

SCHUYLER COUNTY, NEW YORK

**AGRICULTURAL
DEVELOPMENT
AND FARMLAND
PROTECTION PLAN**



1999

**Schuyler County Agricultural
and Farmland Protection Board**

**Shepstone Management Company
Cornell Cooperative Extension of Schuyler County**

Schuyler County, New York
Agricultural Development and Farmland Protection Plan

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1.0 Why Farming Is Important to Schuyler County

Farming is often viewed as just a starting point - something to grow out of or replace. Those who don't know better are, indeed, apt to see farming as a temporary use of land until growth and development brings something better along. Even some members of the farm community see it that way, perceiving growth and development as the end of the line for farming. The facts, though, suggest an entirely different picture. Consider the following:

1.1 Farming is big business to Schuyler County.

Farming in Schuyler County involves some 318 business locations, both large and small, generating sales of \$14,034,000 million in 1997, not including winery sales (which are classified under either manufacturing or retail, depending on the circumstances). The **average** value of land, buildings and equipment used in these businesses was \$244,532 for a total investment of approximately \$77,761,000, the equivalent of several major manufacturing facilities.¹

1.2 Income from agriculture goes further than other sectors in helping the economy.

Agriculture produces much higher economic multipliers than any other sector of the Schuyler County economy. A Bureau of Economic Analysis study specific to Schuyler County, in fact, indicates the direct effect multiplier for agricultural output is presently 1.63 which means that every dollar of farm sales generates \$1.63 in output for the Schuyler County economy as a whole. Moreover, lumber and wood products manufacturing, another facet of agriculture in the County, generates \$1.71 per dollar of sales. These are the two highest multipliers for the County and they compare to 1.25 for construction, 1.23 for hotel, amusement and recreation services, 1.33 for the next best manufacturing enterprise (which happens to be food related due to the number of wineries in the County) and 1.18 for retail trade.² Applying these various multipliers indicates farming alone represents a total contribution to the economy of approximately \$22,875,000. Lumber and wood products manufacturing generates another \$14,988,000 of impact and wineries produce

1 Source: U.S. Census of Agriculture, 1997. It should be noted, however, the New York Agricultural Statistics Service, a Division of the New York State Department of Agriculture and Markets, estimates the County actually had 350 farms as of 1995. The difference is attributable to the Department of Commerce not making allowances for incompleteness of its 5-year Census counts. Market value of land and buildings averaged \$202,907 in 1997 and machinery and equipment was valued at an average of \$41,625.

2 Source: Bureau of Economic Analysis, U.S. Department of Commerce, "Total Multipliers for Output, Earnings and Employment by Industry Aggregation - Schuyler County, New York." It is important to realize, also, that economic multipliers vary within sectors and dairy production, for example, which generates the bulk of Schuyler's farm earnings, generated a 2.29 income multiplier for New York State as a whole according to an article appearing in Policy Issues in Rural Land Use, Cornell Cooperative Extension, December, 1996.

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\$6,065,0000, bringing the total impact of agricultural-related industries on the County economy to \$43,928,000, not including tourism benefits. The Bureau calculates the County's service industries, which also included hunting and wine trail related activity, accounted for 24.5% of County earnings in 1997 or \$32,601,415. Applying an average service industry multiplier 1.20 to this figure suggest this sector accounted for a total impact of \$39,120,000 and agriculture, therefore, does very well by comparison.³

1.3 Farms lower taxes.

Farms are tax winners despite preferential assessments afforded by the Ag District Law. A 1995 study of adjacent Tompkins County found "agricultural .. uses should be recognized as beneficial because they do not demand a large amount of services and provide other benefits such as employment." The data, in fact, indicate agriculture typically requires only 15¢ to 40¢ of town and school expenditures for every \$1.00 in tax revenue it generates, whereas residential development costs \$1.09 to \$1.56 per \$1.00 of taxes gathered.⁴ This is consistent with results of a number of other similar studies done throughout the Northeast including 1992 and 1993 studies done for the Towns of Dix, Hector, Montour and Reading by the League of Women Voters.⁵ The latter studies, while somewhat older, indicated agricultural industries generated costs of only 28¢ to 32¢ for \$1.00 in tax revenue generated as compared to \$1.30 to \$1.80 in costs for residential properties.

While these studies have been criticized by some on the basis of their relatively simple methodologies, other more comprehensive analyses of rural communities suggest the additional costs attributable to local government for providing highway maintenance and other services connected with new single-family dwelling commercial can be expected to average 130% of total real property tax revenues generated as compared to 32% for various commercial uses. These numbers, which tend to verify the conclusions of the simpler New York State studies, are based on a detailed analysis of the public costs, revenues and net fiscal impacts of retail and restaurants facilities in Monroe County, Pennsylvania. The author of that study was Burchell-Listokin & Associates, Robert Burchell being the principle author the "The Costs of Sprawl," the pre-eminent reference publication in the United States on the subject of fiscal impacts.

3 Source: U.S. Economic Census, 1997. Sales reported in the Census were multiplied by the factors cited above for their respective sectors. Also, see Section 2.4 and Table 2.7 hereof for more information.

4 Source: Costs of Community Services Study, Tompkins County, Cornell Cooperative Extension of Tompkins County and Tompkins County Agricultural and Farmland Protection Plan, August, 1995.

5 Source: These include studies by American Farmland Trust, Cornell Cooperative Extension, and Commonwealth Research Group, Inc. of communities in Dutchess and Oneida Counties in New York and various other Connecticut and New England areas, including some previous studies conducted within Schuyler County.

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1.4 Farming is the antidote for urban sprawl.

Preserving farmland discourages expensive urban/sprawl, steering development instead toward hamlets and villages with existing infrastructure. “Gasoline taxes and other user fees only cover about 70% of the direct cash costs of building and maintaining the nation’s road system,” according to a recent article on sprawl and hook-up fees for sewer systems within areas of sprawl often cover less than half the real costs of those extensions.⁶ These differences are attributable to the high costs of servicing development spread out along highways and the deficits must be made up by all taxpayers.

1.5 Farming attracts tourists.

Farms and vineyards are essential to the tourism industry in the County. Visitors are attracted to the County not only by NASCAR events and Seneca Lake but also by the 23 wineries on the Seneca Lake Wine Trail, several local farm stands and orchards and the diverse landscapes and scenic drives which Schuyler County farms offer. The County’s burgeoning bed and breakfast industry is a natural outgrowth of the wine trail and there are many opportunities to further develop the industry along these themes. The **Schuyler County Connections** brochure, for example, talks about “lush vineyards” and uses a number of farm scenes and farm-based attractions to appeal to visitors to come and see the County’s glorious countryside.” Preserving that countryside is essential for the County if tourism is to grow.

1.6 Farms create rural character - a precious asset.

Farms preserve rural character and open space which are also essential to the quality of life for permanent residents. Any number of surveys of rural residents and second-home dwellers indicate the primary reasons people live in such areas have to do with their appreciation of the natural resources and open spaces offered, but the anecdotal evidence is perhaps even stronger and local real estate brochures provide examples. They include references not only to the County’s historic auto racing and natural sites but also its “the region’s thriving wine industry” and “rolling hills” created by work farm landscapes. There is a direct relationship between farming and the attractiveness of Schuyler County as a place to live.⁷

6 “Who Pays for Sprawl,” U.S. News and World Report, April 27, 1998.

7 See “Twin Tiers Homes,” Internet World Wide Web site.

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1.7 Farming attracts tourists.

Farms and forests provide self-sustaining landscapes which preserve and enhance environmental quality. This is particularly important to the Finger Lakes Region. A recent study of land use and water quality along 100 Wisconsin streams found that “watersheds with more than 20% of land in urban use had very poor biological diversity.”⁸ Likewise, use of New York City watershed lands in the West-of-Hudson region of New York State for largely farm and forestry uses have allowed Federal water drinking quality criteria for filtration avoidance to be met. The suburbanized Croton and other East-of-Hudson area watersheds, by contrast, cannot meet these same standards and demand extraordinarily expensive filtering processes to produce potable drinking water. Forest land, which is a part of nearly every farm, “may reduce sediment, nutrient and other pollutant loadings by as much as 85% by minimizing soil erosion and filtering watershed runoff.”⁹

1.8 Farms and forests support wildlife and sport hunting.

Farms support wildlife such as deer, turkeys and small-game and thereby sustain hunting as a source of tourism to the area. The 1997 white-tail deer harvest was, in fact, some 2,781 deer with the largest takes being in Hector, Orange and Tyrone respectively.¹⁰ Assuming an average expenditure of \$500 per deer harvested (a commonly used figure) this equates to a \$1,400,000 sport hunting economy. Additionally, Seneca Lake and Catherine Creek complement this by offering a fishing resource base.

