

Dairy and Livestock Industry Chapter 4

Introduction:

The rolling hills and lake plains area of New York's western-most county is home to an agricultural industry that is one of the largest in New York State. Chautauqua County ranks sixth in the state in the value of agricultural sales by farms. The largest sector at the farm production level of this Chautauqua industry is dairy and livestock production.

According to the 1997 Census of Agriculture the market value of livestock, poultry and their products was \$59,498,000 of the \$88,673,000 total for the county that year. Milk sales accounted for \$52,320,000; cattle and calves sold, \$6,498,000; and other livestock, \$680,000. Cull dairy cows are the largest source of cattle sales. The dairy and livestock sector generated 67% of the farm market value sales in Chautauqua County. The dairy and livestock industry is also the largest sector in New York State's farm agricultural sales.

Trends:

Dairying dominates as the farm income generator in Chautauqua County. Milk is the number one agricultural commodity, but dairy farmers are also meat producers as cull dairy cows are the leading meat products sold by farmers. Dairy trends in the county in many ways reflect those that have occurred across New York State. The following tables highlight some of the trends in New York dairy farms.

<u>Trends in New York's Dairy Industry</u>						
YEAR	NY DAIRY FARMS	COWS ON FARMS	MILK PRODUCED MILLION POUNDS	AVERAGE MILK (#) PER COW	AVERAGE MILK (#) PER FARM	AVERAGE COWS PER FARM
1975	21,500	917,000	9,964	10,866	463,000	43
1980	19,000	911,000	10,974	12,046	578,000	48
1985	16,500	914,000	11,731	12,835	711,000	55
1990	13,000	755,000	11,067	14,658	851,000	58
1995	10,000	703,000	11,600	16,501	1,160,000	70
1998	8,700	701,000	11,740	16,748	1,349,000	71

Source: NASS-USDA, New York Dairy Statistics

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NEW YORK DAIRY FARM STRUCTURE—1998						
HERD SIZE	0 to 29	30 to 49	50 to 99	100 to 200	200+	TOTAL
Number of FARMS	1600	1800	3500	1300	500	8,700
% of FARMS	18.4%	20.7%	40.22%	14.98%	5.75%	100%
% of MILK	1.5%	9.5%	30.0%	29.0%	30.0%	100%
Avg. Milk (#) Production	108,094	608,528	988,286	2,572,077	6,918,000	

Source: NASS-USDA, New York Dairy Statistics

These statistics show some of the major trends that have been occurring in the New York Dairy Industry: fewer dairy farms, fewer milk cows, more milk produced per cow, an increase in total milk production, and more milk produced per farm. Increased productivity has more than offset declines in farm numbers and declines in cow numbers. Average milk production per farm tripled between 1975 and 1998. The trends in the Chautauqua County Dairy Industry follow those of New York State.

TRENDS IN CHAUTAUQUA COUNTY DAIRY INDUSTRY			
YEAR	NUMBER OF MILK COWS in COUNTY	MILK PRODUCED MILLIONS OF POUNDS	AVERAGE POUNDS OF MILK PER COW
1977	32,500	351.0	10,800
1980	31,500	359.0	11,400
1985	30,500	378.2	12,400
1990	25,000	355.0	14,200
1997	24,000	400.8	16,600

Source: NASS-USDA, New York Dairy Statistics

1. Economics of Modern Agriculture in Relationship to the Dairy Industry:

To understand the trends in the dairy industry and the issues and concerns that emerge, one should examine them in the context of the economics of modern agriculture. Most of the trends are not unique to New York State but reflect what has been taking place across the United States. Dairy farmers have benefited from

Chautauqua County Farmland Protection Plan

favorable legislation over the past 50 years or so but even that has not prevented the decline in farm numbers and changes in the structure of the industry. New technologies available to farmers over the years have played a crucial role in the economics of modern agriculture. New machines, new plant and animal varieties, new housing and milking facilities, new and improved fertilizers, pesticides, and herbicides, new and improved feed additives, new sources of information for farmer decision making, affordable on-farm computers, and new and improved managerial techniques are just some of the progresses that have been adopted.

2. Two Distinct Economies:

In much of agriculture there are two distinct economies at work - the economics of the individual farm business and the economics of the total aggregated industry. Often these two conflict in what would be considered best for the individual farmer or the Chautauqua County economy. The individual farm business is concerned primarily with efficiencies and production operations that will maximize profits. Efficiencies in fixed costs, such as capital costs for machinery and buildings, are achieved by spreading the cost among more units of output, whether they are hundred-weights of milk, tons of grapes, or bushels of shell corn. Variable cost efficiencies are achieved by optimizing input to output production relationships and are subject to the physical law of diminishing returns.

The industry as a whole attempts to bring supply and demand into equilibrium by moving prices towards a point of balance between supply and demand. As the economics of the industry as a whole change, the economics of the individual farm businesses can be significantly affected.

3. Technologies:

Innovative farmers have always been quick to adopt new technologies to increase productivity and profits per unit of production. As long as commodity prices remain at the same level, net profits rise and total profits increase to the early adopters of new technology. However, as more farmers adopt the new technologies in an effort to raise profits, increased production results in market adjustments and price declines. In the longer term, total production rises and market prices fall unless demand increases to consume the increased production. This means that farmer profits per unit of production fall in the longer term. With lower profit per unit of production the farmer finds it difficult to survive unless they can expand their production or in other ways increase family income. Thus, farmers continually face getting out of farming, adding an alternative enterprise, developing a new method of production, or getting larger. New York farmers have, through technological developments, brought about increased milk yields per cow of over 2 percent per year and increased herd size by over 3 percent per year on average in the past 25 years.

4. Milk Production:

Chautauqua County also has experienced the changes discussed here. While farm numbers have declined, total milk production is higher than ever in its history. Total milk production from Chautauqua County farms, as reported by the New York State Department of Agriculture and Markets, varies from year to year because of weather and other factors. In the mid 1970's total milk production was in the range of 325 to 350 million pounds. The mid 1980's reports were in the range of 350 to 375 million pounds. And in the most recent 1990's the annual range has been in the 375 to 390 million pounds range. This is a significant fact in view of the decline in dairy farm numbers and negative misconceptions relating to the dairy industry.

Challenges Faced by the Chautauqua Dairy & Livestock Industry

The strengths, challenges, threats, and opportunities for the Chautauqua dairy and livestock industry can be broadly categorized into a) those that are internal to the farm and its management and b) those that are external to the farm business. The future viability of the dairy and livestock industry and the continuation of lands in farm production will depend greatly on how we respond to these challenges.

Strengths:

Chautauqua's dairy and livestock industry has many strengths to its credit. Much of the land resource base is well suited to forage production of hay and corn crops. The climate provides adequate moisture for crop production. The dairy industry is well established in the county and Chautauqua ranks sixth in total milk production in the state. Chautauqua is the largest county milk supplier in the milk markets of Federal Milk Market Order 36 (Eastern Ohio and Western PA), which includes some 77 counties in six states. Dairy men are skilled and knowledgeable of modern dairy herd management practices. The county has young farmers in the industry, and there are small, medium, and large dairy farm businesses.

Internal Challenges Faced by Agriculture:

1. Production - New technologies continue to be developed in crop and livestock management. Both quantity and quality of production are important. Forage quality is of utmost importance to the high producing dairy herd. The optimum harvest 'window' is a narrow time-frame which is often difficult to achieve. Meeting the challenge also involves questions of adequate, but not extra, equipment and machine capital investments, labor force, and management. Farmers are challenged to adopt new technologies or risk sliding behind others in productivity and profitability. Complex production efficiencies are a challenge to be faced in remaining competitive in the industry. The farmer must also cope with unpredictable weather.

Chautauqua County Farmland Protection Plan

2. Financial - Farming is a highly capital intensive business. Farms in the Cornell Cooperative Extension Dairy Farm Business Summary Program have an average capital investment of over \$6,000 per dairy cow in land and buildings, equipment and livestock. Farmers utilize borrowed capital to operate and expand their business. All aspects of financial management from record keeping to operating business decisions and expansion require high financial management skills. Not all farmers are able to receive the level of financial servicing that they need in the county since there has been a decline in financial institutions serving agriculture.

3. Human Resources - As farms get larger, the number of family members involved often increases as well as the amount of non-operator labor required to operate the business. Many a farm manager today is challenged with becoming an effective people manager and leader in contrast to being primarily a physical producer of food.

4. Marketing - There has been a dramatic shift in public policy in the dairy industry in the past decade. No longer does the government dictate minimum milk prices through price support programs. Now the marketplace is the principal mover of milk and dairy prices. This has resulted in much greater volatility and swings in milk prices than historically experienced. Moreover, the value of the farmer's milk is no longer simply a volume question. Milk is now increasingly priced on the amount of protein it contains, the butterfat content, and the somatic cell content (quality) as well as volume.

5. Legal - The farm business today faces more legal questions and challenges than in the past. These include more complicated business ownership arrangements involving partnerships, share-lease arrangements, corporations, trusts etc. Transfer of the business property from one generation or set of owners to another is more complicated. In addition, the farmer faces more threats and challenges in food safety, non-farmer complaints, environmental issues, labor rules and regulations, and so forth.

6. Resources - Each farm has its own unique set of resources. Soils vary in drainage, fertility, and ability to produce crops. There are microclimate patterns across the state. Farm buildings often were constructed decades ago and have become obsolete and/or are being used to their maximum. Expansion or even staying competitive may mean significant investments to go to the next level, that is, to move from a conventional barn to a more efficient free stall with a milking parlor.

External Challenges Faced by Agriculture:

The dairy and livestock producers operate their individual firms in a broader world where many factors are beyond the control or sphere of influence of one individual. Economic, political, and social forces of change are continually acting on the individual farm. Some of these forces are:

Chautauqua County Farmland Protection Plan

1. Changing Public Policies - National policies for food production and farm income have swung from an era of price supports, production controls, and agricultural subsidies to reduced federal programs and a more market-oriented 'freedom to farm' policy intended to get the government out of agricultural pricing. One result has been more volatility in dairy and other commodity prices and the need for the producer to assume greater responsibility for price and production risks. The federal government has often pursued a 'cheap food' policy aimed at assuring that consumers have plenty of inexpensive food as opposed to a policy of assuring viability of farms for food production. The family farm has suffered because of this policy.

2. Economy - Increasingly the producer finds that he is not just in competition with producers from other regions of the USA but also in a global economy. Grain, meat, even dairy product prices are influenced by the global market place, international events and national policies. A weak economy in the Far East or former Soviet block countries can reverberate all the way back to the farm level here in Chautauqua County.

3. Environmental Issues - Society's demand for environmental quality has made environmental issues a greater management concern for farm producers, suppliers, processors, and others. Agriculture has become the focus of increased attention from environmental regulations and environmentalists. National policy that previously focused on industrial and other sources of pollution are now targeting agriculture as a priority concern. Who will bear the cost of implementing new and sometimes costly environmental safeguards?

4. Consumer Preferences - Consumer demands for food that meet expectations in quality, composition, convenience, safety, and stable price all affect the producer. Demographic changes of the U.S. population, such as an older population and more ethnic diversity influence food demands. The producer must respond to the signals received from the marketplace. There is no guarantee that a producer will receive a profitable market price for his produce.

5. New Technologies - New technologies are developing rapidly. Genetically altered crops and livestock, satellite guided 'precision farming' technologies, irradiated foods, and powerful new communication systems such as the World Wide Web internet are just a few examples. The opportunities for the future are numerous but the risk of negative consumer reactions is unknown and potentially significant.

