

‘Vertical farms’ envisioned as path out of recidivism

By Peter Osborne
DBT Editor

Ajit Mathew George sees a future where state or federal inmates from Delaware will have farming jobs — and futures as entrepreneurs — waiting for them when they’re released.

All within the Wilmington city limits.

“On average, about 100 men and women are released from Delaware prisons every month to three Wilmington ZIP codes [19801, 19802 and 19805],” says George, who formed **Second Chances Farm** to hire and offer turnkey entrepreneurial opportunities to men and women returning from prison.

He plans to open “vertical farms” inside abandoned warehouses and empty office space close to where these former prisoners live. They’ll be growing crops on LED-lit hydroponic towers that do not require soil, pesticides, or even natural sunlight.

George anticipates hiring 10 to 15 workers for every 10,000 square feet of farming space, with farms as large as 100,000 square feet. Each worker will be paid \$15 per hour during a six- to 12-month apprenticeship period.

All he wants to do is reduce recidivism in Delaware; develop a new industry; produce local organic food on a year-round basis; and create and nurture a new crop of entrepreneurs within Opportunity Zones. His dream is to add a fourth “C” — Crops — to the “Chemicals, Credit Cards (formerly Cars) and Chickens” for which Delaware has long been known.

Winning recognition

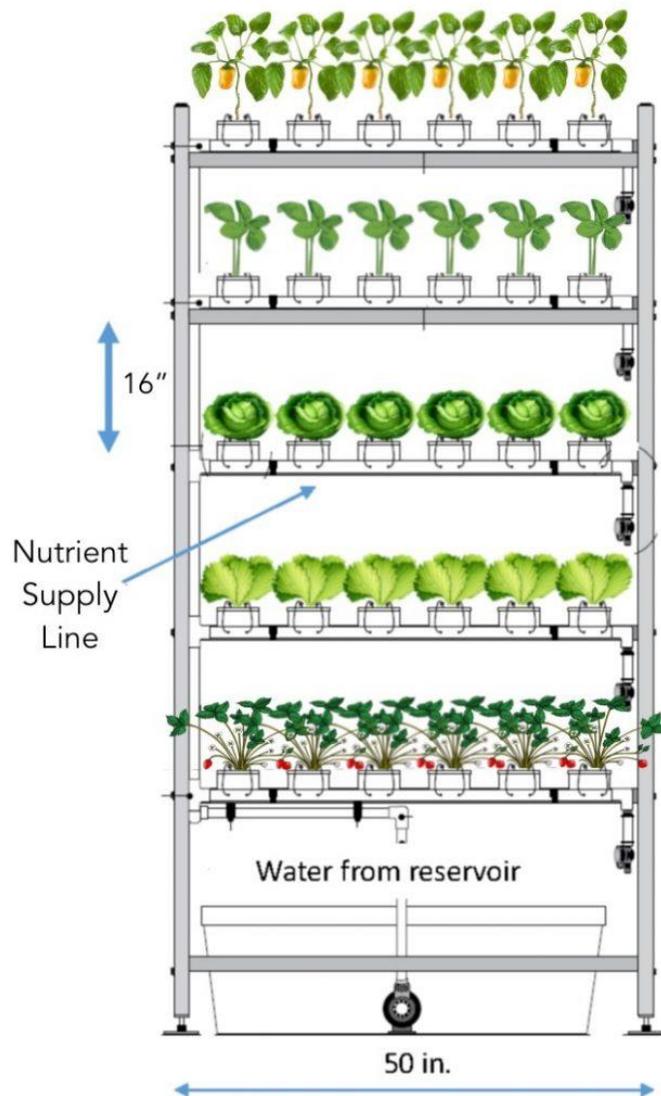
That’s the kind of vision it takes to be named “Best Idea” at the **Pete DuPont Freedom Foundation’s** Reinventing Delaware 2018 competition in early December.

“Our Reinventing Delaware process seeks to identify bold and innovative ideas that will make Delaware a better place to live, work and raise a family,” said Stephen Sye, the foundation’s executive director. “The 100 business leaders and entrepreneurs who attended our annual dinner on Dec. 5 felt that Second Chances Farm fits that vision and we look forward to seeing how the program evolves.”