1.9 Agricultural opportunities can actually increase with development.

The leading agricultural county in New York as of the 1997 Census of Agriculture, was Suffolk County on Long Island - home to 1.3 million people and one of the most highly developed suburban environments in the nation, proving not only that farming and urbanization can co-exist, but also that the demand for agricultural products increases with the latter and raises the value of farming as an economic enterprise.¹¹ Schuyler is starting to face some development pressures and farming will, for the same reasons, be ever more important to the County as it develops and grows in population. This is particularly true for the fruit and wine industry which depends so much on direct marketing.

8 Source: Land Works Connection, October, 198, American Farmland Trust.

9 Policy Recommendations for the Watersheds of New York City's Water Supply, Watershed Forest Ad Hoc Task Force, July 1996, p.8. Also, remarks by Watershed Agricultural Council Chairman Richard Coombe at "Promoting Partnerships" Conference, American Farmland Trust and others, Albany, New York, May 1998.

10 Source: New York State Department of Environmental Conservation.

11 Source: Cornell Cooperative Extension of Suffolk County.

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1.10 Farmland is a valuable economic resource for future generations.

Farmland is a valuable future resource for the County in providing for a healthy and plentiful local supply of food products and generating new sources of farm income. Many new residents of the County and of areas to the East (e.g. Ithaca), as well as visitors to the Finger Lakes Region, are seeking locally grown fresh fruits, vegetables and flowers, both organic and non-organic. The County is already capitalizing on these opportunities but continuing to do so requires the protection of high-quality farmland, so such enterprises might develop and flourish. They offer tremendous economic potential for the future and, once again, Suffolk County provides an illustration. Its agricultural economy has been reinvented several times with urbanization but today yields well over \$167,000,000 in annual sales and its lead as New York's most valuable agricultural producer is lengthening because of the shift to these higher valued products.¹²

1.11 Farming provides a year-round business base for a wide spectrum of Schuyler County enterprises.

Agriculture is much more than farming. A substantial number of non-agricultural businesses supply the needs of farmers. These include processors, vehicle and equipment dealers and other enterprises. Schuyler County farmers, for example, own and must maintain and replace 755 trucks, 1,395 tractors and numerous other pieces of farm equipment and machinery. They also purchase over \$992,000 of petroleum products, \$4,734,000 of feed, \$1,716,000 of hired farm labor and approximately \$12,008,000 of other products and services from Schuyler County and other nearby enterprises, many of which would not be considered farm supply businesses. For these businesses to survive and prosper, a core critical mass of farmers must be preserved and vice-versa. Otherwise, competitiveness cannot be maintained.¹³

12 Source: Cornell Cooperative Extension of Suffolk County and U.S. Census of Agriculture, 1997.

13 Source: 1997 U.S. Census of Agriculture.

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2.0 Inventory of Schuyler County Agricultural Industry

The following represents an overview and inventory of the agricultural industry sector of the Schuyler County, New York economy.

2.1 Natural Resources for Agriculture

The total area of Schuyler County is 331 square miles (approximately 212,000 acres). Elevation ranges from about 445 feet along Seneca Lake to 2,080 feet in the southwestern part of the County (Sugar Hill). The growing season, as a result, varies considerably. It generally ranges from 108 to 158 days with an average of approximately 133 days. Seneca Lake, however, moderates temperatures sufficiently along its borders to accommodate vineyards and other fruits. Precipitation averages about 34.4 inches per year.

County soils as a whole have been classified by the U.S.D.A. Natural Resources Conservation Service according to their capabilities for agricultural use. The 1979 Soil Survey of Schuyler County, New York indicates the fairly productive Valois-Howard-Chenango, Conesus-Appleton-Lansing and Schohare-Hudson-Rhinebeck soil associations represent some 70,000 acres or approximately 24% of the County land mass.

The Soil Survey also rates specific soils as to their suitability for growing hay and corn. A score of 100 represents the highest production potential. The system also works well for most other cultivated crops. Table 2.1 on the page following lists those soils with a rating of 75 or higher, indicating the most suitable soils in the County. These 26 soils account for about 50,000 acres or approximately 24% of the County. They are found along Seneca, Lamoka and Waneta Lakes as well as the major streams through the County. There are also significant amounts of these soils along the eastern border of the Town of Hector.

Generally, the County's soils must be rated as good although there are substantial areas of land with seasonal high water tables preventing their utilization for crops. Nevertheless, these same soils are often very good for growing grass either for hay or grazing. Many of the abandoned farmlands that exist throughout the County are, in fact, good candidates for rotational grazing or quality hay production programs. It must also be noted that the Soil Survey typically maps soils in units of 5 acres or more. Some small pockets of soils that can support specialty crops may exist within these. Additionally, the wide use of vinifera grafted on native root stock has made soils as difficult as Lordstown-Arnot (rated as "generally unsuitable for farming" in the Soil Survey) usable for vineyards where the climate permits the same. Overall, therefore, the County's soils provide a sound foundation for agriculture.

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Those soils listed below are prime candidate areas for a voluntary Purchase of Development Rights program should the County decide to develop one. Others that are suitable for vineyards and often enjoy the right climates include Aurora and Burdett soils. These, too, should be considered.

Table 2.1 - Most Productive Schuyler County Soils

<u>Name of Soil</u>	<u>Rating</u>	<u>Acres</u>	<u>% of County</u>
Chenango silt loam (0-3%)	100	211	0.10%
Howard gravelly loam (0-3%)	97	829	0.39%
Howard gravelly loam (3-8%)	97	3,367	1.59%
Lansing gravelly silt loam (3-8%)	97	1,881	0.89%
Dunkirk silt loam (3-8%)	95	329	0.16%
Valois gravelly silt loam (3-8%)	95	4,908	2.32%
Philo silt loam	94	866	0.41%
Conesus silt loam (0-3%)	91	358	0.17%
Conesus silt loam (3-8%)	91	5,832	2.75%
Castile gravelly loam	90	2,387	1.13%
Chenango gravelly silt loam (0-3%)	88	1,446	0.68%
Chenango gravelly silt loam (3-8%)	88	1,085	0.51%
Chenango gravelly silt, fan, loam (0-8%)	88	3,305	1.56%
Collamer silt loam (0-3%)	88	410	0.19%
Collamer silt loam (3-8%)	88	391	0.18%
Hudson gravelly silt loam (3-8%)	88	1,085	0.51%
Teel silt loam	88	1,407	0.66%
Valois gravelly silt loam (8-15%)	87	7,225	3.41%
Lansing gravelly silt loam (8-15%)	86	2,151	1.02%
Howard gravelly loam (8-15%)	83	2,055	0.97%
Appleton silt loam (0-3%)	82	2,041	0.96%
Appleton silt loam (3-8%)	82	2,580	1.22%
Bath channery silt loam (3-8%)	82	397	0.19%
Howard gravelly loam, rolling	82	1,656	0.78%
Bath channery silt loam (8-15%)	80	1,098	0.52%
Conesus silt loam (3-8%)	77	727	0.34%
Total (soils rated 75 or above)		50,027	23.62%

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2.2 Agricultural Land and Districts

Agriculture is found throughout Schuyler County with significant amounts of farmland in every town. Two Agricultural Districts have been created. A third is nearing completion and when done, most of the County's significant farmland will have been included in an Agricultural District. A description of each District follows:¹⁴

Agricultural District #1

The first Schuyler County Agricultural District was formed in 1995, some 23 years after the New York State Agricultural Districts Law was enacted. Support for the program was lacking for many years but the County Legislature has more recently encouraged the formation of districts as a means of assisting agricultural industries. District #1 includes 60 properties and 10,796 acres in the Towns of Hector and Montour (mostly the former). The area included in the District involve some of the same prime soils discussed above. The Hector area has had a historically strong and diverse agricultural industry. It has also experienced some development pressure from the Ithaca direction.

When this District was formed some 36 of the 60 landowners had agricultural sales of \$10,000 per year or more. The remaining 24 part-time farmers and residents included 8 landowners renting land to farmers, 7 livestock producers and 5 grape growers. Half of the farmers had made investments of \$10,000 or more in the preceding 7 years. There were also 7 different dairy farmers who invested over \$100,000 during that time.

There are farm markets within Hector and some farmers also take product to the very successful Ithaca Farmers' Market. There were, too, 4 wineries in the Town at the time the District was formed and this number has since grown. The Seneca Lake Wine Trail runs through the District.