Strategies & Actions:

Assuring the future viability of the dairy and livestock industry in Chautauqua County and stewardship of the productive agricultural lands can be enhanced by adopting positive strategies and actions. These include a mix of incentives, educa-

Chautauqua County Farmland Protection Plan

tional outreaches, and agricultural and community actions. Some of these strategies and actions are already in place. Communities that use a combination of approaches are often the most effective in agricultural and farmland protection efforts. Strategies for the dairy and livestock industry have been consolidated under six major areas: reaffirming agriculture's importance, helping producers stay in business, helping producers meet environmental challenges, enhancing infrastructure and supporting agriculture, educating the general public and decision makers regarding agriculture, and enhancing farm input and services, processing, marketing and agribusiness.

Strategy: Reaffirm the Importance of Agriculture and Its Attributes in Chautauqua County.

The future of Chautauqua County's agriculture and farmlands depends upon improving the profitability and competitiveness of the agricultural sector and providing needed safeguards and supports for agriculture. Agriculture should be recognized as consisting of much more than just the farm production sector. It also includes a vast array of farm input and service providers to farmers as well as the processing and marketing of farm produce. It is important to reaffirm public commitment to enhance opportunities for the growth and development of agriculture and agribusinesses and the preservation and protection of viable farmlands in Chautauqua County.

Actions: Suggested and Existing:

- **Farmland Protection Plan:**
Adopt the Chautauqua County Agricultural and Farmland Protection Plan as a blueprint to be used in retaining farmland and building an economically strong local agricultural industry for future generations. Acceptance of this plan by the Chautauqua County Legislature is vital to securing future state funding for farmland preservation.
- **Agricultural Districts:**
Continue legislative and community support for inclusion of currently non-agricultural district farmlands into current agricultural districts and for the renewal of current Agricultural Districts. The Chautauqua County Farmland Protection Board has adopted a strategy to bring into Agricultural Districts all townships not yet covered by districts, including the communities of Clymer, Sherman, and Chautauqua which are strongly agricultural.
- **Right to Farm Laws:**
Continue support of the New York State and Chautauqua County "Right to Farm" laws. "Right to Farm Laws " should be passed by each town or

Chautauqua County Farmland Protection Plan

village and correspond with the existing County "Right to Farm Law." This would show the farm community that there is a general support for agriculture throughout the non-farm community.

- **PR & Promotion:**

Develop media and promotional information celebrating the role and importance of dairy and livestock farms in Chautauqua County. Publicize agribusiness opportunities and entice value-adding-produce-processors to the area. Promote Chautauqua County to prospective farmers, agribusiness, agricultural processing and manufacturing plants.

Chautauqua County IDA promotes manufacturing and manufacturing space in the county, including agricultural processing and manufacturing. Development of a PR program might be done cooperatively by the Visitors' Bureau, agribusiness, farm organizations and county government.

- **Lobbying Efforts:**

Lobby and support state-level efforts that will benefit local dairy farmers through reductions in Workers Compensation Insurance fees, support for agricultural research and promotion, and reduction of property tax burdens. The Farm Bureau of Chautauqua County is one of the organizations that supports these types of efforts. County legislators and our local state legislators need to also be involved since much of need for lobbying and support is at the state level.

- **Land Preservation/Conservation:**

Educate communities about various land use and related mechanisms available to direct development away from important dairy farmland to areas more appropriate for such use. Chautauqua County and its communities should include a number of tools in their toolbox for agriculture support including the purchase of development rights and conservation easements. While land use conflicts and development pressures are not widespread in Chautauqua County, New York State has made available competitive grant funding for these purposes and the county should be prepared to seek such assistance should the need arise. The Chautauqua County Planning Department together with the Cooperative Extension would spearhead this type of education in Chautauqua County.

- **Leadership Development Opportunities:**

Enhance leadership development opportunities and exchanges between agricultural and non-agricultural future leaders to improve understanding and networking. The agricultural community should be involved in town and county government and organizations. Many members of the farm

Chautauqua County Farmland Protection Plan

community are already county legislators, town supervisors, and town board members. This involvement needs to be continuous.

Strategy: Help Producers Stay In Business and Be More Profitable.

Sound agricultural and farmland protection strategies are built on the premise that farms must be profitable and competitive with those in other areas. County and local governments can strengthen the direct support they provide to agriculture. Individual farm businesses cannot have their own research and development departments. It is in the public interest for land grant universities to conduct research and educational programs for the agricultural industry and to extend that knowledge to the agricultural community.

Actions: Suggested and Existing

- **New Technologies:**
Increase the understanding and use of new technologies in crop production, animal production, business management and communications by dairy and livestock producers. Increase human resource management skills by farm operators in carrying out farm personnel management practices. Increase dairy herd production and management skills in farm employees through pre- and post- hiring training programs so that the farm production sector has a skilled labor force. Cornell University through its State School of Agriculture and a variety of programs associated with the school provide many learning opportunities for the farm community, including services from Cornell Cooperative Extension in Chautauqua County.
- **Education Opportunities:**
Increase the depth of knowledge of agricultural production, economics and application to enterprise management in the farm business. One educational opportunity in Chautauqua County (1999) was a “Special Discussion Meeting-Taking the Chautauqua Dairy Industry Into The New Millennium.” This was held to not only introduce the dairy community to Chautauqua County’s Farmland Protection Plan but also featured presentations by Jason Karszes (“Different Ways of Making Profits in Dairying – Benchmarks from the New York Dairy Farm Business Summary Program”) and David Galton (“Pro-Dairy Programs – Positioned for the Dairy Future”).
- **Farm Management:**
Increase the use of whole farm business analysis, financial management, and visioning in farm business management decision making. Increase the use of more formalized management functions for planning, organizing, directing, and controlling the farm business. Cornell’s Department of Rural

Chautauqua County Farmland Protection Plan

Sociology Rural Alternatives Program publishes information for the farmer such as “Practical, Profitable, and Sustainable – Innovative Management Strategies on Four New York State Dairy Farms.” Dairy Farmers in Chautauqua County could use this to help visioning and decision making in their business ventures. This type of material is funneled through the Cooperative Extension to the dairy farmers in the county.

- **Financing Mechanisms & Sources of Capital:**
Assist dairy farmers in developing capital investment, expansion and business transition strategic plans. Identify sources of capital. New farm operations specifically need access to capital. Legislation was signed into being October 7, 1999 creating the New York State Agricultural Economic Development Program. Part of this program is the “development of financing mechanisms for the establishment, retention, diversification and expansion of new and existing value added products” (Press release –10/7/99- Office of the Governor). Another avenue that could be pursued at the State level is a grant-in-aid program for the capital costs of farm improvements that expand or diversify existing production. The State of Connecticut has such a plan in place.
- **Sharing of Knowledge:**
Encourage and assist dairy producers to network and learn from one another through sharing their technical and management experience and knowledge. Encourage agribusiness professionals and consultants to work as teams in their efforts to assist farm producers.
- **Market Strategies:**
Enhance market strategies that are within the control of the dairy farmer. Use price-stabilizing and risk-reducing tactics such as forward contracting for purchases and sales. The Amish farms in Chautauqua County produce milk but do not send it to be processed under Federal Milk Market Order 36. They use the milk in their own communities and take it to be processed into cheese. Marketing of Amish products outside these parameters needs to be done.
- **The Next Generation:**
Assist the transfer of farmland and businesses to the next generation, assist young farmers with their unique needs, and attract new farmers.
- **Educational Opportunities:**
Provide opportunities for high school students to explore career opportunities in the field of agriculture. Several of the high schools in Chautauqua County have agricultural vocational technical training programs. Both Sherman and

Chautauqua County Farmland Protection Plan

Westfield school districts have full-time faculty devoted to agricultural training. This should be a priority in every school where there is viable agricultural land and a strong farm community.

Strategy: Help Producers Meet the Environmental Challenges

Environmental concerns increase regulations on the farm producer. Regardless of whether the operation is contributing to a pollution problem or not, farmers will increasingly be required to adopt preventive practices. Some of these mandates may require considerable capital outlays and changes in operating practices. Some could even force farmers to move their farmsteads or go out of business. Educational, technical, and financial assistance are needed to meet these challenges.

Actions: Suggested and Existing

- **Raising Awareness Through Education:**
Provide education to livestock producers to raise their awareness of New York State's Agricultural Environmental Management (AEM) Initiative and the federal Concentrated Animal Feeding Operations (CAFO) Regulations. Assist producers in meeting other initiatives of the AEM effort. Farm organizations and the Cooperative Extension need to lead in this area. Assessments of risk in the legal and health context need to be emphasized.
- **Farm "Walk Through" Tours:**
Host on farm 'walk-through' tours to help producers visualize the requirements of CAFO planning and implementation regulations and AEM initiatives. Chautauqua County Cornell Cooperative Extension has provided several of these walk-throughs. Major topics covered at an event held in November 1999 at Hidden Valley Farm, South Dayton, NY were Who should file a notice of intent and what needs to be done before and after filing this notice? Since farmers need to continually meet requirements, this direct and straightforward education should be ongoing.
- **Technical Assistance:**
Provide technical assistance to dairy and livestock producers in development of farm nutrient management plans, barnyard runoff control, milk house wastewater disposal, silage leachate control, and manure storage to meet CAFO regulations. The French Creek Project is an example of this technical assistance to the farmer.
- **Financial Assistance:**
Assist producers in obtaining grants and financial assistance to meet

Chautauqua County Farmland Protection Plan

CAFO regulations. Seek Environmental Quality Incentive Program (EQIP) grants for Chautauqua County to assist dairy and livestock farms in meeting environmental challenges.

- **Pilot Project:**

Create a pilot project within Chautauqua County to ensure adequate resources, both people and money for planning and remediation to meet both CAFO and AEM regulations. This would include more people involved and certified locally as concentrated nutrient management plan (CNMP) planners and allow for funding by means of a County revolving loan fund and/or obtaining grant monies.

Strategy: Help Enhance the Infrastructure and Support for Agriculture in Chautauqua County.

A vital county infrastructure is needed to supply farms with needed inputs for production and business operations and to transport produce to processing and marketing channels. Farmers should benefit more equitably from the real property taxes they pay. Generally farms receive less in services than they pay in taxes since the nature of their business involves considerable real property and the payment for many services is based upon real property taxes.

Actions: Suggested & Existing

- **Infrastructure:**

Maintain roads and bridges. At the local level of influence, the town and county maintenance of roads and bridges affects farming activities. It is important to have roads and bridges of sufficient widths, weight carrying capacity, and finished surface that provide adequate access to farmsteads and fields.

- **Property Taxes:**

Reduce property taxes on farm property. Farming involves large acreage and amounts of real property. Some of the burden of real property taxes have been eased by the New York Farmer's School Tax Credit, new farm buildings exemption, silo exemption, and the Agricultural Value Assessment program. Ownership of farmland does not mean great wealth, income or ability to pay taxes. Thus control of the real property taxes and the shifting of the tax burden to income tax or other more equitable means of raising revenues must be pursued. Encourage and provide for continuing education for real property assessors on agricultural assessment valuations. New York State, which regulates all NYS assessors, has a required continuing education program that includes a farm appraisal and valuation component along

Chautauqua County Farmland Protection Plan

with a component on property tax exemption administration. The farm community must exercise its right to these real property tax exemptions by applying for them.

- **Funding for Agricultural Service Providers:**

Assure adequate funding for Chautauqua County Cornell Cooperative Extension and the Soil and Water Conservation District, whose services are provided to agricultural producers. Dollars given in the 1999 County budget to the Cornell Cooperative Extension and Soil and Water Conservation breakdown as follows:

In 1999 Cornell Cooperative Extension received:

- \$ 95,000 from the Youth Bureau for 4H

- \$109,500 from the Health Department

- \$225,800 from the Department of Development

Soil and Water Conservation received:

- \$123,000 from the Department of Development

There is an initiative set forth by the Empire State Council of Agricultural Organizations for New York State to invest more heavily in agricultural marketing, education and research. Reinvestment in these fundamental business elements is critical to maintaining a competitive edge in what is now a world market. According to the Council, New York State's national ranking in cash value of farm products marketed has dropped from 21st to 27th. Lobbying to support New York State marketing initiatives is important to our county and to New York State.

