

STATE OF AGRICULTURE 2004
First Deputy Commissioner Ruth Moore
For Commissioner Nathan L. Rudgers
January 8, 2004
New York State Agricultural Society

Introduction

Thank you, Eleanor, for that introduction and thank you to the Agricultural Society for all you do to support and promote the agricultural industry in New York. All of us at the Department are very pleased to partner with the Agricultural Society on this wonderful annual forum. I am also very pleased to speak to you tonight on behalf of Commissioner Rudgers and Governor Pataki. The Commissioner is very disappointed that he could not be here himself today. He has been called away to participate in a national forum on pressing agricultural and food safety issues.

As you may be aware, Commissioner Rudgers is president-elect of the National Association of State Departments of Agriculture and he is also chair of NASDA's food security task force as well as its farm labor task force. These responsibilities take him away from New York from time to time but I am here to assure you that his leadership on these important issues at the national level is putting New York at the forefront of the policy discussions that will help shape the future of New York's and the nation's agricultural industry.

Having participated in the forum today and listened to all the success stories and innovative strategies for growing and improving our industry, I know the Commissioner will be particularly disappointed that he missed all of this positive energy

from the presentations and roundtables. Positive energy is certainly what he wanted to talk to you about tonight. So in his absence, the Commissioner has asked me to deliver to you his 2004 State of New York Agriculture remarks. I feel privileged and honored to do so. Please know that, my remarks tonight reflect the Commissioner's sentiments and his vision for New York agriculture, perhaps with just a few editorial comments of my own.

It is the Commissioner's tradition to acknowledge Department staff at this event and reaffirm the Department's support for the hard work of the New York Agricultural Society by our abundant presence at the annual meeting and forum. I am very proud to carry on that tradition. Agriculture and Markets' staff, would you please stand and be recognized?

The theme that the Society has chosen for this year's forum – Excellence in New York Agriculture – is certainly appropriate since we all know that in this competitive environment in which we find ourselves, we need to aim very high. We also need to be ready for almost anything. We have had a couple of surprises in the last few weeks that have illustrated how good preparation will help see us through and help our agricultural industry stand out as a national leader.

One of these surprises was the discovery of the first confirmed case in the United States of BSE, or mad cow disease in Washington State. There has been a wave of reaction throughout the industry, government, and the media. Exactly how national livestock and meat regulations will change as a result is still evolving. I can assure you, however, that the Commissioner is in the middle of these policy discussions, working with his colleagues both in New York and in other states and with our federal partners, to come up with policies that assure a safe food supply while considering the impact of any new rules and regulations on the country's ranchers and dairy farmers.

Whatever is put in place, New York State is likely to be in a good position to meet any new requirements thanks to forward looking programs such as the New York State Cattle Health Assurance Program.

Another nasty little surprise in the last few weeks was the collapse of the international corporation Parmalat that owns two dairy processors that supply about 40 percent of the fluid milk to the New York metropolitan area. Our staff was very busy during the holidays making sure that farmers were not at financial risk as a result of the international company's bankruptcy filing. Thanks to the strength of the New York Milk Producers Security Fund and other New York security requirements, plus prudent management decisions taken over the last decade, our farmers appear to be well-protected. This is a situation we will continue to monitor as it unfolds.

Putting aside these recent headlines, let me back up and give you a broader review of last year's events.

All in all, I think it would be fair to say we have had a few successes in 2003.

Crop Insurance/Risk Management -- In August, USDA's Federal Crop Insurance Corporation Board approved a submission by the Department and ten other Northeastern states to offer AGR-Lite crop insurance policies. We are optimistic that AGR-Lite will provide an affordable, effective crop insurance alternative for our producers, especially our specialty crop producers, who have had limited options up until now.

Farm Viability Institute -- In September, Cornell University received a \$1 million grant from USDA to create a farm viability institute. This was the culmination of a collaborative and long-standing effort between Cornell, the Department, the Farm

Bureau and a host of agricultural organizations to create a new framework for delivering agricultural economic development assistance to our producers. It promises to redefine the connection between applied research, extension and production agriculture in a way that will add value to the industry. We look forward to working with Cornell, the Farm Bureau, and all the supporting organizations on this exciting new endeavor.

Farm-to-School -- Our Department's efforts to secure new in-state markets for New York State growers has seen multiple successes over the last year. As you heard this afternoon, this fall New York City schools decided to source only New York State apples. We are working with them to expand local consumption to other fruits and vegetables, including pears and potato products, through the Department of Defense Fresh program.