There were an additional 7 to 10 commercial farms in the Town of Hector that did not enroll in the District when it was created. These included a few large dairy farms of 800 or more acres plus several smaller farms of 10 to 20 acres. Overall, District #1 includes 8,641 acres of farmland (the remainder is residential or vacant). This includes 1,053 acres of vineyards, 1,202 acres of dairy farm land, 1,460 acres of field crops and 4,473 acres of other productive land.

14 Source: Reports on Agricultural Districts prepared by Schuyler County Planning & Community Development Office.

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Agricultural District #2

The second Schuyler County Agricultural District was officially formed in April 1999. It includes a total of 41,258 acres in the Towns of Dix, Orange, Reading and Tyrone. While District #1 included only properties petitioned for inclusion by landowners, District #2 involves additional land. It is in that sense a more logical District because it includes large blocks of viable agricultural land rather than scattered parcels. There are, in fact, approximately 60 farms within the District. These include sheep, beef, goat, horse, chicken and various exotic animal operations. There are vineyards, tree fruit and berry growers, Christmas tree growers, Maple syrup producers and organic farmers.

Surveys of farmers within the District indicate about two-thirds generate \$10,000 or more per year in sales and 10% sell over \$100,000 of product per year. Roughly one-third are livestock producers, one-fourth each are dairy or crop farmers and the remainder represent other miscellaneous livestock producers. Approximately three-quarters of those surveyed when District #2 was formed had invested over \$10,000 in their operations and 10% had invested over \$100,000.

Approximately, 47% of the area included in the District is classified as being in active agriculture, 36% is residential, 15% is vacant and 2% is in other uses. County analysis of the data, however, indicates much of the residentially classified land includes agricultural production. Likewise, the vacant land is typically unused agricultural land.

Agricultural District #3

The third Schuyler County Agricultural District is in the process of being formed. It includes 17,000 acres in the Towns of Catherine, Cayuta and Montour. The area is occupied by several dairy farms and other livestock operations. It is anticipated that District #3 will be formally approved by June 2000.

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2.3 Land Use and Development Trends

Schuyler County has experienced slow but steady growth over several decades resulting in limited development pressures on certain parts of the County. These are accounted for by proximity to the Ithaca area and the County's lakes. There was, as a result, a significant loss of farmland within the County, about 4.79 acres per day between 1982 and 1992. Nonetheless, the real estate recession of the 1990's clearly slowed conversions and farmland losses between 1992 and 1997 took place at a much reduced rate of approximately 0.02 acres per day.¹⁵

Growth patterns within the County are revealed in Tables 2.3 and 2.4, which indicate that Hector, Orange and Tyrone are the fastest-growing. Hector and Tyrone also have high numbers of second homes.

Table 2.3 - Population Growth, 1980-1990

Town/Village¹⁶	1980 Population	1990 Estimate	80-90 Change	% Change
Catherine	1,403	1,390	-13	-0.9%
Cayuta	566	599	33	5.8%
Dix	2,036	2,146	110	5.4%
Hector	3,383	4,051	668	19.7%
Montour	826	765	-61	-7.4%
Orange	1,358	1,561	203	14.9%
Reading	1,381	1,423	42	3.0%
Tyrone	1,479	1,620	141	9.5%
Sub-total (Towns)	12,432	13,555	1,123	9.0%
Burdett	410	372	-38	-9.3%
Montoursville	1,791	1,845	54	3.0%
Odessa	613	683	70	11.4%
Watkins Glen	2,440	2,207	-233	-9.5%
Sub-total (Villages)	5,254	5,107	-147	-2.8%
Schuyler County	17,686	18,662	976	5.5%

¹⁵ Source: U.S Census of Agriculture

¹⁶ Town data includes Village portions.

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The growth among the communities is generally coming west from Ithaca and northeast from the Elmira-Corning area. It is also focused on lakeside and lake view areas. Farmland conversion pressure, therefore, has been limited to selected areas and the general loss of farmland can probably be attributed more to other factors such as low profitability.

Table 2.4 - Housing Trends by Town, 1980-1993

<u>Town</u> ¹⁷	<u>1980 Housing Units</u>	<u>1990 Housing Units</u>	<u>80-90 Change</u>	<u>% 80-90 Change</u>	<u>90-93 New Homes</u> ¹⁸	<u>90-93 % Change</u>	<u>1990 Second Homes</u>	<u>1990 % Homes</u> ¹⁹
Catherine	762	809	47	6.2%	32	4.0%	80	9.9%
Cayuta	207	213	6	2.9%	26	12.2%	4	1.9%
Dix	1,641	1,750	109	6.6%	65	3.7%	15	0.9%
Hector	1,637	2,071	434	26.5%	213	10.3%	365	17.6%
Montour	991	1,043	52	5.2%	23	2.2%	9	0.9%
Orange	456	548	92	20.2%	46	8.4%	72	13.1%
Reading	764	803	39	5.1%	52	6.5%	102	12.7%
Tyrone	1,102	1,235	133	12.1%	64	5.2%	574	46.5%
Schuyler	7,560	8,472	912	12.1%	521	6.1%	1,221	14.4%

There is, quite clearly, some conversion of second homes to first homes - a common occurrence in vacation areas that always tends to greatly influence local growth trends. In this case the impacts are fairly localized but the largest communities and the ones with most second homes are also growing the fastest. These are Hector, Orange and Tyrone. Reading may also be starting to grow faster from similar influences. These are the areas where pressure on farmland can be expected to be greatest.

17 Data was only readily available on a town-wide basis.

18 As counted by Schuyler County Emergency Management Agency.

19 Includes units identified as vacant for seasonal or recreational use in the 1990 Census.

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2.4 The Economics of Schuyler County Agriculture

Some 65,281 acres of Schuyler County is farmed, some 31% of the total land mass. About 16,800 acres or 26% of this land is wooded, in addition to approximately 118,800 acres of other forested land, meaning that fully 87% of Schuyler County is in farm or forest use and accounts for its character. There were 205 farms generating sales of at least \$2,500 in 1997 and 130 of these produced \$10,000 or more of product. Altogether, these farms produced some \$14,034,000 in sales in 1997, of which \$10,548,000 or 76% was livestock-related. These various products accounted for 455 full or part-time jobs (including 162 owner-operators primarily occupied with farming). This is the agricultural economic base of Schuyler County and it is fairly diverse with a very strong dairy sector composed of both small and large size farms.²⁰ The following chart and Table 2.5 provide further data.

Table 2.5 - Market Value of Schuyler County Agricultural Products, 1997

<u>Agricultural Products</u>	<u>1997 Cash Receipts</u>	<u>% of Category</u>	<u>% of Total</u>	<u>No. of Farms</u>
Fruits	\$1,492,000	42.8%	10.6%	41
Nursery & greenhouse crops	753,000	21.6%	5.4%	30
Hay, silage & field crops	646,000	18.5%	4.6%	108
Other crops	596,000	17.1%	4.2%	61
Total Crops =	\$3,487,000	100.0%	24.8%	188*
Dairy products**	7,995,000	75.8%	57.0%	51
Cattle & calves	1,358,000	12.9%	9.7%	141
Other livestock	1,195,000	11.3%	8.5%	65
Total Livestock =	\$10,548,000	100.0%	75.2%	181*
Total Agricultural =	\$14,034,000	100.0%	100.0%	318*