- **Adequate Financial Resources:**

Help to assure that there are adequate financial institutions for the farming and agribusiness industries in the county and that they appropriately serve the agriculture industry. Lending institutions must be given incentives to make capital available to the agricultural community.

Now, through a recently legislated agricultural economic development program, economic help can be provided to the farmer just as in any other industry. Under this new law, the State Department of Economic Development, Department of Agriculture and Markets, the Empire State Development Corporation, and local agencies will coordinate policies and implement and coordinate new programs. Funding should be provided through this same program for assistance in networking and training people interested in and already involved in agribusinesses in Chautauqua County. The Chautauqua County IDA, county legislators, and county farm organizations need to be involved in this process and work to put these funds into programs that benefit Chautauqua County agribusiness.

Chautauqua County Farmland Protection Plan

- **Agritourism:**

Help the tourism industry recognize and support scenic agricultural vistas, and productive agricultural lands as complimentary to tourist attraction and a desired land use. The Chautauqua County Visitors' Bureau already promotes agriculture as a tourist attraction.

Strategy: Education of the General Public and Decision Makers Regarding Agriculture.

It is important to raise awareness and understanding of the importance of the dairy and livestock industry to Chautauqua's local economy, our quality of life, and our future. Residents and the business community need to understand why the community should continue to support and invest in agriculture. When a manufacturing firm is in trouble or considers relocating, the resources of the entire community are pulled together to help retain that business. Agriculture's numerous producers are scattered about the county, often their needs are less visible, and their losses and changes occur more quietly. Efforts of support and retention similar to those devoted to manufacturing should be applied to agriculture.

Actions: Suggested and Existing

- **Conflict Resolution:**

The issues of farm odors and farm noise have existed since people decided to expand non-farm activities, such as residential housing throughout the countryside. A recent increase in residential development in agricultural areas has added to the frequency of complaints. Improved relations and understanding between farm and non-farm people need to be addressed. A means to resolve conflicts before they become serious or litigious is needed. Several publications exist that deal with these issues. An example is a publication by the Farm Alternative Program, Cornell University called "Cultivating Farm, Neighbor, Community Relations" produced by the Farming Alternatives Program at Cornell University. The booklet covers "creative approaches for reducing farm-related land-use conflict". Education of the non-farm community by way of PR about farming in general is another way to help ease any tension that might develop. Making the farmer aware of practices that might cause a dispute might help. The Cornell Cooperative Extension or one of the County Farm Organizations could invest time in seminars dealing with these issues. The realtors in the county should be a partner in the process.

- **Educational Tours:**

Encourage educational tours for schools and children to improve understanding of the dairy and livestock food production sector. Strengthen agri-

Chautauqua County Farmland Protection Plan

cultural vocational education programs and Ag-In-The-Classroom programs. School administrators and teachers must present agriculture in a very positive light and support vocational programs.

Host farm tours for non-farm people to gain a better understanding of the realities of modern dairy and livestock farming activities. In September 1998 a tour of this kind brought 850 people together, both non-farm and farm, for a better understanding of agriculture and farm production. Children and parents toured throughout the day, learning about the dairy industry and dairy farm practices. The keys to its success were the volunteers who participated as farm hosts, tour guides, presenters, exhibitors and co-sponsors.

- **Local Labeling and Sales:**

Encourage consumers to 'buy local' produce and products from our farms and from farmers at roadside markets or in stores. Purchase of dairy and meat products that are produced from Chautauqua milk and livestock enhances the market for these farm goods. A program to label Chautauqua County farm products should be developed and promoted so everyone knows what they are buying. Farm organizations such as the Farm Bureau might be the catalyst for this to happen.

- **Raising Awareness Through Education:**

Our legislators should constantly be made aware of the problems the dairy industry faces in our county. Legislators should be provided opportunities to see first-hand how the dairy industry conducts business, what products are produced within the county, and the challenges the industry faces in production and marketing. There should be a coalition dairy farmers that act as facilitators to keep our legislators up to date on issues.

- **Chautauqua County Fair:**

The Chautauqua County Fair is another way to educate about agriculture. It has been held every year since 1843. This is a cooperative effort by many organizations in the county. Children from many parts of the county have their first close encounter with farm animals at the county fair and they get to see what it takes to care for those animals. The general public enjoys displays by various farm organizations and product competitions. It makes them cognizant of the rural nature of our county.

- **Educating Elected Officials:**

Our legislators should constantly be made aware of the problems the dairy industry in our county faces. Legislators, town supervisors, and village

Chautauqua County Farmland Protection Plan

mayors should be asked to seek out opportunities to see first-hand how farms operate, what is in the county in the way of agribusinesses, and what the problems are. There should be a coalition of farm organizations and agribusiness people to assure that education of our elected officials occurs.

Strategy: Enhance the Farm Inputs and Services, Processing, Marketing and other Agribusiness Sectors of the Industry.

Agricultural economic development efforts should be strengthened and included with other county economic development plans. Dairy farms might require other types of income to make the farm viable.

Actions: Suggested and Existing

- **Opportunities for Value-Added Products:**
Support the opportunities for cheese, dairy manufacturing and other value added processing and marketing facilities in the county. Explore alternative agriculture ventures for dairy and livestock producers wishing to exit or expand their farming business. This could include specialized mini manufacturing plants. An example of this mini dairy is the Pladot Mini Dairy from Israel. There are several being established in Pennsylvania. A coalition of dairy farmers might find this an opportunity for value added products and in conjunction with our Chautauqua County wine industry, make a combined effort to market a regional cheese along with a regional wine. Make use of the New York State Wine and Grape Institute and their expertise in marketing.
- **Economic Development Efforts:**
Agriculture and forest industry economic development efforts should be strengthened and included with other county economic development plans. The State of New York passed legislation which took effect April 7, 2000 that establishes a permanent agricultural economic development program within the State Economic Development Department.
“ Existing DED grant and loan programs, technical and business assistance outreach staff, and other business development resources will promote agricultural marketing, research, storage and food processing industries. Demonstration projects may be designed to help farmers develop specialty niches, to create new facilities for storage, sale or transshipment of produce, to help fund the purchase of modern food processing equipment, or to bolster other kinds of ag-related enterprises (Rural Futures, November/ December 1999). “

Chautauqua County Farmland Protection Plan

Chautauqua County agribusinesses need to look at this new resource. Our legislators, the County, and farm and forest organizations must make sure monies from this source are secured for businesses in Chautauqua County.

- **Promotion and Marketing:**

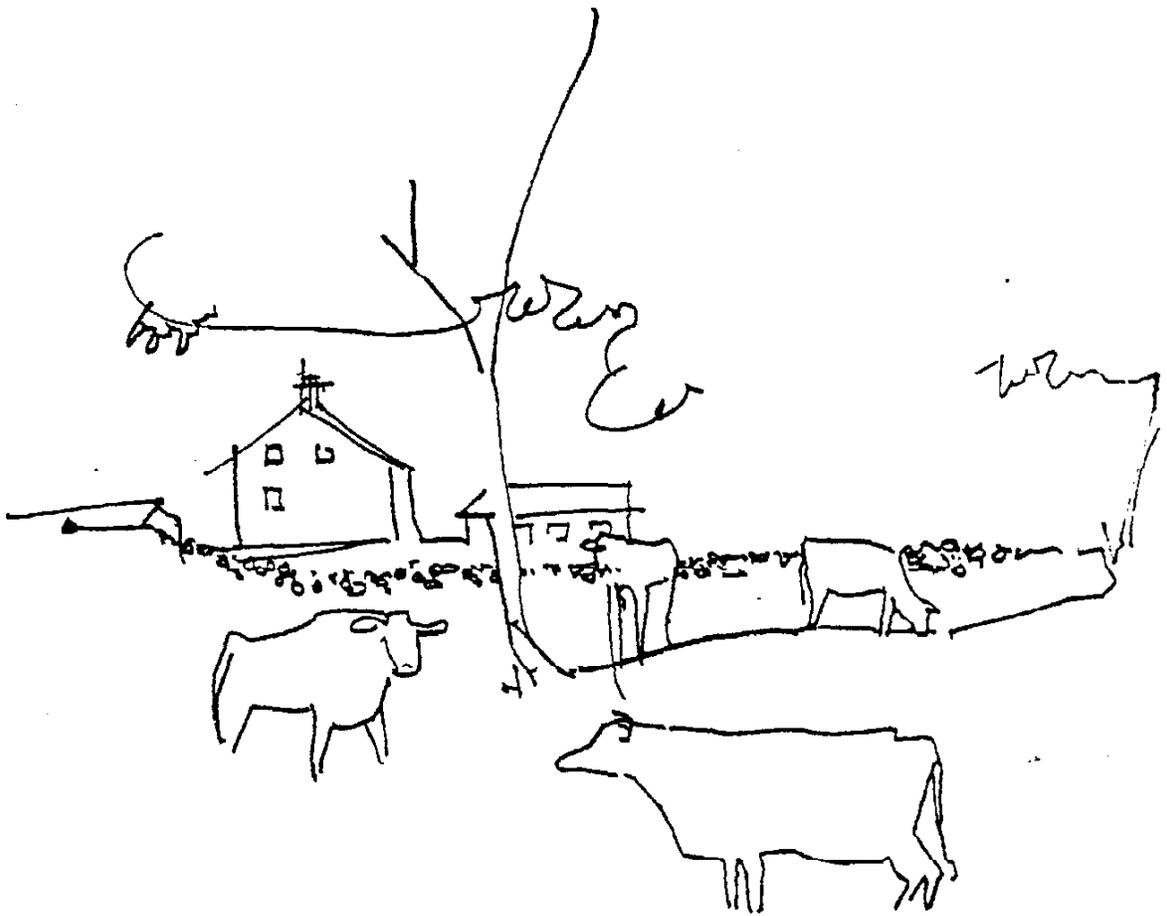
Assist in agricultural promotion and marketing. Expand agritourism business opportunities and networking. Coordinate with Chautauqua County Visitors' Bureau and NY Seaway Trails to incorporate agritourism in their marketing plans. Marketing assistance should come from local government, county government, the various agriculture organizations, agribusiness, other businesses (their best interest is to promote all kinds of business), state and national grant monies.

- **Farm Woodlot and Woodlands Enhancement:**

Enhance the on-farm management of forest woodlands to improve this additional source of revenue for dairy and livestock producers. Support the willow biomass pilot efforts to produce an alternative crop for landowners and to utilize farm lands in agriculture. Willow biomass is of interest to Chautauqua County because we have an electric generating plant and sufficient farmland in near proximity to one another to support this alternate farming project.

- **Agritourism Opportunities:**

Additional opportunities to make dairy and cattle farms more economically sustainable and utilized should be explored. Woodland trails for hiking and cross-country skiing and general recreation should be promoted with proper legal and other safeguards.



CHAPTER 5

FORESTRY

Forestry Chapter 5

Introduction:

Primitive forest almost totally covered the area now known as Chautauqua County when the Native American was the sole occupant. As European settlers came in the late 1600's, and for the ensuing 200 years, crops, cattle and woodland products were cultivated and harvested. The forests gradually diminished because of these agricultural activities and at the turn of the 20th century only approximately 20% of the land was forested. Since then, with the decline of cultivated agricultural acreage, lands have reverted to forest. Approximately forty-six percent (46%) of the county is now forestland. Forestlands in Chautauqua County are diverse. Sugar maple is the leading species along with other northern hardwoods. New York State has more sugar maple than any other state. This diversity is important for wood and non-wood forest products, biological diversity, and wildlife cover.

