

CHAPTER 7

AGRIBUSINESS AGRITOURISM

Agribusiness/Agritourism Chapter 7

Introduction:

Agribusiness and agritourism in Chautauqua County are alive and relatively well. Agribusiness is well established in a base of large food processors, including National Grape Cooperative/Welchs, Red Wing Company Inc., Fieldbrook Farms Ice Cream Inc., Mogen David Wine Corporation, Upstate Milk Cooperative, Fairbanks Farms, Maplevale Farms Food Service Distributor, and Cliffstar Corporation. Collectively they are our largest employer and they are a growth industry. These companies are all globally oriented and are major players in their industry. They process crops produced within the county, grapes being the primary example.

Agritourism centers on our many farms across the county and their ability to make a profit by diversifying farm operations to include services and products that cater to visitors. Products and services are diverse and include such things as fruit syrups produced and sold on the farm, activities for tourists such as nature trails for use by bed & breakfast guests, hikers and cross-country ski enthusiasts and Amish farm products.

Farmers' main products, alternative farming products, and value added products are not only parts of their enterprise but are also used by others in the retail establishments that attract tourists throughout the county. Chautauqua County has helped put New York State in the top 10 states with the greatest increase in farms directly marketing products between 1992 and 1997 (16.9%). New York State is also one of the top ten states in number of farms (4,038) engaged in direct marketing and one of the top ten in greatest value (\$40,088,000) of direct market sales (Ag. Census 1997).

Agribusiness can be seen as having two components. On one hand it is those businesses that support the agriculture in the county. Examples of these are the farm equipment dealers, veterinarians, breeders, equipment manufacturers, feed mills and milk haulers. On the other hand there are businesses that take the farmers' wholesale products and further process and/or refine them for consumers. Examples of these are the county's large food processors, dairies, cider mills and wineries.

Cornell University observes the following about agritourism: "While the term *Agritourism* was coined in the last ten years, the idea that farmers could draw tourists to their farms and generate additional income has been around for a long time. It was not until the great urbanizing influence of the Industrial Revolution that we be-

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gan to think of the countryside as a place to relax... But visiting the countryside was really popularized by the automobile in the 1920's. During the 1940's and 50's a ... demand for tourism of all kinds (including agritourism) was unleashed" (Agritourism in New York State, 2nd Ed., Farming Alternatives Program). Chautauqua County's proximity to major urban areas such as Pittsburgh, Cleveland, Buffalo, Erie and Toronto make it the ideal place for visitors who enjoy a rural atmosphere.

Both agribusiness and agritourism need the farmer to make their businesses work. There is an interdependency that transcends use of product. They are interdependent. The agricultural commodity triggers the existence of the processor, and the grower's proximity to the processor encourages production of the agricultural commodity. The resulting critical mass of farms creates a ready market for businesses providing service or products in support of farm operations. The critical mass of farms also enhances the rural character of our county and that allows agritourism to flourish.

Trends:

There are some general trends within the business community that affect agribusiness and agritourism in our county. There are challenges faced in the upstate economy that are not felt as intensely elsewhere in the state. The US Bureau of Labor Statistics has recorded a 5-10% lag in workers pay in upstate New York behind the national average for similar jobs. "Some analysts claim this tempts New York's college graduates and younger workers to move away in search of better prospects, while the older generation, with kids in school and mortgaged homes, tends to stay. Recent population data reported by U.S. Bureau of the Census supports this assertion." (Rural Futures, Oct-Nov 1999)

Not only is the job market tighter in Western New York, and specifically in Chautauqua County, but the real property tax, corporate tax, and such things as workmen's compensation are higher in New York State than other places in the United States. Cumulatively, the cost of doing business is higher and businesses feel the need to carefully study their expense/income ratio information before committing to setting up operations or expanding them in New York State. That includes Chautauqua County.

At the same time the grape processors are expanding their juice and wine production and need more grapes on a consistent basis, there is a trend to let land go out of grape production. Vineyards have high startup costs and it takes as much as five years to yield a crop. The dairy industry, nationally, is producing more milk than ever before and that is also true of the dairy industry in Chautauqua County. The trend to more milk production creates a need for expanded markets and new or enhanced products.

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Direct farm sales of crops, alternative farm products and value added products are increasing. Farmers need additional markets for their products. Note the statistics from the 1997 Agriculture Census. In 1992 Chautauqua County had direct farm sales (agricultural products sold directly to individuals for human consumption) of \$545,000. In 1997 that rose to \$868,000. That is a fifty-nine percent (59%) increase over five (5) years. Although direct sales are only about 1% of the overall farm sales in Chautauqua County, this increase is significant because of its size and because it represents additional farm income. Both the Mennonites and Amish, part of Chautauqua County's agricultural community, use direct sales as a major source of their farm income.

Challenges Faced by Agribusiness/Agritourism in Chautauqua County.