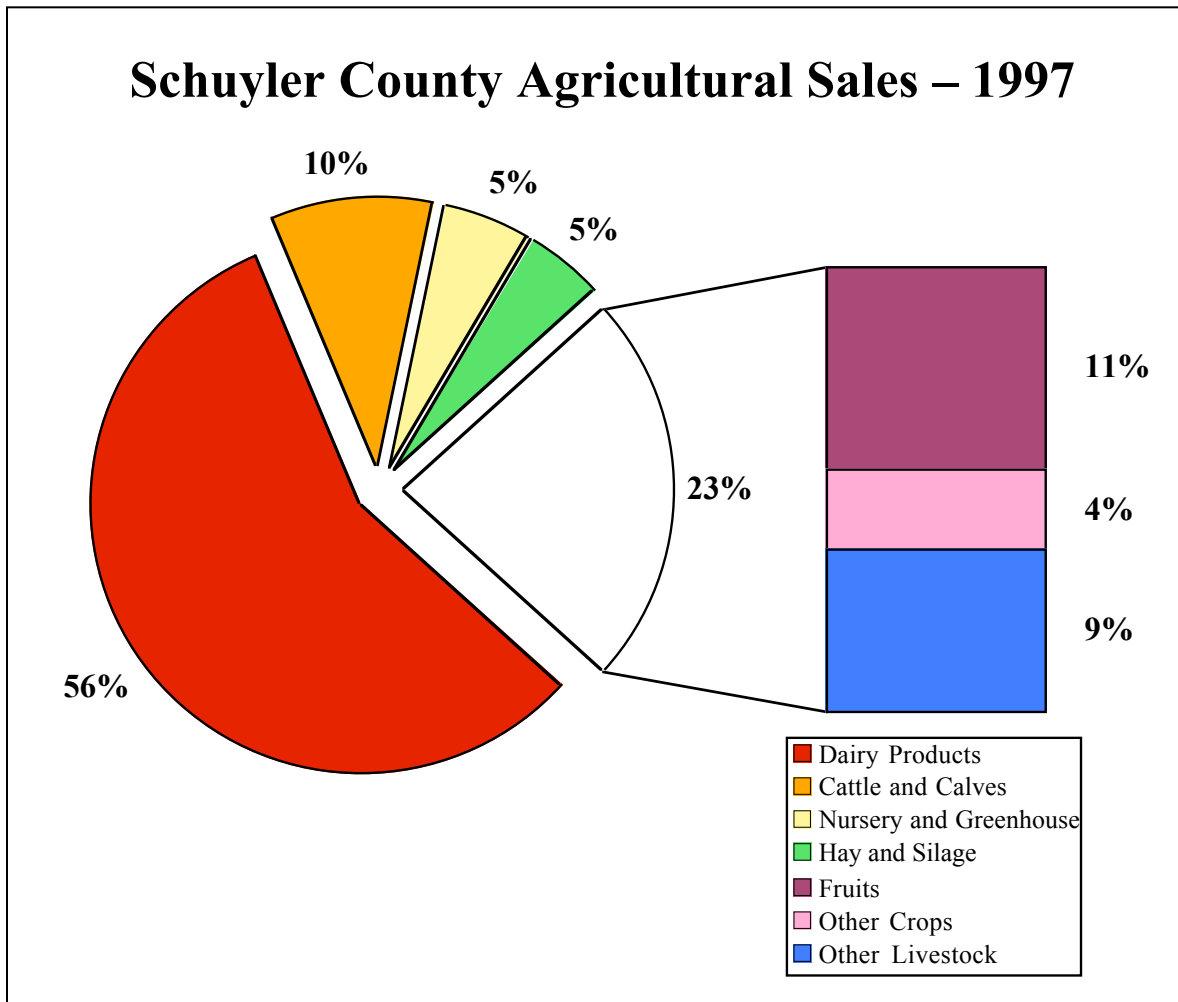
* Because multiple products are often produced from the same farm, numbers of farms overlap and cannot be directly totaled.

** Farms with milk cows totaled 59 in 1997 but only 51 are recorded as selling dairy products.

²⁰ Source: 1997 U.S. Census of Agriculture. It must be noted that New York State Agricultural Statistics Service surveys indicate somewhat higher numbers in certain instances (e.g. 380 total farms versus the 318 counted in the Census). This is attributable to the fact the State does more frequent data analysis and more follow-up. Nevertheless, Census numbers are more complete overall and, therefore, more suitable for planning purposes. Totals may not agree due to rounding.

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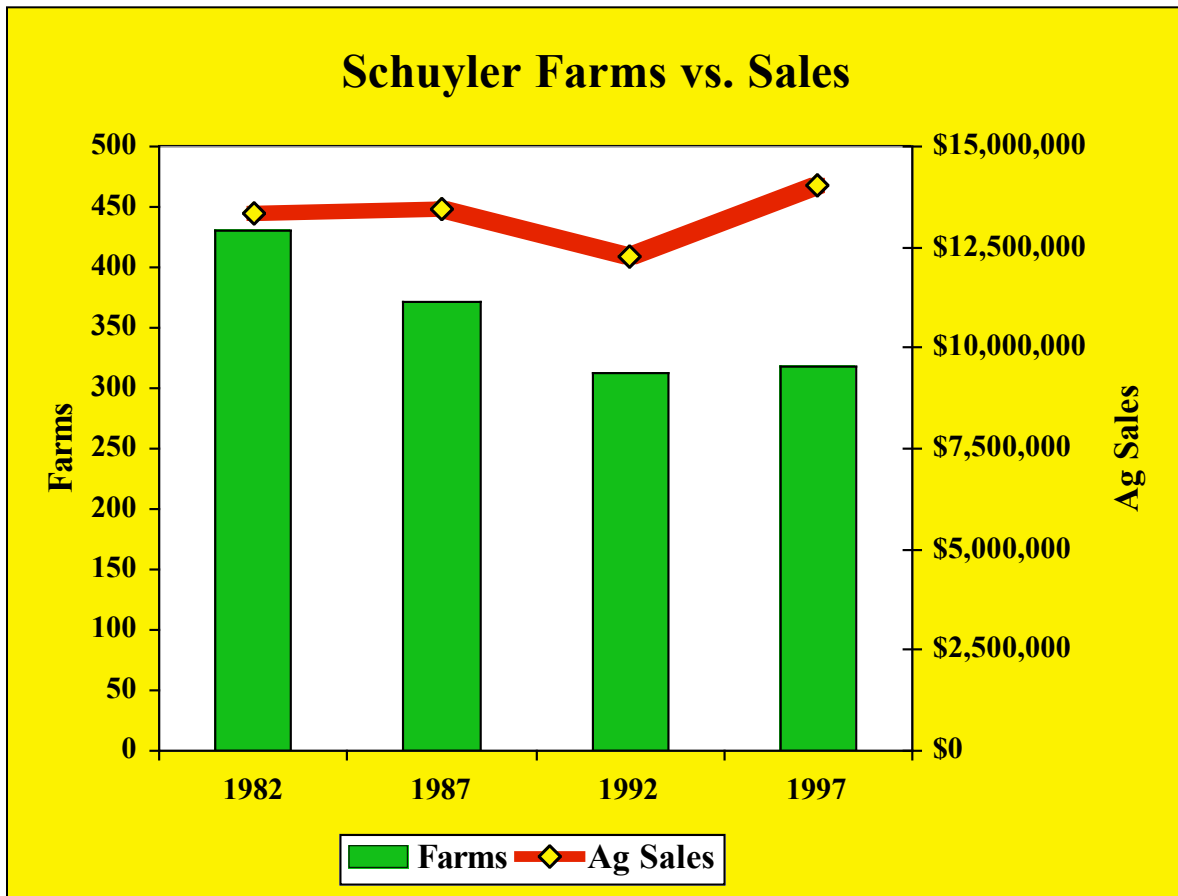
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The three charts following illustrate additional trends with respect to sales of dairy and other agricultural products. Sales of agricultural product increased by 5% between 1982 and 1997 (before adjustment for inflation), dairy gained 27%, cattle and calves picked up 31% and nursery and greenhouse crops grew by an astounding 233%. However, there was a 34% decline in fruit sales and 16% drop in hay and silage sales. The fruit decline is attributable to a loss of orchards and movement of grape supplies into wine rather than juice, the former not counting as agricultural sales. These are positive numbers and illustrate the resiliency of agriculture as an industry when change is welcomed and used as an opportunity.

