

NEW YORK STATE ASSEMBLY  
ASSEMBLY STANDING COMMITTEE ON AGRICULTURE

PUBLIC HEARING  
TRANSITION TO A NEW GENERATION OF FARMERS

Hamilton Hearing Room B  
Legislative Office Building, 2nd Floor  
Albany, New York  
Tuesday, December 11, 2012  
12:00 p.m. to 2:41 p.m.

Committee on Agriculture, 12-11-2012

ASSEMBLY MEMBERS PRESENT:

ASSEMBLY MEMBER WILLIAM MAGEE, Chair - Committee on  
Agriculture

ASSEMBLY MEMBER DIDI BARRETT

ASSEMBLY MEMBER MICHAEL R. BENEDETTO

ASSEMBLY MEMBER KENNETH D. BLANKENBUSH

ASSEMBLY MEMBER MARC W. BUTLER

ASSEMBLY MEMBER GARY D. FINCH

ASSEMBLY MEMBER PETER D. LOPEZ

ASSEMBLY MEMBER ROBERT P. REILLY

ASSEMBLY MEMBER ADDIE RUSSELL

ASSEMBLY MEMBER MICHAEL A. SIMANOWITZ

ASSEMBLY MEMBER CLIFFORD CROUCH

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2 (The public hearing commenced at 12:00  
3 p.m.)

4 ASSEMBLY MEMBER WILLIAM MAGEE, CHAIR,  
5 ASSEMBLY STANDING COMMITTEE ON AGRICULTURE:  
6 Thank you all for coming and participating.  
7 Welcome everyone. I'm Assemblyman, Chair of the  
8 Assembly Committee on Agriculture. I am joined  
9 by my colleagues, the ranking member of the  
10 committee, Ken Blankenbush, to my left, Gary  
11 Finch, Marc Butler. Other members on my side,  
12 did I miss any over there? No. Over here on  
13 this side is Assemblyman Mike Benedetto,  
14 Assemblyman Bob Reilly, Assemblywoman Didi  
15 Barrett, Assemblywoman Addie Russell, and  
16 Assemblyman Mike Simanowitz.

17 Again, we thank you very much. We look  
18 forward to a testimony from the commissioner and  
19 other experts here today, and expect an informed  
20 hearing about the next generation of farmers.  
21 The problem has been identified by the secretary  
22 of the USDA, who has announced that we need  
23 100,000 farmers to replace those that are  
24 retiring, or leaving their farms.

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2 Here in New York, we just held a yogurt  
3 summit where concerns were raised by processors  
4 that they need more farms supplying more milk to  
5 meet higher demand. Many of the farmers markets  
6 in the state struggle to find enough farmers, and  
7 many schools and restaurants also have a hard  
8 time finding farmers to sell them food.

9 Farmers starting out have difficult  
10 buying farmland, and farmers that are retiring  
11 face difficulties passing their farm onto the  
12 family members. We have people here today who  
13 are working now to help farms pass to a new  
14 generation and help new farmers find farmland to  
15 work.

16 We have created programs in the state  
17 budget that support farm viability and  
18 profitability, and keep and help all farmers,  
19 including those who are starting out. But today,  
20 we wanted to focus on the needs of the next  
21 generation, whether they grew up on a farm or are  
22 starting our brand new. Let us know how our  
23 state policies and programs are helping new and  
24 future farmers and we can do a better job.

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2 Thank you for coming. Do any of my  
3 colleagues have remarks before we start with the  
4 commissioner? Any remarks? Okay. Commissioner?

5 MR. DARREL J. AUBERTINE, COMMISSIONER,  
6 NEW YORK STATE DEPARTMENT OF AGRICULTURE AND  
7 MARKETS: Well, good afternoon, and it's a  
8 pleasure to be here again with all of you. Good  
9 afternoon, Chairman Magee, Assemblyman  
10 Blankenbush, and members of the Assembly  
11 Agriculture Committee. On behalf of Governor  
12 Cuomo and myself, thank you for the opportunity  
13 to appear here today.

14 As a sixth generation dairy farmer, I am  
15 pleased to discuss the efforts my agency is  
16 taking to further promote farming for future  
17 generations. A fundamental objective of my work  
18 as commissioner is to keep people on the land and  
19 the land in agriculture. The business of farming  
20 in New York needs to be profitable for this to  
21 happen. This requires assisting new and  
22 transitioning farmers in the essential building  
23 blocks of a profitable farm operation: training  
24 and education, protecting farmland, identifying

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2 and assisting in marketing opportunities and  
3 supporting cutting edge research.

4 Agriculture is rapidly changing, as is  
5 consumer demand. We need to think beyond the  
6 normal business practices, traditional markets  
7 and longstanding ways of doing business. While  
8 investments in promotion and marketing programs,  
9 like the Wine and Grape Foundation, the New York  
10 Apple Association and programs like The Pride of  
11 New York have brought industries a long way, this  
12 is a new New York under Governor Cuomo's  
13 administration and big happens here.

14 For example, Governor Cuomo recently  
15 hosted two summits on growth industries in New  
16 York State agriculture: one on yogurt, another on  
17 beer, wine, spirits and the cider industry.

18 The quality of New York-produced milk,  
19 hops, barley, grapes and apples provide a key  
20 incentive for these industries wishing to locate  
21 in New York State. Using the summit discussion  
22 as a catalyst to identify needs for the  
23 respective agricultural sectors, the department  
24 and other state agencies were able to pinpoint

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2 barriers to business and take action to support  
3 the growth of these industries, helping to set  
4 the stage for beginning farmers to enter into  
5 those industries.

6 The quality of our other New York farm  
7 products and the state's ideal location are also  
8 promising for other new and emerging markets.  
9 Expanding market opportunities and education sets  
10 the stage for future generations of farmers. We  
11 need to ensure that it is possible for future  
12 generations to continue our long and proud  
13 heritage of farming.

14 Existing programs such as Ag in the  
15 Classroom, the FFA organization, formerly known  
16 as Future Farmers of America, Farm to School,  
17 Pro-Dairy Youth programs, 4H and county fairs  
18 engage youth and encourage them to pursue careers  
19 in agriculture. FarmNet has programs to match  
20 young farmers with older farmers, allowing farm  
21 businesses to transition from one generation to  
22 the next.

23 An example of a successful agriculture  
24 educational program is the Vernon Verona Sherill,



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2 the VVS, FFA VVS program. It centers on maple  
3 production. The students learn how to tap trees,  
4 boil sap, package and market maple products.  
5 They bring their hands-on mobile maple syrup  
6 exhibition to thousands of New York City  
7 elementary and high school students. When you  
8 consider things like maple syrup, paper pulp,  
9 finished hardwoods or biomass energy, New York's  
10 forests have great potential to engage our youth.

11 Another effective FFA program is  
12 actually in New York City. Our largest FFA  
13 chapter is in Flushing, Queens at John Bowne High  
14 School. Students there are learning plant and  
15 animal sciences on their four-acre land  
16 laboratory, which includes a poultry house, large  
17 animal barn, exotic animal laboratory,  
18 greenhouse, and orchard and field crops.

19 We also support the New Farmer  
20 Development Project, the NFDP. A lot of NFDP  
21 farmers sell at the Governor's Fresh Connect  
22 markets, which are often youth-staffed and  
23 provide an invaluable opportunity for them to  
24 learn the skills necessary for entering the

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2 agricultural and food industry.

3 I have also heard from market founders,  
4 like Carin De Jong [phonetic], from the Lebanon  
5 Valley Farmers Market in Columbia County, that  
6 she is seeing new farmers in the market, such as  
7 Adobe Farms [phonetic], because of the Fresh  
8 Connect checks program.

9 The department also provides technical  
10 assistance to these vegetable farmers to get them  
11 qualified for good agricultural practices, or  
12 GAP, and good handling practices, GHP. By  
13 maintaining GAP and GHP food safety plan, new  
14 farmers can expand their businesses and meet the  
15 demands of supermarket chains, processors and  
16 wholesale distributors.

17 We also must maintain a framework to  
18 protect agricultural lands and the activity of  
19 farming. First, agricultural districts and  
20 agricultural value assessments that assure real  
21 property is assessed at its agricultural value.  
22 Sound agricultural practice reviews and  
23 observance of the right to farm provisions and  
24 protections against over-restrictive local

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2 ordinances are but a few of the noteworthy  
3 protections that help to ensure our future  
4 farmers have the land resources and business  
5 climate available for success.

6 As of May of 2012, about 25 percent of  
7 the state's total land area was in an  
8 agricultural district, saving farmers over \$100  
9 million per year on their assessment rolls,  
10 because of this program.

11 Second, the institution of a property  
12 tax cap is helping to keep farmland in  
13 production.

14 Third, the availability of over 300  
15 trained soil and water conservation district  
16 resource professionals statewide ensures that New  
17 York farmers have access to free, high quality  
18 technical assistance for conservation and land  
19 management purposes.

20 Fourth, we also have new farmers through  
21 grants and programs to meet regulatory  
22 requirements and manage discharge consistent with  
23 land use management permits.

24 Finally, we must continue to assist in

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2 the cost and availability of farmland for young  
3 people to either rent or purchase the land. We  
4 have worked hard to keep farmland in production.  
5 Since our Farmland Protection's program  
6 inception, more than \$173 million in matching  
7 grants have been awarded to municipalities to  
8 preserve more than 72,000 farm acres.

9 I believe it's important to be ambitious  
10 and set our goals high. We need to search for  
11 new tools to make farming profitable, keep land  
12 in agricultural production, and identify and  
13 develop market opportunities. I encourage your  
14 continued creative and an active engagement in  
15 these issues and look forward to working with you  
16 to create a new New York that is truly open for  
17 agriculture. The fate of tomorrow's farmers  
18 depends on the policies, actions and approaches  
19 that we take today.

20 Again, I want to thank you for the  
21 opportunity to testify here today and I look  
22 forward to answering any questions you may have.

23 ASSEMBLY MEMBER MAGEE: Thank you,  
24 Commissioner. Do we have any questions?

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2 ASSEMBLY MEMBER BUTLER, MEMBER, ASSEMBLY  
3 STANDING COMMITTEE ON AGRICULTURE: I have  
4 questions.

5 ASSEMBLY MEMBER MAGEE: All right, Mr.  
6 Butler.

7 ASSEMBLY MEMBER BUTLER: Yes, thank you  
8 for your testimony, Commissioner. I'm pleased  
9 that you mentioned about the summits about the  
10 yogurt industry, but I must tell you, as I've  
11 talked to some of the farmers in my community,  
12 what they're telling me is that the whole milk  
13 marketing system and pricing system--and I guess  
14 that's federally controlled--is really not  
15 allowing the laws, the traditional laws of supply  
16 and demand to function. Yes, there is a higher  
17 demand for milk but that farmers are actually not  
18 receiving more profitability as a result of that  
19 or they're not making more money because of the  
20 increased demand for the milk. Is that accurate?  
21 Secondly, if it is accurate, is there something  
22 we can do to help our farmers be more active  
23 participants in this emerging industry?

24 MR. AUBERTINE: Well, Assemblyman, I

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2 would say that it is accurate. I think to expand  
3 on that a little bit.

4 ASSEMBLY MEMBER BUTLER: Yeah.

5 MR. AUBERTINE: I think there are a lot  
6 of different things that affect the bottom line,  
7 especially for dairy farmers. Not the least of  
8 which are input costs. I think you would quickly  
9 see that today, with higher feed costs, again if  
10 we follow the commodities: corn, soybeans and  
11 things like that--

12 ASSEMBLY MEMBER BUTLER: [interposing]  
13 Right. I presume trucking costs and those  
14 things--

15 MR. AUBERTINE: [interposing] You're  
16 absolutely right. All those input costs, in  
17 conjunction with a market pricing system that  
18 certainly screams for improvement, and I would  
19 certainly hope that in the next farm bill,  
20 federal farm bill there is some movement there to  
21 address the farm pricing system. But I think  
22 beyond that, there are other issues as well, not  
23 the least of which are input costs that impact  
24 dairy farmers' bottom line.

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2 ASSEMBLY MEMBER BUTLER: Is there  
3 something we as legislators, perhaps through  
4 resolution, should try and do to influence this  
5 discussion on the--

6 MR. AUBERTINE: [interposing] Sure. I  
7 would advocate strongly for, you know, movement  
8 of the federal farm bill, which would impact the  
9 way milk pricing is done here and nationally.

10 ASSEMBLY MEMBER BUTLER: Would there be  
11 guaranteed increases in the farm bill as it  
12 currently exists for these farmers to get a  
13 little more money for the milk they're now  
14 providing to the yogurt industry?

15 MR. AUBERTINE: I don't know as I could  
16 say there would be guarantees, but I think there  
17 would be improvement in the structure that  
18 currently exists for milk pricing, without  
19 question.

20 ASSEMBLY MEMBER BUTLER: Would you be  
21 willing or prepared to make us some kind of  
22 recommendation or a template resolution that we  
23 might want to talk about introducing if that  
24 presents itself?

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2 MR. AUBERTINE: Assemblyman, I would  
3 relish the opportunity to sit down with you and  
4 talk further on the specifics of what we might  
5 advocate for.

6 ASSEMBLY MEMBER BUTLER: All right,  
7 thank you. I appreciate it.

8 MR. AUBERTINE: Thank you.

9 ASSEMBLY MEMBER MAGEE: Assemblywoman  
10 Russell?

11 ASSEMBLY MEMBER RUSSELL, MEMBER,  
12 ASSEMBLY STANDING COMMITTEE ON AGRICULTURE:  
13 Thank you. Thank you, Commissioner, for your  
14 remarks. I'm particularly happy that you focused  
15 on the wonderful FFA programs that we have  
16 throughout the state. As we enter another  
17 difficult budget year, FFA programs are being cut  
18 by many school districts, in the north country in  
19 particular, but I'm sure all across the state. I  
20 wondered if perhaps, you know, there was anything  
21 that you could do to really make this issue  
22 preeminent as we enter the next session, because  
23 I think it's important that our poor rural school  
24 districts be able to maintain this program.



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2 Because it's not mandated, it really has come  
3 under fire quite recently, since the recession  
4 took hold.

5 MR. AUBERTINE: Again, I think  
6 advocating, certainly, to make sure that all  
7 school districts, even those that don't currently  
8 have FFA programs, all school districts need to  
9 recognize that these are very valuable programs.  
10 As someone who a long time ago participated in  
11 those very programs, I can tell you that it's  
12 more than just focused on agricultural practices;  
13 there are a lot of life skills that are developed  
14 through the FFA. So, I completely agree with  
15 you. I think that if there are school districts  
16 out there that are making the decision to preempt  
17 or not fund FFA that they would reconsider. And  
18 I would certainly do all I can to advocate and  
19 support FFA around the state, for sure.

20 ASSEMBLY MEMBER RUSSELL: Okay. My last  
21 question has to do with transportation costs for  
22 our farmers, particularly our dairy farmers  
23 getting their product, you know, to the next  
24 phase in processing. Are you aware of any models

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2 that perhaps other states have taken to help our  
3 dairy farmers in offsetting some of those costs?  
4 It's really, you know, been a longstanding  
5 burden, and we know that the federal milk pricing  
6 system is quite a bear to try to impact, but is  
7 there something going on in other states that we  
8 could look at to help our farmers?

9 MR. AUBERTINE: Well, typically,  
10 Assemblywoman, the cost of hauling is an issue  
11 that's generally negotiated, typically between  
12 co-ops and processors, or even into individual  
13 farms and processors. So that's less an issue of  
14 regulation but more of an issue of negotiation  
15 between co-ops, individual farms, processors and  
16 people that generally handle raw milk. I can  
17 cite you probably the most glaring example is--  
18 not always, because these are negotiations  
19 between separate businesses--but generally  
20 speaking, if you look at organic milk versus  
21 conventional milk, generally organic milk is  
22 picked up at the farm and the processor pays the  
23 cost of hauling from the farm. Where, in many  
24 times, conventional milk doesn't work that way.

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2 The farmer pays the cost of hauling, almost  
3 always, right to the plant, even though his milk  
4 is co-mingled on a truck and there's no way to  
5 retrieve it. But generally speaking, that issue  
6 is an issue that's worked out between a co-op, or  
7 as I said, an independent farm with a processor.

8 ASSEMBLY MEMBER RUSSELL: Thank you.

9 ASSEMBLY MEMBER MAGEE: We've been  
10 joined by two more members of the committee,  
11 Assemblyman Pete Lopez and Assemblyman Cliff  
12 Crouch. Okay, Didi?

13 ASSEMBLY MEMBER BARRETT, MEMBER,  
14 ASSEMBLY STANDING COMMITTEE ON AGRICULTURE:  
15 Thank you, Commissioner, for your leadership on  
16 this. This is obviously a critical industry for  
17 the state, and I often feel under recognized with  
18 all the other important industries we have in the  
19 state. I just wanted to get your thoughts on the  
20 issue of land. I mean, farmland that's not being  
21 farmed is not working. In my district, we have a  
22 lot of small and medium sized farms and a lot of  
23 young farmers who are very interested in  
24 literally putting down roots in the area. But

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2 the cost of land is so high and the arrangements  
3 that the state has supported has not necessarily  
4 resulted in real money to farmers, you know, in  
5 land preservation arrangements, conservation  
6 deals or any of that kind of stuff. Can you kind  
7 of tell me where you think we're going and we can  
8 go with the budget in making sure that the  
9 farmers who do want to, or other land owners who  
10 want to make their land available to young  
11 farmers, where we really can pull that off  
12 effectively?