The strengths, challenges, threats, and opportunities to and for agribusiness and agritourism in Chautauqua County can be broadly 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.

1. Strengths:

Agribusiness and agritourism in Chautauqua County have many strengths. Several things fuel agribusiness. There is an agrarian heritage in the county that dates back to the Native American inhabitants and continued when white settlers turned over the first ground to plant corn in 1796.

The area's geography and climate on the Erie lake plain is conducive to growing grapes and other orchard fruits. There is a plentiful supply of arable land, both good and marginal, with prices well below the national average. Even marginal land can be used for fruit trees and vineyards with managed care. The Clymer-French Creek area is well suited to forage production of hay and corn crops. The dairy industry thrives there as it does in several other areas of the county.

The county has access to the large supply of fresh water that is necessary for food processing. There are existing sewage plants in the county capable of processing wastes with high biological oxygen demands (BOD's) that food processing generates. There is a program in place in the county to train food processing workers. Milk markets exist and Chautauqua is the largest county milk supplier in Federal Milk Market Order 36 (Eastern Ohio and Western PA), which includes some 77 counties in six states.

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Chautauqua County has always been a place where individualism and entrepreneurship have thrived. The natural attractions of Chautauqua Lake and Lake Erie, the cultural centers of Chautauqua Institution, and Lily Dale, and ski and park recreation areas draw many visitors annually. The Amish, a religious sect, are much more apart from the modern world than their Mennonite or “English” counterparts. Their ways, especially their use of farming methods from times past and their handmade products, make them an integral part of agritourism in Chautauqua County. The rural nature of Chautauqua County draws people. It follows that agritourism, as part of the tourism industry in general should flourish.

Six agribusinesses in the county were surveyed by the Farmland Protection Advisory Committee to find out how much they depend on the success of agriculture for their own success. These businesses offered some salient points.

- Farm implement dealers said 65-85% of sales were agriculture related. Farm Credit indicated 95% of its loans are agriculture related.
- Most equipment dealers said their business had grown.
- Major impediments to the future success of their agriculture-related business were:
 1. Escalation of product cost beyond what farmers can afford
 2. Most technology is developed overseas and some manufactured equipment comes from overseas
 3. Taxes and government regulation
 4. Lack of skilled labor
 5. The recent decline in county population impedes business growth
- Actions that would secure the future of agriculture-related businesses.
 1. Strengthen the dairy and grape industries
 2. Reduce taxes
 3. Support research and extension program
 4. Promote agricultural education programs for young people
 5. Reinstate investment tax credit
 6. Educate elected officials to better their understanding of agriculture and its value to community
 7. Enhance labor availability of qualified workers
 8. Provide competition for farm lending institutions
 9. Enact right to farm laws

Internal Challenges Faced by Agribusiness and Agritourism:

1. Production – Technologies need to be constantly updated in the food processing industries to keep up with worldwide competition. Training employees and developing these technologies is costly. Food processors with an expanding need for raw product will look to other parts of the world if this need is not met here in Chautauqua County. Our grape industry is a prime example. On the other hand, new markets are needed for the production of milk because of the ever-increasing volume produced.

2. Financial - Farming is a highly capital intensive business. 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. Farms in Cornell Cooperative Extension's Dairy Farm Business Summary Program have an average capital investment of over \$6,000 per dairy cow in land, buildings, equipment, and livestock.

Farmers borrow capital to operate and expand their business. All aspects of financial management from record keeping to operating business decisions and expansion require expert financial management skills and debt service cost reduce profitability.

Not all farmers are able to receive the level of financial servicing that they need in the county because of a decline in the number of financial institutions serving agriculture. Businesses that support agriculture need financial servicing, too, for their own needs. If the farmer's financial needs are not met the critical mass of farms needed to support these businesses will be lost.

3. Human Resources – It is a challenge in the food processing industries to get and retain workers trained in food processing, or to provide training for them. Some of these people must also be knowledgeable about government rules and regulations concerning food safety. Farm businesses with value added or alternative farming products need technically trained people such as vintners, smithies or cheesemakers.

4. Marketing - The marketing of agritourism or any of the agribusinesses requires the same skills as any other business selling at the wholesale or retail level.

5. Legal - Agribusiness and agritourism, just as other businesses, face a more complex world. The legal requirements and ramifications are more complex than in years past. Challenges in food safety, environmental issues, and other government regulations must be met.

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6. Resources - The base resource of each individual farm has many variables. Soils vary in drainage, fertility, and ability to produce crops. There are microclimate patterns across the county. To utilize the farm to the optimum, expansion or business redirection may be necessary. This presents serious challenges to growth where expansion or redirection may mean significant investments. This is the same for agribusiness and complicated by two tiers of resource management, that of the farm and that of the agribusiness, itself.

2. External Challenges Faced by Agribusiness and Agritourism:

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 pricing. One result of this has been 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 to assure viability of farms for food production. The family farm has suffered as a result.

