

Asked if there were any legislative efforts that could help.

**Gary Smith**

Stated that this was a national issue and that other industries were also suffering.

Asked if the mushroom industry was part of the 30 agriculture groups that were attempting to form a collective approach to action. Commented that there had been a historic relationship with at least one Mexican province.

**Chris Alonzo**

Responded that the relationship was still there and workers would come if they could.

**Dan Miller**

Noted that the Farm Bureau had had some success getting legislation moving.

**Mark Rupsis**

Asked if there was any data on job applicants to support the fact that there simply were not enough workers regardless of whether they were foreign national workers with visas or American citizens. Asked if this could be described as a business issue that the national chamber of commerce could address.

**Chris Alonzo**

Responded that approach had not yet been explored but considered it good idea. Indicated that the response of the mushroom industry to its labor problems has been to raise wages, but that this was not always successful and had negative financial impacts on companies' competitiveness. Suggested that this was an issue that needed more in depth discussion about the complex realities impacting the mushroom industry.

**Tom Fillippo**

Suggested that another way to look at the situation is that these are jobs that we can bring to Pennsylvania.

**Bill Bogle**

Commented that this may be a situation where we import workers or we import mushrooms. Noted that having a sufficient supply of harvesters meant that a wide range of jobs supported by the core of the industry would not be lost.

**Mark Rupsis**

Asked who could be energized on this issue and whether there were other constituencies suffering from similar labor supply issues.

**Gary Smith**

Responded that there were many industry sectors that had similar challenges including hospitality, farming, etc.

**Chris Alonzo**

Stated that farming has not traditionally been seen as a business and that tying the labor shortage to sectors that had similar problems made good sense.

**Roger Legg**

Asked what needed to happen to address the issue.

**Chris Alonzo**

Stated that the most effective response would be a change in the regulations that govern temporary visas to allow full time mushroom workers to be treated more like seasonal farm workers. Commented that this might take several years to accomplish.

**David Sciocchetti**

Asked if there was any kind of automation that could help with the labor shortage problem.

**Chris Alonzo**

Responded that robotic harvesting and many other technologies were being explored but none of them would be available near term. Added that the crisis was going to happen.

**Mike Grigalonis**

Noted that the Southern Chester County Chamber of Commerce had established a task force to focus on this issue.

**Chris Alonzo**

Commented that the local chamber effort was a good thing but that a larger effort was still needed.

**Mark Rupsis**

Suggested that any additional thoughts or ideas should be directed to Gary and that perhaps a meeting with Guy Ciarrocchi and the county chamber could be arranged to see if there were other options to address the issue.

**Mike Grigalonis**

Introduced the second annual Take the Pulse survey by noting that 330 responses had been received this year. Noted that RMI was assisting with the analysis. Indicated that preliminary results were essentially positive, the same as last year.

Reported that the geography of responses was concentrated in central and eastern portion of county and that the majority of responses were from smaller businesses of less than 20 employees and companies who had been in the county for more than ten years.

Indicated that relative to questions regarding why a company was located in Chester County the top response was that the principal decision maker resides in the county but that issues of quality of place remained high. Noted that 90% of respondents indicated that they felt the business climate was stable or improving.

On characteristics of the county important to companies, noted that natural environment, access to markets and presence of related business clusters all rose from their 2016 levels. Also noted that, compared to the 2016 survey, impressions of availability of workforce, infrastructure, roads and highways, the permitting process and traffic congestion declined.

Indicated that the highest reported priority for investment was for redevelopment of vacant industrial sites and buildings and transportation infrastructure.

Noted that the majority of businesses indicated that workforce challenges are not a major issue, although about 25% did indicate that finding qualified candidates for positions was as significant issues for their business.

**Chris Alonzo**

Suggested that the Mushroom Institute could assist with dissemination of the survey next year.

**Marybeth DiVincenzo**

Noted that companies are surveyed by many groups for many purposes and the impact of that fact on dissemination and response levels was being evaluated.

**David Sciocchetti**

Introduced the topic of the use of the recently developed marketing materials. Noted that the success in developing new marketing materials led directly to questions regarding the most effective use of those materials. Added that there were two general targets for marketing efforts – companies themselves and employees who make the county more attractive to employers. Asked for thoughts or ideas on specific targets for marketing materials.

**Mike Bray**

Commented that Vanguard could definitely use this kind of information in their hiring process and we should get it into their hands.

**Gary Smith**

Suggested residential relocators, visitor centers and hotels.

**Marybeth DiVincenzo**

Suggested universities.

**Mike Grigalonis**

Suggested DCED at the state level.

**Bill Bogle**

Suggested Penn Medicine which has facilities all over the county.

**Chris Alonzo**

Commented that a strategy was needed for dissemination. Added that distribution at big events should be considered.

**Leslie Rylke**

Noted that there were different distribution options for print or electronic versions

**Bill Bogle**

Commented that one target should be our industry cluster strengths.

**Mike Bray**

Suggested that this was a corporate level piece and could help differentiate Chester County.

**Chris Alonzo**

Added that it was a walk it in and explain it piece.

**Marybeth DiVincenzo**

Commented that it could be used pro-actively by including references to it in remarks at events. Noted that paying for mass production was still an issue. Added that the industry specific inserts had been reviewed and validated by the industry partnerships.

**Roger Legg**

Suggested that bond companies and the bond rating companies might be targets. Added that brokerage companies were targets as well.

**Dan Miller**

Suggested that county chambers were a good target.

**David Sciocchetti**

Reiterated the need for a marketing plan.

**Chris Alonzo**

Agreed and suggested a limited initial effort and then measure response.

Meeting adjourned.