13 MR. AUBERTINE: Right. And you've hit  
14 on a key issue. Many times, as difficult as it  
15 is for someone to get into agriculture, into  
16 diary farming or any type of agriculture for that  
17 matter, it's almost equally difficult to get out.  
18 That's really an issue that needs to be dealt  
19 with. There are programs out there that can  
20 help. I don't think there's any, at this point,  
21 any program that I'm aware of that exists that  
22 would, you know, alleviate that issue altogether.  
23 But one of the things that we've tried to do, for  
24 example, is keep agricultural land in

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2 agriculture. We do have programs to buy  
3 development rights which helps farmers who are  
4 looking to transition out of agriculture. It's a  
5 source of revenue for them that many times would  
6 allow them to transition that property to the  
7 next generation in a way that allows someone to  
8 retire on the assets that they've accumulated  
9 over a lifetime, typically, on a farm. You know,  
10 that would be probably one of the key programs I  
11 would point to.

12 ASSEMBLY MEMBER BARRETT: Will there be  
13 money, do you believe, in the budget, to sustain  
14 that?

15 MR. AUBERTINE: Yes. In other words, I  
16 believe last year--don't hold me to the exact  
17 number--but I believe we had about \$12 million  
18 identified for that program, every year for the  
19 last several years.

20 ASSEMBLY MEMBER BARRETT: I think  
21 there's money that's due to previous purchase,  
22 rights from deals that were made in the past that  
23 are still being paid off.

24 MR. AUBERTINE: There are deals, I guess

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2 for lack of a better of term that are--

3 ASSEMBLY MEMBER BARRETT: [interposing]

4 Yeah, I'm sure there's a better term. The

5 arrangements.

6 MR. AUBERTINE: The arrangements that  
7 have not yet closed that we would be working with  
8 that funding to close those properties.

9 ASSEMBLY MEMBER BARRETT: Okay.

10 ASSEMBLY MEMBER MAGEE: Assemblyman  
11 Reilly?

12 ASSEMBLY MEMBER REILLY, MEMBER, ASSEMBLY  
13 STANDING COMMITTEE ON AGRICULTURE: Thank you,  
14 Mr. Chairman. Commissioner, I would like you to  
15 comment on the governor's new economic, what I'll  
16 call slogan--not in a derogatory way, of course--  
17 of Big Happens Here. It seems to me that we  
18 have, perhaps a problem in New York, that the  
19 yogurt factory aside, which I think is a big--  
20 rather somewhat unique, but a very good example  
21 of Big Happens Here. That has really, in a big  
22 way, helped small dairy farmers. But I get the  
23 impression, and I know that much of the farm  
24 community doesn't like this word, but we have a

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2 lot of niche farming. So I read the other day  
3 about a guy that has a couple hundred turkeys and  
4 then he has to sell them for \$80 a piece, where  
5 in the supermarket you can buy turkeys for 59  
6 cents a pound. There seems to be how can we keep  
7 in business if we're in this niche industry when  
8 American agriculture is primarily responsible for  
9 feeding, I think it's six or seven billion people  
10 in the world. So as Big Happens Here, what is  
11 New York's role in feeding the world and how do  
12 the jobs--and this is the key question--for the  
13 new farmers, which I don't think all of our new  
14 farmers can be into this small niche farming,  
15 whether it's organic or whatever.

16 MR. AUBERTINE: Sure.

17 ASSEMBLY MEMBER REILLY: But what are  
18 the jobs and how will they fit into "Big Happens  
19 Here?"

20 MR. AUBERTINE: Well, first of all, my  
21 interpretation of what the governor, what the  
22 administration is saying when they're saying "Big  
23 Happens Here," I don't think they're keying in  
24 on, you know, specific manufacturers or specific

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2 industries. I think they're talking a little  
3 more globally. When they say "Big Happens Here,"  
4 I think that's inclusive of the smaller, more  
5 artisan niche markets that exist here in New York  
6 State. And I think that one of the things that  
7 certainly is helping to drive the more artisan,  
8 the more niche markets here, in particular New  
9 York State, because of the diversity of the state  
10 and the size of the state. You know, there are  
11 nearly 20 million people that live just here,  
12 inside the borders of New York State, and a very  
13 diverse population at that. There's a lot of  
14 opportunity created by that diversity and the  
15 size of the markets here. That's what I think  
16 "Big" is referring to. That encompasses the  
17 opportunities that exist. Therefore, someone who  
18 is growing grass-fed poultry or someone who is  
19 making an artisan cheese or someone who has  
20 decided to develop a small organic farm, and the  
21 list goes on. So I think the jobs that are  
22 created are jobs, not necessarily by the  
23 hundreds, but more often, you know, one or two  
24 jobs here, one or two jobs there, and that



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2 certainly helps to drive the economy, I think, in  
3 a very sustainable way all across the state, but  
4 in particular in rural areas of the state. I  
5 know that we have issued more processing licenses  
6 in the past two years I think that we've probably  
7 issued in the last decade. And many of them, the  
8 overwhelming majority of them, aren't large new  
9 processing plants, many of them are small artisan  
10 operations, and it ranges from everything from  
11 distilleries to wineries to, as I said, grass-fed  
12 poultry, as well as dairy and other industries.

13 So I think "Big Happens Here" in a real  
14 fundamental way in that they're not necessarily,  
15 I think, alluding to, you know, any one sector or  
16 any one business. What they're alluding to is  
17 the fact that in our case, all of agriculture is  
18 big in New York State, and truly, it is. It's  
19 one of the biggest industries in the state.

20 ASSEMBLY MEMBER REILLY: Finally, I'd  
21 like to just give a little praise to--because you  
22 mentioned them--the soil and water conservation  
23 people, because I personally had some dealings  
24 with them recently, and then I was at a

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2 relative's large dairy farm where they received  
3 tremendous help from them. And I find them to be  
4 bureaucrats who really want to help out and do a  
5 great job in doing that. So congratulations for  
6 having those people who are so responsive. Thank  
7 you, Commissioner.

8 MR. AUBERTINE: If I could just add to  
9 that comment. Last year, on the heels of the  
10 first storms, I guess, that we experienced in  
11 this administration, Irene and Lee, the soil and  
12 water districts were the people on the front  
13 lines that helped our agricultural community as  
14 much, if not more than anybody else, to recover  
15 from that event. High praise, indeed, is due to  
16 them for the efforts that they put forward, not  
17 just there but as you rightly point out, on a  
18 more routine basis, day to day.

19 ASSEMBLY MEMBER MAGEE: Assemblyman  
20 Benedetto?

21 ASSEMBLY MEMBER BENEDETTO, MEMBER,  
22 ASSEMBLY STANDING COMMITTEE ON AGRICULTURE:  
23 Thank you very much, Mr. Chairman. Commissioner,  
24 thank you for being here. And I want you to

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2 know, I'm taking very good care of your old

3 office that I kind of--

4 MR. AUBERTINE: [interposing] Thank you.

5 ASSEMBLY MEMBER BENEDETTO: --moved  
6 into. Number one, two quick things, I want to  
7 also back up the statements made by my colleague  
8 Ms. Russell, in regards to FFA and their  
9 programs. I've been up to the VVS Maple Syrup  
10 Festival. I'm so impressed with the young  
11 people. And I've been the beneficiary of their  
12 maple van coming several times to my district,  
13 educating the youth in my district about what  
14 goes on and how maple syrup is produced and that  
15 New York is not just sidewalks and pavement of  
16 New York City, that there's far more, you know,  
17 to it. So my compliments go out to them, and I  
18 hope we are strong supporters in the future for  
19 their program.

20 The second thing I want to mention to  
21 you, to pick up what my colleague Mr. Reilly  
22 mentioned about the processing plants in the  
23 states. I know there's a problem that many of  
24 the processes of food processing plants and meat

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2 and poultry have with permits. We have  
3 neighboring states where quite often some of our  
4 processors will want to go across the border and  
5 bring their products across the border, yet they  
6 have to apply for a permit, not just in the home  
7 state of New York but also, let's say, in  
8 Massachusetts or Vermont. Is there anything that  
9 we're doing here in New York State to come up  
10 with interstate agreements that as long as the  
11 requirements are the same in all of these  
12 bordering states that one permit can be gotten  
13 and these small businesses can relieve themselves  
14 of a lot of paperwork and probably an awful lot  
15 of fees?

16 MR. AUBERTINE: I'm not totally aware--  
17 if I understand your question, Assemblyman, is  
18 are there reciprocal agreements between states  
19 or, you know, the movement of commodities. It's  
20 my understanding that if there are federal  
21 inspections done on meat or dairy products or  
22 really any commodity, I believe that, you know,  
23 interstate commerce is certainly allowed. But  
24 are there reciprocal agreements between states

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2 themselves? I'll have to get back to you on  
3 that.

4 ASSEMBLY MEMBER BENEDETTO: Okay, please  
5 do, because I was just at--over the weekend--at  
6 an executive board meeting for the Council of  
7 State Governments, the Eastern Regional  
8 Conference, which I know you have been extremely  
9 active in over the years. And one of the things  
10 brought up at that conference was these permits  
11 that have to be obtained by the processing plants  
12 if they're going to do business in a neighboring  
13 state. Yes, I would appreciate you getting back  
14 to me and seeing what we can do on that. Thank  
15 you.

16 MR. AUBERTINE: Certainly.

17 ASSEMBLY MEMBER MAGEE: Assemblyman  
18 Blankenbush?

19 ASSEMBLY MEMBER BLANKENBUSH, MEMBER,  
20 ASSEMBLY STANDING COMMITTEE ON AGRICULTURE: Yes,  
21 thank you. Good afternoon, Commissioner.

22 MR. AUBERTINE: Good afternoon.

23 ASSEMBLY MEMBER BLANKENBUSH: Milk is  
24 just one aspect, but many dairy farmers now are

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2 also shifting to crop farming and grain exports,  
3 like corn, soybeans, and a lot of the cost of  
4 getting those commodities is very sensitive to  
5 the overseas markets. I'm just wondering if  
6 there's anything that we could support, or  
7 consider supporting to help the transportation of  
8 those commodities?

9 MR. AUBERTINE: Sure. You're absolutely  
10 right. I know in your district, Assemblywoman  
11 Russell's district, Assemblyman Magee, Butler,  
12 probably just about everybody's district, we're  
13 seeing, you know, row crop, cash crop, just an  
14 explosion. I think there's several reasons for  
15 that. I think the new genetics, for one thing,  
16 have opened doors that haven't been opened, by  
17 allowing corn and soy to be grown on some more  
18 marginal land, marginal land that's now being  
19 brought back into production. But I think we  
20 certainly in the north country live in a very  
21 unique place in that we live on the banks of the  
22 St. Lawrence Seaway. And there are opportunities  
23 both in Oswego and in Ogdensburg to utilize those  
24 ports more, I believe to, you know, open our

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2 region up to the rest of the world. I guess you  
3 could literally look at that as a doorway to the  
4 rest of the world. And I think if I were to try  
5 to enhance that doorway, I would advocate for,  
6 you know, more handling material equipment,  
7 material handling equipment at those ports, in  
8 particular.

9 ASSEMBLY MEMBER BLANKENBUSH: Thank you.

10 ASSEMBLY MEMBER MAGEE: Assemblyman  
11 Finch?

12 ASSEMBLY MEMBER FINCH, MEMBER, ASSEMBLY  
13 STANDING COMMITTEE ON AGRICULTURE: Commissioner,  
14 I have two questions. The first one is an easy  
15 one and the second one might be a little more  
16 difficult. Could you share with us how the  
17 method they use to determine the price of milk?

18 [Laughter]

19 ASSEMBLY MEMBER FINCH: You don't have  
20 to answer that. I've never been able to  
21 understand it and I understand even down at  
22 Cornell, they have classes and they can't quite  
23 get it.

24 MR. AUBERTINE: Well, when you figure it

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2 out, let me know.

3 ASSEMBLY MEMBER FINCH: Okay. The other  
4 question is if I'm a farming operation and I need  
5 assistance in transitioning, a succession plan of  
6 sorts, and that's really where I think this  
7 hearing is going, can your office provide us with  
8 assistance or manpower or some kind--any kind of  
9 assistance that would allow that local farmer or  
10 the entrepreneur to pass one the--usually it's a  
11 member of his family. I think farming has that  
12 tradition. Is there something in your  
13 organization that can help there?

14 MR. AUBERTINE: Well, it's a huge issue,  
15 passing a business, a farm on to the next  
16 generation. As I said earlier, it can be  
17 extremely difficult, and many times more  
18 difficult than actually getting in the business  
19 is getting out. Our agency, if you will, can  
20 offer some assistance, but there are other  
21 organizations out there that would probably be  
22 much more able to give hands-on assistance. For  
23 example, FarmNet would be one organization I  
24 would look to quite readily. Cornell Cooperative



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2 Extension would be another. Even the Soil and  
3 Water Districts can help play a role, as far as  
4 determining how you may want to transition a  
5 farm. As Assemblyman Blankenbush pointed out,  
6 there are farms out there that may not be  
7 transitioning but are certainly expanding into  
8 other avenues, from being strictly dairy to being  
9 dairy/crop farms and vice versa. So there are a  
10 lot of opportunities out there and there are a  
11 lot of organizations out there that I think would  
12 support those opportunities. Certainly, at Ag  
13 and Markets, we will do whatever we can to  
14 support any farm operation in an endeavor, be it  
15 transitioning internally within the farm or  
16 transitioning from one generation to the next.  
17 But I think there are organizations out there  
18 whose specific mission would be to help make that  
19 transition occur.

20 ASSEMBLY MEMBER FINCH: So at least you  
21 would end up providing guidance or assistance--

22 MR. AUBERTINE: [interposing] Sure.

23 ASSEMBLY MEMBER FINCH: --in  
24 recommending some other sources where they can

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2 find some sort of transitioning--

3 MR. AUBERTINE: [interposing]

4 Absolutely.

5 ASSEMBLY MEMBER FINCH: We'll save that  
6 milk question until later on. Thank you.

7 ASSEMBLY MEMBER MAGEE: Assemblyman  
8 Lopez?

9 ASSEMBLY MEMBER LOPEZ, MEMBER, ASSEMBLY  
10 STANDING COMMITTEE ON AGRICULTURE: Thank you,  
11 Chairman. And Darrel, always good to see you and  
12 thank you for all your dedication and  
13 particularly with your work through the floods,  
14 appreciate that help. I just want to share this  
15 quickly, and I'm struggling with this myself. I  
16 just want to lay it out for you to kind of  
17 reflect on and maybe offer some thoughtful  
18 response. Do a lot of work in the district, and  
19 last summer I was in Stanford and having a  
20 conversation with a farm family. And the mom was  
21 there with her daughter, and the daughter  
22 expressed an interest in going into farming. At  
23 which point, momma cut her off and said "No, I  
24 don't think so." And we're not going to--she

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2 said to me, "We're not going to ask any of our  
3 kids to go into farming; we're discouraging  
4 them." And she followed it saying we're on our  
5 way to go school shopping and we're heading to  
6 the Salvation Army. And so that weighs on me.  
7 That's something I carry around with me. I know  
8 you had a couple of questions, and I'll just  
9 mention the price of milk in particular, and one  
10 of our colleagues brought that up. You know, I  
11 look at Chobani, and yes, we focused on yogurt.  
12 And yes, milk is being sold. But the question is  
13 are we yielding enough revenue back to these  
14 farms to encourage investment, to encourage young  
15 farmers to engage? I know we point to the  
16 federal farm bill, but there's got to be  
17 something creatively we can be doing in New York  
18 to increase that profitability. And my fear is,  
19 and this hearing is absolutely on point, average  
20 age of farmers keeps increasing, we're not seeing  
21 the investment in many family farms. So, not to  
22 go on, I'm just looking for your thought. Back  
23 to that family, what do we say to them?

24 MR. AUBERTINE: Your point is very well

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2 taken, and much of it I agree with. I think from  
3 the state level, the opportunities that we have  
4 to impact a farmer's bottom line, be it a dairy  
5 farmer or any other farmer, but in this case a  
6 dairy farmer, to impact their bottom line, you  
7 know unfortunately we can't mandate a cost of  
8 production for milk from the state level. It's  
9 just not something that we have the ability to  
10 do, would that we did. However, there are things  
11 we can do. And when we look at, as I mentioned  
12 earlier, some of the input costs, one of the  
13 biggest input costs for somebody that owns  
14 several hundred acres of land and sometimes more  
15 is the burden of tax. And I think that by  
16 adopting programs like the 2 percent tax cap, I  
17 think that by adopting programs that recognize  
18 how a piece of property is assessed, if it's used  
19 as farmland, it should be assessed as farmland  
20 and not the potential development that could take  
21 place there. So I think that those kinds of  
22 things are really where we can be most effective.  
23 I agree with you that if we had the ability to,  
24 you know, address the milk pricing formula, that

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2 that would certainly be advantageous to, you  
3 know, the farm community, the producers. But I  
4 think to advocate to make some of the changes  
5 that are being proposed at the federal level and  
6 being able to see that to fruition is something  
7 that would have a very positive impact so that,  
8 you know, farm families wouldn't be discouraging  
9 the next generation from taking over the farm.  
10 Quite the contrary, they'd be looking forward to  
11 the day when the next generation could pick up  
12 that farm and continue to run it.

13 ASSEMBLY MEMBER LOPEZ: Thank you,  
14 Commissioner. I'll catch up with you at another  
15 time. I have a couple of ideas. Thank you.

16 MR. AUBERTINE: Thanks, Assemblyman.

17 ASSEMBLY MEMBER MAGEE: Okay. I guess  
18 that's it, Commissioner. Thank you very much for  
19 coming and your testimony.