2. Economy -Increasingly producers find that they are not just in competition with other regions of the USA but with the global economy, as well. The global market place, international events and national policies influence grain, meat, fruit, and dairy product prices. The global economy has influenced our local work force. Over the last 30 years jobs in heavy industry disappeared or went to other parts of the world. We were a county with a huge work force in the steel and the furniture industries. As jobs in these industries were lost, many of our workforce moved out of the county. It is hard at times to find workers and is especially difficult to find farm workers since traditionally pay has been lower than for other types of jobs. Because rural areas have had hard times, there has to be a search for other sources of income that will allow the farmer and rural dweller to keep their land and make a living.

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 environmental regulators and environmentalists. National policies that previously focused on industrial and other sources of pollution are now targeting agriculture as a priority concern.

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4. Consumer Preferences - The producer is affected by consumer demands for foods that meet expectations in quality, composition, convenience, safety, and stable prices. Demographic changes of the U.S. population, such as an older population, and greater ethnic diversity also 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 price for his produce.

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

Strategies & Actions:

Strategies that should be undertaken to meet the challenges faced by industry include a mixture of incentives, educational 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.

Strategy: Reaffirm the Importance of Agriculture & 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. To do this, 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 as well as processors and marketers of farm produce. It is important to reaffirm public commitment to the growth and development of agriculture and agribusiness and the preservation and protection of viable farmlands in Chautauqua County.

Actions: Suggested and Existing

- **Farmland Protection Plan:**
The Chautauqua County Agricultural and Farmland Protection Plan is a blueprint to be used in retaining farmland and building an economically

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strong local agricultural industry for future generations. Acceptance of this plan by the Chautauqua County Legislature is vital to future funding from the state for farmland preservation.

- **Adequate Financial Resources:**

Help assure there are adequate financial institutions to serve the farming and agribusiness industries in the county. Provide assistance in networking and training for persons starting or already involved in agribusiness in Chautauqua County as part of a package to help to then qualify as good loan risks. Business loans and public and private grant monies should be available to agribusiness and the farmer. The county's agricultural economic specialist and the IDA must work collaboratively to provide this support.

- **PR and Promotion:**

Develop media and promotional information celebrating the role and importance of farms in Chautauqua County. Publicize agribusiness opportunities and attract value adding produce manufacturers 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 public relations program for agriculture, agribusiness and agritourism might be done cooperatively by the Visitors' Bureau, agribusiness, farm organizations and county government in collaboration with the State of New York's "I Love New York" program.

- **Agricultural Districts:**

Continue legislative and community support for adding 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 establish agricultural districts in all townships not yet covered by districts. 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 in the non-farm community.

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- **Lobbying Efforts:**

Lobby and support State efforts that will benefit local farmers such as a reduction in Workmen's Compensation Insurance fees, support for agricultural research and promotion, and reduction of the property tax burden. The Farm Bureau of Chautauqua County is one of the organizations that supports these efforts. They should be a "watchdog" for the farmer. County legislators, state legislators, and farm 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.

Strategy: Help Producers Stay In Business and Grow More Competitive and 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.

Actions: Suggested and Existing

- **Opportunities for Agritourism Initiatives:**

Seek opportunities for developing agritourism initiatives. Educate farmers and agribusiness to look for opportunities for new agritourism initiatives. Chautauqua County wineries have used tours and wine sales as part of their sales campaigns. However, the opportunity to collaborate with the dairy industry on a regional cheese and wine partnership to be promoted as unique to Chautauqua County is something that should be explored. These foods lend themselves to association with the tourist industry. People love to taste something unique, especially when traveling or relaxing. In 1999 in New York State the number of tourists visiting wineries was five times what it was in 1985 (The New York Wine Course and Reference, 1998).

- **Farm Tours:**

Dairy and livestock tours, and special holiday happenings, such as sleigh and hayrides, can promote farming, agribusiness and agritourism. Guided tours of large food processing facilities might be combined with a trip to the vineyard or dairy barn. People would learn about production from the very beginning to the very end.

- **Farm Markets:**

Farm markets exist in Chautauqua County in several locations. One good example is a farm market near Sherman, NY, that has become an integral part of a larger retail sales venture. Bus tours through Amish country invariably include stops at quilt shops, farm stands and furniture shops.

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Examples point to the need to examine successful marketing strategies and extend them to other areas of farm production.

- **Sharing Knowledge:**

Encourage and assist producers to learn from one another through sharing their technical and management experience and knowledge. Create opportunities for networking. Encourage agribusiness professionals and consultants to work as teams in their efforts to assist farm producers.

- **Educational Opportunities:**

Increase the depth of knowledge of agricultural production, economics and application to enterprise management in the farm business. Increase the use of whole farm business analysis, financial management, and visioning in farm business management decision making.

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 farm business. 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 are a few. Other learning experiences should be available on a regular basis for the agricultural community including agribusiness and agritourism. Provide assistance in networking and training for persons starting or already involved in agribusinesses in Chautauqua County.