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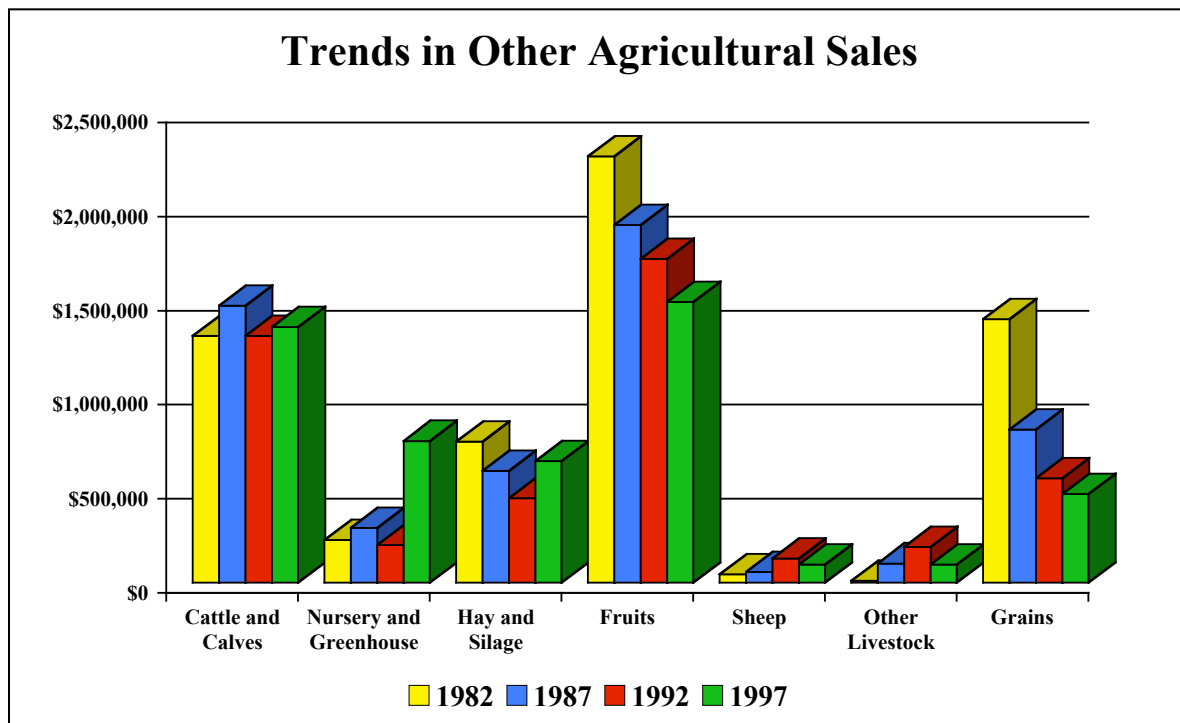
Overall, Schuyler County agriculture has fared well and, as stated above, the numbers above do not account for several positive changes in the wine and grape industry. This is because winery sales are not counted by Federal agencies as agriculture but, rather, as food manufacturing. New York State, however, is the second largest producer of wines in the U.S. with 125 wineries in 1999. Most of these (106) have been established since 1976 when the Farm Winery Act was passed. Moreover, 21 are found on the Seneca Lake Wine Trail and 9 of these are located in Schuyler County. These farm wineries produce fewer than 150,000 gallons each but are growing and expanding at a steady rate with the success of the wine trails throughout the Finger Lakes. Less than half grow their own grapes, relying instead upon local growers who owned 6,267 acres in Schuyler County in 1997.

Wineries along the Seneca Lake Wine Trail produced 401,000 gallons of wine in 1997 and had capacity to produce a total of 633,000 gallons. Capacity in 1985 was only 232,000 gallons and production was only 100,000 gallons. Capacity has tripled and production has

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quadrupled in 15 years. Grapes used were 44% French American, 42% Vitis Vinifera and 14% Native American varieties in 1997. This diversity has helped to stabilize the industry and allowed it to continue to grow by using additional soils. The New York Wine and Grape Foundation, source of the above data, also indicates the Seneca Lake Wine Trail attracted an estimated 658,000 visitors in 1997, over the one-third of the New York State total for wine trails and wineries, and this was up from a mere 56,000 visitors in 1985, only 12 years earlier. Clearly, this element of the agricultural sector has been a bright success story for Schuyler County. Assuming a minimum of \$30 per gallon, the Seneca Lake Wine Trail represented over \$12,000,000 in sales in 1997 and, with 8 out of 21 of those wineries being from Schuyler County in that year, this added an estimated \$4,560,000 to the impact on the County economy, not including multiplier effects or tourism benefits.



The agricultural economy, overall, has been in transition and given some shifts to cash crops such as u-pick fruits and berries, one can assume some sales are probably being under-reported. Also, agricultural industries in the Northeast as a whole have faced particularly difficult times over the last 15 years with radical price changes in the milk industry. Some smaller farmers have, as a result, gone out of business. Others have expanded and some have specialized, for example, by raising cattle. Sales of cattle and calves have substantially increased (31% since 1992) and similar patterns can be expected in other areas.

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County agricultural sales are ranked as follows among New York's 61 counties: ²¹

Table 2.6 - Schuyler County Agriculture By State Rank, 1997

<u>Agricultural Products</u>	<u>Rank</u>
Hogs and pigs sold	6
Sheep and lambs sold	12
Layers, pullets and chicks sold	14
Fruit, nut and berry sales	18
Duck, geese & other poultry sold	38
Dairy product sales	41
Livestock and poultry (all)	42
Cattle and Calves sold	44
Hay, silage and seed sales	45
Crops (including nursery and vegetables)	45
All agriculture	46

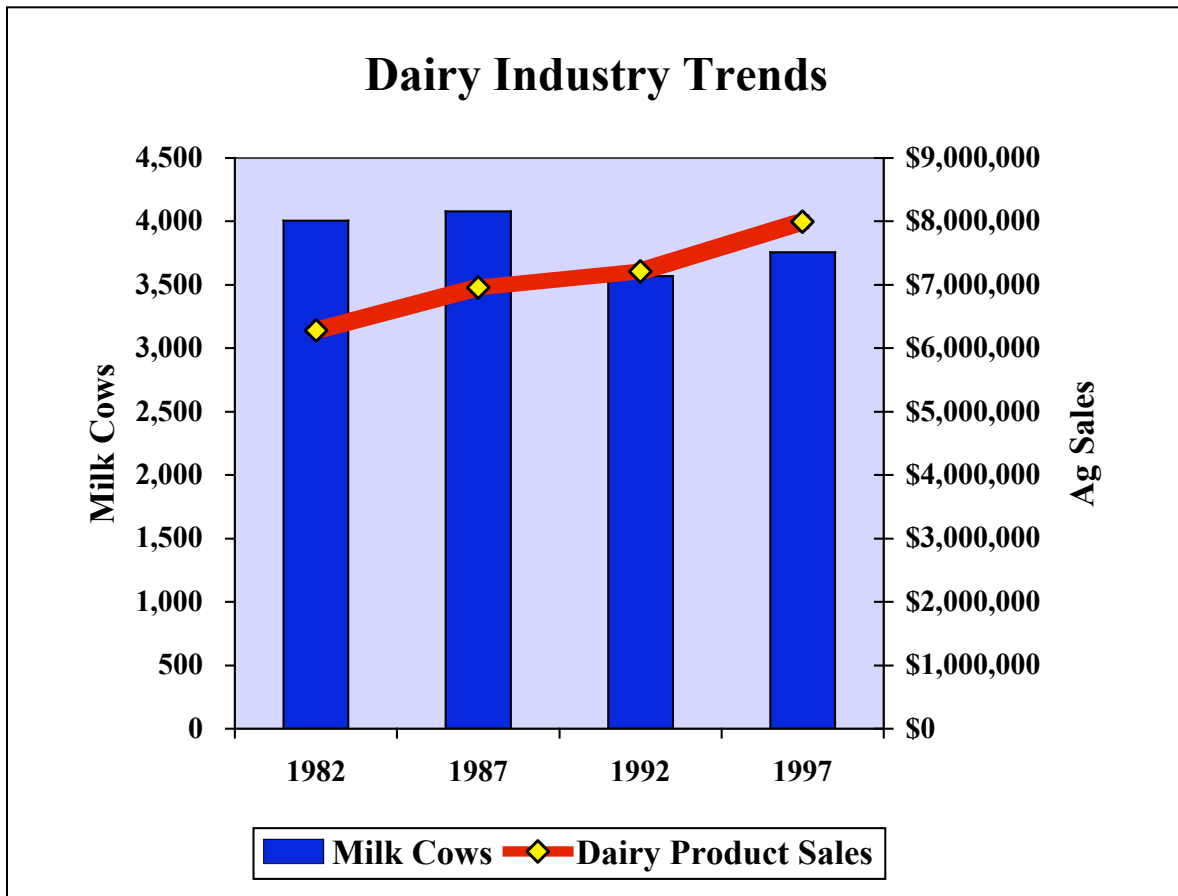
New York is one of the top states in the nation in milk production and, therefore, Schuyler still does well in that regard, though several counties within the State do better. The County is, in fact, ranked 454th out of 2,563 counties in the U.S. producing dairy products. (It is also ranked 258th in fruit, nut and berry sales and 644th in sheep and lamb sales.) Sales of dairy products in the County have, as the chart below demonstrates, grown while cow numbers have declined. ²² This reveals the substantial consolidation in the dairy industry. Additionally, low milk prices throughout the early 1990's (a trend temporarily reversed in 1998 with some very high pricing) may have distorted the sales trends.

21 Source: 1997 U.S. Census of Agriculture.

22 Dairy farms dropped from 79 in 1982 to 51 in 1997, while cows declined from 4,004 to 3,756 over the same period.

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One must also consider the substantial multiplier effects connected with farm sales when evaluating the size and nature of an agricultural economy. Farmers typically purchase most of their goods and services from within a 20-25 mile range of the farm, while their product is marketed outside the region. This export of product and import of dollars puts them on the high side of multiplier scales according to a Cornell University study.²³ That Cornell research, conducted for 1991, indicates the following range of multipliers, by sector of the New York State economy, for both total income and full-time equivalent jobs:

²³ Department of Agricultural, Resource and Managerial Economics, Policy Issues in Rural Land Use, December, 1996, "Economic Multipliers and the New York State Economy."