Opportunity Zones are census tracts designated by the governor and approved by the federal government for the purpose of economic development and investment in low-income areas. They were created as part of the Tax Cuts and Jobs Act of 2017 with eight of Delaware’s 25 Opportunity Zones being in Wilmington.

Once George obtains zoning approval and the IRS releases final regulations governing opportunity zones, they’ll be off and running. He hopes to open Second Chances Farm No. 1 in Wilmington by September in a location still to be determined — although he is looking at abandoned industrial warehouses, older office space and shopping centers,

and is even considering vacant downtown offices with high ceilings like MBNA/Bank of America's old Bracebridge complex.



Example of vertical farming, via Second Chances Farm

The cost of what George calls “Compassionate Capitalism” — yes, two more C’s — is \$1 million to north of \$4 million, depending on each farm’s size and location. The Welfare Foundation, which supports nonprofits focused on social-welfare causes in Delaware and southern Chester County, awarded Second Chances Farm No. 1 a startup grant of \$175,000 following the Reinventing Delaware event.

In the last five years, \$500 million of venture capital has been invested in indoor farming projects in the United States alone, including San Francisco-based Plenty securing \$200 million in financing last year from Softbank, the Japanese firm led by billionaire Masayoshi Son, and investment companies associated with former Alphabet chairman Eric Schmidt and **Amazon founder Jeff Bezos**.

George points out that the Delaware Department of Correction spent \$282 million in 2017. The state’s cost to house an inmate works out to \$43,882 per year, or more than \$120 per day per inmate. As of Jan. 30, Delaware was dealing with 4,517 inmates and 970 accused offenders on pretrial detention, with an additional 13,888 people on probation.

George says incarceration can lead to a “lifetime sentence of unemployment.”

frustrating,” he said. “Sixty percent of all previous offenders are unemployed. For this reason, 68 percent of all those released from Delaware prisons are re-arrested and reconvicted within three years of release. As a result of this crippling system, Delaware has some of the highest recidivism rates in the country.”

He said “vertical farming allows for up to 100 times more production per square foot than traditional farms. Second Chances Farms will be able to get from harvest to shelves in under 24 hours, compared to the 6-plus days and thousands of miles traveled by field-grown produce.”

Local goods in demand

Delaware Secretary of Agriculture Michael T. Scuse said there’s a need for vertical farming in Delaware due to the high demand from consumers to buy locally year-round.

“Vertical farming allows individuals who want to enter into agriculture, but don’t have access to a large amount of land or machinery to be involved in production agriculture,” said Scuse. “It introduces a new type of agriculture to

Delaware that can provide an economic benefit by increasing production of specialty crops that Delawareans want to buy at their local farmers' markets, grocery stores, and restaurants.”

Scuse added that the team that will be running the operation “has served their time and paid their debts to society and now have a chance to be meaningfully engaged in their community through agriculture. The chance to be able to run a high-tech hydroponic farm is a great way for these individuals to get started in an agricultural enterprise.”

A further benefit of the Second Chance Farms, said George, will stem from Delaware’s “prime location” in the mid-Atlantic, within easy striking distance of various major cities.

“It reduces the carbon footprint of long-distance transport, but also ensures ultra-freshness while satisfying the desire by many top chefs and restaurants” interested in a short farm-to-market timetable.

Second Chances Farm will be setting up Opportunity Funds that enable investors to participate in vertical farms throughout the mid-Atlantic area. It also hopes to sign five to 10 companies for a Corporate Community Supported Agriculture (CSA) program. Participants will receive weekly packages of fresh vegetables grown within 50 miles of their locations or let Second Chances Farm deliver their “units” to a designated nonprofit for distribution to their constituents.

“By planting these seeds in economically disadvantaged areas designated as Opportunity Zones, we can grow and nurture a new crop of “Compassionate Capitalists” and “Green Collar” jobs,” George said. “The only way to grow is up!”

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