20 MR. AUBERTINE: Thank you, Mr. Chairman.

21 ASSEMBLY MEMBER MAGEE: We'll certainly  
22 take it into consideration.

23 MR. AUBERTINE: Thank you, all.

24 ASSEMBLY MEMBER MAGEE: Next, we have

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2 Lindsey Lusher Shute, Director of National Young  
3 Farmers' Coalition.

4 [Background noise]

5 ASSEMBLY MEMBER MAGEE: Okay. Thank  
6 you.

7 MS. LINDSEY LUSHER SHUTE, DIRECTOR,  
8 NATIONAL YOUNG FARMERS' COALITION: Good  
9 afternoon. Thank you so much for having me. My  
10 name is Lindsey Lusher Shute, and I am the co-  
11 founder and executive director of the National  
12 Young Farmers' Coalition. And my family farm, my  
13 husband is a fulltime farmer, and I help as much  
14 as I can, is Hardy Roots Community Farm, which is  
15 about an hour south of here, in Claremont. We  
16 provide non-certified organic vegetables and eggs  
17 to about 600 families in the Hudson Valley and in  
18 New York City, and we also sell through the local  
19 produce link to emergency food providers in New  
20 York City, and to some local farm stands. This  
21 will be our tenth year in production, in 2013.

22 So, I helped found the National Young  
23 Farmers' Coalition two years ago because of the  
24 acute challenges faced by young people trying to

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2 start a farm business here in New York, and  
3 across the nation. It is true that many farmers  
4 are close to retirement, as some of you have  
5 noted, but here in New York State, we are really  
6 lucky because there are also a lot of young  
7 people who wish to farm here, wish to start  
8 businesses here, wish to employ people here in  
9 New York State. At our farm, we actually have  
10 ten fulltime employees during the peak of the  
11 season and three employees year round.

12 The question is, of course, is whether  
13 they'll have the opportunity to get started and a  
14 business environment where they can make a decent  
15 living, which is really the question, why people  
16 are not encouraging their children to farm.  
17 Well, if they don't think that they're going to  
18 be able to make a living, and support themselves  
19 and have a family, then certainly they're not  
20 going to do that, but there is some real  
21 opportunity in this state.

22 There are several things I'd like to  
23 discuss today, areas where I believe New York  
24 State can make a big difference for young

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2 farmers, and help to protect and even grow its  
3 agricultural economy. These areas include land  
4 access, access to capital, health insurance and  
5 just plain information sharing.

6 So on land access, until this year we  
7 have always rented land at Hardy Roots. Renting  
8 is fairly inexpensive and can work well,  
9 especially when a farmer is renting from another  
10 farmer. That's key. We got our start using an  
11 acre of a former dairy farm rented to us by a  
12 dairy farmer, Pete Bockley [phonetic], who had  
13 discouraged his children from farming. He  
14 thought we were a little bit crazy but said,  
15 okay, go ahead, we'll see what you can do.  
16 That's where we got our start and have been able  
17 to grow the business from that one acre that we  
18 started with.

19 Shortly before he passed away, we found  
20 another parcel nearby with excellent soil, at the  
21 Greg Farm [phonetic], but we could only secure a  
22 revolving, rolling five-year lease on that  
23 property. This parcel helped us grow our  
24 business to its current size. But we could never



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2 make any capital improvements because we never  
3 had the ability to put in permanent  
4 infrastructure on that land, which is a big--you  
5 know, as our farm is actually considered a large  
6 farm by USDA standards and at some point soon,  
7 we're probably going to be at that 500,000 mark,  
8 where you have to start following new food safety  
9 standards, similar to the good agricultural  
10 practices. And to be able to do that, you really  
11 need to have permanent infrastructure. So this  
12 parcel we have is not going to work.

13           Around our sixth season, we realized  
14 that we needed a long-term situation and land  
15 where we could build a farm business that would  
16 support our family for many years to come.  
17 Unfortunately, land in the Hudson Valley is many  
18 times more expensive than a farmer with a farming  
19 income can afford. After two years of looking  
20 and many failed attempts, we were finally able to  
21 purchase land with the help of Scenic Hudson this  
22 year. They purchased the development rights of  
23 the property and we purchased the land at its  
24 conservation value. Without this deal, we would

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2 still be renting, and without a permanent home  
3 for our farm business.

4 We are extremely lucky to have found  
5 this land. We know many farmers like us who are  
6 looking for land to purchase or to negotiate a  
7 long-term lease agreement. And without land,  
8 these young people will most certainly turn to  
9 other careers.

10 I can just say that the farmers that we  
11 have had as employees at Hardy Roots, about 50  
12 percent of--well actually more than half of them  
13 have gone on to try and start their own farm  
14 businesses. Some have--well, actually most of  
15 them have been quite successful, but the biggest  
16 barrier that they face and sort of where they  
17 determine where they're going to land is in large  
18 part based on where they can find a place to farm  
19 and where they can get a long-term lease, where  
20 they can purchase land. So all of you in your  
21 districts, when you thinking about how can we  
22 have more farming here, how can we support  
23 farmers, thinking about this land access issue  
24 and working with partners like AFT and your local

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2 land trusts is absolutely critical.

3 If New York wants to support its  
4 agricultural economy, it must be very proactive  
5 in finding solutions to land access. Thankfully,  
6 there are programs from other states that could  
7 serve as models for New York. So these include a  
8 tax credit program. This is offered by the  
9 states of Nebraska and Iowa, where the situation  
10 is a little bit different than here in New York,  
11 but these programs have been very successful.  
12 They basically offer a tax credit to landowners  
13 who lease or sell their land to a beginning  
14 farmer. So it incentivizes the transition of  
15 land.

16 In addition, the Massachusetts  
17 Department of Agriculture's Preservation  
18 Restriction Program is very good and it ensures  
19 that farmland stays in the hands of working  
20 farmers.

21 In addition, more investment needs to be  
22 put into the Environmental Protection Fund, as  
23 was noted earlier. And land trusts that make use  
24 of these funds should be encouraged to put

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2 easements in place that protect the affordability  
3 of a farm in the future.

4 The next thing farmers need help with,  
5 and in fact this is--we did a survey of about  
6 1,000 young and beginning farmers across the  
7 nation, last year in 2011, and we found that  
8 access to capital is the first and most pressing  
9 need for those farmers. So there are good loan  
10 programs offered by Farm Service Agency and Farm  
11 Credit, but these are not always accessible to a  
12 beginner.

13 So, on the legislative front, I  
14 encourage the committee to consider a program  
15 like the Massachusetts's Matching Enterprise  
16 Grants for Agriculture Program, which gives one-  
17 to-one matching grants for new farm  
18 entrepreneurs, up to \$10,000. Programs like  
19 these, they're called individual development  
20 accounts, have been high successful in  
21 California, Iowa and Michigan. Some of the  
22 farmers that I've spoken to who have made use of  
23 these programs say that this program was why they  
24 were able to start farming. That initial just

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2 infusion of money, whether it's, you know, to put  
3 a hoop house up, to buy some animals, whatever it  
4 might be, really made a big difference.

5 The next issue is health insurance. One  
6 of the major concerns for farmers here in New  
7 York is health insurance. As you may know,  
8 farming is one of the most dangerous careers, and  
9 young farmers are particularly susceptible to  
10 work-related injuries. I can say that on our  
11 farm, and nothing has happened this year, but,  
12 you know, I've been called to the emergency room  
13 twice for my husband when, you know, various  
14 things have happened on farm. And he was fine,  
15 and we have insurance, but it can be very  
16 dangerous, especially for beginners who are  
17 learning to use new equipment and tractors and so  
18 on.

19 Because of the cost of insurance, I  
20 personally know several farmers right now who do  
21 not have any coverage at all. And if they were  
22 to get into a situation where they needed to go  
23 to the emergency room, this could literally put  
24 them out of business, so they're really in a very

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2 vulnerable place.

3 We are able to have health insurance on  
4 our farm because we participate in the Healthy  
5 New York program. That also enables us to pay 50  
6 percent of health insurance coverage for our  
7 employees. But next year, we are moving to a  
8 high deductible plan through Healthy New York  
9 because our rates went up 12 percent this year,  
10 and we just got a letter in the mail that they're  
11 going up by another 25 percent next year. I  
12 don't know the history of this program  
13 completely, but my understanding is that the  
14 increase is due to increased demand and no  
15 increase in the state subsidy for this program.

16 So I know this is beyond the  
17 jurisdiction of your committee, but given that  
18 this is such a pressing issue for new farmers, I  
19 ask that you think of ways to help give this  
20 program more support. The farmers I mentioned  
21 without insurance cannot participate at this  
22 point in Healthy New York, because it's simply  
23 too expensive. In 2013, I mentioned, we at Hardy  
24 Roots are also just giving more limited coverage

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2 to our employees.

3 Another thing is I think the Department  
4 of Ag and Markets can actually do a lot more for  
5 young and beginning farmers. When it comes to  
6 regulations, starting a farm in New York is no  
7 easy task. Just from our own experience, you  
8 know, finding simple information such as how to  
9 direct market your eggs can actually be pretty  
10 difficult. Instead of creating a guide and sort  
11 of, you know, just easy to read, like, you know,  
12 this is what you do if you want to sell eggs. We  
13 want you to sell eggs, we're going to help you  
14 figure out, navigate these regulations. Instead  
15 of having something like that, you're really  
16 literally directed to the law. And you all write  
17 beautiful laws, but they're not necessarily that  
18 user friendly for a farmer and not necessarily--  
19 that's not their purpose, of course, but they're  
20 not encouraging documents. So I really think  
21 that we need to create more basic guidance on the  
22 existing rules and created simplified,  
23 potentially simplify some of those rules and just  
24 create clarity for new farmers especially.

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2 In addition, I think we should consider  
3 legislation that was recently passed in  
4 California, which enables farmers to do more  
5 processing of products in their home kitchens.  
6 It's called the Cottage Foods bill. And that  
7 could be very helpful in creating some more  
8 additional added value products at our farmers  
9 markets and through direct marketing.

10 Lastly, other considerations that maybe  
11 should be put on the table. You know, someone  
12 mentioned transportation costs, which is  
13 certainly significant. A lot of the farmers in  
14 the Hudson Valley are taking their product to New  
15 York City and the tolls on the throughway are not  
16 insignificant. So if there would be some way for  
17 the legislature to consider doing a reduced toll  
18 for farmers who are bringing their product to  
19 market, that could be really helpful.

20 Another idea is, you know I'm on the  
21 east side of the river, so to bring our truck to  
22 New York City, we have to go all the way to the  
23 throughway. And a lot of farmers use the  
24 Taconic, even though they're not necessarily



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2 supposed to, because it's like another 45 minutes  
3 out of their way, and they're already leaving at  
4 4 a.m. So thinking about ways like could we open  
5 the Taconic for appropriate sized vehicles going  
6 to New York City, bringing food to that market?  
7 You know, that could be an easy way to help.

8 Another issue, and this goes hand in  
9 hand with the issue of capital, is student loans.  
10 Many of the farmers that are young people, who  
11 are looking to start farms have gone to college  
12 and have significant student debt. In  
13 Pennsylvania, there is an interesting loan  
14 forgiveness program, where if farmers come back,  
15 young people come back to Pennsylvania to farm,  
16 they're able to get some forgiveness for their  
17 student loans, which could be really helpful and  
18 encourage people to say, oh yeah, I'll farm in  
19 New York State because they're willing to help me  
20 out with some of my loan costs.

21 Thank you so much for having me here  
22 today, and I'm happy to answer any questions you  
23 may have.

24 ASSEMBLY MEMBER MAGEE: Thank you for

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2 coming. Is there any questions? Yes?

3 ASSEMBLY MEMBER BARRETT: Lindsey, hi.

4 MS. LUSHER SHUTE: Hi.

5 ASSEMBLY MEMBER BARRETT: I'm actually  
6 honored to have Lindsey in my district and as a  
7 friend and I am a great admirer of all the  
8 leadership that you've shown in the National  
9 Young Farmers' work and addressing these issues  
10 over and over and over again. There's been,  
11 obviously, lots of work to do.

12 When we've talked in the past about  
13 transportation issues, you had, I think,  
14 mentioned like a special license for farmers. Is  
15 that something that any other state has done, you  
16 know, to sort of help either with the cost or  
17 recognition on the throughways or things like  
18 that?

19 MS. LUSHER SHUTE: I think that's a  
20 great idea. We haven't done any sort of analysis  
21 of sort of in terms of transportation costs what  
22 other states have done. But that seems like it  
23 could be a great potential.

24 ASSEMBLY MEMBER BARRETT: Then the other

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2 question that I had in listening to you, you know  
3 oftentimes when I'm talking to economic  
4 development people in our district, which has so  
5 much agriculture, they say farmers need to think  
6 more like business people. They need to think of  
7 their farm as a business. Do you feel like that  
8 young people are more open to that mindset or is  
9 there sort of an altruism and a romanticism that  
10 they come in that makes them less willing or less  
11 able to sort of look at the business side of  
12 things when they start farming?

13 MS. LUSHER SHUTE: I think there are  
14 certainly some farmers that fit in that category  
15 who--many of the farmers, young people who are  
16 getting into farming these days are really  
17 inspired by the good food movement, you know, the  
18 books by Michael Pollen and just the recent  
19 emphasis on feeding people healthy food. So  
20 sure, there is some of that, but really the folks  
21 who stay in the area and really say I want to  
22 start a farm are very good business people and  
23 take that part of what they do very seriously.  
24 In our region, there is also a program called

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2 Farm Beginnings that's hosted by Hawthorne Valley  
3 right now that is very helpful to new farmers in  
4 helping them to develop a business plan and see  
5 where they fit in and how much they can grow  
6 their business. So, yes, the business side of  
7 things is very important and I'm very encouraged  
8 by what I've seen from young farmers and the  
9 responsibility they have taken to develop plans.

10 ASSEMBLY MEMBER BARRETT: Great. Thank  
11 you.

12 ASSEMBLY MEMBER MAGEE: Any other ones?  
13 Well, we thank you very much and--

14 MS. LUSHER SHUTE: [interposing] Thank  
15 you for having me.

16 ASSEMBLY MEMBER MAGEE: David Haight,  
17 New York State Director of American Farmland  
18 Trust.

19 MR. DAVID HAIGHT, NEW YORK STATE  
20 DIRECTOR, AMERICAN FARMLAND TRUST: Put a speed  
21 bump right here in front of my rolling chair.  
22 Well, good afternoon, Chairman Magee, other  
23 members of the Assembly Committee on Agriculture.  
24 I want to thank you for the opportunity for being

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2 here today and for looking at these important  
3 issues of the transition of farms to a new  
4 generation. I'm the New York State Director for  
5 the American Farmland Trust, an organization  
6 committed to protecting farmland, promoting sound  
7 farming practices, and keeping farmers on the  
8 land.

9 In the fall of 2011, the American  
10 Farmland Trust facilitated two forums, one in  
11 eastern New York in Hyde Park, one out in western  
12 New York, in East Aurora, just outside of  
13 Buffalo, with virtually the same title:  
14 Transitioning Farms to a New Generation of New  
15 York Farmers. And brought together 100 people  
16 from 60 different organizations to look very  
17 intently at the issues that you are discussing  
18 here today. They are complex. I think at the  
19 east forums we heard about issues related to  
20 access to land, access to capital, access to  
21 markets, education programs, infrastructure  
22 related to food processing and distribution,  
23 regulations, taxes, many of the issues that have  
24 been brought before you today.

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2 In response to these forums and the  
3 issues that we heard, the American Farmland Trust  
4 has recently launched two new programs. We  
5 recently announced a Farmland Advisers program, a  
6 training program for professionals working with  
7 farm families to help the senior generation of  
8 farmers that are thinking about transferring  
9 their farm, to help them grapple with those  
10 personal, and family and legal issues. Then also  
11 to help young people or new farmers, maybe that  
12 are on a second, or third or fourth career, to  
13 find that farm and to do it in a way that's  
14 affordable.

15 We are investigating the feasibility of  
16 creating a greater Hudson Valley Farm Link  
17 Network, a network that would work in the Hudson  
18 Valley to help connect people that are looking  
19 for a farm with people that own farmland. So  
20 this would integrate resources from our statewide  
21 Farm Link program with a network of local  
22 organizations that would essentially act as  
23 matchmakers to connect farmers and landowners in  
24 the Hudson Valley. So my comments here today

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2 stem from these projects and our other work here  
3 in New York.

4 In our testimony, you can see that we  
5 roll through some of the statistics about this  
6 transition in New York. I think if you look,  
7 you'll find that essentially a number of farmers  
8 that are under 35, the USDA definition of a  
9 younger farmer, has been decreasing. It dropped  
10 by about 10 percent between 1997 and 2007, while  
11 there is almost a consistent increase in the  
12 number of farmers over 65. To the point now,  
13 where at least according to the census of  
14 agriculture, roughly 25 percent of New York's  
15 farmers are over 65.

16 The footprint that those farmers over 65  
17 have is very significant. In our landscape, they  
18 manage about a million and a half acres of  
19 farmland in New York. So when we're thinking  
20 about farm families having to make a transition,  
21 that's a significant part of our state's  
22 landscape. It's also a significant part of our  
23 state's agricultural economy. That the farms  
24 that were managed by farmers over 65, that they

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2 in 2007 generated about \$900 million in direct  
3 farm sales. So that is a significant part of our  
4 state's agricultural economy.

5 One of the issues that we've seen,  
6 related to this transition in New York, is the  
7 loss of farmland. One of the things that we know  
8 is that when a farm family is going through this  
9 transition process, you have a senior generation  
10 that's thinking "okay, how do I retire, how do I  
11 pay for retirement?" Or perhaps there's an  
12 accident or some issue that happens on the farm  
13 and a family is forced to make a decision  
14 quickly. Frequently, they feel forced to put  
15 this farm up for sale.

