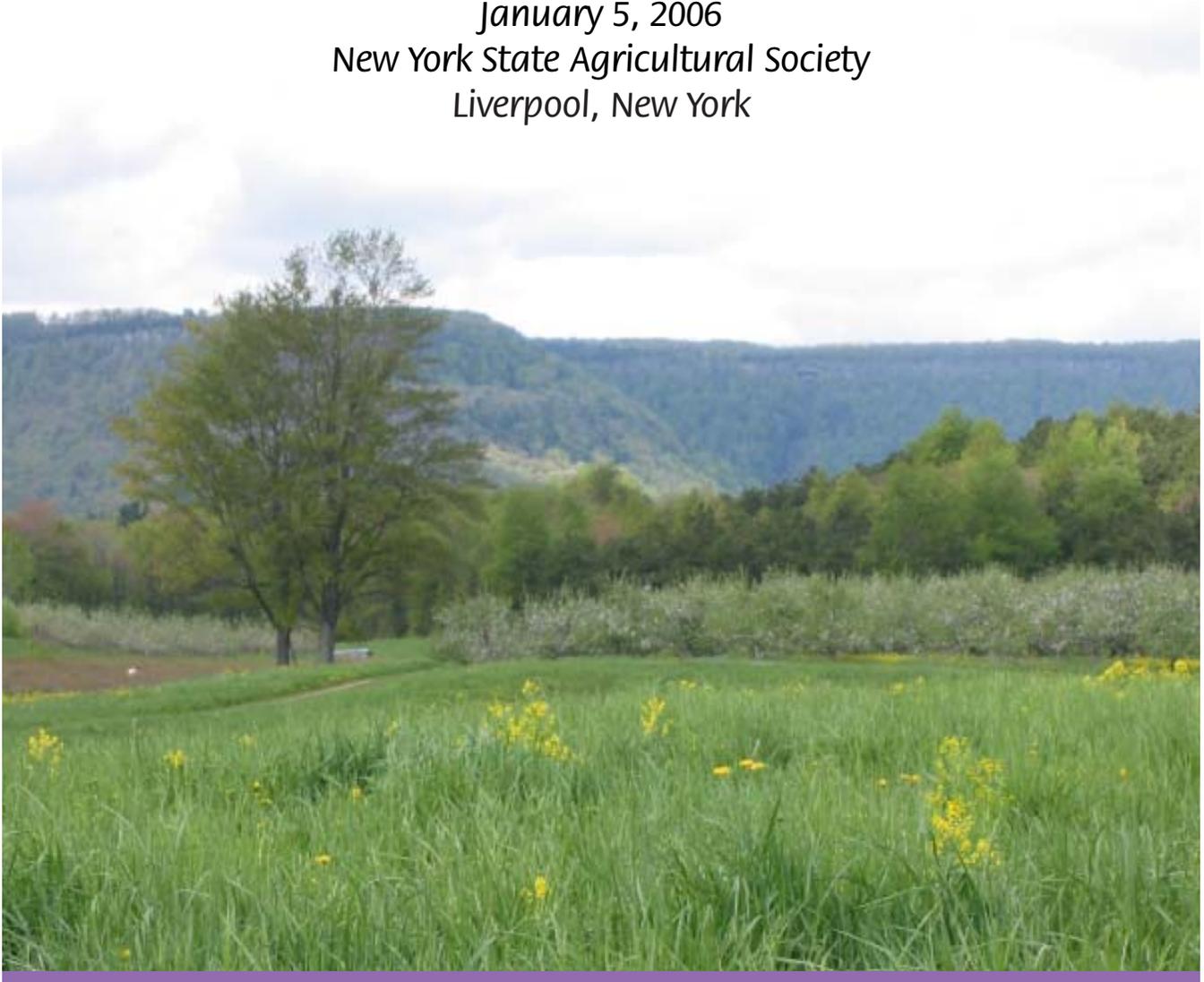


7th Annual
State of New York Agriculture

“Partners in Progress”

First Deputy Commissioner Ruth A. Moore
New York State Department of Agriculture & Markets
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New York State Agricultural Society
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Thank you, Dick, for that kind introduction and thank you to the Agricultural Society for all you do to support and promote the agricultural industry in New York. We at the Department are honored to partner with the Agricultural Society on this stimulating annual forum. This is a chance for us to look back at the progress we've made as partners in 2005 but more importantly to look forward to what Governor Pataki called New York's "limitless potential" in his final State of the State address yesterday at the Capitol.

First I would like to recognize some very important people in my life who are here tonight.

It is always a privilege to introduce the outstanding staff at the Department of Agriculture and Markets. Many of them are here tonight, and I would ask that they stand and be recognized. They are a terrific group of talented individuals, but more than that they are a team. Thank you for all that you do for the Department and for New York agriculture.