Cornell Cooperative Extension has a major role as an educator. Cornell offers ongoing programs that range from understanding environmental regulations to making and critically analyzing a business plan for the farm.

Farm organizations also lend themselves to this teaching role. The Regional Farm & Food Project of Albany, New York has initiated a farmer-to-farmer consulting program which pairs accomplished farmers with farmers who are looking for guidance and/or support with their operation. Farmer consultants mentor and assist their partners in all aspects of farm assessment with the goal of optimizing sustainability, profits, and quality of life on the farm. A formal farmer-to-farmer consulting program should be started here in Chautauqua County with one of the farm organizations as point agency. Jamestown Community College could develop a farm entrepreneurship program to link with the technical agricultural training received in some high schools in the county. Courses in food safety technology are available in the county through the food processors.

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- **Value Added /Alternative Farming / Niche Products:**

Encourage various types of value added, alternative farming, and niche products to be produced in the county. Many crops and products have a market today because demographics have changed. People in the United States have developed a penchant for ethnic foods that were generally unknown a few years ago. Larger markets areas are being served, due to modern transportation and refrigeration.

An important new demand is developing for organic foods. In 1980 retail sales of organic products worldwide was roughly \$78 million. In 1997, the United States market alone was over \$4 billion, with an annual growth rate of 20 percent (Organic Farming Research Foundation p.4). Chautauqua County's characteristically small farmsteads would be the perfect place to establish products for niche markets of organic products.

Value added products from the farm are another dimension in direct farm sales and retail sales. Products such as home-made pies, cured meats, dried flowers, wines or syrups, provide a supplemental income to the farm family. These are items that the visitor would purchase to take home or the tourist might journey to Chautauqua County to purchase because of their uniqueness, flavor or quality. A collaborative effort by farmers, the Visitors' Bureau, and retail businesses in the county would enable this to develop.

- **Farming Alternatives:**

Cornell has developed a program called the 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)." Commitment on the part of local farm organizations and local farmers to work with this program might open some new markets and some new products to increase farm income.

- **Willow Biomass:**

A project already being explored within the county is the Willow Biomass

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\project, spearheaded by the Salix Consortium, (a partnership of over 30 industrial, government agency, outreach/technology transfer, farming, research, and academic institutions). They are committed to making wood biomass products for energy a viable enterprise. Willow biomass is an alternative, renewable, sustainable, and environmentally friendly fuel source for electricity and/or heat generation grown under intensive agricultural management practices. Because of abundant farmland and a fossil fuel burning electric generating plant within the county, a pilot project has commenced.

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

Increased government resources should be focused on agriculture, agribusiness and agritourism. So time and money is used wisely, efforts should be coordinated by not for profit organizations (e.g. farm organizations), agricultural education organizations, and government.

Actions: Suggested & Existing:

- **Agricultural Development Specialist:**
An agriculture development specialist, would enable the farm community to continually review what is available and find new monies or aid for the farmer, agribusiness, and agritourism in the county. This person would coordinate county aid to agriculture, so the monies expended make the biggest impact.
- **Tax Reduction:**
Reduce property taxes on farm property. Some of the burden of real property taxes has been eased by the New York Farmer's School Tax Credit, new farm buildings exemption, silo exemption, and, for areas where assessments are high relative to agricultural use, the Agricultural Value Assessment program. Control of the property tax burden is often cited by the farm community as very important to their well being. Control of this burden requires 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 organizations, agribusiness and the legislators and board members from the various municipal entities.

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- **Funding:**

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

In 1999 Cornell Cooperative Extension received:

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

\$109,000 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 assure that there are adequate financial institutions to serve the farming and agribusiness industries in the county and that they better serve the agriculture industry. Provide assistance in networking and training for persons starting or already involved in agribusiness in Chautauqua County as part of a package that helps to qualify them as good loan risks. Expand availability of small business loans, and private grant monies and other sources of funds for the agricultural community.

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

We need to raise awareness and to understand the importance of agribusiness and agritourism to Chautauqua County's economy, our quality of life, and our future. Residents, the business community, and government need to understand the relationship between Agribusiness/Agritourism and farming. Loss of the farm means not only loss of the farmer but loss of those businesses that support and service the farm. It means food-processing plants looking elsewhere for raw product and eventually moving away from Chautauqua County to be closer to the product source. It means a way of life gone. Visitors who come for the rural nature of the county would find less to enjoy.

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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 agricultural community through participation in the process. The County Farmland Protection Board through its initiation of this plan has taken a step toward this education.
- **Local Labeling & 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 people know they are purchasing local goods. Marketers of end products should be encouraged in their labeling to include "Chautauqua County." This is another way of focusing attention on the farmer. Farm organizations such as the Farm Bureau or Cooperative Extension might be the catalyst for this to happen.
- **Chautauqua County Fair:**
The Chautauqua County Fair is another way to educate about agriculture. The Fair 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 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 agriculture in our county faces. Legislators, town supervisors, and village mayors 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 that education of our elected officials occurs.