16 In New York, the frequent buyer,  
17 particularly in eastern New York have been real  
18 estate developers. According to the USDA, in New  
19 York, we lost over 400,000 acres of farmland to  
20 real estate development between 1982 and 2007, so  
21 over 25 years. That works out to be about 4,000  
22 farms were developed in New York over that  
23 period. We lost 4,000 farms. So this is a  
24 significant issue for that senior generation.



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2 As Lindsey mentioned, if you're a new  
3 farmer looking to buy a farm, as farmers are  
4 competing with real estate developers, the price  
5 of that land goes up substantially. And some of  
6 our most economically viable regions of New York  
7 have some of the most expensive agricultural real  
8 estate in America. Places like Eastern Long  
9 Island, the Hudson Valley, the cost of that land  
10 is above the purchasing power of many farmers,  
11 and it's hard to rationalize growing something  
12 legally on that land with the income that you  
13 could get from farming.

14 So, one of the primary responses that  
15 Commissioner Aubertine touched on this morning  
16 that New York State has acted on is our state's  
17 Farmland Protection Program. So this is a  
18 program that was started in 1996 and has awarded  
19 \$173 million to 300 farms now in New York. You  
20 can think about it. If you're a senior  
21 generation of a farm family and you're thinking  
22 about how do I retire, and your farm is worth,  
23 you know, \$2-3 million, what's the way you're  
24 going to tap into that asset? You're going to

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2 sell it. What this program does is allows farm  
3 families to tap into the equity that they have in  
4 their land and to sell those development rights  
5 and take that cash out.

6 In 2009, our state Department of  
7 Agriculture did a survey of all of the farmers  
8 that have participated in our Farmland Protection  
9 Program and found that two-thirds of those farm  
10 families were taking that money from protecting  
11 their farm and driving it right back into the  
12 farm. They're using it to pay down debt, to set  
13 up retirement funds, to build new buildings.  
14 They were reinvesting into that operation.

15 As was touched on earlier, one of the  
16 big challenges we face with our Farmland  
17 Protection Program has been outstanding  
18 commitments to the program. In 2010, the program  
19 owed \$70 million to 61 farm families. Now, not  
20 all of those projects were ready for closure but  
21 there was this backlog of commitments that had  
22 been made. I'm very pleased to share with you,  
23 and you'll see in our testimony as one of the  
24 attachments, we've made substantial progress. In

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2 2011, there were 20 farms in New York that were  
3 protected and taken off that backlog list. Over  
4 \$15 million was spent from the Environmental  
5 Protection Fund to actually complete these  
6 projects. Now the pending list is now roughly  
7 \$20 million, about 19 farms. So we've gone from  
8 a very extensive list of projects down to  
9 something much smaller, and we feel that that  
10 program is now ready to start new projects again  
11 in 2013. The last time an RFP or request for  
12 proposals was submitted by that program was 2008.  
13 So it's been five years since the state has  
14 sought new applications to this program.

15 So as we look forward and our  
16 suggestions or recommendations for you to  
17 consider. The first is looking at our state's  
18 Environmental Protection Fund. That that is a  
19 primary funding source for a number of programs  
20 related to agriculture. We greatly appreciate  
21 the Assembly's support for Assembly Bill 10519,  
22 which was passed last session, which would bring  
23 nickels from the bottle bill into the  
24 Environmental Protection Fund. We greatly

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2 appreciate the Assembly's support for that  
3 legislation and we think that growing the  
4 Environmental Protection Fund back towards the  
5 size where it was in 2008 is a critical step.

6 We also support funding for our state's  
7 Farmland Protection Program at \$19 million for  
8 next year. Additionally, I think the time is  
9 right, as we are looking at this program not  
10 having started any new projects in five years,  
11 that the time is right now to actually bring  
12 together stakeholders. For our State Department  
13 of Agriculture and Markets to bring together  
14 farmers and local land trusts and local  
15 governments to talk about how do we set up a  
16 program that is poised to get projects done in  
17 less than two years, rather than the four or five  
18 years that have been the case traditionally.

19 I think it's also very worthwhile to  
20 look at the issues that Lindsey brought up  
21 related to the affordability of permanently  
22 protected farmland. And that other states, most  
23 notably Massachusetts and Vermont, have put into  
24 place provisions where protected farmland stays

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2 permanently at its agricultural value, so that it  
3 doesn't escalate into an estate market.

4 I also want to suggest that the state's  
5 investment in programs like the Conservation  
6 Partnership Program, which supports land trusts,  
7 is a critical way to help farm families grappling  
8 with these issues. Similarly, investments in  
9 programs like our state's Farm Link and FarmNet  
10 program are strategic investments to help farm  
11 families grapple with these difficult personal  
12 issues.

13 The last two things I want to touch on  
14 are I think other opportunities outside of the  
15 budget to look at incentives to keep land in  
16 farming and help farm families with this  
17 transition. The first is the estate tax. The  
18 estate tax at the federal level is due to reset  
19 at the end of--well, in a couple of weeks, which  
20 is going to significantly change exemption  
21 levels. And for farm families, who it's not hard  
22 to, you know, get over a million dollars in a  
23 farm value and to trigger the federal estate tax,  
24 that is a real concern for many farm families in

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2 New York. And it doesn't really matter, quite  
3 frankly, if you're eastern New York, western New  
4 York, northern, southern tier. There are a  
5 number of pieces of legislation. We highlight in  
6 our testimony several that would create  
7 incentives for exempting from the estate tax land  
8 that is kept in agricultural use, so actually  
9 deferring federal estate taxes until somebody  
10 converts that land out of agriculture. Or would  
11 expand the incentives for permanently protected  
12 land and how that is considered for the federal  
13 estate tax. And I think that is something that  
14 the Assembly very much should be looking at and  
15 supporting legislation at the federal level. I  
16 think there's also an opportunity, while the  
17 state estate tax is smaller, there's  
18 opportunities to create incentives within the  
19 state's estate tax, to incentivize people to keep  
20 land in agriculture through this transition  
21 process.

22 I think, finally, another opportunity is  
23 to look at land that the State of New York owns.  
24 I think we've seen in other states, the state of

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2 Connecticut, I know most recently in New York  
3 City, have adopted legislation to actually  
4 inventory publicly owned land. I think s Lindsey  
5 highlighted that access to land is a major  
6 barrier for new farmers, to actually inventory  
7 state-owned land and to take steps to make sure  
8 that publicly-owned land that's suitable for  
9 agriculture that all steps are taken to a great  
10 extent practicable to make that land available  
11 for agriculture over the long term. So whether  
12 that's land that's open or held by the Department  
13 of Corrections or other land that's held by other  
14 state agencies to really help ensure that  
15 publicly-owned assets that the greatest efforts  
16 are made to keep that land available and really  
17 to help new people get into farming here in New  
18 York State.

19 So I appreciate your time, I appreciate  
20 your attention, and I'd be happy to take any  
21 questions you might have today.

22 ASSEMBLY MEMBER MAGEE: Thank you,  
23 David. Any questions?

24 ASSEMBLY MEMBER BUTLER: I do, a quick

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2 question.

3 ASSEMBLY MEMBER MAGEE: Mr. Butler?

4 ASSEMBLY MEMBER BUTLER: Thank you very  
5 much for your testimony. I have a quick  
6 question, and I've been thinking about this as I  
7 listened to our other testifiers today. There  
8 seems to exist the notion that farming in New  
9 York State is going to transition that move to  
10 larger corporate style farms, it gives you  
11 economies of scale, which helps you operate more  
12 profitably. I can understand for a co-op to deal  
13 with one larger farm rather than stop at several  
14 along a country road seems to make some economic  
15 sense for them.

16 With that thought in mind, number one,  
17 what do you honestly see as a future for the  
18 small to mid-sized family farms? Now, it's my  
19 understanding again, and I'm not certain about  
20 this, but even though we're losing farms or have  
21 fewer people involved in the farming industry per  
22 se and have fewer farms, our production levels in  
23 New York State are staying fairly consistent.

24 MR. HAIGHT: Yeah.



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2 ASSEMBLY MEMBER BUTLER: So in other  
3 words, we're in a transition or a shift to these  
4 larger corporate style farms. What do you see as  
5 the future for these small to mid-level farms?  
6 What should be our role in trying to help  
7 preserve them, if that's the position we're put  
8 in? I guess the question is where is all of this  
9 leading us in terms of the agriculture industry  
10 of New York? That's a broad ended question and  
11 you can answer that any way you want.

12 MR. HAIGHT: So, if I had a crystal  
13 ball--

14 ASSEMBLY MEMBER BUTLER: [interposing]  
15 Yeah.

16 MR. HAIGHT: --what would I see?

17 ASSEMBLY MEMBER BUTLER: But my point is  
18 should we be encouraging people to go into these  
19 smaller farms or small to mid-level farms,  
20 knowing they're going to be competing with these--  
21 -down the road these huge corporate farms, who  
22 are going to have, for a variety of reasons,  
23 competitive advantages, almost kind of pushing  
24 them into a situation that could put them at some

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2 risk or some profit loss.

3 MR. HAIGHT: So the short answer is yes.  
4 You should be encouraging people to enter into  
5 new types of agriculture. I think the trend in  
6 New York has been, yeah, some farmers are getting  
7 larger and they're competing in commodity  
8 markets. And, you know, we have access to some  
9 of the best markets, arguably the best markets in  
10 the world right here in New York. So there are  
11 opportunities there, and that is a critical place  
12 for New York State to support.

13 I think if you also look, though, that  
14 those farmers that are directly marketing to  
15 consumers are competing very well in New York as  
16 well. I think if you looked at--the National  
17 Agricultural Statistics Service actually did a  
18 survey in 2009. The dollar value of what farmers  
19 are selling directly to consumers had increased  
20 by 60 percent over a nine-year period. So  
21 there's been a lot of growth in that part, that  
22 smaller niche producer. Quite frankly, many of  
23 those producers are not competing with those  
24 larger producers, because what they're producing

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2 is either in a niche market or it's based on the  
3 consumer experience. So quite frankly, my wife  
4 and I have a small farm outside of Saratoga  
5 Springs. So we directly market at three farmers  
6 markets, at our home stand. We're flower and  
7 plant people. So my wife also provides flowers  
8 for, you know, 30 weddings a year. That is a  
9 very defined niche marketplace. We are not  
10 directly competing with flowers flown in from  
11 Israel or other parts of the world. So yes,  
12 those people that are at the small end and the  
13 large end, I don't believe are competing head to  
14 head. I think the challenging place is for those  
15 farms that are in the middle. They're not large  
16 enough to be that truly low-cost producer, and  
17 maybe they produce at a larger volume than that  
18 niche producer could. And I think one place of  
19 opportunity there are for directly marketing to  
20 institutions, colleges, schools, hospitals,  
21 buyers that could put a preference on buying from  
22 New York and maybe give some certainty to those  
23 mid-level producers. I think there is tremendous  
24 opportunity there. So I would encourage you to

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2 look at those institutional markets. We just  
3 released a report called "Scaling Up" that  
4 identifies a series of strategies that New York  
5 State should consider to help bring more food  
6 grown in New York into those types of  
7 institutional settings. And so I think that is a  
8 place of opportunity, Assemblyman.

9 ASSEMBLY MEMBER BUTLER: Very good,  
10 thank you very much, appreciate it.

11 ASSEMBLY MEMBER MAGEE: Yes, Didi.

12 ASSEMBLY MEMBER BARRETT: David, thank  
13 you for that answer, because I agree with you. I  
14 think the small and mid-sized farms in New York  
15 State are the future and certainly the local  
16 movement supports that. And thank you, again,  
17 for your leadership in this area. I have a  
18 question about soils. Not generally my area  
19 expertise but I mean New York State has been  
20 known for these great soils in all different  
21 parts of the state. In the Hudson Valley,  
22 obviously, you know particularly. Are we at a  
23 tipping point, are we anywhere near a tipping  
24 point where we will lose that opportunity in New

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2 York State, you know, in the disappearing of our  
3 farms and things?

4 MR. HAIGHT: I don't know if we're at a  
5 point where there's a singular tipping point  
6 that's going to happen. I think traditionally  
7 what we've seen is as the farm landscape gets  
8 fragmented you tend to see it's harder for  
9 farmers that remain to compete. You tend to lose  
10 some of those service providers. So the people  
11 that sell you the tractor parts or, you know, the  
12 veterinarian or those other folks tend to leave.  
13 And so you're right, it does erode the support  
14 infrastructure for agriculture as you lose farms.  
15 So that is a concern, I think particularly in  
16 places like the southern Hudson Valley. I think  
17 even, quite frankly, out on Eastern Long Island,  
18 where we have arguably our most economically  
19 viable county in New York but the support  
20 infrastructure isn't as strong there as it used  
21 to be years ago. So you have farmers having to  
22 drive, you know, through New York City to go get  
23 pieces of equipment. So that is a real critical  
24 concern for New York. And so I think that's

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2 another reason why we can't just sit on our  
3 laurels, that we actually need to be doing more  
4 today than we have in the past.

5 ASSEMBLY MEMBER BARRETT: Do you find, I  
6 mean that sort of speaks to regionalism, is that  
7 one of the ways that you're working to sort of  
8 bring the regions--I heard what you said about  
9 the Hudson Valley, which I'm glad to hear. But  
10 also in upstate and in other parts in western New  
11 York are you--western parts of New York, is that  
12 an area where you're trying to sort of galvanize  
13 awareness and community building around keeping  
14 the soils and the lands and the farms in  
15 agriculture?

16 MR. HAIGHT: Absolutely. I mean, these  
17 are not issues that are specific to just one part  
18 of New York State. That these issues about  
19 transition and about access to land, that these  
20 are issues that play out; the dynamics are a  
21 little different, you know, when you get to  
22 western New York and the north country, but  
23 certainly they're issues that are very relevant  
24 to the future of agriculture. So we are

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2 absolutely helping to bring those forward.

3 ASSEMBLY MEMBER BARRETT: Thank you.

4 MR. HAIGHT: Thanks, Didi.

5 ASSEMBLY MEMBER MAGEE: Ken?

6 ASSEMBLY MEMBER BLANKENBUSH: Yes, just  
7 a quick thought. You mentioned the changing of  
8 the estate tax, and I think that that's real  
9 vague for our local farmers, because a farm can  
10 be under the old way of doing estate. And now  
11 with the increase in the percentage that's going  
12 to be tacked onto our farmers, it's not hard to  
13 get a farm up to \$5 million or \$6 million when  
14 you, you know, you count the head of cattle, the  
15 equipment, the barns, the land, you know, all of  
16 that. The value of that farm can go up  
17 tremendously. The cash flow isn't there. So to  
18 keep farmland and farmers, you know family  
19 members that are inheriting those farms so that  
20 they don't have to sell the farm to pay that  
21 estate tax, that could be an extreme economic  
22 problem for our farmers in the State of New York.  
23 The question is, now you mentioned that New York  
24 State has a smaller estate tax, but is your group

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2 or any group that you know of pressuring any of  
3 our senators and congressmen to maybe take a look  
4 at whether there will be some breaks for farmers?

5 MR. HAIGHT: It's a very good question.  
6 I know the Senate Agricultural Committee was out  
7 in eastern Long Island last year. I know that  
8 was brought up and Senator LaValle talked very  
9 explicitly about that. I'm not aware of any  
10 specific pieces of legislation that would address  
11 those issues that are currently pending. But I  
12 do think that there certainly are models that we  
13 could look at, at the federal level. I think,  
14 you know, looking at the exemption levels, as you  
15 talked about, it's critical. I do think that the  
16 issue of deferring estate taxes until there's a  
17 conversion of that land not only helps you today  
18 but it encourages people to keep that land in  
19 agricultural use beyond just that singular  
20 transfer. It says all right; keep it in  
21 agriculture because if you take it out of  
22 agriculture then you're going to have to pay that  
23 back estate tax. So I'm not aware of any pieces  
24 of legislation that are currently pending that



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2 would do that, Assemblyman, but I think it's  
3 certainly worthy of a lot of attention.

4 ASSEMBLY MEMBER BLANKENBUSH: Thank you.

5 ASSEMBLY MEMBER MAGEE: Okay. Thank you  
6 very much, David.

7 MR. HAIGHT: Thank you, Assembly Member.

8 ASSEMBLY MEMBER MAGEE: Julie Suarez,  
9 Director of Public Policy, New York Farm Bureau.

10 MS. JULIE SUAREZ, DIRECTOR OF PUBLIC  
11 POLICY, NEW YORK FARM BUREAU: Good afternoon.

12 ASSEMBLY MEMBER MAGEE: Good afternoon.

13 MS. SUAREZ: Again, my name is Julie  
14 Suarez, and I serve as the Director of the Public  
15 Policy Division for New York Farm Bureau, the  
16 state's largest general agricultural advocacy  
17 organization. Before I started, I just wanted to  
18 say a tremendous thank you, Bill, to you as  
19 Assembly Ag Chair and Mr. Blankenbush, as well,  
20 for convening this meeting on such an important  
21 topic that's very key to our farm families.

22 Our membership is involved in a very  
23 diverse array of agricultural production, from  
24 dairy, equine, fruit and vegetable production, as

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2 well as all sorts of other added value  
3 opportunities, such as farm wineries, farm  
4 distilleries and the soon to be established farm  
5 breweries.

6 We also have a long history in the State  
7 of New York, having just this past year  
8 celebrated the 100th anniversary. As such, our  
9 organization is uniquely concerned about the  
10 viability of our state's agricultural lands as  
11 well as the people involved in farming. We can  
12 have the best soil, we can have favorable access  
13 to water resources, increasingly key in today's  
14 day and age, and the diversity of production, but  
15 without the farmers themselves we will not have  
16 farms or food production in New York State.