CURRENT FOREST-TYPE GROUPS IN CHAUTAUQUA COUNTY (in thousands of acres)				
ELM/ASH RED MAPLE	OAK/ HICKORY	ASPEN/ BIRCH	WHITE/ RED PINE	NORTHERN HARDWOODS (includes Sugar Maple)
25.1	31.4	32.2	38.0	188.9

Source: Forest Statistics for New York: 1980 and 1993, USDA Forest Service

Part of New York State's economy is the 15.5 million acres of timberland in the state and the resulting wood product manufacturing industry. The USDA Forest Service defines timberland as forestland that is producing or is capable of producing crops of industrial wood and not withdrawn from timber utilization. While the wood industry is no longer a leading industry in the state, it is still important, particularly for supplying raw material for the state's pulp and paper industry as well as hardwoods for furniture and veneers.

"Our state's forest resources are characterized by abundant opportunity stemming from the growth, in both size (of individual trees) and area (covered), of the state's forests over the last several decades. Today, growth exceeds removals by a rate of three to one. This provides a tremendous opportunity for the state to realize greater economic activity, while still preserving the recreational and open space values we cherish (JUST THE FACTS: An Overview of New York's Wood-Based Economy and Forest Resource)."

Chautauqua County Farmland Protection Plan

Chautauqua County can capitalize on this opportunity with its 315,500 acres of timberland (98% of the county's forestland) out of the 679,800 acres that is the landmass of the county. Private citizens own 293,200 acres (93%) of this timberland. Most of this property is owned, not for the purpose of commercially harvesting timber, but as residences, parts of farms and for recreational use. However, many property owners do harvest and sell the timber on their properties.

There are at least 53 forest products businesses in the county and they employ approximately 2,500 people (5.5% of all employees in Chautauqua County). Employment in wood-using industries constitutes 17.6% of all employees in the manufacturing industry in the county. They produce lumber, furniture and fixtures, paper and allied products as well as maple syrup and Christmas trees. In comparison with other counties in New York State, Chautauqua County has a high level of employment in the forest products industry. Only six other counties have a "high level" of employment, 1,500 people or more (as defined by the USDA), in the forest products industry.

Agriculture has a close relationship with the forest industry and forest management. Alternative agricultural products or value added products are part of the additional income to farmers. Timber sales and fuel wood are usually an important part of this farm income. Wooded acreage is also used for agritourism, recreation, hunting and for other forest products.

Trends:

There seems to be a greater involvement by government in many issues that affect the livelihood of the forest industry in New York State and Chautauqua County. Governments are continually seeking ways to enhance their revenues to fund various programs. Funding liability (unfunded mandates) is transferred to lower levels of government creating a crisis in funding (e.g. property taxes) at that level. The continual increases in taxes affect the forest industry's ability to manage its resources wisely, make a profit, and still produce a product that is reasonably priced.

Some factions choose to champion certain environmental issues concerning woodlands. The trend is increased pressure by private individuals and organizations (many non-forest owners) to want more government control of forestlands.

There is also the fragmentation of woodlands because of "recreational sprawl." More people are spending more money on recreational pursuits. Included in this is the use of forestland for these interests. People buy small acreage for cottages, hunting camps and camping trailers. We are within a four-hour drive of at least five major metropolitan areas. People enjoy owning a little piece of "heaven."

Chautauqua County Farmland Protection Plan

Timber prices are on the increase and the supply is reduced. There is a continuing, strong, steady demand for forest products and there is an increased interest in special forest products – “the other forest products.” These are non-timber forest products that are generally not cultivated such as moss, mushrooms, ginseng, maple syrup, and nuts.

Perhaps least recognized is the increased scientific knowledge concerning forests along with recognized need and desire for better and sustained forest management as contrasted with increased economic pressures to “take the best and leave the rest.” Any timber management plan is long term. While a well-managed forest may yield a reasonable return every decade or so, pressure for maximum short-term gross income may destroy the potential for realizing subsequent yield for nearly a century, if ever. Taxes, laws, regulations, and personal needs, each work against good long-term management practices.

Challenges Faced by the Forest Industry in Chautauqua County.

The strengths, challenges, threats, and opportunities for the forest industries and forest owners can be categorized into a) those that are internal to the business and its management and b) those that are external to the business. The future viability of the forest industries will depend greatly on how we respond to these internal and external challenges.

Strengths:

Chautauqua County has a naturally humid climate, as does the rest of New York State. This plus fertile soil, a small deer herd, and a source of viable seed (trees in near proximity) are the sources for successful forest regeneration without the need for herbicides (as in Pennsylvania). Timber growth exceeds removals by almost three to one.

The formation of a subcommittee on forestry by the Farmland Protection Plan Advisory Committee shows a commitment by county leadership to the forest industry. The county is interested in hearing what the forest industry has to say and this commitment is well demonstrated by the county’s use of a professional forester to manage county forest and parklands.

There are many trained forestry professionals in the county, and those people that are in the industry for the long term are generally doing a good job of promoting good forestry practices. Operations are able to sustain themselves at this time because forest products command very high prices and resources are still available.

Private individuals own most of the forestland in Chautauqua County. This makes it harder for groups who wish to limit or eliminate harvesting to reach their goals. Private

Chautauqua County Farmland Protection Plan

property rights are significant. However, individual forest owners are generally without much experience or knowledge concerning the forest land they own. They are not effectively organized or informed enough to counteract groups with strong financial and media support who mean well, but are often counter-productive in promoting long-term forest sustainability.

Organizations are in place that promote forestry. There is the Sustainable Forestry Initiative (SFI). This is a voluntary initiative program developed by the American Forest and Paper Association. Also in existence are Envirothon, Conservation Field Days, Roger Tory Peterson Institute's Selborne Project (now "Teaming With Nature"), the Master Forest Owners' and New York Forest Owners' Associations. The New York Federation of Sportsmen's Clubs, Ruffed Grouse Society, Trout Unlimited, and the Wild Turkey Federation. These all recognize the symbiotic relationship between wildlife habitat and forestry operations.

Internal Challenges Faced By the Forest Industry:

1. Production - Production demands for lumber are high because the market for wood products worldwide is increasing and there is a reduced supply. This means the latest technologies must be utilized to optimize production. Technical expertise and new equipment are needed to make this happen.

2. Financial –The forest industry utilizes borrowed capital to operate and expand like most other businesses. All aspects of financial management, from record keeping to operating business decisions and expansion, require expert financial management skills.

3. Human Resources – Currently there is a strong need to recruit and retain trained workers in the forest products industry. In a survey (Western New York Forest Industry Initiative, Canham, Smith, 1994) done some years ago the problems were the same. Retention and dependability of the employee in larger sawmills and workers' skills in the smaller mills were cited as problems then. Programs to train and certify forest industry personnel are now becoming more widespread.

4. Marketing - Marketing of any of the forest businesses and products requires the same skills as any other business at the wholesale or retail level. However, forest industry businesses face the challenges of marketing themselves and their products in a world whose perspective on forest use has changed. In the past, the emphasis was use of the forest as an economic commodity. Today people emphasize the recreational and esthetic uses of the forest and tend to see timber cutting as intrusive and detrimental to the environment.

Chautauqua County Farmland Protection Plan

5. Legal - Forestry, just as any other business, faces a more complex world. Legal requirements and ramifications have increased over the years. Challenges in environmental issues, the right to practice forestry, and other government regulations, present additional legal pressures.

6. Resources – The main resource is the forest itself. For the forest to survive the use of best management practices is imperative. Those in the forest industry rely on a trained and ethical workforce to make forestry a sustainable industry. An informed public is essential to good resource management.

External Challenges Faced by the Forest Industry:

1. Changing Public Policies - Public perception of the forest industry does not always coincide with reality. However, these public views influence public policy to a great degree. If there are increased impediments to accessing the forest for harvesting because of over-regulation, the forest industry will not survive.

2. Economy –The forest industry in Chautauqua County is not just in competition with producers from other regions of the USA but also in a global economy. The global market place, international events and national policies influence timber and wood product prices. A weak economy in other parts of the world can reverberate all the way back to the forests of Chautauqua County. Cheap labor and cheap products in other parts of the world influence our position in this global economy. The investment in and planning for a sustained yield are each long-term commitments.

3. Environmental Issues - Society's demand for environmental quality has made environmental issues a greater management concern for the forest industry, raw product suppliers, wood products manufacturers, and others. Forestry practices have become the focus of increasing attention from environmental regulators and environmentalists. National policy created through legislation that focuses on pollution and endangered plants and animals target timber harvesting as a priority concern. Who will bear the cost of implementing new and sometimes costly environmental safeguards? Passive preservation of a forest resource that has been exploited for centuries is especially troublesome. Passive preservation assumes that if humans did not exist, the environment would be a better place. Mankind will continue to be a part of the forest environment as it has been for centuries. What we need today is acceptance of enlightened, dynamic and thoughtful forest management.

4. Consumer Preferences - Consumer demands for wood and other non-wood forest products have increased. To optimize income there needs to be a better connection to customer preferences. The producer must respond to the

Chautauqua County Farmland Protection Plan

signals received from the marketplace. Many consumers have become very educated concerning environmental issues and gear their purchases to reflect this philosophy. “Green Tag Certified” forest products will become increasingly important in the decades ahead. Green tag certification is a voluntary program that promotes good forest management. An independent organization evaluates the forest owners management of his land to insure long-term environmental, economic and social sustainability of the forest. If the forest management program meets this set criteria, then the products from that forest can be “green tag certified.”

Strategies & Actions:

Recommended strategies include a mixture of incentives, educational outreaches, agricultural and community actions that should be undertaken to meet the challenges faced by the forest products industry. Some of these strategies and actions are already in place. Communities that use a combination of approaches are often the most effective in their agricultural and forestland conservation efforts.

Strategy: Reaffirm the Importance of Agriculture & Forestry and Their Unique Attributes in Chautauqua County.

The future of Chautauqua County agriculture and woodlands depends upon improving the profitability and competitiveness of the agricultural and forestry sector and providing needed safeguards and supports for agriculture and forestry. Agriculture, including forestry, should be recognized as consisting of much more than just the farm production sector. It also includes a vast array of farm and forestry service providers, as well as those who process and market farm and forest products. It is important to reaffirm the public commitment, to enhance opportunities for the growth and development of agriculture and forestry, and to conserve and protect viable farm and forestland in Chautauqua County.

Actions: Suggested and Existing

- **Chautauqua County Agriculture and Farmland Protection Plan:** Adopt the Chautauqua County Agriculture and Farmland Protection Plan as a blueprint to be used in retaining farm and forestland and the building of economically strong local agricultural and forest industries for future generations. Acceptance of this plan by the Chautauqua County Legislature is vital to future funding from the state for farmland preservation.

Chautauqua County Farmland Protection Plan

- **PR & Promotion:**

Develop media and promotional information celebrating the role and importance of forestry and forestlands in Chautauqua County. Although the county is rural and many of its residents have knowledge of and sympathy for forest industries, a vigorous information campaign should be initiated and sustained. Many new residents are not aware of what the forest industry does and how it accomplishes its goals.

The Allegheny Foothills Chapter of the New York Forest Owners Association has helped produce a newspaper magazine (published by the *Post Journal*) annually for the past several years to promote all aspects of forest management within the county. The July 1999 edition dealt with “Forest Treasures.”

Within the county there should be a cooperative working group consisting of County government, the forest industry, and forestry organizations that would promote forestry. This group also would publicize forest product opportunities and promote Chautauqua County to agribusiness, agricultural processing and manufacturing plants. Development of a process to effectively attract these businesses should come through a coalition of government agencies.

- **Lobbying Efforts:** Lobby and support state efforts that will benefit Chautauqua County wood-using industries, such as reductions in the costs of Workmen’s Compensation, the reduction of the cost of insurance, support for forestry research and promotion, and reduction of the tax burden.