Pride of New York Accomplishments -- Our success with Farm-to-School has paralleled our success with the Pride of New York program. With nearly 1,000 members, the Pride of New York program has helped add value and increase sales of New York produced food products in countless ways. You have heard many of those success stories throughout the day.

CREP -- In October Secretary Veneman joined Commissioner Rudgers and other State leaders at the Herrington Farm in Troy to sign a historic Conservation Reserve Enhancement Program agreement between the State and the USDA. CREEP or CREP as they call it in the southern states, is a voluntary land retirement program that will help New York farmers in 12 major New York watersheds protect environmentally sensitive land, decrease erosion, restore wildlife habitat, and safeguard ground and surface water. The USDA will contribute \$52 million and the State has pledged \$10.4 million to establish riparian buffers and install best management practices on farms.

H2A reform -- Agricultural labor issues continue to be a major concern in most sectors of New York agriculture. Legislation has been introduced at the federal level, called AgJobs, to provide a more stable, secure, safe, and legal American agricultural work force. And just yesterday President Bush announced his support for immigration reform in the coming year. Commissioner Rudgers and I have been to Washington many times over the last year to advocate for reform, and we are hopeful that we will see real, meaningful progress in the coming Congressional session.

Dairy -- On the dairy front, there is a new milk pricing approach being discussed in Washington that can work for New York and the Northeast. It addresses key issues on a regional level. The authors of the proposed legislation, called the National Dairy Equity Act, are from New York State, namely Congressmen Reynolds and McHugh. They have been and continue to solicit input from farm organizations, cooperatives and agriculture officials, and we are eagerly looking forward to seeing this bill introduced when Congress returns later this month.

Biofuels – This past year, the Department actively pursued the ways and means for encouraging investment in biofuels, such as biodiesel, ethanol, and wood-based fuel products. Advancing green energy is near and dear to the heart of Governor Pataki, who specifically mentioned that developing "...a strong New York biofuel industry will create new markets and opportunities for our farmers..." in his State of the State message yesterday. We will continue our efforts in this area, working with Cornell, SUNY, ESF, NYSERDA, and the private sector.

Visibility -- In order to keep the special strength of New York agriculture in the minds of people in Washington, the Commissioner has invited top USDA officials to visit the State whenever he has had the chance. Over the past 18 months, we have had visits by Secretary Ann Veneman, Deputy Secretary Jim

Moseley, Undersecretaries Bill Hawks, Eric Bost, Tom Dorr and Elsa Murano NRCS Chief Bruce Knight and RMA Director Ross Davidson. Perhaps they came expecting to see some quaint upstate villages, stone walls, lots of forests -- not that there's anything wrong with that -- but that's not what we showed them. We showed them productive dairy and vegetable farms, vineyards and wineries, apple orchards that compete and do compete with the best farms anywhere. With the excellent support of the New York Farm Bureau and other farm organizations, we have also made a particular effort to get the word out to our Congressional Delegation about the things we need to keep New York's agricultural industry a vital part of our rural economy.

Individual Success Stories

In preparing to speak to you tonight and in thinking about the state of agriculture over the last year in New York, the Commissioner looked back on some of the many, many individual agricultural operations and businesses that he visited in 2003. And what better way to take a snapshot of the state of agriculture in New York. Yes, we have had our challenges, but consider for a moment these examples of excellence in agriculture, these success stories that are a testament to the strength and the dynamic nature of our industry.

- **Doug Young's Farm** with an aggressive focus on profitable agricultural waste solutions.
- **Plainville Turkey Farms**, a growing, dynamic operation run by Mark and Bob Bitz that recognizes market demand and follows that market.

- **Indian Ladder Farms**, with Peter TenEyck's effective fresh marketing strategies coupled with a keen sense of place and value of the agricultural land base.
- **Canandaigua Wine Company**, one of the largest wine producers in the world right in our backyard, (led by Richard Sands) a leader for and supporter of the entire New York wine industry.
- **Red Newt Winery**, owned by David and Debra Whiting, which blends award winning product with creative value added marketing.
- **Martens Farms**, owned by Tim Martens, which develops innovative ready-to-eat alternatives for the fast food market and restaurants.
- **Jason Turek of Turek Farms**, a fourth generation vegetable and field crop operation that farms 4,000 acres and ships produce from Maine to Miami and from England to Puerto Rico.
- **Stokoe Farms**, owned by Larry and Martha Stokoe, who have engaged in a range of different enterprises, including Christmas trees, and who effectively blend production and tourism activities.
- **CY Farms**, owned and operated by Craig Yunker, always a standout in quality vegetable production and effective year-round marketing strategies

Of course, the Commissioner also applauds the successes and the innovation of the industry leaders you heard from or recognized on our program today.