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Table 2.7 - Economic Multipliers by Sector, New York State, 1991

	<u>Total Income</u>	<u>Employment (FTE's)</u>
<u>Production Agriculture Industries</u>		
Dairy	2.29	1.52
Crops	2.28	1.51
Nursery and wood products	1.78	1.39
Poultry and livestock	1.64	1.37
<u>Agricultural Manufacturing Industries</u>		
Dairy processing	2.61	3.53
Grain processing	2.16	2.58
Fruits and vegetables processing	1.67	2.09
Meat processing	1.65	1.99
<u>Other Economic Sectors</u>		
Construction	1.66	1.57
Services	1.48	1.39
Manufacturing (non-food)	1.41	1.62
Retail and wholesale trade	1.40	1.30
Finance, insurance and real estate	1.19	1.54

Additionally, the U.S. Department of Commerce Bureau of Economic Analysis has developed a Regional Industrial Multiplier System (RIMS) that generates output, earnings and employment multipliers specific to counties. These multipliers tend to be quite conservative. Nonetheless, the relative advantage of agricultural industries remains. Also, RIMS data is available for categories such as lumber and wood products that Cornell does not address. The output multipliers for Schuyler County are 1.63 for agriculture and forestry in general, 1.71 for lumber and wood products manufacturing and 1.33 for food products manufacturing.

The data suggests agriculture, forestry and wineries are responsible altogether for as much as \$43,928,000 of the Schuyler County economy. Table 2.8 following provides the basis of this calculation:

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**Table 2.8 - Economic Impacts of Schuyler County's
Agriculture, Forestry and Wine Industries, 1997**

<u>Industry Category</u>	<u>Estimated Sales</u>	<u>Economic Multiplier</u>	<u>Total Impact</u>
Agriculture	\$14,034,000	1.63	\$22,875,000
Lumber and wood products ²⁴	8,765,000	1.71	14,988,000
Wine production	4,570,000	1.33	6,065,000
Totals	\$27,369,000	1.61	\$43,928,000

Agriculture accounts for as many as 689 jobs not including lumber and wood products or wineries that add a minimum of another 200 jobs. These are found not only on farms, but also at accountant offices, feed mills, dairy processing facilities, farm stores, automobile and truck dealers, truckers, veterinarians and the like.²⁵ Schuyler County farmers, for example, own and must maintain and replace 260 trucks, 318 tractors and numerous other pieces of farm equipment and machinery.

They also purchase over \$619,000 of petroleum products, \$2,923,000 of feed, \$1,000,000 of hired farm labor and approximately \$6,829,000 of other products and services from Schuyler County and other nearby enterprises, many of which would not be considered farm supply businesses. Likewise, various out-of-County businesses serving the regional agricultural community depend on Schuyler County farm trade including, for example, slaughterhouses, feed manufacturers and equipment dealers. For these various suppliers to survive and prosper, a core critical mass of farmers must be preserved and vice-versa. Otherwise, competitiveness cannot be maintained.²⁶

Cornell University also prepares a "Dairy Farm Business Summary" of financial data from participating farms. The 1998 Summary for the Western and Central Plateau Region, that includes Schuyler County, breaks down average accrued income and expenses for 60 dairy

24 Based on estimated cash receipts times 1.78 multiplier for wood products (see Table 2.7 above). This compares favorably with the 1.71 multiplier for lumber industry earnings as a whole in Schuyler County as estimated by the Economic Research Service (see Section 2.7 hereof).

25 Multiply 455 jobs times by an employment multiplier of 1.515 for dairy/crop agricultural production. The 1997 Ag Census indicated there were 293 hired employees and 162 operators principally employed in farming.

26 Source: 1997 U.S. Census of Agriculture.

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enterprises. This information is included in Table 2.9 following.²⁷ It illustrates the wide range of contributions each farm makes to rural economic activity.

**Table 2.9 - Western and Central Plateau Region
Dairy Farm Income and Expenses, 1998**

<u>Average Income</u>	
Milk sales	\$359,549
Cattle, cal & other livestock sales	18,523
Crop sales	8,625
Governmental receipts	5,254
Other revenues	<u>5,212</u>
Total Income	\$397,165
<u>Average Expenses</u>	
Hired labor	\$41,770
Feed	94,770
Machinery (including repairs & depreciation)	54,548
Livestock (including expansion)	4,566
Breeding, veterinary and medicine	13,448
Milking supplies	8,988
Other livestock expense	11,863
Milk marketing	10,463
Fertilizer and lime	7,758
Seeds, plants and other crop expense	11,390
Buildings/fence (repairs and depreciation)	18,295
Property lease expense	8,128
Insurance	5,327
Utilities (farm share)	9,717
Interest	20,642
Taxes	7,704
Miscellaneous	<u>5,182</u>
Total Expenses	\$334,490
Net Farm Income	\$62,675

The average dairy surveyed ended the year with assets of \$814,311 and an average farm net worth, not including non-farm assets and liabilities, of \$528,983, reflecting the larger sized farms that predominate in the County and throughout Western New York. Dairy farms,

²⁷ The survey included 4 dairies from Schuyler County.

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therefore, are very significant economic development sites as compared with other manufacturing or service enterprises.

The 51 milk producers represent major investments in Schuyler County, as much as \$41,530,000 based on the average, although it must be noted that 1998 was unusually good for dairy farmers with record high milk prices during a large part of the year. Also, a number of Schuyler's dairies are smaller than the average or the region. Nevertheless, these figures are probably representative of those farmers likely to remain in dairying.

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2.5 Relationship to Other Planning

Although Schuyler County has not formally adopted a county comprehensive plan or economic development strategy, these are both in preparation and this Plan is integral to them. There have also been some other planning efforts with impacts upon regional agriculture. Some of the most important are reviewed below:

Southern Tier Central Agri-business Retention and Expansion Project

The Southern Tier Central Regional Planning and Development Board initiated a project in 1996 to “identify and analyze economic development issues critical to the agricultural sector of Chemung, Schuyler and Steuben Counties” with a focus on business retention and expansion. It included surveys of both agricultural producers and agri-businesses. A broadly-based advisory committee provided oversight. Recommendations included the following:

- Supporting establishment and renewal of Agricultural Districts.
- Providing information and peer support for non-traditional agriculture.
- Coordinating efforts to reduce electrical rates for producers and agri-businesses.
- Training producers in marketing and adding value to farm products.
- Providing technical assistance in business planning to producers.
- Establishing retention of agri-businesses as a regional priority.
- Providing further property tax relief for both producers and agri-businesses.
- Linking agri-business retention efforts to those for other businesses.
- Identifying and support the expansion of agri-business clusters.
- Providing financial incentives for agri-business start-ups and expansions.
- Assisting agri-businesses in diversifying product lines.
- Linking with other regional and national efforts to improve commodity prices.

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Southern Tier Central (STC) also administers Appalachian Regional Commission and Economic Development Administration programs within the three-county including Schuyler. These provide grants-in-aid for various development purposes. STC has used these and other sources of financing to establish several revolving loan programs available to agri-businesses and others. These include the low interest loans provided through the affiliated Regional Economic Development and Energy (REDEC) and REDEC Relending Corporations.

STC also serves as the regional economic development agency. It prepared a report in 1993 called Economic Development Overview and Strategy Considerations for Schuyler County. This study indicated there was strong inter-county linkages between Steuben and Schuyler Counties insofar as the dairy and industries. It also documented the importance of the forestry sector to the economy.

Schuyler County Economic Development (SCOPED)

SCOPED, Inc. is the County's economic development agency and it works with STC and others to promote economic development initiatives within the area. It has been quite active in promoting revolving loan programs, attracting new industry and supporting existing industry. Agriculture is a major focus of the agency and it recently received a grant to establish a Venture Development Center. A focus of this Center will be to stimulate the development of new agricultural ventures and added-value initiatives in particular.

It will also address the need for an upgraded or new farmers market in the County. SCOPED is, finally, playing a leadership role (together with Cornell Cooperative Extension) in the development of an economic development strategy and Comprehensive Plan for the County. It acts as staff to the County Industrial Development Agency and has supported the establishment of a targeted tax-abatement program for agri-businesses. SCOPED will be a vital part of the effort to implement the recommendations of this Plan.