Strategy: Enhance the Farm Services, Processing, and Marketing Sectors:

Economic development efforts involving agricultural and forest industries should be strengthened and included with other county economic development plans. The thought should be that agriculture in all its facets is a business and should be treated like any other business.

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Actions: Suggested and Existing:

- **Economic Development Efforts:**

Agricultural economic development efforts should be strengthened and included with other county economic development plans. The State of New York has passed legislation (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 agribusinesses need to look at this new resource. Our legislators, the county and farm agencies 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 and agribusiness 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.

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REFERENCES

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APPENDIX I

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Enabling Legislation and Policy Directives

The framework for the Chautauqua County Farmland Protection plan is found in directives and legislation at the federal, state and local level. The most significant of these are summarized below.

- Article 14 of the New York State Constitution (1969) directs the legislature to provide for "the protection of agricultural lands."
- New York enacted the Agricultural District Law, Article 25AA of the Agriculture and Markets Law (1971).
- State Environmental Quality Review (SEQR) Act. Under SEQR, any substantial change in the use of agricultural land requires the preparation of an Environmental Impact Statement (EIS).
- Commissioner of the Department of Environmental Conservation policy statement on agricultural lands (September 20, 1978) specifically directs DEC's program and operational units to ensure the protection and enhancement of the state's environmentally significant and economically valuable agricultural lands.
- Article 49 of the Environmental Conservation Law established in 1984 enabled landowners to donate their development rights in exchange for certain federal and state income tax deductions.
- Section 247 of the General Municipal Law (GML) establishes open land preservation as a public purpose and authorizes local governments to expend public funds to acquire interests or rights in real property to preserve open spaces and open areas.
- New York State Right-to-Farm Law in 1987 to protect farmers from nuisance suits.
- Final Generic Environmental Impact Statement of the New York State Open Space Plan, April 1998, Section D.2.d. Agriculture.
- Agricultural Protection Act in 1992 amended the Agricultural District Law. The act included Article 25AAA of Agriculture and Markets Law which authorizes counties to establish county agricultural and farmland protection boards and develop county plan.

Chautauqua County Farmland Protection Plan

- Environmental Protection Fund was established in 1992 providing funding for counties to implement farmland protection programs , including the acquisition of productive farmland.
- New York State Public Health Law protects agricultural activities carried out within the definition of the law from being considered a private nuisance (sec. 1300-c).

APPENDIX II

AGREEMENT

98-26-01

New York State
Department of Agriculture and Markets
1 Winners Circle
Albany, NY 12235-0001
Agency Code 06000

Contract Number: **C010019**

Amount of Agreement: **\$50,000**

Contract Period: **1/1/98 to 9/30/00**

Renewal Date:

Municipal Code: **060100000000**

AGRICULTURAL AND FARMLAND PROTECTION PLANNING GRANT

STATUTORY AUTHORITY: Agriculture and Markets Law
Article 25AAA

Contractor Name/Project Sponsor: **Chautauqua County**

Street: **Gerace Office Building, 3 N. Erie St.** City: **Mayville**

State: **NY** Zip: **14757-1007**

Billing Address (if different from above):

Street: City: State: Zip:

Title/Description of Project: **Chautauqua County Agricultural & Farmland Protection Plan**

THIS AGREEMENT INCLUDES THE FOLLOWING:	FOR AMENDMENTS CHECK THOSE THAT APPLY:	
<input checked="" type="checkbox"/> This Coversheet <input type="checkbox"/> Appendix A (Standard Clauses for all New York State Contracts) <input type="checkbox"/> Appendix B (Project Budget) <input type="checkbox"/> Appendix C (Agricultural & Farmland Protection Board Application) <input type="checkbox"/> Appendix D (The Department's General Conditions) <input type="checkbox"/> Appendix E (1NYCRR Part 372) <input type="checkbox"/> Appendix F - Other (Identify)	<input type="checkbox"/> Additional Work <input checked="" type="checkbox"/> Extension of Time From 5/31/00 to 9/30/00 <input type="checkbox"/> Increase Amount <input type="checkbox"/> Decrease Amount <input type="checkbox"/> Renewal: ___ Remaining <input type="checkbox"/> Revised Budget <input type="checkbox"/> Revised Scope of Work <input type="checkbox"/> Other	If Increase/Decrease in Amount: Previous Amount: \$ Increase/decrease New Total: \$

The Contractor and the Department agree to be bound by the terms and conditions contained in this Agreement