17 Our mission as an organization is very  
18 simple: to serve and strengthen agriculture. And  
19 our goal has really been to work on a favorable  
20 economic climate and policies that will keep  
21 farmers farming. It's disconcerting to look at  
22 the national agricultural statistics, which show  
23 that the average age of the farmer keeps  
24 increasing. But that concern on our part is also

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2 tempered with the knowledge that the statistics  
3 are not necessarily an accurate portrayal of the  
4 true picture of what is happening on our farms,  
5 because the USDA statistics only count the  
6 principal operator as the owner of the farm. By  
7 necessity, the principal operator is likely to be  
8 the older parent and does not necessarily include  
9 the adult children who are working their way into  
10 the farm.

11 When our organization looks at our  
12 farmers, we see definite signs of optimism that  
13 are unrelated to the national statistics about  
14 the increasing age of our farmers. We see what  
15 will be called as a reference before secondary  
16 operators coming into the farm family at an even  
17 greater rate. In part thanks to new  
18 opportunities which the legislature in fact has  
19 authorized, such as allowing the next generation  
20 to establish a distillery on the traditional  
21 apple farm, because we know it's a lot more fun  
22 to produce something like that in certain times  
23 of the year, and also, the phenomenal success of  
24 the "buy local" movement.

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2 In the dairy sector, the recent growth  
3 in dairy processing have yet to transfer, in our  
4 opinion, to greater optimism among our dairy  
5 farmers, as there are still so many uncertainties  
6 in the pricing formula and the overall business  
7 climate.

8 Within our own organization, we also see  
9 other signs of optimism in our young farmer  
10 program, which increasingly has more and more  
11 activities within our county Farm Bureau  
12 structure. We partner with our FFA students, and  
13 I know Juleah is testifying later today, and  
14 we've also been very pleased with the first ever  
15 establishment of a collegiate Farm Bureau at  
16 Cornell University, comprised, interestingly  
17 enough, with a majority of non-farm family  
18 background students.

19 We also see a great future for our farm  
20 families in New York, as increasingly our own  
21 Farm Bureau leaders, when we look at our county  
22 Farm Bureau presidents, who were just elected,  
23 are actually younger than I am.

24 So that optimism, though, is tempered

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2 with the realization that the statistics also  
3 paint a very disturbing picture of a recent trend  
4 in agriculture, with the 2011 statistics in New  
5 York showing a decline in the number of farms.  
6 As the number of farms has declined, so has the  
7 number of acres in farming, thus pointing us to  
8 the conclusion that this isn't simple  
9 consolidation in the marketplace that we're  
10 seeing, but an overall trend of decreased farm  
11 numbers. We are not just seeing that the small  
12 and medium sized farms are being squeezed out  
13 anymore. The overall numbers declined by several  
14 hundred in all sizes of categories in New York's  
15 farms.

16 While the statistics don't tell us the  
17 root cause, it isn't necessary for an economist  
18 to document that the most likely reasons behind  
19 some of these alarming drops in our farm numbers  
20 are overall global market forces of the past  
21 couple years and the noncompetitive nature of New  
22 York's business climate for agriculture in a  
23 couple key sectors, and the need for some of our  
24 farms to find the next generation which is

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2 willing to take over the family farm.

3 With both the reasons for optimism and  
4 the reasons for pessimism or concern in mind, the  
5 key topic of this hearing, how to encourage the  
6 next generation of farmers, is really, again, an  
7 excellent question to be asked by the committee,  
8 and I thank you for your interest. If we are to  
9 keep people involved in the wonderful and  
10 sometimes frustrating business of farming, it's  
11 clear we have to do a better job at ensuring that  
12 our farmers have the ability to stay on the land.

13 With that in mind, New York Farm Bureau  
14 has four recommendations for the committee to  
15 consider. First and foremost is the necessity to  
16 keep New York's business costs in line with other  
17 states. Farm credits data on this topic is  
18 sobering, with New York's farmers paying double  
19 or even close to triple in property taxes than  
20 some of our closest competitors. The  
21 agricultural assessment formula has to be tweaked  
22 and either a short-term solution of a 2 percent  
23 cap or a long-term revaluation of the formula has  
24 to be done. It simply isn't sustainable anymore

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2 for a farm operation to see 10 percent increases  
3 in their valuation rates every year. No farmer,  
4 whether old or young can withstand that type of  
5 pressure on their tax bills for a long period of  
6 time.

7 New York also has to recognize the high  
8 cost of operating a farm business in New York  
9 makes it difficult to maximize what is indeed our  
10 competitive advantage of being reasonably close  
11 to New York City and the consuming public. Our  
12 labor costs in New York are already second in  
13 terms of payroll in the top ten agricultural  
14 states, according, again to a farm credit  
15 analysis, this while New York is technically  
16 ranked 27th in terms of our overall agricultural  
17 ranking. This high labor cost is both a good  
18 thing because it shows we recognize the worth of  
19 our employees, but it also makes this cost  
20 noncompetitive.

21 Many general business groups have talked  
22 about New York's workers compensation rate  
23 structure and their unemployment insurance costs,  
24 and I won't belabor that point here, other than

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2 to say that no matter where I go in New York  
3 State, I'm increasingly hearing from our farmer  
4 members about their concern over health care  
5 costs. And that's something that I think Lindsey  
6 eloquently spoke to.

7 Suffice it to say that these costs do  
8 matter to farmers, particularly to the smaller  
9 ones just starting out. And it's important that  
10 New York start to realize that these business  
11 climate issues need to be thought about and  
12 addressed concretely. The main message is that  
13 profitable farms will simply not have a problem  
14 attracting the next generation of farmers.

15 Secondly, it's important to thoroughly  
16 review the public policy tools that encourage new  
17 farmers and adequately fund those programs, even  
18 during difficult and challenging budget years.

19 Our organization thoughtfully worked  
20 with a young farmer committee a few years ago to  
21 talk about barriers to new farmers. Capital  
22 costs, tax barriers and the need for education  
23 and training were some of the foremost concerns  
24 of these young individuals.



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2 In order to address the tax issue, New  
3 York Farm Bureau successfully advocated for the  
4 strong leadership of the Senate and Assembly  
5 Agriculture Committees, a state law change that  
6 enabled first-time farmers, no matter how old, to  
7 take advantage of the agricultural assessment  
8 program in their first year of farming, rather  
9 than having to wait for two years. This law  
10 change is working successfully and New York Farm  
11 Bureau, again, thanks you for your leadership for  
12 our family farmers.

13 A bill sponsored several years ago by  
14 Assemblyman Magee and actually at that time  
15 Assemblyman Crouch was a ranker of the committee  
16 at that time, also created a first-time farmer  
17 loan program within the Environmental Facilities  
18 Corporation. This program, however, has never  
19 really been fully implemented, for a number of  
20 reasons, and should be further explored to see if  
21 the legislation can be tweaked to make it viable  
22 for New York's farm community.

23 One of the reasons why New York Farm  
24 Bureau has not pursued this issue as vigorously

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2 is the relatively newer Farm Start program, run  
3 by the Northeast Farm Credit Association that has  
4 assisted several of our first time and young  
5 farmers in accessing seed capital. Between land  
6 and equipment costs, farming is an  
7 extraordinarily high investment, capital-  
8 intensive business and that makes it very  
9 challenging for young farmers without any family  
10 in an existing farm operation.

11 New York Farm Bureau regularly advocates  
12 for important programs funded through the state  
13 budget process and in large part through your  
14 leadership. New York FarmNet has helped  
15 countless farmers remain in farming, by focusing  
16 on financial management, transition planning and  
17 mental health assistance as well. The Dairy  
18 Profit teams, run jointly by Cornell University's  
19 Pro Dairy program and the New York Farm Viability  
20 Institute, has also helped a lot of our younger  
21 dairy farmers stay in business and grow their  
22 farm operations. The Farmland Protection program  
23 that David talked about and the EPF also provides  
24 valuable assistance in the form of allowing

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2 farmers to obtain conservation easements, which  
3 are frequently a means of ensuring that the farm  
4 has the cash on hand to make the necessary  
5 investments for its future productivity and  
6 profitability.

7 In addition to these programs, I would,  
8 however like to recommend that an area that has  
9 not been fully explored by New York Farm Bureau  
10 but is of increasing interest to us is the  
11 state's existing tools relating to minority and  
12 women-owned small business development programs.  
13 The reality is that the 2007 ten-year  
14 agricultural census had encouraging things to say  
15 about the growth of women farmers in New York  
16 State. It's actually the fastest growing  
17 category of principal operators on farms were  
18 owned by women.

19 Additionally, if we do ever see  
20 immigration reform at the federal level, the next  
21 natural demographic transition for New York's  
22 farms will be the Hispanic and Latino middle  
23 management on many of our state's farms entering  
24 ownership positions. I'm not certainly myself

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2 whether or not these programs and potential tools  
3 are open to agricultural businesses or that they  
4 would be an even greater fit for our farm  
5 community. However, it is a topic that should be  
6 further explored, particularly in light of the  
7 success of the Green Markets, Grow NYC new farmer  
8 development project, which works with immigrants  
9 to establish their own farm businesses, primarily  
10 in the lower Hudson Valley.

11 While no one likes to talk about their  
12 own mortality, the reality is that nothing is  
13 certain in this life but death and taxes. And  
14 that leads me to my third critical point, which  
15 while highly unpopular to discuss or think about,  
16 particularly in a family business, is key to this  
17 entire committee meeting, and that is estate  
18 taxes. The federal estate tax exemption of \$5  
19 million is in serious jeopardy right now because  
20 of congressional inaction, and it is a very  
21 serious problem for New York's farmers.

22 And to answer your question earlier, our  
23 national organization, American Farm Bureau  
24 Federation has been advocating very strongly at

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2 the federal level, with us working in partnership  
3 with our congressional representatives about the  
4 need for extending the \$5 million exemption.

5 In 2007, according to the census, New  
6 York had over 3,000 farms exceed one million in  
7 value. Given land appreciation in the past five  
8 years, particularly in Long Island and the Hudson  
9 Valley, we anticipate that there are far more  
10 farms today that exceed that one million mark.  
11 Our own estate tax exemption currently stands at  
12 one million and the tax applies to property  
13 transferred after the death of the property  
14 owner. The value of a farm is usually tied to  
15 assets like farmland, buildings and equipment,  
16 which can force families to sell these assets in  
17 order to pay the tax, thus leading to a decline  
18 in our own farm operators.

19 Farm owners and their families, again,  
20 are the epitome of being real estate rich and  
21 cash poor. Farm owners typically invest their  
22 earnings into their own farm, thus meaning that  
23 they have little liquidity to actually pay off  
24 the tax burden. So we do think that the state

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2 tax exemption in New York State should certainly  
3 be addressed and increased for farmers as they  
4 seek to transition their land to the next  
5 generation.

6 The states of Pennsylvania and Illinois  
7 have actually recently acted to improve their own  
8 inheritance taxes assessed specifically on farms  
9 for this reason, and we would urge that New York  
10 State also do the same with its current real  
11 estate tax exemption, specifically for farms.

12 Fourthly, we do need to improve our  
13 policy tools for farmers to allow them to better  
14 incorporate their businesses. While I recognize  
15 that no one likes to talk about corporate farms,  
16 the reality is that in New York State, 99 percent  
17 of our farms are actually family-owned, whether  
18 or not they're in a corporate structure.

19 The reality, again, is that there is no  
20 better way to pass the farm on to the next  
21 generation, no matter what size of the operation  
22 you're in, than to have done so as part of a  
23 thoughtful transition planning process that  
24 includes incorporation into an LLC, a C corp or

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2 an S corp. If we are to continue to have farms  
3 in New York, we have to make it easier for our  
4 farmers to form LLCs in particular, which do not  
5 require as many attorney hours to form as other  
6 mechanism of incorporation.

7 LLCs now are assessed a fee based on  
8 gross income, not net, and in farming that  
9 difference can be vast. A farm can easily gross  
10 over a million but earn less than several  
11 thousand in profits; depending upon how expensive  
12 the input costs were that particular year, a year  
13 like this year with feed costs being so high, or  
14 how badly yields were impacted due to weather  
15 conditions.

16 Either a flat fee for farm corporations  
17 for LLCs, C corps and S corps needs to be  
18 established, or a mechanism put in place that  
19 allows farms to show a Schedule F, federal income  
20 from farming form, to prove net income and pay  
21 the fee on the net should be established.

22 Additionally, the publishing  
23 requirements for the public notice of the  
24 formation of an LLC seem in this day and age to

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2 be somewhat antiquated. This may seem, again, to  
3 be a minor change, but it's important to  
4 recognize that farm transition can be made a lot  
5 easier by some of these minor public policy  
6 changes.

7 In conclusion, I would like to really  
8 thank the Assembly Agriculture Committee for  
9 hosting this hearing today and listening to our  
10 concerns. To reemphasize, keeping land in  
11 production will only be done if we adopt policy  
12 tools that recognize the importance of the people  
13 involved in agriculture. Our farmers are willing  
14 to accept tremendous risk to put locally grown  
15 foods on your plate, risks of weather,  
16 uncertainties over the regulatory and business  
17 structure in New York State and increasing  
18 uncertainties of the viability of some of the  
19 only risk management tools we have: crop  
20 insurance and the MILC program, due to federal  
21 inaction on the farm bill.

22 So as a state, we again have to  
23 recognize and adopt public policy tools that will  
24 make it easier to keep people in agriculture,



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2 because without the people, the farms will be  
3 lost. So again, thank you.

4 ASSEMBLY MEMBER MAGEE: Thank you,  
5 Julie. Any questions? Mr. Lopez?

6 ASSEMBLY MEMBER LOPEZ: Thank you, my  
7 friend. Julie, just reflecting on your point  
8 about gross income, and just, again, trying to  
9 pinpoint some of the areas where we can focus.  
10 In your estimation, what would be the top three  
11 things driving the cost for farmers, cost of  
12 staying in business, cost of production?

13 MS. SUAREZ: Cost of production depends  
14 a little bit in terms of what farm operation you  
15 actually have. Right now for our dairy and  
16 livestock sector, feed is undoubtedly the biggest  
17 cost in their business right now. Overall, I  
18 would say labor, energy and taxes, taxes probably  
19 first, in order of the cost of production of New  
20 York's farms.

21 ASSEMBLY MEMBER LOPEZ: So, again,  
22 getting back to the bottom line, it just strikes  
23 me that we should be focusing on those really  
24 four key areas.

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2 MS. SUAREZ: Absolutely.

3 ASSEMBLY MEMBER LOPEZ: All right, thank  
4 you.

5 MS. SUAREZ: Thank you.

6 ASSEMBLY MEMBER RUSSELL: I have a  
7 question.

8 ASSEMBLY MEMBER MAGEE: Yes.

9 ASSEMBLY MEMBER RUSSELL: Thank you,  
10 Julie, wonderful policy points that you have made  
11 in your testimony today. I'm wanting to focus on  
12 your discussion about creating a special farm  
13 LLC. Do you believe that that is an effective  
14 way to get around, you know, the tax issue at the  
15 federal level, if that is not solved by Congress,  
16 through a series of sales of percentages of the  
17 business to the next generation? Do you see that  
18 as a possible solution if there's inaction at the  
19 federal level?

20 MS. SUAREZ: Unfortunately, if there's  
21 inaction at the federal level, I think our best  
22 advice to our members is not to die in the next  
23 year or two, just because of how--

24 ASSEMBLY MEMBER RUSSELL: [interposing]

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2 Right.

3 MS. SUAREZ: --very dire the situation  
4 is. But from our perspective, allowing farmers  
5 to have an easier means of forming LLCs would  
6 certainly help. What would be of greater help,  
7 though, is changes at the state level on the  
8 estate tax exemption itself, specifically for  
9 farmers. David had talked a little bit about  
10 potential deferred action, you know making sure  
11 that your estate tax exemption is tied to keeping  
12 the land in agriculture.

13 That's something that our farmers are  
14 very familiar with, with a lot of peer leadership  
15 over the years. Our agricultural assessment  
16 program is tied to an eight-year commitment in  
17 farming, and there are conversion penalties  
18 within that program.

19 So from my perspective, LLCs are  
20 important, estate tax is probably the most  
21 important. And you know, really, again, any help  
22 that you could offer in talking to our  
23 congressional delegation about the federal estate  
24 tax would be key. Not to speak too tongue-in-

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2 cheek, but given that we do have our principal  
3 operators getting older, it's very, very  
4 important to keep that five million exemption for  
5 our farms, particularly in the next couple years  
6 as we transition.

7 ASSEMBLY MEMBER RUSSELL: On a related  
8 question, you know, obviously, you need advice on  
9 these types of issues. Recently, I was at an  
10 event--you were also there--in Syracuse that  
11 talked about that must be the dairy profit teams  
12 quite extensively. I think it was the New York  
13 Farm Viability Institute. Is that the type of  
14 issue that is addressed by these teams, the  
15 succession and whether or not to incorporate and  
16 the tax implications of these types of things?  
17 Is that discussed at these team meetings?

18 MS. SUAREZ: Yes, absolutely. In fact,  
19 that's been one of the reasons why we've been so  
20 strongly supportive of the Dairy Profit Team  
21 concept, because it not only addresses issues  
22 like productivity and profitability but also the  
23 future. And at that same meeting, we heard very  
24 eloquently from a young farmer who's actually on

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2 our Chautauqua County Farm Bureau Board of  
3 Directors who was a 40-cow farmer and became a  
4 60-cow farmer, thanks in part to the work of  
5 those Dairy Profit teams. And so whether you're  
6 young or seeking to transition to the next  
7 generation, those Dairy Profit teams can really  
8 be invaluable.