Not all of our farms have had the opportunity to do as well as the enterprises we have been talking about. Yes, dairy prices have improved somewhat, beef producers enjoyed higher prices before the mad cow scare hit us, and it was a pretty good year for the apple industry. Still, the outlook is not entirely rosy, as you know. Let me mention a few issues that the Commissioner has been raising as real areas of concern and where we will be focusing a lot of our attention in the coming year at the Department.

One is the **capitalization** of the agricultural industry. Farming is an increasingly capital-intensive business, and we need a constant flow of new investment to stay in the game. We need to attract venture capital, and we need to have a very positive story to tell if we want to get there.

We're going to work towards making sure that every farmer with the vision and the drive to start or expand or diversify or improve his or her operation has access to the capital to make that a reality. In this vein, I encourage all of you to support the Department's new farmer bill sponsored by Senator Hoffmann and Assemblyman Magee which will put new farmers on the path of successful agricultural businesses in New York State.

We also need to get to the front of the line in terms of **economic development loans** and grants. Right now, those programs - both at the State and federal level - are all about jobs. We've been advocating that maybe we should give the number of acres put to productive use as much attention as the number of jobs created in the allocation of economic development funds. And we're making progress in this area.

The New York State Economic Development Council, the organization made up of IDAs, chambers of commerce and other entities that drive economic development policy in the State have

created an agricultural working group to examine policy development that will benefit the farm sector in particular. This past year Commissioner Rudgers spoke at the first ever conference sponsored by EDC that focused entirely on the agricultural industry. And later this month an EDC subcommittee will be meeting to discuss program funding criteria, and whether they could be adjusted to give agricultural investments the priority they deserve.

We are **engaging the lending community** in the area of agricultural investment. The Commissioner held an agricultural finance summit this past fall and the Commissioner and I met with USDA officials and our Delegation to discuss this issue this past year.

Money is always one issue. Another is **land**. A lot of people tell us we have more farmland than we need. Can't you rent land in most parts of the State at a fairly cheap price? Isn't there land left idle because no one has a use for it? Well, yes. But history has shown that when you no longer have substantial areas of contiguous farmland in production, it's pretty hard to keep the industry alive. As the Commissioner has pointed out in many settings, we continue to lose farmland every single day to other uses. Some of this land goes back to forest but a lot of it is converted to suburban development -- single family homes on two or five or even 20 acres.

Over the past year, the State Advisory Council on Agriculture under the leadership of Council Chair Jim Vincent, and Department staff, have conducted a fairly thorough review of what we might do to help agriculture preserve its land base. We held a half dozen roundtables around the State to look very specifically at what we could do and what the farm community could do to support local efforts to keep land in agriculture. Some of the farm leaders in this room participated in those discussions.

Implementing some recommendations from the roundtables that were endorsed by the Advisory Council will be a high priority for the Department in the coming year.

By the way, Governor Pataki, in his State of the State address yesterday, demonstrated his commitment to farmland protection by mentioning that the State had reached the half million acre mark in overall open space protection – half way to his goal of preserving one million acres of open space, by purchasing the development rights on 6,000 additional acres of farmland.

Before I close, I'd like to recognize two institutions, well-represented in this room, that will help our agricultural industry achieve the level of excellence that will assure us a bright future.

First, LEAD New York represents the upcoming leadership of our industry. In many ways, the current LEAD class and all LEAD graduates are the positive message about New York agriculture.

The other institution is our land grant university -- Cornell -- and I look forward to celebrating the College of Agriculture and Life Sciences' 100th anniversary this year. Under Dean Susan Henry's leadership, CALS has built new partnerships within New York agriculture and has also strengthened partnerships with other institutions of higher education.

Closing

We honored our century farms at the luncheon today. These farms and farm families are tangible, enduring evidence of our two great strengths -- our land and our people. Our panelists today and the membership in this room further demonstrate the performance and the promise of New York's agricultural industry. But there is more work to be done. Let us build on our success.

Let us recommit ourselves to producing the highest quality food and fiber; to protecting our precious agricultural land and water resources; and finally, to assuring a bright future for our farmers and the generations of farmers to come because they choose to farm in New York State.

Good night.