Sullivan Trail Resource Conservation & Development (RC&D) Council

The Sullivan Trail RC&D Council was formed in 1973 to encourage rural economic development in the Counties of Chemung, Ontario, Schuyler, Seneca, Steuben and Yates. It has secured numerous grants through USDA and others to address flood protection, agri-tourism, erosion control, rotational grazing and wood products issues among others. It has developed impressive brochures and Internet sites promoting the region's farm markets wood products and tourism potential. It has funded training of producers in the utilization of intensive rotational grazing to lower the costs of farm inputs and helped to pilot the use of wood in the construction of highway bridges.

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Still other programs have addressed the need for assistance with farm nutrient management and on these it has worked cooperatively with local Soil and Water Conservation Districts and the Natural Resources Conservation Service. It developed, too, a professional marketing piece aimed at consumers and promoting various farm markets and agri-tourism attractions in selected Counties. Unfortunately, not enough Schuyler enterprises have participated to date to make it feasible to include the County in that particular program.

Finger Lakes National Forest

The Finger Lakes National Forest is a 16,000 acre property that includes 4,500 acres used for a grazing program between May and October of each year. This is done in cooperation with the Hector Grazing Association, a private organization of dairy and beef producers that rents the land for this purpose under a Federal permit. Approximately 1,600 animals are grazed and the Forest Land and Resource Management Plan calls for this practice to continue. Indeed, the managers are proud to note this is the second-largest grazing program in the Northeast United States and they would like to increase it.

The Forest also does occasional timber sales, requiring low-grade products such as firewood to be removed at the same time. It includes, as well, several trails (including the Finger Lakes Trail) that serve as valuable recreational resources for tourism to the area.

Seneca Lake Area Partners in Five Counties (SLAP-5) Program

This is an Agricultural Environmental Management (AEM) program covering Chemung, Ontario, Schuyler, Seneca and Yates Counties. AEM uses a five-tiered approach to help farmers develop effective and profitable environmental farm plans. The emphasis of the program is on assessing environmental problems associated with farming operations, implement environmental practices to correct these problems and otherwise helping farmers comply with State and Federal environmental regulations.

The Natural Resource Conservation Service, Soil and Water Conservation District, Cornell Cooperative Extension and the Farm Services Agency are all involved in the program as a partnership effort. Nutrient management is a primary concern and SLAP-5 is organized around the protection of Seneca Lake. Other issues include pasture management, pathogens, pesticides, petroleum product storage and water source evaluation.

Local Comprehensive Planning

Local land use planning can be of great impact on agriculture, for example when towns require residential lots sized so large (e.g. 3 acres) that any new development is bound to consume excess agricultural land. Towns can also have positive impacts, however, by including impacts on agriculture as part of their site plan review criteria. Overall, land use

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planning within Schuyler County has tended to operate at a very fundamental level and might well benefit from more innovative strategies such as conservation subdivisions designed to preserve high-value farm land. It is also apparent that many planning Board members could benefit from education regarding the Agricultural District Law, Agricultural Data Statements and farm issues in general.

Tompkins County Agricultural and Farmland Protection Plan

Schuyler County shares many features with its neighbor, Tompkins County (e.g., large numbers of small income farms), and the latter has already assembled an Agricultural and Farmland Protection Plan. That plan potentially impacts on Schuyler in several ways. Its three broad goals include; 1) strengthening the viability of farm businesses, 2) increasing agricultural awareness, and 3) providing a supportive environment for the continuation of farming. All of these goals are, obviously, as appropriate for Schuyler as for Tompkins. Also, Tompkin's Plan recommends the following strategies:

- Improving access to finance and credit sources for agricultural enterprises.
- Building closer supply links between local food producers, area consumers and institutions.
- Developing and supporting production and market access for woodland products from farms.
- Establishing farm income generating activities by linking tourists, attractions and agricultural attractions in innovative ways.
- Exploring additional opportunities for economic development of farm enterprises.
- Sponsoring a Tompkins County Farm/City Day event to educate the non-farm community through visitation to a commercial farm and extensive publicity.
- Promoting a farmer/non-farmer exchange day to generate publicity and knowledge of farming through the media.
- Providing additional financing and promotional support for existing "Ag in the Classroom" programs.
- Educating municipal governing boards, planning boards and the general public on the Agricultural Districts Law.

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- Actively seeking a County policy and practice of assessing farmland at its current use.
- Acting as an advocate for farmers and farmland owners in land use planning and regulation discussions and decisions.

These strategies are clearly compatible with those recommended herein and the two Counties should pursue opportunities to work together in addressing them wherever possible.

Worker Ownership Resource Center

This program, headquartered in Geneva, uses grant funding from a variety of sources to provide business training and small (up to \$5,000) loans for low and moderate income women, minorities and disabled individuals seeking to start small businesses. The group serves Schuyler County and has promoted the community kitchen concept and the establishment of small food processing operations in the region.

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2.6 Agricultural Innovations and Trends

The single greatest challenge facing agriculture today is low profitability. Finding the right niche market in which to make a decent living is every farmer's battle. Some have chosen to leave the farm for other opportunities but recent innovations and trends offer hope for keeping them on the land. These include the following:

- New generation farm cooperatives are being formed across the country to market agricultural products and purchase supplies. These are taking shape around the original concept of cooperatives, which was to serve the narrow but compelling interests of small groups of producers united by specialized needs. Many of the larger cooperatives have failed in this regard by serving too many interests. Producer cooperatives of this sort can secure growing contracts in advance, advertise and promote using a collective theme and, by operating from a narrow scope, focus their efforts on highly profitable lines of business.
- Small-scale agriculture and farm diversification is also regaining favor in some quarters as farmers realize the opportunities to earn higher margins off small crops and enterprises. Specialization can increase profits and is the answer for many farmers but when it is used solely for the purpose of increasing production without corresponding management to lower the costs of inputs, the market can quickly become flooded with too much product. Only price supports and farm consolidations have allowed farmers to earn reasonable incomes under such conditions and they are now ever more subject to the whims of governmental policies and market prices on a relatively few products. Dependence on the market price of a single commodity can lead to financial ruin but diversity can help to spread the risk and allow a farmer to address niche opportunities. Indeed, specialization can work in synchronization with diversification (e.g. a beef stocker who also raises vegetables).
- Adding value to farm and forest products before they leave the County is also a method increasingly being used by farmers and others to increase profitability. There are, for example, various international and other firms marketing on-farm equipment which, for investments of \$95,000 to \$100,000, can put a dairy farmer in the business of producing yogurt, ice cream, butter and other added value products. With proper marketing and exploitation of access to the nearby urban markets, this could offer dairy and goat farmers a means of becoming "price-makers" rather than "price-takers." New York State's farm tax breaks and the proposed Schuyler County Industrial Development Authority Tax Abatement Program (see Recommendations) could be used to further enhance these opportunities.²⁸

²⁸ The IDA has not yet agreed to this program.

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- A corollary to the above trends is more and more emphasis on direct marketing of farm products. Farm stands have gained in popularity and add to the tourist charm of an area. The various Ithaca Farmers Market provides an excellent example of how to do this. Such a market locally could become an ever more important tourist attraction through linkages to other tourist attractions, thereby providing opportunities for local farmers to earn extra income. Some Schuyler farmers already depend on direct marketing for much of their income. Some Schuyler farmers already depend on direct marketing for much of their income by selling farm products to the New York City markets and over the Internet.
- Green-labeling of farm products is another trend which is of particular importance to Schuyler County because it sits on the outside edge of the largest environmentally conscious market in the work - the New York City metropolitan area. The County is also poised, of course, to tap the much nearer Rochester market. Green-labeling in this context can take many forms. It can include organic products, fresh produce, pastured poultry, natural beef or firewood taken from forests managed under environmentally friendly conditions.

There are examples and/or opportunities for each of these in Schuyler County. One of the challenges, of course, is to avoid diluting the value of the green-label by employment of lax standards, balancing this concern against setting standards so high that small farmers cannot participate. The organic food industry faces such a challenge at the moment with too many farmers claiming to be organic who are really not. Nonetheless, proposed Federal standards threaten to worsen the problem by setting unrealistic standards, rather than remedying it as was hoped.

A similar problem existed with New York State's Seal of Quality program. It's new "Pride of New York" program, however, appears much more workable and is now being used by some 180 producers across the State. Unfortunately, only one of these is from Schuyler County - the Spruce Run Tree Farm, which grows Christmas trees.

A good example of very specific green-labeling is the Chesapeake Milk program now being launched by Penn State University, EPA, the Chesapeake Bay Foundation and others. It will label milk, produced under water quality programs designed to protect the Bay, with an environmental certification and then add a 5¢ per half-gallon premium onto the price. The premium will be returned to participating farmers as a profit share and for use in covering the costs of environmental improvements.