9 ASSEMBLY MEMBER RUSSELL: Thank you.

10 MS. SUAREZ: I appreciate your support.

11 ASSEMBLY MEMBER MAGEE: Okay. Thank  
12 you, Julie.

13 MS. SUAREZ: Thank you very much. I  
14 appreciate it.

15 ASSEMBLY MEMBER MAGEE: Next, we have a  
16 Cornell panel: A. Edward Staehr, Executive  
17 Director of New York FarmNet and New York Farm  
18 Link; Anusuya Rangarajan--I don't know how close  
19 I came on that one--Senior Extension Associate,  
20 Cornell University Small Farm Program; and also  
21 Juleah Tolosky, New York Agricultural Outreach  
22 Education, Cornell Teacher Ed and New York  
23 Farmers of America. Welcome.

24 MR. A. EDWARD STAEHR, EXECUTIVE

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2 DIRECTOR, NEW YORK FARM NET/NEW YORK FARM LINK:

3 Thank you, and thank you for convening this very  
4 critical meeting. I'm excited to discuss the  
5 opportunity for where we can go in the future  
6 with our next generation of farmers. As you  
7 said, my name is Ed Staehr. I'm the Executive  
8 Director of the New York Farm Net and Farm Link  
9 programs at Cornell University, and a member of  
10 the faculty in the Charles H. Dyson School of  
11 Applied Economics and Management.

12 Some of the work that--I'd first like to  
13 talk about the work that we do with Farm Net and  
14 Farm Link and what some opportunities are for the  
15 future.

16 Each year of the program that I direct  
17 facilitates over 75 farm transfers to the next  
18 generation. And a key factor in this is that  
19 over 95 percent of these farm transfers involve  
20 taking their sole income from the farm to live.  
21 So these are mainly full time farms that rely  
22 solely on the farm for their source of income.  
23 We have 47 consultants who work throughout the  
24 state to facilitate farm transfers and other

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2 issues. And these consultants are either a  
3 financial consultant or a personal consultant to  
4 work as a team, because farming is a family  
5 business and in family businesses sometimes  
6 personal issues come up, especially if these  
7 businesses are 24/7 businesses.

8 One of the keys to growing and  
9 sustaining New York's farms and ag businesses is  
10 facilitating this transfer to the next generation  
11 and this can happen within and with outside of  
12 farm families. Each is much more complex than  
13 just merely finding the right farm; it's matching  
14 up individuals and cultivating that next  
15 generation of management.

16 We have talked exclusively about asset  
17 transfer, but we found at New York Farm Net that  
18 management transfer is equally as critical in the  
19 success of that business. Merely having the  
20 tools to produce without the management capacity  
21 that's been groomed by the senior generation will  
22 not produce the results that are needed.

23 So one of the things that we try and do  
24 is mentor people through this process in

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2 transferring the farm business, and making sure  
3 that there's match of personalities within, if  
4 this is outside of--someone from outside coming  
5 in. We do a few of those transfers, and a former  
6 member of the Assembly worked with us on Long  
7 Island to bring in a non-family business member.  
8 And as typical, that business has grown  
9 substantially with new younger management. And  
10 this individual was concerned with, first and  
11 foremost, finding a profitable business to become  
12 part of and then acquiring the assets. The land  
13 is very critical and important, but looking at a  
14 business that can grow and that the senior  
15 generation wants to bring the next generation in  
16 is also critical.

17 Then speaking of that growth, this is  
18 mainly what we see after the next generation  
19 comes in is that there's significant capital  
20 investment, job creation, and just, for example,  
21 to support a new farm manager, we're seeing farms  
22 investing upward of \$250,000 in that farm to  
23 modernize and to generate the income growth  
24 that's necessary to support the next generation



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2 or another manager.

3 A component of how we do this is through  
4 our statewide Farm Opportunities database, which  
5 matches farmers looking to bring the next  
6 generation in with those seeking farms. And we  
7 have 130 farms listed, opportunities for farm  
8 purchase, rental or working into a management or  
9 partnership, and there are 85 individuals  
10 registered with the program seeking to get into  
11 farming.

12 But early on, this was the sole  
13 component of Farm Link, a subset, a part of Farm  
14 Net. Which relying on that alone, we found out  
15 was a mistake, because people were brought  
16 together which they didn't know what to do, how  
17 to--what some options are for organizing that  
18 business. And just the database alone, without  
19 the support of the Farm Net consultants proved to  
20 be ineffective. And it didn't take us long to  
21 ramp up the capacity of our consultants with  
22 training to go out and assist the farm families  
23 through this complex process, which includes  
24 securing the financial needs of the retiring

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2 generation, developing a business plan for the  
3 incoming generation, determining whether that's  
4 feasible and what level of farm business growth  
5 is necessary. And working through this process  
6 and serving as a mentor and suggesting maybe some  
7 legal entities that are more conducive to farm  
8 business transfer, where the incoming generation  
9 can acquire a stake in that business.

10 And now I can give some examples of  
11 different farms that we've worked with and the  
12 transfer process. Two are outside of the farm  
13 family and one is within the farm family. But  
14 the first farm is two brothers who purchased an  
15 existing retail horticultural business, and  
16 neither of those brothers were family members.  
17 However, one brother started out in production,  
18 worked his way up through management, so a long  
19 process, and became competent. And with each  
20 level of competency, acquired a greater  
21 understanding and promotion, almost as a career  
22 development in private industry.

23 And after a number of years, the owner  
24 informed this one brother that he was going to

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2 sell. And so, he wanted to buy but didn't know  
3 what to do, and contacted his brother, who has an  
4 MBA and is familiar with running a large-scale  
5 business. And in turn, they put a plan together  
6 and contacted New York Farm Net for assistance  
7 and suggestions to collateralize this business  
8 because in a horticultural business, the  
9 structures of greenhouses can't be collateralized  
10 because they're movable.

11 So we had to be innovative there and  
12 help line them up with a lender who was able to  
13 make a loan based on their income accounts, and  
14 that worked out well. And a result of this is  
15 that there's an expansion underway. There's two  
16 more greenhouses being built, despite the fact  
17 that this business was affected by a severe  
18 flood. Again, they called on Farm Net for  
19 suggestions on how to rebuild after that flood.

20 The second farm I'm going to talk about  
21 is a multi-generation farm family where a primary  
22 partner passed away and there was a son-in-law  
23 with no equity who wanted to step up to the plate  
24 but was looking for some direction, and wanted to

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2 assume the management responsibilities from this  
3 member of the senior generation. But without  
4 farming experience, he really needed some  
5 guidance and didn't know how to run a business as  
6 being a contractor.

7 And we helped him through this process  
8 by mentoring him through developing a business  
9 plan to ensure that this would be profitable, and  
10 suggesting ways in which to transfer equity. And  
11 after a short amount of time, this has proven to  
12 be successful and this young man, 27-year-old man  
13 is looking at a neighboring farm to add to that  
14 base to grow the farm. So an investment in the  
15 type of work that Farm Link and Farm Net does  
16 produces a significant return in the form of the  
17 job creation and capital investment and business  
18 growth.

19 And last but not least, we do work with  
20 a significant number of family members within the  
21 farm. And the next farm I'm going to describe  
22 was medium size but expanded when the next  
23 generation came onboard. But they needed--there  
24 were some other issues with communication and

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2 running the business that needed to be resolved,  
3 and the business was stagnant, at a point where  
4 either it was going to be sold or this new person  
5 was going to come in. And it did work out  
6 through our consultants who helped this farm  
7 family with running more professional meetings,  
8 set staff meetings with an agenda.

9 And with a parent and with multi-  
10 generation farms there's often the difficulty of  
11 the parents still treating an incoming management  
12 generation as children as opposed to business  
13 partners and involving them in the decision  
14 making.

15 And as a result of this farm transfer,  
16 the incoming generation is now poised to--has  
17 purchased 100 acres and this is a 400-cow dairy.  
18 So we work with farms of all sizes, all types of  
19 agriculture, perform a unique role across the  
20 state.

21 I was encouraged to listen to the other  
22 testimonies to hear the number of times that Farm  
23 Net and Farm Link have been mentioned. I'd be  
24 very glad to answer any questions that any of you

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2 may have.

3 ASSEMBLY MEMBER MAGEE: Are we going to  
4 take questions for you or wait until the other?

5 MR. STAEHR: Either way.

6 ASSEMBLY MEMBER MAGEE: Why don't we do  
7 that? You're all together here. Is that all  
8 right?

9 MR. STAEHR: Sure.

10 ASSEMBLY MEMBER MAGEE: Okay, who's  
11 next?

12 MS. ANUSUYA RANGARAJAN, SENIOR EXTENSION  
13 ASSOCIATE, CORNELL UNIVERSITY SMALL FARM PROGRAM:  
14 Okay, I'll go ahead. My name is Anu Rangarajan,  
15 and you didn't do too bad of a job with my name.

16 [Laughter]

17 MS. RANGARAJAN: I am the Director of  
18 the Cornell Small Farm Program. And the program  
19 has a mission to support the viability of  
20 emerging small farms as they support real  
21 communities and the environment.

22 And so, in our work, what we do mostly  
23 as a program is try to foster collaborations,  
24 foster research and extension efforts that focus

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2 on small farms and engages broader as possible in  
3 doing this work. We have several publications  
4 that help us share information that we come up  
5 with, including the Small Farm Quarterly, which  
6 reaches 27,000 families in the Northeast. We  
7 publish that along with Country Folks. We also  
8 have a very active website, as well as a small  
9 farm update, and these resources have all become  
10 nationally recognized as sources of information  
11 that's relevant to small farms.

12 So our staff is one full time person as  
13 well as two part time associates, and our  
14 leadership team includes farmers, Cornell  
15 Cooperative Extension representatives and other  
16 nonprofit and ag service providers in the state.

17 So as part of our work, we are always  
18 working hard to identify what should be the  
19 priorities to enhance the viability of small  
20 farms in New York. And to this end, in 2006, we  
21 convened the first ever New York Small Farm  
22 Summit. And at that summit, we asked our  
23 attendees, about 140 individuals, to prioritize  
24 where would they invest money, really to enhance

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2 the viability of small farms and see a measurable  
3 difference in the next five years.

4 The areas in which they identified  
5 include supporting beginning farmer development,  
6 local markets for small farm products, livestock  
7 processing, expanding the use of idle  
8 agricultural lands, and renewable energy and  
9 conservation directed at small operations.

10 In 2010, we also added a six team  
11 focused on small dairy initiatives. So around  
12 these themes and topics, we've created work teams  
13 that have developed strategic plans and also  
14 implemented different projects based upon those  
15 plans.

16 The area around beginning farmer  
17 development is one that we took very seriously.  
18 We had been receiving lots of questions from our  
19 educators and other individuals trying to figure  
20 out how do we support the growing number of  
21 questions coming into offices around the state.  
22 We started our work in this area in 2005.

23 And so we applied to and were funded by  
24 the New York Farm Viability Institute, and this



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2 was a very critical initial investment for us  
3 because it allowed us to pull together a  
4 statewide team of educators and other individuals  
5 committed to fostering development of this  
6 population. And it also helped us get started  
7 and leverage that investment to get larger USDA  
8 funding. So we are one of several programs in  
9 New York that has been funded by the USDA  
10 Beginning Farmer and Rancher Development Program.

11 We just completed that initial grant  
12 from the USDA. And what I would like to do is to  
13 be able to share with you some of the outcomes of  
14 that that continue to provide support to  
15 beginning farmers in the state and in the region.

16 But one part of our success in getting  
17 that grant was really the commitment of Farm  
18 Viability. They actually provided cost share to  
19 us when we wrote the proposal. And we had to  
20 come up with 25 percent cost share. So having  
21 creative ways in order to do that allowed us to  
22 actually secure that funding.

23 So one of the first resources I'd like  
24 to highlight is the Guide to Farming in New York.

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2 And so this is an essential resource for new and  
3 existing farmers alike that actually answers  
4 questions about taxes, business planning, labor  
5 law, zoning regulations and marketing, all  
6 focused on producing agricultural commodities and  
7 food in New York. We've shared over 5,000 print  
8 versions, and this is 33 FAQ sheets. And so each  
9 one targets a particular topic and they're all  
10 available for download for free, online and we  
11 update them annually.

12 What we have recently done is created a  
13 complimentary set of FAQ sheets that are  
14 targeting the Guide to Urban Farming in New York,  
15 because we see an emerging interest in urban  
16 agriculture or farming on the peripheral of urban  
17 areas.

18 And so in order to better serve these  
19 populations of individuals, and try to bring them  
20 into the fold of the larger support of  
21 agriculture services that are offered in the  
22 state, we wanted to really make more visible  
23 what's available to these particular producers.

24 We also have a whole series of online

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2 courses that beginning farmers can take. And  
3 what we find is that we have courses that are  
4 taking by aspiring individuals, and so these tend  
5 to be some of those farmers that have an  
6 idealized impression of what farming is. They  
7 aspire. They have the very idealized version and  
8 the courses in some ways, our goal is to make  
9 them realistic about what does it take to get  
10 into farming.

11 And so, a success story for us will be  
12 someone saying, after really learning what it  
13 takes, "I'm not going to do this." Because the  
14 last thing we want to do is see people invest too  
15 much in getting an agricultural venture started  
16 without having good planning in place first.

17 And so, our courses cover a variety of  
18 topics: marketing, financial recordkeeping,  
19 pasture poultry is a very popular one, vegetable  
20 farming and writing business plans. And then as  
21 part of the courses, we have webinars that  
22 farmers share information with--experienced  
23 farmers share with these students their own  
24 success stories and experiences.

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2 In the last two sessions that we've had,  
3 so fall of 2011 and winter of 2012, we had 202  
4 students who participated in our online courses.  
5 Forty-three percent of those were from New York,  
6 80 percent from the Northeast. We actually do  
7 get people who register from all over the world  
8 now.

9 And we're always looking to expand the  
10 courses and the interest and try to target into  
11 other themes. One thing we have not been able to  
12 do yet without funding is to actually make the  
13 courses available in Spanish, which we believe  
14 would be really critical, given the emerging  
15 number on growth of Hispanic farmers in the state  
16 and around the area.

17 So another asset that we have been able  
18 to build with this initial funding is a  
19 collection of online videos and video clips of  
20 successful farmers talking about what they do.  
21 It's actually not that easy when trying to  
22 consider farming to visualize and understand some  
23 of the complexities of getting started and that's  
24 what these video clips do. And so, they cover a

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2 variety of topics again: getting grants, which  
3 has had over 46,000 hits in the year that it was  
4 posted, a very big area of interest among small  
5 farmers and beginning farmers; but also legal  
6 issues and personal motivation.

7 Our website is the host and the portal  
8 to get at all of these resources. We have two  
9 websites, the Small Farm Program website, which  
10 has a really vast collection of production  
11 information and marketing information, and then  
12 the Northeast Beginning Farmers Project website,  
13 which provides access to training opportunities  
14 as well as worksheets to allow you to develop  
15 business plans and access to the videos and other  
16 online courses.

17 The one last bit of work that I think is  
18 pretty unique that's come through our efforts is  
19 the creation of a learning network. And this  
20 learning network targets all of those  
21 professionals that are currently working with  
22 beginning farmers. It was the first of its kind  
23 in the country, in which we created a very  
24 specific professional development program to help

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2 the mix of cooperative extension, farmer and  
3 nonprofit organizations who are supporting  
4 beginning farmers. So it allows us to share  
5 curriculum, to improve our evaluation, to  
6 understand what's a meaningful measure of success  
7 in doing these types of training programs.

8 And so for all of these different  
9 efforts, we're right now currently looking and  
10 soliciting other funding to continue the work, as  
11 well as to expand our reach into new audiences,  
12 working with minority populations, trying to  
13 diversify the organizations that are involved in  
14 thinking about aquiculture and recruiting new  
15 farmers.

16 One thing that's emerged this work are  
17 four issues that I'd like to highlight for the  
18 committee to consider and what I feel are some  
19 challenges to support the continued growth of new  
20 farmers in New York. I also think they're  
21 opportunities for future investment and possibly  
22 policy action.

23 Through our surveys in 2010 and 2012, of  
24 beginning farmers, we found that the majority of

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2 new entrants are primarily starting small-scale  
3 vegetable farms or small to mid-sized livestock  
4 operations. And a high percentage of these  
5 farmers are interested in organic agriculture.  
6 And this is actually not that surprising given  
7 the actual costs for startup and the emerging  
8 local foods movement.

9 What has been missing in the  
10 conversation and in this population, though, are  
11 a cadre of beginning farmers who have the skills  
12 and the interest in actually transitioning into  
13 the management and ownership of conventionally  
14 managed farms.

15 And so it's trying to identify what are  
16 the pathways or pipelines to bring--some of these  
17 individuals have a tremendous wealth of skill--  
18 into a conventional agricultural community and to  
19 be interacting with farms that are looking for  
20 people to move into management and possibly  
21 ownership. And so we're very interested in  
22 trying to foster, use what we've learned in  
23 working with these more--I call them now more  
24 traditional beginning farmer audiences and

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2 transition to that into working with some of our  
3 larger agricultural groups.

4 Many new farmers are going into  
5 livestock production, but a major constraint to  
6 their success is the crumbling infrastructure or  
7 processing of livestock facilities and the  
8 inconsistent, at times, interpretation of  
9 regulations that affect small scale processing of  
10 livestock. So in our work team that focused on  
11 this issue, they identified several areas that  
12 need additional work to improve the conditions  
13 for livestock processing in the state.