CONTRACTOR	NYS DEPARTMENT OF AGRICULTURE & MARKETS
Signature of Contractor's Authorized Representative: <i>Mark W. Thomas</i>	Signature of Authorized Official: <i>Marjorie M. Brague</i>
Date: <u>5/23/00</u>	Date: <u>5/31/00</u>
Typed or Printed Name of Above Representative: Mark W. Thomas	Typed or Printed Name of Above Official:
Title of Authorized Representative: County Executive	Title of Authorized Official: Marjorie M. Brague Director of Fiscal Management
Notary Public: On this day before me personally appeared <u>Mark W. Thomas</u> , to me known, and known to me to be the same person who executed the above instrument and duly acknowledged the execution of the same. <i>Rhonda W. Sweeney</i> RHONDA W. SWEENEY #4765055 Notary Public, State of New York Qualified in Chautauqua County My Comm. Expires Aug. 31, 2000	State Agency Certification: In addition to the acceptance of this contract, I also certify that original copies of this signature page will be attached to all other exact copies of this contract. APPROVED DEPT OF AUDIT & CONTROL JUN 09 2000 <i>David V. Hagedorn</i> FOR THE STATE COMPTROLLER
Attorney General:	Office of the State Comptroller:

APPENDIX III

A new Part 372 is adopted to read as follows:
(Effective Date of Regulation: 7/17/96)

PART 372

AGRICULTURAL AND FARMLAND PROTECTION

(Statutory authority: Agriculture and
Markets Law, Sections 16(l) and (2), 18[61], 324, 325, 326)

Sec.

372.1 Introduction

372.2 Definitions

372.3 County agricultural and farmland protection plans

372.4 Planning grants

Section 372.1 Introduction. This Part establishes the requirements for county agricultural and farmland protection plans, the procedures for development and approval of such plans and the application process for planning grants to assist counties in the development of plans,

372.2 Definitions. For the purposes of this Part, the following terms shall mean:

(a) Agricultural and farmland protection means the preservation, conservation, management or improvement of lands which are part of viable farms, for the purpose of encouraging such lands to remain in agricultural production.

(b) Agricultural district means a district established pursuant to section 303 or 304 of the Agriculture and Markets Law.

(c) Commissioner means the Commissioner of Agriculture and Markets of the State of New York.

(d) County agricultural and farmland protection board means a board established pursuant to section 302 of the Agriculture and Markets Law.

(e) Department means the New York State Department of Agriculture and Markets.

(f) Plan means the county agricultural and farmland protection plan, as prepared by the county agricultural and farmland protection board, provided for in Article 25-AAA of the Agriculture and Markets Law.

(g) In-kind services means compensated labor, materials or equipment provided by the applicant or the county, its employees or representatives in connection with the development of a county agricultural and farmland protection plan.

372.3 County agricultural and farmland protection plans.

(a) Plans. County agricultural and farmland protection boards may develop agricultural and farmland protection plans, in cooperation and consultation with the county's soil and water conservation district and the U.S.D.A. Natural Resources Conservation Service. The boards may cooperate and consult with other interested parties, such as municipalities, cooperative extension services, planning organizations,

private land trusts, farm organizations, and civic and citizen organizations, in developing plans. The plans shall include at least the following elements:

(1) a statement of the county's goal(s) with respect to agricultural and farmland protection (e.g., to stabilize or enhance the agricultural economy of the county; preserve open space; abate land conversion pressure; maintain community goals with respect to development and growth; and protect natural resources such as air quality, watersheds, aquifers or wildlife habitats);

(2) an identification of the general location of any lands or areas that are proposed to be protected (e.g., the whole county, all agricultural district lands within the county, farms or farmlands in particular sections of the county). Specific tracts of land or farms need not be identified, Maps are not mandatory but may be used at the discretion of the board to illustrate strategies or to explain the plan more completely;

(3) an analysis of the lands or areas to be protected, such as their value to the agricultural economy of the county, their open space value, the level of conversion pressure being experienced, and the consequences of possible conversion;

(4) a description of the strategies intended to be used by the county to promote the maintenance of lands in active agricultural use and to implement the plan, including how the program will be financed; and

(5) a description or identification of other county and municipal planning and land use programs, if any, such as economic development, zoning and comprehensive land use planning, which may be shown to complement and be consistent with, the county agricultural protection plan, as well as identification of any county and municipal plans, policies or objectives which are inconsistent with or conflict with the plan.

(b) Planning and approval process. In developing an agricultural and farmland protection plan, the board and the county legislative body shall follow the planning and approval process in sequence as follows:

(1) the county agricultural and farmland protection board shall conduct at least one public hearing to solicit citizen views and recommendations;

(2) the board shall undertake specific efforts to involve members of the farm community in the planning process, and to assure that the final plan is made available to the farm community for comment before it is approved;

(3) the county agricultural and farmland protection board shall consult with the Department throughout the planning process;

(4) the county agricultural and farmland protection board shall submit the proposed plan to the county legislative body for approval;

(5) if the county legislative body approves the plan, its approval should be documented by a resolution;

(6) plans of work must be completed within 18 months to be eligible for state matching grants under this program, unless said period is extended by written agreement between the county and the Department; however the county legislative body need not approve the final plan within 18 months; and

(7) the county legislative body shall submit the plan to the commissioner for approval. The commissioner shall act upon the plan within forty-five (45) days of receipt of the document, and notify the county legislative body of the plan's approval or

disapproval. A copy of the commissioner's decision shall be sent to the chair of the county agricultural and farmland protection board.