The Empire State Forest Products Association (ESFPA) and the New York Forest Owners Association (NYFOA) should be “watchdogs” for forestland owners and the forest industry within Chautauqua County and the state. County legislators, state legislators, and forestry organizations should also be involved at the federal level because there is a need for lobbying and supporting favorable laws and policies in that arena.

- **Land Preservation/Conservation:**

Educate communities about various land use and related mechanisms available to direct development away from important farmland to areas more appropriate for such use. Chautauqua County and communities should include a number of tools in their toolbox for agriculture support including the

Chautauqua County Farmland Protection Plan

Purchase of Development Rights and Conservation Easements. While land use conflicts and development pressures are not widespread in Chautauqua County, New York State has made available competitive grant funding for these purposes and the county should be prepared to seek such assistance should the need arise. The Chautauqua County Planning Department along with the Cooperative Extension would spearhead this type of education in Chautauqua County.

- **Forestry Sub-Committee:**

A committee such as the Forestry sub-committee should be organized and maintained with adequate financing and leadership throughout the foreseeable future. Long-term planning and oversight is essential because of the very unique nature of forestry problems and opportunities. Forestry can enhance so many aspects of the county's future recreation opportunities, the environment, our economy, and tourism. Forestry cannot be neglected as a "poor relative" of Chautauqua County's 679,800 acres. Forest land represents 46% of the county's land use and is increasing.

- **Leadership Development Opportunities:**

Enhance leadership development opportunities and exchanges between the forest industry and other future leaders to improve understanding and networking. The forest industry should be involved in town and county government and organizations. Members of the forest industry and forest owners are already county legislators, town supervisors and town board members. This involvement needs to be continuous.

- **Agricultural Districts:**

Continue legislative and community support for inclusion of current non-agricultural district farmlands into agricultural districts and for the renewal of current Agricultural Districts. The Chautauqua County Farmland Protection Board has adopted a strategy to bring into Agricultural Districts all townships not yet covered by Districts.

- **Right to Farm Laws:**

Continue support of the New York State and Chautauqua County's "Right to Farm" laws and enhance this with a "Right to Forest" law. These should also be passed by each town. This would show the forest community that there is a general support throughout the community.

Strategy: Help Producers Meet the Environmental Challenges:

Environmental concerns increase regulation of the forest industry. Regardless of whether the operation is contributing to an environmental problem or not, the forest industry will increasingly be required to adopt preventive practices. Some of these mandates may require considerable capital outlays and changes in operating practices. Some could even force forest industries to go out of business. Educational, technical, and financial assistance are needed to meet these challenges.

Actions: Suggested and Existing

- **Raising Awareness Through Education:**
Provide education to forest owners and forest products businesses to raise awareness of potential environmental consequences of forest activities. Farm and forest organizations and the Cooperative Extension need to lead in this area. Assessments of risk in the legal and health context need to be emphasized. Host walks for farmers, forest owners, and forest industry representatives to visualize what are considered environmental challenges to the forests of Chautauqua County.

Strategy: Help the Forest Industry Stay In Business and Grow More Competitive and Profitable:

Sound protection strategies are built on the premise that the forest industry in Chautauqua County must be profitable and competitive with those in other areas not only of this country but internationally. It is also built on using the forest as a source of non-timber products and as an attraction to tourists.

Actions: Suggested and Existing

- **Forest Industry Initiatives:**
Establish opportunities to develop forest industry initiatives. This should be done both with timber products and the “other forest products” including agritourism opportunities. Educate agribusiness regarding the opportunities for potential agritourism initiatives. The Chautauqua County Visitors’ Bureau is a source that can coordinate entrepreneurs’ efforts to use their wooded acres and woodland products for tourism.
- **Educational Opportunities:**
Increase the depth of knowledge of forest production and economics and their application to enterprise management in the forest industry. Increase the use of whole business analysis, financial management, and visioning in forest industry decision making.

Chautauqua County Farmland Protection Plan

Provide education in a post-high school setting with attention to increasing skills in the use of more formalized management functions for planning, organizing, directing, and controlling the forest industry. There are a variety of ways this can be done. Seminars, formal college classes, hands-on apprentice type learning, trade shows and conferences with presenters, and other learning experiences should be available on a regular basis for the agricultural community including the forest industry, agribusiness and agritourism.

Provide assistance in networking and training. Forestry organizations lend themselves to this teaching role. The Master Forest Owners, a group of trained volunteers, are available to any landowner free of charge to discuss woodland ownership, care, and planning, as well as public and private sources available for woodland owner information and assistance. The New York State Forest Owners Association also educates by providing information on a number of forest issues through woods walks, seminars, family socials, newsletters, and a magazine.

Cornell Cooperative Extension plays a part in this as an educator. Cornell has ongoing programs that range from understanding environmental regulations to making and critically analyzing a business plan for the farmer that includes his forestland.

Chautauqua County Soil and Water Conservation District has been a coordinator in Chautauqua County for the Willow Biomass Project meetings. They have provided a mechanism for educating the farmer, landowner and forester about willow Biomass production possibilities. Along with the DEC, the Soil and Water Conservation District also supplies trees and shrubs for reforestation and other plantings.

- **Forest Management:**

Consulting forest managers are available to provide advice on forest and woodlot management. The DEC also has foresters available to provide forest management advice. County GIS can help identify forest landowners in the future.

- **Business Opportunities:**

Encourage various types of value-added, alternate farming, and niche products to be produced by farms in the county. Forest products fit this description. Timber, cordwood, and non-timber forest products are all part of this. Many of the resulting crops and products have a market today because the demographics of the United States have changed and natural products are popular and a niche market has developed around them.

Chautauqua County Farmland Protection Plan

Today we are using botanical medicines, edible mushrooms, and floral greenery at an ever-increasing rate. Maple syrup has been a value-added product of the farmstead since there was farming in Chautauqua County.

Exploring the marketing possibilities for these unique products includes the need to find capital, coordinate advertising, explain laws and regulations. The Small Business Development Center in Jamestown is an important resource. The Chautauqua County Micro-Enterprise Loan Program also may provide opportunities for developing a forest products business.

Cornell has developed a program called Farming Alternatives Program (FAP). It has “ pioneered the concept of ‘agricultural development’, which is community and economic development linking local farms to emerging market opportunities. Projects integrate theoretical and applied social science research with educational, leadership development, and action initiatives. FAP works with the Cooperative Extension field staff and a growing number of community-based agricultural development groups on innovative strategies including value adding, direct and cooperative marketing, agritourism, and ethnic market opportunities. Program participants include start-up farmers, small and midsize family farms of all types, public agencies, and nonprofit groups interested in strengthening local agriculture (Farming Alternatives 1999).” Commitment on the part of local farmers and farm organizations to work with this program might open new markets and establish new products to increase farm income. The farmer’s forestland is a resource that could be utilized in this program.

A project already underway within the county is the Willow Biomass project. This project spearheaded by the Salix Consortium (a partnership of over 30 industrial, government agency, outreach/technology transfer, farming, research, and academic institutions) is committed to making wood biomass products for energy a viable enterprise. Willow Biomass is an alternate, renewable, sustainable, and environmentally friendly wood fuel source for electricity and/or heat generation. To be successful it depends on sound agricultural practices. A pilot project in cooperation with NRG Energy, Inc. shows significant promise.

Strategy: Enhance the Coordination and Support for Agritourism and Entrepreneurial Development.

Increased government resources should be focused on forestry. This should be a coordination of efforts by forestry organizations and government so time and money is used wisely. Programs should recognize long-term and sustained commitments necessary to achieve many forestry goals.

Actions: Suggested & Existing

- **Tax Reduction:**

Reduce property taxes on forestland since this involves large acreage. The New York Farmer's School Tax Credit, Sect 480 and Sect 480-a (Real Property Tax Law), and the Agricultural Value Assessment programs have eased some of the burden of real property taxes. There were, as of 1999, only 917 acres in the county under Sections 480 and 480-a. Sections 480 and 480-a of NYS Real Property Tax Law, while viable opportunities to decrease taxes, need to be modified. Modification would address issues of fairness and environmental issues.

Control of the property tax burden is often cited by farmers, forestland owners and the wood using industries as very important to their well being. Control of the property tax burden means a concerted effort by all the municipal entities in the county to review their budgets and make wise decisions when spending taxpayers money. People who might influence this within the county are the farm and forest organizations, individual forest owners and farmers, wood products manufacturers, and the legislators and board members from the various municipal entities.

Landowners' estate taxes and inheritance taxes also cause problems in the forestry industry. Their structure makes it financially prohibitive to pass forestlands on to the next generation. A review and a rewrite of inheritance laws could help assure that forests and a forest industry will exist in coming generations. Forest organizations and individual forest owners need to lobby for reform.

- **Funding:**

Assure adequate funding for Chautauqua County Cornell Cooperative Extension and the Soil and Water Conservation District, whose services are provided to agriculture and forestland owners. Dollars given in the 1999 County budget to the Cornell Cooperative Extension and Soil and Water Conservation breakdown as follows:

Chautauqua County Farmland Protection Plan

In 1999 Cornell Cooperative Extension received:

\$ 95,000 from the Youth Bureau for 4H

\$109,500 from the Health Department

\$225,800 from the Department of Development

Soil and Water Conservation received:

\$123,000 from the Department of Development

There is an initiative set forth by the Empire State Council of Agricultural Organizations for New York State to invest more heavily in agricultural marketing, education and research. Reinvestment in these fundamental business elements is critical to maintaining a competitive edge in what is now a world market. According to the Council, New York State's national ranking in cash value of farm products marketed has dropped from 21st to 27th. Lobbying to support New York State marketing initiatives is important to our county and to New York State. Farmers and forest owners need to make sure their government representatives are informed about the importance of this funding. On the state level there should be support for the College of Environmental Science and Forestry in Syracuse. The importance of this educational facility to people in Chautauqua County and to the forest industry should be made clear to government officials who can create funding.

- **Adequate Financial Resources:**

Assure that there are adequate financial institutions in the county that are better able to serve the agriculture industry. Lending institutions must be given incentives to make capital available to the agricultural community. Now, through a recently legislated state agricultural economic development program, economic help can be provided to the farmer just as in any other industry. Under this new law, the State Department of Economic Development, Department of Agriculture and Markets, the Empire State Development Corporation, and local agencies will coordinate policies and implement and coordinate new programs. Funding should be provided through this same program for assistance in networking and training people interested in and already involved in agribusinesses in Chautauqua County. Our county development department, county legislators, and county farm organizations need to be involved in this process and work to put these funds into programs that benefit Chautauqua County agribusinesses.

Chautauqua County Farmland Protection Plan

- **Agritourism:**

Help the tourism industry recognize and support local open spaces, scenic agricultural vistas, and productive agricultural lands as complimentary to tourist attraction and a desired land use. The Chautauqua County Visitors' Bureau already promotes agriculture as a tourist attraction.

Strategy: Education of the General Public and Decision-Makers Regarding Forestry.

We need to raise awareness and to understand the importance of forestland and management and the forest products industry to Chautauqua County's economy, our quality of life, and our future. Residents, the business community, and government need to understand the relationship between forest management and farming.

Actions: Suggested and Existing

- **Farmland Protection Plan:**

Writing a farmland protection plan helps to focus the general public, government and business on the needs of the forestry community.

- **Buying Locally:**

Encourage consumers to buy local produce and products from our forest producers. Local sawmills and wood processing manufacturers make unique local products, which are too often little-known or utilized by local contractors, builders, home repair people, and artisans. Much more can be done to stimulate, support and utilize the products of groups such as our active local carvers.

- **Chautauqua County Fair:**

The Chautauqua County Fair is another way to educate about the forests and forestry. It has been held every year since 1843. This is a cooperative effort by many organizations in the county. The general public enjoys displays by various farm organizations and product competitions. It makes them cognizant of the rural nature of our county. A display showing the processes of manufacturing and marketing of forest products would be of interest and a learning tool. The Allegheny Foothills Chapter of the New York Forest Association has been responsible for a display at the Fair for a number of years.