14 And these include more facilities that  
15 can handle small lots of animals, an expanded  
16 group of inspectors to service these facilities,  
17 a review of the polices that may constrain small  
18 scale production and processing, and expansion of  
19 a skilled workforce for slaughter as well as meat  
20 cutting, and improved planning networks among  
21 producers and processors.

22 So in order to continue--at this point,  
23 there are many livestock producers, especially  
24 new entrants, who have to book their processing



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2 dates a year plus in advance in order to actually  
3 be able to get slotted for getting animals  
4 slaughtered through a USDA facility. And that  
5 really constrains their profitability if in a dry  
6 year, if there's a shortage of forage, their  
7 animals are not at size. And so they have to  
8 make this decision without knowing anything about  
9 what they may be constrained by in the production  
10 of animals.

11 Another important area builds upon  
12 comments that Lindsey made earlier is that we  
13 need an access to alternative financing  
14 strategies for new farms. With USDA programs,  
15 these target new farmers but often the loan  
16 amounts are larger than what some of these new  
17 operations need. In addition, they often require  
18 a three-year experience period, which some of  
19 these farmers don't have. And so a creative loan  
20 or grant programs, such as the Individual  
21 Development Program could help individuals  
22 develop the track record they need in order to  
23 qualify for these larger loans.

24 Then finally, there is such an interest

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2 in local foods and a local food movement across  
3 the region but it's really challenging for a  
4 small operation to move into some of these  
5 because of the distribution of transport of  
6 product. It just takes an operation in a lot of  
7 different directions if they have to move product  
8 long distances.

9 So making investments in innovation  
10 around the area of food hubs and distribution  
11 networks that improve the efficiency of local  
12 food movement and food distribution but also  
13 preserve the integrity of the products as well as  
14 the farm reputations is really critical. New  
15 farmers would be able to then diversify their own  
16 marketing approaches, and that would add more  
17 financial stability to the work that they do.

18 So those are my comments.

19 ASSEMBLY MEMBER MAGEE: Thank you.

20 MS. JULEAH TOLOSKY, NEW YORK

21 AGRICULTURAL OUTREACH AND EDUCATION, CORNELL

22 TEACHER ED, NEW YORK FUTURE FARMERS OF AMERICA:

23 Good afternoon, and thank you for the opportunity  
24 to share about the challenges of engaging young

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2 people in agriculture, particularly with farming  
3 in New York State. My name is Juleah Tolosky and  
4 I coordinate the New York State Future Farmers of  
5 America. We're more commonly known as FFA and  
6 we're housed out of Cornell University. But  
7 agricultural education programs are impacting  
8 nearly 10,000 middle and high school students  
9 everyday throughout New York.

10 The mission of FFA is to make a positive  
11 difference in the lives of students by developing  
12 their potential for premier leadership, personal  
13 growth and career success through agricultural  
14 education. And we work closely with the  
15 scientific research community, with local  
16 agricultural educators in high schools. We work  
17 with our stakeholder organizations like the  
18 Department of Ag and Markets, the State Education  
19 Department, New York Farm Bureau, and I consider  
20 my luckiest to be able to work directly with  
21 students.

22 There are many issues that contribute to  
23 the challenges of assuring the transition of  
24 farming to new generations. Many of these are

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2 obvious: financial and regulatory challenges.  
3 Farms must remain profitable in order to keep  
4 agriculture economically relevant. The  
5 sustainability of farms, both economically and  
6 ecologically is a priority of this regulatory  
7 body and of the students and the teachers that I  
8 serve.

9 But the issues that I'd like to discuss  
10 today are addressing an equally fundamental need  
11 to assuring the transition of New York  
12 agriculture and leadership from one generation to  
13 the next: the engagement of young people in  
14 agriculture and in particular the connection of  
15 young people to New York farms.

16 Less than two percent of Americans live  
17 on farms, and in New York, that number is  
18 actually more extreme. Based upon census  
19 numbers, one-half of one percent of New Yorkers  
20 would live on a farm. The average American is  
21 approximately three generations removed from  
22 farming, my family included. And when you  
23 consider this, very few New Yorkers have access  
24 to a personal experience based understanding of

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2 where their food comes from, how it's produced  
3 and how that impacts them and the New York  
4 economy.

5 School based, community based and adult  
6 education are essential to preparing an  
7 agricultural workforce. But more than simply  
8 equipping that workforce, agricultural education  
9 is a vehicle for all students to understand an  
10 industry that is not only a major economic driver  
11 for major portions of New York State but it's a  
12 major economic decision maker for all New York  
13 households.

14 School based agricultural education  
15 programs teach students agricultural science,  
16 business and leadership, but perhaps most  
17 relevant to this discussion, it introduces  
18 students and supports for diverse types, sizes  
19 and styles of farms. And these students will, at  
20 a minimum, become active citizens and consumers,  
21 and ideally they remain or become engaged in  
22 farming or other agricultural careers.

23 Currently, there are 94 FFA chapters,  
24 over 200 school based agricultural education

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2 programs and an estimated 10,000 students that  
3 are enrolled in formal agricultural education  
4 throughout New York. There are programs that  
5 I've visited in some of the most impoverished  
6 upstate communities, and there are programs in  
7 Long Island, in Manhattan and in Queens.

8 Schools are teaching aquaculture,  
9 they're teaching environmental science, food  
10 science, animal science, and some of these  
11 schools, they don't even consider that  
12 agriculture because they don't understand the  
13 connection to farming. And so we are working to  
14 help all of our schools, but these in particular,  
15 to understand the diversity of New York farms and  
16 the agriculture industry that supports and is  
17 supported by them.

18 These students are engaged in all  
19 aspects of agriculture, including farming, and  
20 FFA and school based agricultural education can  
21 be one of the most effective means of promoting  
22 farming as a career among today's youth and  
23 tomorrow's leaders. There are significant  
24 challenges that exist to agricultural education

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2 programs in and outside of schools. There are  
3 state school budget cuts that are resulting in  
4 the elimination of career and technical education  
5 programs by local school districts.

6 Now, the interest in offering  
7 agricultural education throughout New York  
8 schools is growing. Our programs are  
9 experiencing state and national success, with  
10 recognition of our students, our programs and our  
11 teachers coming on a national level as recently  
12 as last month.

13 The applied comprehensive learning that  
14 is taught in agriculture class, it's meeting and  
15 delivering the needs of national and state  
16 education goals, and it's making sure these  
17 students understand and are exposed to  
18 agriculture. But the elective nature of career  
19 and technical education, coupled with educational  
20 cuts that are disproportionately targeting, and  
21 maybe not intentionally, but disproportionately  
22 targeting rural areas, it's resulting in schools  
23 that would like to have agricultural education  
24 programs but cannot.

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2 There is a shortage of agriculture  
3 teachers throughout New York, make no mistake,  
4 and it's due in part to the insufficient funding  
5 of state school districts and due to the reduced  
6 capacity of our instate institutions to certify  
7 those agricultural science teachers.

8 Without allotting additional spending,  
9 this committee can have significant impact by  
10 supporting the equitable rural school district  
11 funding and endorsing the value of career and  
12 technical education programs remaining in local  
13 school districts in order to prepare all students  
14 for careers, specifically careers in and in  
15 support of production agriculture.

16 And while I recognize that school  
17 district funding is not something that you guys  
18 really deliver on, as people who are interested  
19 in promoting agriculture, the health of our rural  
20 communities is essential to the health of our  
21 agriculture industry, and that's something that's  
22 really driving students out of their communities.

23 Agricultural education that teaches  
24 through experience. A couple of examples,



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2 there's a school in Clinton County that explored  
3 the growth of algae for use in biodiesel, as a  
4 potential supplement for low dairy farm income in  
5 their community. At an Oneida County school,  
6 they write grants and partner with research  
7 institutions to make their school maple operation  
8 more efficient and to diversify their school land  
9 lab to include biomass production and research.  
10 They also hosted a 1,200-person conference, so  
11 those students are very capable.

12 Wyoming County, students are organizing  
13 and running farmers markets within their school  
14 to increase awareness of local farms as well as  
15 to gain experience in marketing locally grown  
16 products.

17 All throughout New York, students are  
18 being exposed to the diversity of production  
19 agriculture and learning how to increase  
20 efficiency and therefore the sustainability of  
21 their potential future operations. While not  
22 every student in these programs is going to go on  
23 to find a career on the farm, every one of them  
24 will understand a career on the farm.

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2 Exposure and experience provide these  
3 students with the tools they need to succeed.  
4 These students develop personal projects in the  
5 agriculture industry that they're passionate  
6 about. New York teenagers are developing their  
7 own herds of show and milking cattle. They are  
8 handling the marketing of their family's maple  
9 syrup operation. I know a young lady who bought  
10 out a portion of the family farm so that she  
11 could certify her own organic heifer industry.  
12 And there's a young man who has already recruited  
13 a list of clients from home micro breweries for  
14 his hops operation. He has yet to put anything  
15 in the ground and he has yet to enter high  
16 school.

17 So these students, they're not only  
18 gaining an understanding of agriculture but  
19 they're identifying the need for it in their  
20 communities and they're establishing themselves  
21 professionally and financially, which is a pretty  
22 significant accomplishment for young people in  
23 this day and age. It's not uncommon either that  
24 a student would begin one of these projects and

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2 then find themselves directed into an  
3 agriculturally based college and career track.

4 Recently, you are well aware, the  
5 ability of young people to acquire agricultural  
6 or farm-based experience, which drives them into  
7 agricultural careers, was challenged with  
8 proposed labor legislation, and that's something  
9 that's going to come back again. But the  
10 continued protection of the rights of young  
11 people to be able to gain necessary and safe work  
12 experience is the key to continuing to engage  
13 young people as the next generation of farmers  
14 and agriculturists.

15 The United States Department of  
16 Agriculture Secretary Vilsack recently addressed  
17 farm leaders and informed that rural America is  
18 quote "becoming less and less relevant," end  
19 quote. He stated that rural America's biggest  
20 assets, the food supply, recreational areas,  
21 energy, they can be overlooked by the U.S.  
22 population as it moves to live more in cities and  
23 suburbs. Fifty percent of rural counties have  
24 lost population and several counties in New York,

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2 my home county included, cite a greater than 10  
3 percent out migration of the young and the  
4 educated. And when I read that, I realized that  
5 I had become my first statistic.

6 In order for New York farms and  
7 therefore agriculture to continue to build our  
8 economy, our state has to invest in and attract  
9 young people to careers in rural, agricultural  
10 communities.

11 "How are you going to encourage young  
12 people to want to be involved in rural America or  
13 farming if you don't have a proactive message,"  
14 Vilsack said, "because you are competing against  
15 the world now?"

16 And I can say that's true. Two of the  
17 most outstanding students I know have spent  
18 extended amounts of time this year in Africa and  
19 India because they feel like it's glamorous and  
20 that they can make a difference there. And  
21 thankfully, they're coming back to New York to  
22 make a difference here, but the world is at their  
23 fingertips. We need to make agricultural  
24 communities relevant and interesting.

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2 In order to assure that rural New York  
3 and New York ag remain relevant to the next  
4 generation, we have to engage young people now,  
5 and continue to do so as they pursue their  
6 educations and then as they begin their careers.  
7 Programs that you are already funding and  
8 supporting are having significant visible impact  
9 in proactively engaging, developing and retaining  
10 these agricultural farm leaders throughout New  
11 York.

12 There is the potential for a booming New  
13 York agricultural industry. And those of us who  
14 are in this room, we know that. But it is  
15 critical that we continue to develop and support  
16 programs that are engaging young people in  
17 agriculture through education, and making it  
18 possible for them to recognize that there are  
19 profitable careers in production agriculture and  
20 beyond and all of it is right here in New York  
21 State.

22 ASSEMBLY MEMBER MAGEE: Thank you very  
23 much.

24 MS. TOLOSKY: Thank you.

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2 ASSEMBLY MEMBER MAGEE: Any questions?

3 ASSEMBLY MEMBER RUSSELL: I do.

4 ASSEMBLY MEMBER MAGEE: Okay.

5 ASSEMBLY MEMBER RUSSELL: I was  
6 intrigued by the discussion of online courses for  
7 beginning farmers and I have a couple of  
8 questions. Do these courses cover topics such as  
9 slaughter and meat cutting as well as safe  
10 handling of products?

11 MS. RANGARAJAN: In the vegetable  
12 course, we do some food safety training. There  
13 are other online courses offered at Cornell that  
14 cover food safety training, and so we haven't had  
15 to do that. The poultry course does cover safety  
16 and we just produced a guide to safe on-farm  
17 poultry slaughter to allow people to more clearly  
18 understand the regulations, which are a little  
19 bit sometimes vague around people functioning  
20 under the thousand-bird exemption. So we  
21 actually had that reviewed through Ag and Markets  
22 and it's now publicly available.

23 ASSEMBLY MEMBER RUSSELL: Okay. Do any  
24 of these courses grant credit?

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2 MS. RANGARAJAN: None of these are  
3 receiving Cornell credit, but participation in  
4 all the courses give you borrower credit for FSA  
5 loans.

6 ASSEMBLY MEMBER RUSSELL: I'm sorry;  
7 give you what?

8 MS. RANGARAJAN: Borrower credit for  
9 FSA.

10 ASSEMBLY MEMBER RUSSELL: Okay.

11 MS. RANGARAJAN: For Farm Credit loans.

12 ASSEMBLY MEMBER RUSSELL: Do you have  
13 any age requirements or prerequisites for these  
14 types of courses?

15 MS. RANGARAJAN: No. We've had some  
16 young students that take the courses, but  
17 primarily the demographic we see is sort of  
18 interesting, it's really young people between the  
19 ages of 18 and 25 and 30, and then more mature  
20 returning to agriculture, second career  
21 agriculturists.

22 ASSEMBLY MEMBER RUSSELL: I'm familiar  
23 that in many of our schools and growing in our  
24 rural schools are distance-learning courses taken

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2 in lieu of other non-mandated courses because  
3 they have been cut. Are any of you familiar with  
4 whether or not there is a push to get  
5 agriculture-centric courses as distance learning  
6 courses into our high schools, particularly in  
7 rural New York?

8 MS. TOLOSKY: There are several schools  
9 that are delivering distance-learning courses to  
10 other regional programs. The Pioneer Central  
11 School, they offer veterinary science and there's  
12 more basic level coursework that is offered.  
13 Several of our really outstanding teachers have  
14 learned to adapt what they're doing because  
15 they're focused on getting agriculture into the  
16 hands of as many students as possible.

17 Whether or not it is as easy--it's  
18 certainly not as easy as having those students in  
19 front of you and being able to do a live lab, but  
20 I know that even when they're doing hands-on lab  
21 experiences, those distance-learning courses,  
22 those students have a chance to actually be doing  
23 the project. They do lots of field trips. So  
24 agriculture is an option for distance learning.



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2 It depends on whether or not a rural school or an  
3 urban school has access to distance learning  
4 capabilities.

5 Then additionally, if you are having a  
6 teacher delivering distance learning courses,  
7 every course that they're delivering distance  
8 learning is a course that they're not necessarily  
9 teaching and investing in their students in their  
10 home school as effectively.

11 I had the privilege of sitting in on a  
12 course where students were talking about  
13 agricultural issues and they were talking about  
14 fracking. And so the students at one school  
15 would do their presentation then the students at  
16 the next school would do their presentation.  
17 They were all very engaged. So it works, it's  
18 happening. The question I guess is just whether  
19 or not schools have access to that technology.  
20 It's very expensive to start it up if you don't  
21 have it.

22 ASSEMBLY MEMBER RUSSELL: Thank you.

23 ASSEMBLY MEMBER BARRETT: Juleah, I have  
24 just some further questions. What are the

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2 programs that are most effective? I mean if one  
3 were going to focus on what's really working,  
4 what would they be?

5 MS. TOLOSKY: Sure. In the FFA, there  
6 are a lot of opportunities for students to engage  
7 in ways that benefit them. It's really an  
8 opportunity for a student to discover where they  
9 thrive. We have these experiences called  
10 Supervised Agricultural Experiences. Those would  
11 be the things like where the students have their  
12 own show herd of cattle and milking herd and they  
13 build up their own personal enterprise with the  
14 help of an agricultural mentor, their teacher.  
15 And we also work really hard to recognize and  
16 award students based upon labor and the  
17 acquisition of skill and ability, which I think  
18 is a pretty unique thing in a high school based  
19 club.

20 ASSEMBLY MEMBER BARRETT: Labor and what  
21 was the other word?

22 MS. TOLOSKY: A supervised--I'm sorry;  
23 what was your question?

24 ASSEMBLY MEMBER BARRETT: I didn't hear.

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2 Did you say scalability?

3 MS. TOLOSKY: Skill and ability.

4 ASSEMBLY MEMBER BARRETT: Okay.

5 MS. TOLOSKY: So we're looking for them  
6 to develop competency in the ability. We also  
7 have a lot of career development events which are  
8 basically contests where students can try a new  
9 area of agriculture. If they win, they get to go  
10 on an all expenses paid trip to glamorous  
11 Indianapolis, Indiana. But it teaches them  
12 teamwork, communication skills, critical thinking  
13 and they get exposed to different areas of ag.  
14 And since it's really just a single contest, they  
15 might be able to do something that they didn't  
16 even get a chance to learn about in class, but  
17 they study for that.

18 When I was in FFA, I was always the most  
19 motivated by the opportunity to travel to  
20 conventions and conferences. We had a 1,200-  
21 person state convention at the VBS High School in  
22 Vernon, New York and they did an exceptional job  
23 of planning that. But we also made sure that at  
24 ever single session, while there were exciting

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2 fun things to engage teenagers and develop them  
3 as young people, because we're developing young  
4 people at the heart of whatever we're doing,  
5 every single session included an emphasis on  
6 agriculture, their understanding of it and their  
7 support of it.