I would also like to acknowledge and thank someone who couldn't be with us tonight. As you know, the conclusion of 2005 brought about a dramatic change at the Department when Commissioner Rudgers announced his departure from state service. Of course this is good news to those of you from western New York who will benefit from Nathan's homecoming to Wyoming County. In his new role as Senior Vice President and Director of Business Development at Farm Credit of Western New York, I know that Nathan will apply the same kind of creative, energetic thinking that he used at the Department to his new mission of financing the future of farming in the part of New York where he grew up.

Over the years, Nathan always demonstrated a sincere and deep-seated concern for the people who work the land. At the same time, he showed a profound interest in the land itself and constantly sought out ways to better understand who owned the land, what they intended to do with it, and how we could protect our precious agricultural land resources.

Nathan continually reminded us that for agriculture to succeed in New York, the policy dialogue must include agricultural leaders like yourselves, but also many people who are not in this room. And when Nathan said "dialogue," he truly meant a give and take discussion of the issues. His idea was that you had to start out by listening first to what the vast majority of New Yorkers – the non-farmers – think about things like animal agriculture and the environment, about food safety and food security. It meant listening so carefully and respectfully that you might just make those non-farmers open to hearing what the people who live closest to these issues every day think about those same subjects.

We will miss you Nathan. You have set the bar high and we will do our best to make you proud and build on the progress that we've made under Governor Pataki's and your leadership.

The English philosopher Herbert Spencer once said that "Progress, is not an accident, but a necessity." Tonight, as we review the state of New York agriculture at the beginning of 2006, I'd like to highlight the necessary progress we've made in 2005 in three key areas – technology advancement, infrastructure development, and investment in the land and the people who manage the land.

As we talk about accomplishments in 2005, I also want to keep in mind the theme of this year's forum – Partnerships – because virtually all of the past year's accomplishments were achieved through partnerships.

Of course it wouldn't be a State of Agriculture speech without a look at the State of the Weather in the past year. It also seems that it wouldn't be a real Agricultural Society Forum without a good snowstorm going on outside.

We did have some weather challenges this year – from drought to excessive rain to frost to high winds to hail. Governor Pataki requested disaster assistance five times from USDA to make our producers eligible for low interest loans, and we will continue to work hard to secure assistance for our hard working farm families when bad weather strikes. This assistance

includes an aggressive crop insurance education program and development of crop insurance tools that fit our industry here in New York.

2005 was a busy year for the Department with a number of issues that affected the strength of our agricultural industry, and in some cases tested our resiliency. But scientific and technological advances helped us address those issues quickly and efficiently.

Fortunately or unfortunately, depending on how you look it at, our animal disease surveillance program proved how effective it is at safeguarding our livestock this past year.

In March, we detected the first positive case of chronic wasting disease (CWD) in a white-tailed deer from a captive herd in Oneida County. The infected animal was found through our aggressive CWD surveillance and testing protocols. Because of those protocols, the Department, in partnership with the Department of Environmental Conservation and working with the New York State Veterinary Diagnostic Laboratory, was able to rapidly respond to the finding of CWD, and limit the exposure of both captive and wild deer to this fatal disease.

In New York City, we are working to protect our poultry industry from avian influenza or “bird flu” – a subject that has been much in the news of late. With the nation’s largest live bird market system, we have established the most stringent system-wide approach for preventing avian influenza from entering our markets. Routine surveillance and testing, along with required cleaning and disinfecting procedures, have dramatically reduced the incidence of low pathogenic avian influenza in the markets. It is important to note that we have never detected the Asian strain of bird flu in New York nor the U.S. The excellent work of the New York Veterinary Diagnostic Laboratory at Cornell continues to help keep us at the forefront of prevention, detection and response for this disease.

And on other animal disease fronts, we have initiated a new program to help eradicate Scrapie in sheep through genetic testing, we have developed a more cost-effective and

efficient means for detecting Johne’s disease in our cattle, and we have collected and tested nearly 20,000 samples for enhanced BSE or mad cow disease surveillance.

New technology is a wonderful thing and we certainly have put it to good use in 2005. Not only have we been able to detect and address animal diseases through improved science and technology, we were even able to offer microchip identification for horses through our horse health assurance program, and conduct our first virtual wine tasting with the Czech Republic – thanks to a modern communication system, where our vintners can discuss their wines in Geneva, New York, while buyers in Prague can sample their wines.

In July, Governor Pataki signed legislation that now permits the direct interstate shipment of wine in New York State. The new law has opened up our world-class wineries to the national market and gives New Yorkers more choices as consumers. The law follows a landmark U.S. Supreme Court ruling last May, which struck down a New York law that barred out-of-state wineries from directly shipping their wine to New York residents.

Governor Pataki also announced \$2.1 million in State funding to help build a New York Wine and Culinary Center in Canandaigua. The new center is scheduled to open this summer and is expected to see 76,000 visitors pass through its doors each year while adding \$11 million annually to the local economy. We are proud to be a partner with Constellation Brands, RIT, Wegmans, the New York Wine and Grape Foundation and others in this exciting project that will showcase New York’s abundance of exceptional wine and food products as well as highlight our agricultural heritage in this elegant, state-of-the-art facility.