- **Raising Awareness Through Education:**

Our legislators should constantly be made aware of the problems the forest industry faces in our county. Legislators should be provided oppor-

Chautauqua County Farmland Protection Plan

tunities to see first-hand how the forest industry conducts business, what wood products are produced within the county, and the challenges the industry faces in procurement, production and marketing. There should be a coalition of forest organizations and wood products industry people that act as facilitators to keep our legislators up to date on issues.

- **Educational Programs:**

The Allegheny Foothills Chapter of the New York Forest Owners Association holds “woods walks” and informational programs throughout the year for forest owners. Publicity for these events should be increased and attendance by public officials encouraged.

It is essential that we educate the educators in our schools throughout the county as well as statewide. The message being sent to our children through “Bambi” and “Ferngully” is one that puts the forest industry in a negative light. Educators need to understand the role that proper forest management plays in our society today.

Strategy: Enhance the Forest Products Industry Service, Processing, and Marketing Sectors.

Agricultural economic development efforts should be strengthened and included with other county economic development plans. The thought should be that agriculture including the forest industry in all its facets is a business and should be treated like any other business.

Actions: Suggested and Existing

- **Opportunities for Value-Added Products:**

Most forest products are of a value-added nature and are more useful when further processed. There is a need to create or discover more of these uses to bolster the forest industries’ economic development.

- **Economic Development Efforts:**

Agriculture and forest industry economic development efforts should be strengthened and included with other county economic development plans. The State of New York passed legislation that took effect April 7, 2000 that established a permanent agricultural economic development program within the State Economic Development Department.

“ Existing DED grant and loan programs, technical and business assistance outreach staff, and other business development resources will promote marketing, research, storage and food processing industries. Demonstration

Chautauqua County Farmland Protection Plan

projects may be designed to help farmers develop specialty niches, to create new facilities for storage, sale or transshipment of produce, to help fund the purchase of modern food processing equipment, or to bolster other kinds of ag-related enterprises (Rural Futures, November/December 1999). “Chautauqua County agribusinesses need to look at this new resource. Non-timber forest products would fit into this scheme. Our legislators, the County, and farm and forest organizations must make sure monies from this source are secured for businesses in Chautauqua County.

- **Promotion & Marketing:**

Assist in forest product promotion and marketing. Expand agritourism business opportunities and networking. Farmers, the forest industry, and agribusinesses should coordinate with Chautauqua County Visitors' Bureau and NY Seaway Trails for marketing strategies. The assistance should come from local and County government, the various agriculture organizations, agribusiness, other businesses (their best interest is to promote all kinds of business), state and national grant monies.

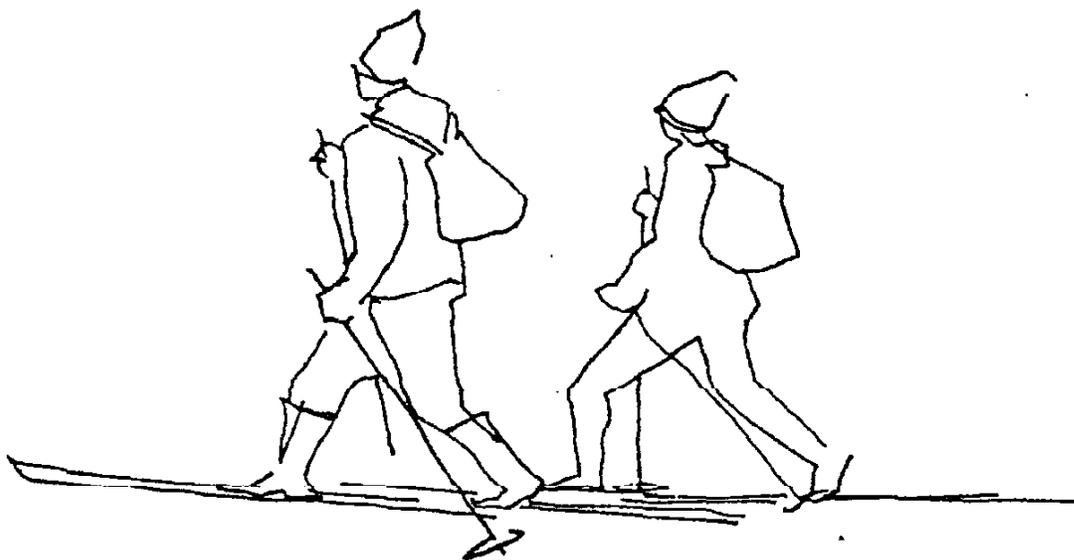
- **Alternative Crop Development:**

Enhance the on-farm management of woodlands to improve this additional source of revenue for farmers. Support the willow biomass pilot efforts to produce an alternative crop for landowners and to utilize farmlands thus keeping production in agriculture. Willow Biomass is of interest to Chautauqua County because we have an electric generating plant and sufficient farmland in proximity to one another to support this alternative farming project.

- **Agritourism Opportunities:**

Additional opportunities to make woodlands more economically sustainable and utilized should be explored. Woodland trails for hiking and cross-country skiing and general recreation may be promoted with proper legal and other safeguards. Some states, North Carolina for example, have developed local hunting cooperatives that bring considerable revenues into localities from out-of-state sportsmen. A long-term assessment of the utilization of our vast public and private forest resource should be a higher priority for the County in the years ahead.

Chautauqua County Farmland Protection Plan



CHAPTER 6

GRAPES / FRUIT VEGETABLES / NURSERY

Grapes/Fruit/Vegetables/Nursery Chapter 6

Introduction

According to the Soil Survey of Chautauqua County, the county is in two contrasting physiographic provinces. The Erie-Ontario Plain province has moderate temperatures, long frost-free periods, good soils, and therefore it supports fruit and vegetable farming. It is an outstanding agricultural area. The other province is the Allegheny Highland plateau where most of the corn and hay used for dairy purposes, and other crops such as cabbage, are grown.

Located in the northernmost part of Chautauqua County on the Erie-Ontario Plain province is a narrow band of land three to five miles in width, stretching along Lake Erie from Silver Creek, on the eastern side of the county, to Ripley on the western border with Pennsylvania. This band, often referred to as the "Grape Belt," has a very unique geography and climate. The principal agricultural enterprise is growing grapes. However the area is also conducive to growing vegetables, orchard fruits, and small fruits such as berries.

The approximately 15,500 acres of grapes grown on the Lake Erie Plain make Chautauqua County the leading grape producing county in the state both in production and raw product value. The county is home to half of all the grape acreage in New York State. Most of the grapes raised here are of the Concord variety, which are native to America. Other varieties include Niagara, Catawba, Delaware, Elvira, Chancellor, Marechal Foch, Seyval Blanc, and Chardonnay.

Chautauqua County Concord grapes have a higher acid content, a stronger flavor, and a deeper color than Concords grown in other areas. These attributes are derived from the region in which they are grown. Concords are sought after by food processors and wine makers for these reasons. The Concord grape produces consistently and the constant winds off Lake Erie reduce the likelihood of disease, especially fungus infection. The lake and the escarpment help moderate the temperature on the lake plain, thus making a more temperate growing season for grapes. The Concord grape is considered a specialty crop in relationship to other grapes because they represent only 7% of total grape production in the country. There is a limited supply because the areas that will support the growth of Concord grapes are limited. Concords require a 180-day frost-free growing season and a 40-day rest period brought on by freezing weather. These two requirements eliminate most of the geographic area of the United States for growing Concords. An example of this is the California weather patterns, which do not allow Concords to fruit.

Chautauqua County Farmland Protection Plan

The Concord grape is used for table grapes, jelly, jam, straight and sparkling juice, juice drinks, drink bases, soda, frozen and shelf concentrates, frozen bars and slush, powdered drinks, and it is used in blends with other juices. It is also important in the Kosher wine industry. It is blended in other wines, especially if the Concord is harvested with a high acid content. As one can see, Concord grapes are a versatile crop and worthy of attention.

Several grape varieties are also grown in the county for the production of wine. The five small wineries in the county produce outstanding wines and have won awards internationally for them.

The lake plain climate is also good for growing fruit trees, small fruits, and vegetables. There are still a number of small orchards and fruit farms in this area. The main types of fruit grown are strawberries, blueberries, sweet and tart cherries, pears and apples. These are grown primarily for the fresh market and make up a large part of farm market fare along with a variety of vegetables and herbs. Other agricultural activities primarily located on the lake plain are nursery and greenhouse businesses, which include seedlings, fruit trees, bedding plants, and ornamentals. Nursery and greenhouse crops are a growing industry across the nation and this is reflected in Chautauqua County sales of these products.

Trends:

Concord grapes, the predominant variety grown in Chautauqua County, are not produced extensively in other parts of the world. The major competing regions for Concord production in the U.S. are located in the Yakima Valley of eastern Washington State, the adjacent Lake Erie shoreline of Pennsylvania, and the shoreline of Lake Michigan. The need for Concord grapes is increasing while acreage planted to Concord grapes in Chautauqua County has not increased.

The grape industry is also experiencing growth in the marketing of white grape juice products. Niagara grapes are essential to the quality and flavor of these white juice products. The increased demand for Niagara grapes has resulted in processors giving incentives to plant, and higher prices for this variety. This is viewed by many in the industry as an opportunity for local grape producers to expand and diversify production, and increase profitability.

Significant value is added to the county's grape crop through the processing and marketing companies located here. These include National Grape Cooperative/Welch's, Mogen David Wine Corporation, Cliffstar Corporation, Growers Cooperative Grape Juice Co., Westfield Maid Cooperative/Northland Foods, Red Wing Company,

Chautauqua County Farmland Protection Plan

Inc., and five small farm wineries. According to the most recent 1997 Census of Agriculture, Chautauqua County accounted for \$22 million in fruit sales, most of which comes from grape sales.

In 1996 the New York State Department of Agriculture and Markets conducted a Fruit Tree and Vineyard Survey. The results of that survey revealed the following facts and trends about the Chautauqua County grape industry:

- There were 498 grape farms in the county in 1999 . This is a decline of 69 farms or approximately 12% from 1990.
- There are 15,500 acres of vineyards. This is a decline of 976 acres or approximately 6% from 1990.
- Concord grapes represent almost 88% of all the vineyard acreage in the county.
- The acreage of Niagara grapes has increased from 676 in 1990 to 989 in 1996, an increase of 46%.
- National Grape members will have planted 550 acres of additional Concords between 1999 and 2001 and an additional 411 acres of Niagara grapes between 1997 and 2000. (Source: National Grape Cooperative, 2000)

Both fruit and vegetable production have generally declined over the last several decades. It is cheaper to produce crops in areas where large acreage is available and the season is longer. Chautauqua County has small farms compared with other farming areas in the country. Competition from other places, especially California and Mexico, and the ability to transport fresh produce economically long distances have made Chautauqua County's lake plain a less likely place to raise most fresh fruits and vegetables on a large scale.

- According to the 1996 Fruit Tree and Vineyard Survey both sweet and tart cherry acreage has decreased between 1990 and 1996. Sweet cherries went from 85 acres to 74 and tart cherries decreased from 20 to 12 acres in those 6 years.
- The 1997 Farm Census shows that acres of vegetables harvested for sale declined from 3,552 in 1992 to 2,661 in 1997 and vegetable farms declined from 82 in 1992 to 62 in 1997. This is a 25% drop in acres and a 24% drop in number of farms in just five years. (Source: 1997 Farm Census)
- Peach acres actually increased according to this same survey from 14 acres in 1990 to 62 acres in 1996. (Source: 1996 Fruit Tree and Vineyard Survey)
- According to the 1997 Farm Census in 1992 there were 26 farms involved in nursery, bedding plants, greenhouse sales, etc. and in 1997 there were 56 farms. This was a 115% increase in number of farms.
- In 1997 there was \$3,172,000 in nursery and greenhouse sales in Chautauqua County according to the 1997 Farm Census.