(c) Plan review process. The following criteria shall be used by the commissioner to determine the acceptability of a county agricultural and farmland protection plan:

(1) the consistency of the plan with state agricultural and farmland protection plans, policies and objectives; state environmental plans, policies, and objectives; and state comprehensive plans, policies, and objectives;

(2) the consistency of the plan with county and municipal plans, policies, and objectives which the plan could affect;

(3) the practicality of the plan (i.e., the extent to which it can reasonably be expected to meet the identified county goal(s) for agricultural and farmland protection);

(4) the extent to which the plan satisfies the analytical factors addressed under Section 324 of the Agriculture and Markets Law;

(5) the adequacy of substantiating data, information, and facts;

(6) the cost implications of the protection measures identified in the plan (i.e., what can be accomplished recognizing limited state/local funding mechanisms in view of the public benefit to be derived from protection of agriculture and agricultural lands); and

(7) whether the county legislative body has approved the plan.

372.4 Planning grants. (a) Matching grants program, Subject to the availability of funds, the Department of Agriculture and Markets shall maintain a matching grants program intended to assist counties in the development of agricultural and farmland protection plans.

(b) Applications. Applications for state matching funds shall be submitted to the Department by the county's agricultural and farmland protection board. Applications may be submitted to the Department at any time, A county may not make application for funds until it has established its agricultural and farmland protection board and a chairperson for such board has been elected.

All planning grant applications made to the Department shall contain at least the following information:

(1) the name of the county applying;

(2) the identification of the county agricultural and farmland protection board chair (name, address, and telephone number);

(3) the identification of an individual to be contacted concerning information contained within the application (name, address, and telephone number);

(4) a summary statement of the trends and conditions in the county that warrant agricultural and farmland protection measures;

(5) a description of the agricultural setting in the county including:

(i) the approximate number and types of farms in the area which is the subject of the plan;

(ii) the present and future prospect for farm viability in the county; and

(iii) other indications of the economic condition and importance of agriculture to the county;

(6) a detailed description of the plan of work to be followed in developing the county plan;

(7) the anticipated timeframe for completing the plan of work;

(8) a budget detailing the cost of developing the plan, including itemization of costs to be charged against state versus county matching resources available to the board by individual budget category;

(9) a description of in-kind services to be used for up to 80 percent of the required match;

(10) evidence of the availability of matching funds (such as a copy of a resolution, a copy of a portion of the county budget that demonstrates that the matching funds have been earmarked for such activities, a letter from the county executive that the county has appropriated matching funds, or a copy of letter(s) from an external granting agency that funding is provided to the county, or its agent, for the development of the plan);

(11) signature of the chair of the County legislative body; and

(12) the qualifications of the principals who will be developing the plan,

(c) Review and approval. (1) The commissioner shall review all requests for grant funding in consultation with the advisory council on agriculture, Criteria to be used by the commissioner in determining approval of applications are as follows:

(i) the responsiveness of the grant application to the analytical factors required under Section 324 of the Agriculture and Markets Law;

(ii) the degree to which the need for agricultural protection by the county is substantiated by facts and trends;

(iii) the adequacy of the plan of work (e.g., does it relate to the needs identified, is it logically constructed, and can it be accomplished within the timeframe predicted),

(iv) the qualifications of the principals who will be developing the plan;

(v) the reasonableness of the estimated cost of developing the plan versus the work to be performed;

(vi) overall compliance with procedural requirements of Article 25-AAA of the Agriculture and Markets Law; and

(viii) the completeness of the application.

(2) The commissioner, in consultation with the advisory council on agriculture, shall determine whether or not an application shall receive funding within ninety (90) days from the receipt of a complete application. The commissioner may negotiate the amount of funds awarded versus funds requested, The standard for determining the amount of funds awarded is the extent to which the plan meets the criteria set forth in paragraph (1) of this subdivision, as well as mutually acceptable modifications of the application and/or plan of work, and the availability of funds in relation to the number of eligible applications received.

(d) Eligible Costs. The following costs shall be eligible for state reimbursement:

(1) personal services, including fringe benefits for professional, secretarial, and legal services related directly to the development of the plan;

(2) consultant services;

- (3) travel;
- (4) conducting public hearings;
- (5) expendable supplies;
- (6) printing; and
- (7) communication,

(8) State planning grant funds shall not be made available for the purchase of equipment, non-expendable supplies, or implementation of measures recommended in a plan.