But don’t just take my word for it that our wine industry has made dramatic strides in the last few years. A recently released study commissioned by the New York Wine and Grape Foundation and funded by a grant from Empire State Development found that the New York grape and wine industry generated \$3.3 billion dollars in economic benefits to New

York's economy in 2004. Now that's progress. We can really celebrate — with New York wine of course.

In February, we announced the results of a study regarding the development of a wholesale farmers' market in New York City. With an increasing demand for locally grown foods, a heightened awareness of the nutritional benefits of fresh fruits and vegetables, and the City's close proximity to Upstate and Long Island farms, there has been a lot of interest in creating the infrastructure to allow our growers to take better advantage of one of our significant strengths as an industry — proximity to the New York City market.

With a grant from USDA, the Department gathered input from buyers and examined comparable farmers' markets in other cities to assess the opportunities for small and mid-size farms. The survey confirmed that the needs of New York City buyers can be met efficiently through the reestablishment of a wholesale farmers' market and that the market demand for locally grown and processed products exceeds \$866 million per year. We are now in the second phase of developing this infrastructure, and we will continue to move forward in helping producers connect with buyers in New York City and other markets.

In November, we joined Director Dan Fessenden, Dean Susan Henry, other government officials and business leaders to dedicate a new, 72-acre research park located next door to Cornell's Agricultural Experiment Station in Geneva. The Cornell Agriculture & Food Technology Park is fostering the creation of innovative technologies related to agriculture, bio-based industries and food businesses.

This unique venture underscores Cornell University's commitment to technology transfer as an engine for economic development, and Cornell's interest in partnering with new enterprises to develop cutting-edge food and agriculture technologies right here in New York.

In October, we released the results of another study, the New York State Rural Landowner Survey, which took a comprehensive view of how landowners

currently use their undeveloped land and what they plan to do with it in the future. The survey reveals a trend from agricultural to residential uses in all regions of the State.

But what has become even clearer from this survey is that a significant portion of New York's agricultural land base is underutilized. More than a quarter of undeveloped rural land parcels contain some idle agricultural land, according to their owners. Much of this land has the potential to contribute significantly to New York's rural economy, but this potential can only be realized if the interests and motivation of those who control these resources are understood and taken into consideration. We will continue to examine the needs and interests of our rural landowners and develop policy that will support the protection of our agricultural lands.

In September, Governor Pataki joined the Governors' Ethanol Coalition, a bipartisan organization that is working to promote the development and use of ethanol-based fuels nationally and globally. Governor Pataki was the first Northeast governor to join the coalition and it not only demonstrates his commitment to finding new ways to diversify our energy supplies and increase our use of ethanol and other renewable fuels, but also that New York is a national leader in the renewable energy arena.

We are excited that we will be working in the next year on the energy independence initiatives that the Governor touched on yesterday in the State-of-the-State address, especially in developing cellulosic ethanol, an effort being led by research institutions such as SUNY-ESF and Cornell. This year holds much promise in this area, and I expect we will see New York's first production of commercial-scale ethanol from corn, as well as our first pilot-scale production of ethanol from cellulose before 2006 is over. We could also see several biodiesel production facilities in New York by the end of the year.

Another highlight for us at the Department in 2005 was hosting the National Association of State Departments of Agriculture (NASDA) Annual Meeting in Cooperstown in

September. I hope that the event was memorable for many of you who attended as well. The secretaries, directors and commissioners of the State Departments of Agriculture along with executives from the nation's largest agribusinesses and USDA, attended this conference to discuss a variety of key and timely issues.

The conference offered us a unique opportunity to showcase New York's vibrant and innovative agriculture industry. Moving forward, we will continue to work through NASDA to develop national agricultural policy that takes the needs of New York and other Northeast states into account.

As discussions for development of the 2007 federal Farm Bill intensify in 2006, the Department will aggressively pursue equitable allocation of resources to New York, particularly for grants that advance innovative ideas and approaches by producers, state agencies, and educational institutions.

We will continue to advocate for policy and programs that support dairy price stability, increased resources for rural development and conservation programs, and support for research into renewable fuels derived from biomass. We will continue to access specialized grants, such as one received in 2003 for the innovative Farmland Viability Institute, led by

New York Farm Bureau President John Lincoln, and which received a boost in 2005 from significant State funding. We will also press for increased resources for states to address the unique agricultural needs in their states, such as the Specialty Crop grants program.

As we look forward to the challenges and opportunities for New York agriculture in 2006, I assure you that the entire staff of the Department of Agriculture and Markets will work as hard as ever to serve our constituents, to truly listen, and to advocate for the protection of our agricultural resources and support for the agricultural community.

But more than anything, it is you –our partners in progress – that will determine the future of New York agriculture. The relationships you continue to build with your neighbors, your involvement in government and organizations at the local level, and your ability to listen and interact with New Yorkers on the many issues impacting agriculture will advance the vitality and success of this industry in 2006.

You drive the necessity of progress in New York. As the Governor encouraged all of us yesterday – "Let's aim high," together, working as partners, there is no limit to what we can do.

Thank you.