Chautauqua County Farmland Protection Plan

The current increases in Niagara grapes and Concord grapes being planted are a bright spot and so is the increase in nursery and greenhouse production.

Challenges Faced By Grape/Fruit/Vegetables/Nursery Industries in Chautauqua County.

The strengths, challenges, threats, and opportunities for these industries in Chautauqua County can be categorized into a) those that are internal to the business and its management and b) those that are external to the business. The future viability of these businesses, agriculture and the continuation of farmland in farm production will depend greatly on how we respond to these internal and external challenges.

Internal Challenges Faced by Agriculture:

1. Production - New technologies continue to be developed in crop production. Grape farmers need to accept new technologies and sometimes revisit the old ways to remain competitive in the industry, as do any of the fruit and vegetable growers. Both quantity and quality of production are important. Production on the processor's part also has the challenges of new technologies to build a new product line or enhance what exists.

2. Financial - Farming is a highly capital intensive business and start up costs for all farms is high. The cost to put in a vineyard is approximately \$5,000 per acre and the return is not immediate. It can take as long as 5 years for the vineyard to yield fruit. The costs for the traditional orchard plantings is not as high as that of grapes but yielding a crop can take just as long.

3. Human Resources - Grape farming has traditionally been a family business. Most grape farms are small, so the family orientation is not unusual. However, some outside help is almost always used at some point in maintaining and harvesting a vineyard. Farmers today are challenged with becoming effective people managers in addition to being physical producers of food. Many of the other fruit and vegetable enterprises within the county also rely to some degree on the consumer as their "help." These are the farms that encourage "pick your own" and this presents another set of challenges in dealing with people.

4. Marketing - Marketing has become increasingly sophisticated and new approaches increase costs for individual producers. The challenges that face

Chautauqua County Farmland Protection Plan

the farm operator range from putting a plan for a farm market into practice to marketing a vineyard of grapes that is not taken by the grape processor because of an over abundance of the crop.

5. Legal - The farm business today faces more legal questions and challenges than in the past. Laws concerning employees, environmental issues, and retirement/ownership issues are more complex and require more of the farmer's time.

6. Resources - Each farm has its own unique set of resources. Soils vary in drainage, fertility, and ability to produce crops. There are microclimate patterns within our county that can be and are used as resources. Each farm should utilize its resources to realize optimum production.

External Challenges Faced by Agriculture:

1. Changing Public Policies - National policies on food production and farm income have swung from an era of price supports, production controls, and agricultural subsidies to reduced federal programs and a more market oriented 'freedom to farm' policy intended to get the government out of agricultural prices. The results are more volatility in commodity prices and the need for the producer to assume greater responsibility for price and production risks. The federal government has often pursued a 'cheap food' policy aimed at assuring consumers plenty of inexpensive food rather than a policy of assuring viability of farms for food production.

2. Economy - Increasingly the grape farmer or fruit grower finds that he is not just in competition with producers from other regions of the USA but also competes in a global marketplace. Grapes and other fruits are influenced by the global economy, international events and national policies. A good crop or a failed crop in another part of the world can influence the market in Chautauqua County.

3. Environmental Issues - Society's demand for environmental quality has made environmental issues a greater management concern for farm producers, input suppliers, processors, and others. Agriculture has become the focus of increasing attention from environmentalists and regulators. The Clean Water Act and other federal legislation that previously focused on industrial and other sources of pollution now targets agriculture as a priority concern.

4. Consumer Preferences - Consumer demands for foods that meet rising expectations for quality, composition, convenience, safety, and stable price

Chautauqua County Farmland Protection Plan

all affect the producer. Demographic changes in the U.S. population, such as an older population and greater ethnic diversity influence food demands. The producer must respond to the signals received from the marketplace. With rapidly changing demand, there is no guarantee that a producer will receive a profitable market price for his produce.

5. New Technologies - New sciences and technologies are developing rapidly. Genetically altered crops, irradiated foods, and powerful new communication systems such as the World Wide Web are just a few examples. The opportunities for the future are numerous, but the risk of negative consumer reactions to technological changes are unknowns and possibly significant.

6. Expanded Grape Market - Markets for raw grape tonnage must be expanded. There is a need for grape farmers to have other avenues in which to sell their crop.

Strategies & Actions:

Because grape production is the biggest agricultural industry besides dairy and cattle in the county, the future viability of the grape industry needs to be assured. We also need to make sure fruit, vegetable, and nursery or greenhouse production in the county is maintained or enhanced. Stewardship is also an essential ingredient in the mix. Adopting positive strategies and undertaking pro-active actions can enhance these productive agricultural lands. The strategies include a mixture of incentives, educational outreaches, agricultural, and community actions that should be undertaken to meet the challenges faced by the industry. Some of these strategies and actions are already in place. Communities that use a combination of approaches are often the most effective in agricultural enhancement and farmland protection efforts.

A survey to gather some idea of the concerns and thoughts within the grape processing industry was conducted by the committee that dealt with grape production. The survey arrived at some pertinent conclusions.

- The processors' use of Chautauqua County Grapes ranged from 10% to 90% of their total intake.
- There is a continuing demand for more Concords and Niagaras and more wine grapes.
- The local labor market cannot meet all the demand for seasonal workers, especially at harvest time.
- Sewage treatment capacity for processing food waste needs to be enhanced.

Chautauqua County Farmland Protection Plan

- Bonding requirements deter NYS Grape purchases compared with other states or Ontario.
- The efficiency and ability of farmers to manage pests are hampered by New York State's review process prior to approving pesticides. Products approved by the US EPA are often not available to New York producers for a year or more after they are being used elsewhere.
- Overall production in Chautauqua County would need to be increased by 25% from current levels by 2005 to sustain an increase in sales.
- Processors identified the critical elements they would need over the next 5-10 years to remain competitive.
 - Ø Business increase
 - Ø Source of grapes
 - Ø Qualified workforce and sufficient numbers
 - Ø Favorable weather
 - Ø New products
 - Ø Marketing ideas
 - Ø Lower operating costs
 - Ø Favorable health benefits research
 - Ø PA wineries able to use NYS grapes
 - Ø Farming in bedroom communities

Strategy: Reaffirm the Importance of Agriculture and Forestry and Their Unique Attributes in Chautauqua County.

The future of Chautauqua County agriculture and farmlands depends upon improving the profitability and competitiveness of the agricultural sector and providing needed safeguards and supports for agriculture. Agriculture should be recognized as consisting of much more than just the farm production sector. It also includes a vast array of farm input and service providers and the processing and marketing of farm produce. It is essential for the public to be committed to enhancing opportunities for the growth and development of agriculture and agribusinesses and the preservation and protection of viable farmlands in Chautauqua County.

Actions: Suggested and Existing

- **Farmland Protection Plan:**
Adopt the Chautauqua County Agricultural and Farmland Protection Plan as a blueprint to be used in retaining farmland and building an economically strong local agricultural industry for future generations. Acceptance of this plan by the Chautauqua County Legislature is vital to future State funding for farmland preservation.

Chautauqua County Farmland Protection Plan

- **Agricultural Districts:**

Continue legislative and community support to add current non-agricultural district farmlands into agricultural districts and for the renewal of current Agricultural Districts. The Chautauqua County Farmland Protection Board has adopted a strategy to bring into Agricultural Districts all townships not yet covered. These include the strong agricultural communities of Clymer, Sherman, and Chautauqua.
- **Right to Farm Laws:**

Continue support of the New York State and Chautauqua County “Right to Farm” laws. These laws should be passed by each town or village and correspond with the existing County “Right to Farm Law.” This would show the farm community that there is a general support for agriculture throughout the non-farm community.
- **Public Relations & Promotion:**

The Chautauqua County Industrial Development Agency and Department of Development promotes manufacturing by marketing available space in the county, including agricultural processing and manufacturing space. Bringing more food processors to the area may require specific targeting of that type of development. Letting people know the extent of what the county has to offer in this area is paramount. Maintaining or increasing support for existing industries that utilize local agricultural production would be of great benefit. Development of a PR program should be a cooperative effort that includes the Visitors’ Bureau, agribusiness, farm organizations, and County government and the IDA.
- **Lobbying Efforts:**

Lobby for, and support, State level efforts that benefit local farmers. These include reductions in Workers Compensation Insurance fees, support for agricultural research and promotion, and reduction of property tax burdens. The Farm Bureau of Chautauqua County is one organization that supports these types of efforts. County legislators and our local state legislators also need to also become involved since much of the need for lobbying and support is at the state level. The New York State Grape Pricing Law evokes diverse opinions. In the surveys conducted by the Grape Committee every cash market processor said it has hurt their business. Yet there are many growers who are satisfied with the principals of the law. Further discussion over this issue is needed and it should be done collaboratively amongst State legislators, growers and processors.

Chautauqua County Farmland Protection Plan

- **Land Preservation/Conservation:**
Educate communities about how they can direct non-farm development away from important farmland to areas more appropriate for such use. Various land use and related mechanisms are available and should be explored. The county and local communities should include a number of tools in their toolbox for agriculture support including the Purchase of Development Rights and Conservation Easements. While land use conflicts and development pressures are not widespread in Chautauqua County, New York State has made available competitive grant funding for these purposes and the county should be prepared to seek such assistance should the need arise. The Chautauqua County Planning Department along with the Cooperative Extension would spearhead this type of education in Chautauqua County.
- **Leadership Development Opportunities:**
Enhance leadership development opportunities and exchanges between agricultural and non-agricultural future leaders to improve understanding and networking. The agricultural community should be involved in town and county government and organizations. A number of members of the farm community are and have been county legislators, town supervisors, and town board members. This involvement needs to be continuous and encouraged by all sectors of industry and government.

Strategy: Help Producers Stay In Business and Be More Profitable.

Sound agricultural and farmland protection strategies are built on the premise that farms must be profitable and competitive with those in other areas. Individual farm businesses cannot have their own research and development departments. It is in the public interest for land grant universities to conduct research and educational programs for the agricultural industry and to extend that knowledge to the agricultural community. County and local governments can strengthen the direct support they provide to agriculture.

Actions: Suggested and Existing

- **New Technologies:**
Currently local processors and wineries are providing over \$150,000 annually to support new technological development and the Regional Grape Extension Program. It is important to increase the understanding and use of new technologies in crop production, business management,

Chautauqua County Farmland Protection Plan

and communications. Cornell University through its State School of Agriculture offers a plethora of teaching and learning experiences for the farm community. The Cornell Cooperative Extension in Chautauqua County is one arm of this educational program. The “Lake Erie Vineyard Notes” is a newsletter that specifically addresses grape issues such as new technology. It is published by the Cooperative Extension and Cornell and Penn State Lake Erie Regional Grape Program.

- **Educational Opportunities:**

Increase the depth of knowledge of agricultural production, economics and the application of enterprise management in the farm business. Educational opportunities abound through programs initiated by Cornell Cooperative Extension, farm organizations, food processors, and agricultural not-for-profit groups such as the Regional Farm and Food Project, and the Learning Communities Project.

- **Farm Management:**

Increase the use of whole farm business analysis, financial management, and visioning in farm business management decision making. Increase the use of more formalized management functions for planning, organizing, directing, and controlling the farm business. Cornell Cooperative Extension holds a variety of seminars on aspects of farm management. Use of the computer has made financial and statistical record-keeping easier and should be encouraged.