(e) *Funding limits and matching requirements.* State grant funds shall not exceed \$50,000 to each county and shall not exceed 50 percent of the total cost of preparing an agricultural and farmland protection plan. Multiple county grant applications (i.e., phased planning) are acceptable providing total state grant funds do not exceed \$50,000 per county, County funds must match state funds at least on a one-to-one basis and include at least a 20 percent cash match (i.e., new or supplemental county funding) of the total state funds provided, In-kind services matches are acceptable for all eligible cost categories identified in subdivision (d) of this section, as well as for those items set forth in the definition of "in-kind services" in Section 372.2(g) of this Part, Indirect and overhead charges and volunteer services are not acceptable as a match. Counties are authorized to use as a match any private or other public (nonstate) funds obtained to develop a plan.

(f) *Funding and reporting requirements.* The Department shall provide all funds to the county through a written contract, which shall be subject to approval by the State comptroller and attorney general, and shall incorporate the plan of work and approved budget. All funds paid to the county under the contract shall be paid only after submission of a State standard voucher by the county, which shall be subject to approval by the State comptroller and the availability of funds. At the commissioner's discretion, an advance of up to 25 percent of the total state funds awarded may be made under the contract to the county to initiate plan development. Whether an advance will be made, and the amount of same, is based upon the county's written request for an advance and statement of need, including the percentage of the funds requested, and the commissioner's determination that the advance is necessary for the county to initiate plan development. Thereafter, the remaining state funds will be provided on a reimbursement basis subject to the submission of quarterly progress reports. Ten (10) percent of all state funds awarded shall be withheld until the commissioner verifies that the entire plan of work is completed.

APPENDIX IV

March 11, 1998

DRAFT

TITLE: Establishing the Chautauqua County Agriculture Task Force

AT THE REQUEST OF: County Executive Thomas and Legislator Kindberg

BY: Agriculture & Economic Development Committee

Whereas, the Agriculture Industry is critical to the future economic health of Chautauqua County, and

Whereas, both immediate and long-term attention to Agriculture in Chautauqua County is necessary to help guide the County government with respect to policies and programs that assist the Industry or, at the least, do no harm, and

Whereas, Chautauqua County has received notification of a \$50,000 planning grant from the State of New York to produce a long-term Agricultural and Farmland Protection Plan, and

Whereas, the eventual long-term Agricultural and Farmland Protection Plan will be an important tool for policies and programs, and

Whereas, a Chautauqua County Agriculture Task Force comprised of legislators and citizens knowledgeable about the Industry and aided by representatives of organizations assisting the Industry could produce a report and recommendations to help identify immediate problems and needs of the Industry and guide the County on a short-term basis prior to development of the long-term Agricultural and Farmland Protection Plan, therefore, be it

Resolved, the Chautauqua County Legislature establishes the Chautauqua County Agriculture Task Force, which shall be chaired by Legislator Leon Beightol and whose members shall include Legislator Bruce Kidder and Legislator Fred Crocut; and shall include a representative of the Chautauqua County Farm Bureau (Ms. Patricia Mierke, President, 5644 Centralia-Hartfield Road, Dewittville, New York 14728, 753-7848, or her representative, if the Farm Bureau chooses to participate), and the following citizens:

Mr. Joel Hamlet, Hamlet Farms, Box 36, Sheridan, New York 14135, 672-2004, Town of Sheridan;

Mr. Mark Honey, 9974 Route 474, Clymer, New York 14724, 487-2468, Town of Clymer;

Ms. Gail Black, Vinewood Acres, 7904 Route 5, Westfield, New York 14787, 326-3351, Town of Westfield;

Mr. Dennis Rak, Double A Vineyards, Inc., 10275 Christy Road, Fredonia, New York 14063, 679-4475, Town of Pomfret; and

Mr. Wade Morse, Whittier Farms, 3731 Morley Road, Ashville, New York 14710, 789-5001, Town of North Harmony, and be it further

Resolved, the Agriculture Task Force shall be charged with the following:

- (1) Identify issues of immediate concern to the Agriculture Industry of Chautauqua County;
- (2) Determine which issues have local characteristics that may be aided or addressed by Chautauqua County government and County-based organizations;
- (3) Report to the Legislature and the County Executive on the issues of immediate concern and provide recommendations for action by the Legislature and the County Executive; and
- (4) Report to the Chautauqua County Agriculture and Farmland Protection Board on issues that should be addressed in the long-term Agricultural and Farmland Protection Plan, and be it further

Resolved, the Agriculture Task Force shall, to the greatest extent possible, invite county-funded agricultural organizations, i.e., Chautauqua County Cornell Cooperative Extension, and Chautauqua County Soil and Water Conservation District, as well as other organizations interested in or representing the Agriculture Industry in Chautauqua County, to lend their personnel and expertise to ensure a thorough report of the Agriculture Task Force, and be it further

Resolved, the Agriculture Task Force is requested to complete its deliberations and provide its report and recommendations to the Legislature, the County Executive, and the Chautauqua County Agriculture and Farmland Protection Board by the second meeting of the Legislature in May, 1998.