8 So every student is different and the  
9 program that we offer allows them to engage in  
10 different ways. So it's hard for me to say what  
11 the most important thing is. I would say it was  
12 the conferences. But I know other students gets  
13 this irreplaceable benefit from their supervised  
14 experience or a contest they tried.

15 ASSEMBLY MEMBER BARRETT: Thank you.

16 MS. RANGARAJAN: Could I add to that a  
17 little bit? As part of our USDA grant, we also  
18 worked closely with the programs that are in the  
19 high schools. And one thing that we did do is  
20 actually provide small grants to schools that  
21 would bring a group of students to a regional  
22 conference here in New York. And actually, that  
23 allowed--what was really exciting about that was  
24 to create that sort of mini conference buzz,

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2 where students were not only interacting with  
3 each other from multiple schools but also hey  
4 went to all of the different session that were  
5 hosted on training and beginning farms. It was  
6 the New York Conference in January--

7 ASSEMBLY MEMBER BARRETT: [interposing]  
8 So you would actually fund the, what the  
9 conference--

10 MS. RANGARAJAN: [interposing] Well, we  
11 actually paid for their travel to come. We were  
12 able to do that with our grant, and it was not  
13 that much money. I think it only cost us \$8,000  
14 and we were able to bring 38 students together.  
15 That experience actually has fostered a lot of  
16 continued conversation.

17 ASSEMBLY MEMBER MAGEE: Okay. I just  
18 have just a quick one. You did say there's a  
19 shortage of FFA teachers.

20 MS. TOLOSKY: Yes, if you look at the  
21 schools that really would like to have a program  
22 and can't for one reason or another, sometimes  
23 it's a shortage because the school can't afford  
24 to get a teacher. But additionally, there is, I

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2 foresee, a shortage in the ability to meet the  
3 needs of retirements in the next couple of years  
4 due to the fact that we are downsizing how we're  
5 certifying teachers in New York State.

6 But every school that has interest in an  
7 agricultural program does not have a certified ag  
8 teacher available to them right now. If there  
9 was no block to be able to provide every school  
10 that wanted one a teacher, we would have to start  
11 looking outside of New York. And there's plenty  
12 of great teachers outside of New York, but gosh,  
13 we've been raising these kids from the ground up  
14 and I would sure like to have them serving the  
15 next generation of New York students.

16 ASSEMBLY MEMBER MAGEE: So how does that  
17 fit with the recent decision to eliminate the  
18 degree at Cornell?

19 MS. TOLOSKY: There are other  
20 opportunities that the university is looking at  
21 for providing certification at Pathways. I'm  
22 certainly not an expert in that. I do know that  
23 there is a need for agriculture teachers who are  
24 certified and well educated and that need is not

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2 disappearing. SUNY Oswego does offer an  
3 opportunity for teachers to be certified in  
4 agricultural education, and we're very grateful  
5 for that, and there are a lot of other out of  
6 state institutions that will provide that  
7 opportunity to our students if they wanted to  
8 pursue it elsewhere.

9 ASSEMBLY MEMBER MAGEE: Thank you.

10 MS. TOLOSKY: Thank you.

11 ASSEMBLY MEMBER MAGEE: Yes.

12 ASSEMBLY MEMBER FINCH: Actually, this  
13 will be for Mr. Staehr. You mentioned you have  
14 like 75 potential transfers in any given year.

15 MR. STAEHR: That's correct.

16 ASSEMBLY MEMBER FINCH: How many do you  
17 think--those are the ones you're actually working  
18 on now--

19 MR. STAEHR: [interposing] Right, those  
20 are in progress.

21 ASSEMBLY MEMBER FINCH: --even that, are  
22 you limited to working within that particular  
23 number?

24 MR. STAEHR: We are by the resources

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2 that we have. But within that number, it is very  
3 intense work to ensure that this goes correctly,  
4 by having both generations be realistic. And  
5 we've found that when there's a barrier, maybe  
6 the senior generation is a little more reluctant  
7 to give up control or the junior generation wants  
8 to acquire equity right away, it takes a process  
9 for that to meet in the middle. That's what  
10 we're effective in doing. We could ramp that up.  
11 We're please to see the outcomes that we generate  
12 presently but feel that through maybe mentoring  
13 and coaching more, we can increase the number of  
14 successful farm transfers with the resources.

15 ASSEMBLY MEMBER FINCH: You mention the  
16 resources. Is there some way we can assist with  
17 that?

18 MR. STAEHR: Well, financial resources  
19 would be appreciated. We very much appreciate  
20 the support of the Assembly for what we do and  
21 would welcome an opportunity to discuss how we  
22 could increase the number of farm transfers in  
23 the future by expanding on the proven network  
24 that we have with consultants, many of whom have



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2 farmed themselves and been successful at that and  
3 see some realistic opportunities to bring the  
4 next generation into farming.

5 ASSEMBLY MEMBER FINCH: I'm kind of  
6 curious in one sense of there are enormous  
7 amounts of transfers of farm and I think in terms  
8 of maybe Yates County is one, parts of Seneca  
9 County were we have large communities are coming  
10 in and they're acquiring small farms.

11 MR. STAEHR: Right.

12 ASSEMBLY MEMBER FINCH: Which is kind of  
13 unusual in the sense of there is a tendency to  
14 grow these farms. You know, parts of Cayuga  
15 County have 8,000 cows on a dairy farm.

16 MR. STAEHR: Right.

17 ASSEMBLY MEMBER FINCH: But yet there  
18 are small Mennonite Amish farms that are moving  
19 in with herds that are 50 cows and less.

20 MR. STAEHR: Yeah.

21 ASSEMBLY MEMBER FINCH: Are you involved  
22 in any of that in those transfers?

23 MR. STAEHR: We do work with the  
24 Mennonite population to a limited extent. And

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2 just to preface that, the work we do is free and  
3 confidential and occurs at the farm, so I can  
4 only talk in generalities.

5 ASSEMBLY MEMBER FINCH: But there must  
6 be a lot of transfers from more traditional  
7 second generation farms to the Mennonite and the  
8 Amish ones that are coming through there. So you  
9 must be assisting somewhere in--

10 MR. STAEHR: [interposing] We are. Some  
11 of the farms that are non-Mennonite owned that  
12 may wish to sell, they'd like to see the farm  
13 remain--the farm that they built remain and not  
14 be consolidated, and so we can help them in their  
15 retirement planning process and making sure that  
16 it's profitable for the incoming farm to operate  
17 as well.

18 ASSEMBLY MEMBER FINCH: One other last  
19 question, although I have many in my brain, but I  
20 don't want to drag the afternoon on. How often  
21 do you get involved in a transfer and all of the  
22 sudden find out that there may be some--and it's  
23 done, however it becomes problematic a second  
24 year into it? Do you get involved in that

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2 process to--

3 MR. STAEHR: [interposing] We do. They  
4 will call us back because our Farm Net  
5 consultants are very effective is building trust  
6 in that capacity. So there are a fair number of  
7 callbacks, based on the results that the families  
8 experience with the program.

9 ASSEMBLY MEMBER FINCH: Thank you very  
10 much. I think we do a great job here in New York  
11 State of growing great food and safe food and a  
12 lot of it, and it's all because of the  
13 agricultural community and what a great job  
14 they're doing. It's fantastic. Thanks. Thank  
15 you very much.

16 MR. STAEHR: Thank you for this  
17 opportunity.

18 ASSEMBLY MEMBER MAGEE: Thank you very  
19 much. Next is Gary Bradley, Executive Vice  
20 President of Farm Credit East, ACA.

21 MR. GARY BRADLEY, EXECUTIVE VICE  
22 PRESIDENT, FARM CREDIT EAST, ACA: Chairman Magee  
23 and members of the Assembly Agriculture  
24 Committee, good afternoon. My name is Gary

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2 Bradley and I am Executive Vice President for  
3 Farm Credit East. Our responsibilities include  
4 lending and financial services in central and  
5 northern New York and I oversee Farm Credit East  
6 Young, Beginning and Small Farmer program.

7 Farm Credit East is a financial co-op  
8 owned by 12,000 farmers in the Northeast. New  
9 York accounts for the largest part of our  
10 portfolio. We have 8,500 customer members in New  
11 York with about \$2.5 billion in loans. We  
12 provide loans and financial services to all types  
13 and sizes of farms in the area that we serve. We  
14 have 13 offices in New York, and approximately 70  
15 percent of the private sector to New York  
16 agriculture is extended by Farm Credit East.

17 We are committed to the success of New  
18 York agriculture and have the financial capacity  
19 and desire to provide more loans and services as  
20 farm businesses and agriculture processors expand  
21 and as new entrepreneurs enter agriculture.

22 In addition to lending, we also have  
23 made real investments in agricultural economic  
24 development projects including a \$5 million

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2 commitment in 2008 to the Genesee Agriculture  
3 Park, where two facilities are now based. We  
4 also are a very active participate in New York  
5 Link Deposit program and an administrator of the  
6 Farm Worker Housing Loan Program.

7 At the current time, 19 percent of our  
8 credit, or \$697 million is provided to young  
9 farmers that are 35 years or younger. If you  
10 look at it from the perspective of beginning  
11 farmers that have started within the past ten  
12 years, it is 26 percent of our credit, or \$921  
13 million.

14 Farm Credit East shares the committee's  
15 interest in assuring that the success of young  
16 and beginning farmers. We are optimistic about  
17 the economic opportunities in agriculture and  
18 look forward to working with the committee to  
19 ensure that we have the best possible programs  
20 and policies in place to encourage agriculture  
21 for the long term.

22 We find ourselves at an interesting  
23 nexus in American agriculture. We have expanding  
24 international markets, especially in developing

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2 countries where population is growing and diets  
3 are improving, and we have greater interest by  
4 consumers for local production. We also have  
5 renewed interest in New York for locating new  
6 dairy processing plants, many of which we also  
7 finance.

8 In our work, we see young people  
9 entering agriculture and we see others of all  
10 ages that have decided to exit agriculture for a  
11 wide variety of reasons. We see farms that are  
12 financially strong but have no interest in  
13 expanding, and we see others that are expanding  
14 or seeking to expand but find it difficult to  
15 obtain adequate land resources for a larger farm  
16 operation in their area.

17 We see many farms successful  
18 transferring to the next generation, and we see  
19 non-related young people who start as employees,  
20 graduate into middle management then becoming  
21 partial owners in successful commercial farming  
22 operations.

23 As we consider the issues today, we look  
24 at four critical factors that impact farm

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2 viability. The first: profitability, and the  
3 risk exposure in farming. Whether you agree or  
4 not, our free enterprise system has continually  
5 reduced the number of farms by keeping margins  
6 earned relatively slim. This is reality and the  
7 focus needs to be on what policies and programs  
8 will help improve profitability for a long-term  
9 and especially what we can do to better position  
10 New York farms in a very competitive local  
11 market.

12 Second: concern over stable supply of  
13 farm labor. Of all our necessary farm resources,  
14 maintaining a stable labor supply in the face of  
15 immigration enforcement is by far the most  
16 limiting factor for many New York farms.

17 Third: lack of profitable marketing  
18 channels for new production. There are many farm  
19 products where we could readily expand production  
20 but sustainable markets can be very limiting and  
21 costly to develop.

22 And fourth, for people interested in a  
23 career in agriculture, the lack of practical  
24 experience, good business skills and a realistic

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2 business plan are the most limiting. The vision  
3 that a 22-year-old is going to purchase a farm,  
4 capitalize it and successful operate it without  
5 some career development is neither realistic nor  
6 particularly practical. Working and succeeding  
7 as an employee in another farm business is the  
8 best practical development that a would-be farmer  
9 can gain as a young adult.

10 To support young farmers and those  
11 interested into coming into agriculture, Farm  
12 Credit East has developed a number of programs.  
13 Let me briefly mention five efforts.

14 First, we have established a Young,  
15 Beginning and Small Farmer Program that provides  
16 special incentives to help young and beginning  
17 farmers. These special incentives for New York  
18 young farmers totaled \$113,567 in 2011.

19 Second, in 2005, Farm Credit East  
20 started a unique first of its kind program called  
21 Farm Start LLP, to assist individuals entering  
22 agriculture by providing investments of working  
23 capital. In establishing Farm Start, we found  
24 that many startup farms lack the working capital



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2 necessary to bring their crops to market and that  
3 some operations were relying on credit card  
4 financing. We also found that many startups need  
5 assistance with business planning and financial  
6 management. Farm Start provides startup farms  
7 with unsecured investments similar to a loan of  
8 up to \$50,000.

9 In addition, each Farm Start participant  
10 has a Farm Start adviser that assists with  
11 financial management. Startup operations can be  
12 in the Farm Start program for up to five years to  
13 help them build a successful credit history and  
14 good business discipline to qualify for a  
15 conventional line of credit. We are pleased that  
16 we recently made our 100th Farm Start investment  
17 to Greystone Farm, the CSA operation Casanovia  
18 [phonetic] in Madison County.

19 Third, to assist individuals that are  
20 part of a farm operation but not yet in the  
21 leadership role on the farm, we have developed a  
22 management leadership development program called  
23 Generation Next. This program involves three  
24 seminar sessions conducted by specifically

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2 trained staff. The sessions are structured for  
3 individuals between 20 to 35 years of age and are  
4 focused on developing the overall business  
5 knowledge and management ability of seminar  
6 participants.

7 Fourth, Farm Start has developed a  
8 workshop and guide titled Harvesting a Profit.  
9 This program is targeted for students or  
10 individuals beginning a career in production  
11 agriculture that has minimal exposure to  
12 financial analysis, farm management, marketing  
13 and economics.

14 And fifth, our service programs include  
15 consulting services for estate planning and  
16 profitability analysis. Our consultants work  
17 one-on-one with farms to develop estate plans to  
18 allow for transfer of the farm from one  
19 generation to the next or to improve  
20 profitability and position the farm for future  
21 success. We have provided these services for  
22 over two decades and have assisted with the  
23 successful generational transfers of thousands of  
24 farms.

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2 As we consider limiting factors for  
3 agriculture development and the appropriate  
4 public sector role, we believe priority policy  
5 consideration should be given to the following.  
6 First, ensure the public sector related costs and  
7 regulatory requirements in New York are not  
8 greater than competing states. Farmers are very  
9 resilient but they compete in an international  
10 marketplace and cost of production can be  
11 critical.

12 For example, New York farmers pay on  
13 average \$26.21 per acre for property taxes  
14 compared to a national average for farmland of  
15 \$6.75 per acre, or for example, the nearby state  
16 of Ohio, at \$11.80 per acre. We strongly  
17 encourage the state legislature to cap  
18 agriculture values to allow no more than a 2  
19 percent increase annually.

20 Our concern also extends to costly  
21 requirements and to such issues as throughway  
22 tolls and the fees required for registering a  
23 limited liability company.

24 Second, FSA, Farm Service Agency loan

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2 guarantees are very important for lenders to be  
3 able to provide credit to startup farms. Of all  
4 the government programs relating to startup farms  
5 and credit, we believe that this is the most  
6 important to maintain a strong loan guarantee  
7 program. At times, funding is limited for FSA  
8 guarantees, which may impact our ability to  
9 finance startup operations.

10 We believe that FSA lending programs  
11 will be reauthorized in the farm bill but this is  
12 an issue that we will be watching closely as  
13 deliberations continue. And if Congress cuts  
14 funding for FSA guarantees or the program is not  
15 reauthorized, this may be an area for the state  
16 to consider action.

17 Third, applied research on specific  
18 limiting production or marketing issues to  
19 current problems is very important. Farm Credit  
20 East is in strong support of the New York Farm  
21 Viability Institute, Cornell Pro Dairy, because  
22 these programs work directly with producers to  
23 address current production challenges.

24 Third, our Farm Start is a one of a kind

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2 program nationwide. Partners in the program,  
3 Farm Credit East, Co Bank and Yankee Farm Credit  
4 have now made 100 investments with over \$4  
5 million. We're open to discussion with the State  
6 of New York on making investment in the program  
7 or some other state incentive to help Farm Start  
8 participants.

9 And last, in addition to farm directed  
10 applied research, we certainly support financial  
11 assistance for on-farm environmental projects  
12 including CAFO related projects and funding for  
13 farmland preservation which can be very important  
14 to a maintained agriculture in areas with  
15 significant development pressures.

16 Thank you for your consideration of our  
17 views. Farm Credit East looks forward to working  
18 with the committee as we develop ideas for the  
19 future. We have 250 employees in New York that  
20 are working to support agriculture every day and  
21 always are committed to the success and growth of  
22 Empire State agriculture. Thank you.

23 ASSEMBLY MEMBER MAGEE: Thank you very  
24 much. Any questions? Thank you for your time

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and all the information you provided us.

MR. BRADLEY: Thank you for your  
attention and time.

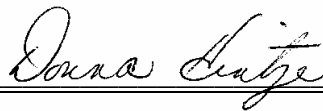
ASSEMBLY MEMBER MAGEE: Okay. I guess  
that concludes our hearing. Thank all the  
members for coming and have a great holiday if I  
don't see you.

(The public hearing concluded at 2:41  
p.m.)

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C E R T I F I C A T E

I, Donna Hintze, do hereby certify that the foregoing typewritten transcription, consisting of pages number 1 to 151, inclusive, is a true record prepared by me and completed from materials provided to me.



\_\_\_\_\_  
Donna Hintze, Transcriptionist

\_\_\_\_\_  
January 10, 2013 Date