- **Financing Mechanisms & Sources of Capital:**

Assist farmers in developing capital investment, expansion and business transition strategic plans. Identify sources of capital. New growers specifically need access to capital. Legislation was signed on October 7, 1999 creating the New York State Agricultural Economic Development Program. Part of this program is the “development of financing mechanisms for the establishment, retention, diversification and expansion of new and existing value added products.” (Press release –10/7/99- Office of the Governor) Another avenue that could be pursued at the State level is a grant-in-aid program for the capital costs of farm improvements that expand or diversify existing production. The State of Connecticut has such a plan in place.

- **Sharing of Knowledge:**

Grape growers and processors work closely together in Chautauqua County along with the Grape Experimental Station to enhance grape production. Encourage and assist producers by networking and sharing their technical and management experience and knowledge. Encourage agribusiness

Chautauqua County Farmland Protection Plan

professionals and consultants to collaborate in their efforts to assist farm producers.

- **Transferring Ownership:**

Assist the transfer of farmland and businesses to the next generation. Assist young farmers with their unique needs, and attract new farmers. Make it possible for our grape farmers to keep the dollars generated by grape production within Chautauqua county. This can be done by enhancing the opportunities for county growers to purchase grape acreage that is now being sought by out-of-county buyers. A clearinghouse using an e-mail list serve or standard mailings would give Chautauqua County farmers an edge in learning about vineyards or farmland going up for sale within the county.

- **Educational Opportunities:**

Provide opportunities in schools for youths to explore career opportunities in the field of agriculture. Several of the high schools in Chautauqua County have Agricultural Vocational Training programs. Both Sherman and Westfield school districts have full-time faculty devoted to this. The Westfield school district's program emphasizes grape growing. This type of "hands on learning" should be a priority in every school where there is viable agricultural land and a strong farm community in the county. Use of school gardens for environmental education can help to encourage interest in farming.

- **Find and Retain Additional Acreage Suitable for Grapes:**

According to Chautauqua Soil and Water Conservation there are approximately 32,000 acres of land on the Lake Erie Plain considered good for grape production. 15,500 are already in vineyard. The remaining 16,500 acres contain other types of farms, residences and urban areas but there are still many acres that could be made available for planting vineyards. Since start-up is expensive, programs are needed to make planting new as attractive as buying existing vineyards. Some grape processors have negotiated with farmers to plant more Niagara grapes. This is a contractual relationship where the processor provides dollars toward new vineyard and the grower must guarantee the crop for a period of 5 years. This type of private program or a government generated one that includes tax abatement, should be instituted to make sure Chautauqua County's unique land resource is used to its fullest. Non-farming development in the lake plain should be concentrated in areas already developed for non-farm use.

- **Surety of Income:**

The farmers' cooperatives that provide a market for the members' grapes should be encouraged and supported. Their role is to consistently take all of the member growers' grapes for production. There should also be a safety

Chautauqua County Farmland Protection Plan

net for those farmers who sell to other than the cooperatives, assuring them that their crop generates a positive income flow.

Strategy: Help Producers Meet the Environmental Challenges.

Environmental concerns increase regulations on the farm producer. Regardless of whether the operation is contributing to a pollution problem or not, farmers will increasingly be required to adopt preventive practices. Some of these mandates may require considerable capital outlays and changes in operating practices. Some could even force farmers to move their farmsteads or go out of business. Educational, technical, and financial assistance are needed to meet these challenges.

Actions: Suggested and Existing

- **Raising Awareness Through Education:**
Provide education to grape, other fruit and vegetable producers to raise awareness of New York State's agricultural producers in meeting pesticide/herbicide requirements. Assessments of risk in the legal and health context need to be emphasized. Farm organizations and the Cooperative Extension need to lead in this area.

Strategy: Help Enhance the Infrastructure and Support for Agriculture in Chautauqua County.

A vital county infrastructure must be maintained to insure that farms are supplied with the required inputs for production and business operations and to transport produce to processing and marketing channels. Generally farms receive less in services than they pay in taxes since the nature of their business involves considerable real property and the payment for many services is based upon real property taxes. Farmers should benefit more equitably from the real property taxes they pay.

Actions: Suggested & Existing

- **Infrastructure:**
Roads and bridges need to be maintained at the local level of influence. The town and county maintenance of roads and bridges have a major impact on farming activities. It is important to have roads and bridges of sufficient widths, weight carrying capacity, and finished surface that provide adequate access to farmsteads and fields.

Chautauqua County Farmland Protection Plan

- **Property Taxes:**

Reduce taxes on farm property. The New York Farmer's School Tax Credit, new farm buildings exemption, and the Agricultural Value Assessment program have eased some of the burden of real property taxes. The farm community often sites control of the property tax burden as very important to their well being. Ownership of farmland does not automatically equate with great wealth, income or ability to pay taxes. Thus control of the real property taxes and the shifting of the tax burden to an income tax or other more equitable means of raising revenues must be pursued. Encourage and provide for continuing education on agricultural assessment valuations for real property assessors. New York, which oversees all assessors in the state, has a required continuing education program that includes a farm appraisal and valuation component along with a component on property tax exemption administration. Farmers must exercise their right to these real property tax exemptions by applying for them.

- **Funding for Agricultural Service Providers:**

Assure adequate funding in Chautauqua County for Cornell Cooperative Extension, the Soil and Water Conservation District, and other services provided to agricultural producers. State monies provide the bulk of the funding for these two organizations but they are partially funded by the county. Dollars given in 1999 County budget to the Cornell Cooperative Extension and Soil and Water Conservation breakdown as follows:

In 1999 Cornell Cooperative Extension received:

 \$ 95,000 from the Youth Bureau for 4H

 \$109,500 from the Health Department

 \$225,800 from the Department of Development

Soil and Water Conservation received:

 \$123,000 from The Department of Development

An initiative has been set forth by the Empire State Council of Agricultural Organizations for New York State to invest more heavily in agricultural marketing, education and research. Reinvestment in these fundamental elements of business is critical to maintaining a competitive edge in what is now a world market. According to the Council, New York State's ranking in cash value of farm products marketed has dropped from 21st to 27th nationally. Lobbying to support New York State marketing initiatives is important to our county and to New York State.

There is also a need to address the retention of the Grape Experimental Station. Because we have the largest concentration of vineyards in the

Chautauqua County Farmland Protection Plan

state and in the Eastern United States it is important to retain this research tool in Chautauqua County. Awareness of the need to maintain facilities such as these must continually be raised. Lobbying by farm organizations, and our legislators with New York State is needed to help keep funding in place and retain those entities in our county.

- **Adequate Financial Resources:**

Assure that there are adequate financial institutions to serve the farming and agribusiness industries in the county. Lending institutions must be given incentives to make capital available to the agricultural community. Now through a recently legislated state agricultural economic development program, help can be provided to the farmer just as in any other industry. Under this new law, the State Department of Economic Development, Department of Agriculture and Markets, the Empire State Development Corporation, and local agencies will coordinate policies and implement and coordinate new programs. Funding should be provided through this same program for assistance in networking and training people interested in and already involved in agribusinesses in Chautauqua County. Our county development department, county legislators, and county farm organizations need to become involved in this process and work to put these funds into programs that benefit Chautauqua County agribusinesses.

- **Agritourism:**

Help the tourism industry recognize and support the use of local open spaces, scenic agricultural vistas, and productive agricultural lands as complimentary to tourist attraction and a desirable land use. The Chautauqua County Visitors' Bureau already promotes agriculture as a tourist attraction.

Strategy: Education of the General Public and Decision-Makers Regarding Agriculture.

It is important to raise awareness and understanding of the importance of the fruit and vegetable industry to Chautauqua's local economy, our quality of life, and our future. Both residents and the business community need to understand why they should continue to support and invest in agriculture. When a manufacturing firm is in trouble or considers relocating, the resources of the entire community are pulled together to help retain that business. Agriculture's numerous producers are scattered about the county. Often their needs are less visible, and their losses and changes occur more quietly. Similar efforts of support and retention should be applied to agriculture as to other types of businesses.

Actions: Suggested and Existing

- **Conflict Resolution:**

The issues of pesticides/herbicides and farm noise have existed since people decided to expand non-farm activities such as residential housing throughout the countryside. Increased housing density has added to the frequency of these problems. Improved relations and understanding between farm and non-farm people need to be addressed. A means to resolve conflicts before they become serious or litigious is needed. Several publications exist that deal with these issues. One example is "Cultivating Farm, Neighbor, Community Relations" produced by the Farming Alternatives Program at Cornell University. The booklet covers "creative approaches for reducing farm-related land-use conflict." Education of the non-farm community through public relations about farming in general is another way to help ease any tension that might develop. Making the farmer aware of practices that cause dispute might help. The Cornell Cooperative Extension or one of the County Farm Organizations should invest time in seminars dealing with these issues in collaboration with the real estate community.

- **Educational Tours:**

Encourage educational tours for schools and children to improve understanding of the fruit and vegetable farm sector. Strengthen agricultural vocational education programs and Ag-In-The-Classroom programs. School administration and teachers must present agriculture in a very positive light and support vocational education programs. School gardens were used extensively in the early part of the century and are experiencing a revival. This trend should be encouraged.

Host farm tours so non-farm people can experience and have a better understanding of the realities of modern farming activities. The keys to success are the volunteers who participate as farm hosts, tour guides, presenters, exhibitors and co-sponsors. This type of activity sponsored by farm organizations or through the individual farmer can promote goodwill as well as educating.

- **Local Labeling and Sales:**

Encourage consumers to buy local produce and products from our farms either directly from farmers at roadside markets or in stores. A program to label Chautauqua County farm products should be developed and promoted so everyone knows what they are buying. Farm organizations such as the Farm Bureau might be the catalyst for this to happen along with the Visitors' Bureau.

Chautauqua County Farmland Protection Plan

- **Farmland Protection Plan:**
Writing a farmland protection plan helps to focus the general public, government and business on the needs of the agricultural community through participation in the process. The Chautauqua County Farmland Protection Board has taken the first step in the public's education.
- **Chautauqua County Fair:**
The Chautauqua County Fair is another way to educate about agriculture. The fair has been held every year since 1843. It is a cooperative effort by many organizations in the county. Children from many parts of the county have their first close encounter with farm animals at the county fair and they get to see up close what it takes to care for those animals. The general public enjoys displays by various farm organizations and product competitions. It makes them cognizant of the rural nature of our county.
- **Educating Elected Officials:**
Our legislators need to be constantly made aware of the problems agriculture faces in our county. Legislators, town and village officials should be provided opportunities to see first hand how farms operate, what is in the county in the way of agribusinesses, and what the problems are. There should be a coalition of farm organizations and agribusiness people to assure education of elected officials.

Strategy: Enhance the Farm Services, Processing, and Marketing Sectors of the Industry.

Agricultural economic development efforts should be strengthened and included in other county economic development plans. Agriculture in all its facets is a business that needs to be treated like any other business.

Actions: Suggested and Existing

- **Opportunities for Value-Added Products:**
Support the opportunities for juice and wine and other value added processing and marketing facilities in the county. The Chautauqua County wine industry along with a coalition of dairy farmers might find this an opportunity for value added products. They should make a combined effort to market regional wines along with regional cheese. Make use of the New York State Wine and Grape Institute and their marketing expertise.

Chautauqua County Farmland Protection Plan

- **Economic Development - Focus on Agriculture:**

Increase financial assistance to agribusiness and promote retention of established agribusinesses. Provide a focus on agricultural economic development in the Chautauqua County Planning Department, Department of Development, Chautauqua County IDA, and other agencies. Hire an Agricultural Economic Specialist to be the liaison between the county and agribusiness and those farmers and forest owners who want to enhance their existing businesses or start a new enterprise.

- **Promotion and Marketing:**

Assist in agricultural promotion and marketing. Expand agritourism business opportunities and networking. Coordinate with Chautauqua County Tourism and NY Seaway Trails to incorporate agritourism into county plans. Marketing assistance should come from local government, county government, the various agriculture organizations, agribusiness, other businesses (their best interest is to promote all kinds of business), state and national grant monies.