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2.7 The Forestry Sector

Trees are one of Schuyler County's most important agricultural crops. Still, their value is often underrated because the crop rotation period is so long and the economic returns not as frequent or obvious as they are with other agricultural industries. Some 123,900 acres or 59% of Schuyler County is forested and 118,600 acres of this is considered timberland. Sawtimber represents 59,400 acres with the remainder consisting of seedlings, saplings and pole timber.²⁹

A total of 68% of the timberland is owned by farmers or other private entities. It is a valuable income-producing asset for many landowners in the County. The State and Federal governments also own 37,300 acres that serve to support the County's tourism industry, among other purposes.

The following is a breakdown of privately owned woodland in the County by forest type:

**Table 2.10 - Schuyler County
Private Timberland by Forest Type, 1993**

<u>Forest Type</u>	<u>Acreage</u>
Oak-pine	5,100 acres
Oak-hickory	16,300 acres
Maple-beech-birch	48,400 acres
Aspen-birch	<u>11,400 acres</u>
Total Timberland	81,200 acres

These largely hardwood forests produce high quality timber and the spectacular fall foliage that attract tourism throughout the Northeast. The Forest Service studies indicate the most common species, in terms of numbers of live trees, are Ashes, Soft Maple, Beech, Cottonwood-Aspen and Hard Maple. However, local industry representatives suggest Red Oak, Soft Maple and Hard Maple are the top three species (in that order). Significantly, some 75,600 acres or 64% of Schuyler's timberland is considered by the Forest Service to be either fully stocked or over-stocked and, altogether, the County's timberland represents

²⁹ The source of all forestry data, unless otherwise indicated, is the USDA Forest Service, Northeastern Station, "Northeastern Forest Inventory and Analysis Project," 1993. Unfortunately, although this is the only official source of the data available, it is based on sampling of a mere 23 plots and is often prone to error as a result. So as to correct for this wherever possible, interviews were conducted with local representatives of the forest industry.

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157,700,000 cubic feet of growing stock.³⁰ This timberland includes an estimated 387,300,000 board feet of sawtimber and is growing by 12,100,000 net board feet per year.³¹ The following table compares Forest Service estimates of growth compared to average annual removals of sawtimber.³²

Table 2.11 - Schuyler County Average Net Annual Growth and Average Annual Removals of Sawtimber by Species Group, 1993
(All figures, except percentages are in board feet)

<u>Species Group</u>	<u>Sawtimber Base Volume</u>	<u>Annual Growth</u>	<u>Annual Removals</u>	<u>Cutting Rate</u>
Eastern White - Red Pine	59,600,000	400,000	0	0.0%
Eastern Hemlock	35,400,000	600,000	0	0.0%
Other Softwood	16,300,000	700,000	0	0.0%
Total Softwoods =	111,300,000	1,700,000	0	0.0%
Select White Oak	3,700,000	100,000	100,000	2.7%
Select Red Oak	37,300,000	1,800,000	0	0.0%
Other White Oak	4,900,000	100,000	0	0.0%
Black Walnut	1,000,000	100,000	0	0.0%
Yellow Birch	2,300,000	200,000	0	0.0%
Hard Maple	91,200,000	3,200,000	0	0.0%
Soft Maple	26,100,000	1,700,000	100,000	0.4%
Ashes	26,200,000	900,000	200,000	0.8%
Cottonwood-Aspen	13,800,000	800,000	0	0.0%
Basswood	24,600,000	0	0	0.0%
Beech	23,800,000	800,000	600,000	2.5%
Other Soft Hardwoods	13,400,000	500,000	0	0.0%
Other Hard Hardwoods	7,700,000	0	0	0.0%
Total Hardwoods =	276,000,000	14,400,000	1,000,000	0.4%
All Species =	387,300,000	12,100,000	1,000,000	0.3%

³⁰ Growing stock generally refers to all usable portions of trees, those portions which exceed 4" in diameter.

³¹ Sawtimber refers to net volume of saw logs in trees.

³² Average annual removals refers to the net growing stock harvested, killed in logging operations, cleared or reclassified from forest to non-forest land.

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Information gleaned from local forest industry representatives indicates that the amount of sawtimber may be overestimated (or the acres underestimated). The 387,300,000 board feet suggests an average of 3,265 board feet per acre of timberland and 6,520 board feet per acre of sawtimber. Managed stands, however, more typically produce only 2,000-3,000 board feet per acre. Moreover, annual growth in the case of managed stands is about 100 board feet per year per acre. This suggests a gain in sawtimber of perhaps 6,000,000 board feet per year for the County, about half the Forest Service's estimate. The growth and cutting rates for individual species also appear, from experience, to be off the mark. Red oak, for example, is certainly being cut. Hard Maple is also being harvested, though the Forest Service data indicates otherwise. Softwood numbers, too, don't match with reality as these species are, in fact, being cut regularly. Overall, annual growth does appear to exceed removals but probably not by the margin indicated in the Forest Service inventory.

The Forest Service data indicates cutting rates within the County are less than half New York State's 0.8% average, which is itself well below that of neighboring Pennsylvania (1.0%) and the New England region (1.3%).³³ The rates are all generally sustainable, with the possible exception of Beech (which is low value, often diseased and needs to be removed anyway). Indeed, the ratio of annual growth to removals as well as other evidence, indicates a continually maturing forest within the County. Although Select White Oaks are being cut at rates exceeding other species, both hardwoods and softwoods are not being harvested to the extent they could or should be in many cases. This is not good for wildlife management, the long-term vitality to regeneration and to the animal populations for cover and as food. More timbering in general would create a healthier forest for the long-term.

There are, nevertheless, concerns with the harvesting patterns that have been taking place throughout much of the hardwood-rich Northeast. The trend has been to "high-grade" forests to remove the better quality trees while leaving behind the less-valuable stock. This is a result of the general lack of demand in the region for low-grade logs and species and it raises the prospect of forests being taken over by these species or simply prevented from regenerating if markets are not identified for them as well. Relatively little of this appears to be taking place in Schuyler County, however. This is partly due to the limited overall cutting taking place and is also probably attributable to the presence in the marketplace of the Coastal Lumber and Cotton-Hanlon operations. These companies have employed sustainable forest management practices and made deliberate efforts to cull or market low-grade materials. Commercial thinning, in fact, is a key ingredient in fighting high-grading problems.

³³ Source: "Cutting Activity in New York's Forests," USDA Forest Service, Northeastern Forest Experiment Station, Radnor, PA

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Overall, hardwood lumber production in New York State is up 50% since 1990. Hardwood lumber is also a niche business from a world-wide perspective and is less affected by cheap softwood imports from South America, plus very little cutting of hardwoods is allowed on lands in the Federal system, giving eastern hardwood producers some opportunities. Schuyler County is an excellent source of this timber resource and the contributions of the forestry industry to the County economy, if not up to full potential, are clearly substantial, nonetheless. The following table summarizes some estimates and key economic facts regarding the forest industry in Schuyler County based on data from the Census Bureau's 1996 County Business Patterns report:³⁴

**Table 2.12 - Schuyler County
Forest Industry Economic Factors, 1996**

Logging establishments	4
Sawmills and planing mills	3
Other forestry enterprises	1
Total forestry - related establishments	8
Number of employees ³⁵	175+
Annual pay per worker (estimated) ³⁶	\$22,260
Total annual payroll	\$3,895,500
Estimated cash receipts ³⁷	\$8,765,000
Total economic impact ³⁸	\$14,988,000

The forest industry as a whole can fairly be described as still underdeveloped but these statistics indicate it is a very substantial economic asset to Schuyler County, primarily due to the presence of the Coastal Lumber and Cotton-Hanlon operations in the Town of

³⁴ This data, too, appears to be incomplete. Independent loggers often provide incomplete information that leads to them not being fully accounted for in official tabulations.

³⁵ Employee data is only available by ranges. The most conservative numbers have, therefore, been tallied and combined with first-hand knowledge of local operations to yield this estimate.

³⁶ The County Business Patterns data indicates 3,106 employees received \$69,140,000 in payroll county-wide and the average figure of \$22,260 is applied to the estimated 175 employees and the rounded.

³⁷ The Empire State Forest Association reports, based on 1992 data, New York State forest-related industries produced \$2.25 in value added for every dollar of payroll generated.

³⁸ Based on estimated cash receipts times 1.71 multiplier for lumber and wood products estimated by the Bureau of Economic Analysis (see Section 2.4 and Table 2.7 above). This compares favorably with the 1.78 multiplier for nursery and wood products as estimated by Cornell University.

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Cayuta. These businesses, separate entities since 1993, account for timber management on approximately 35,000 acres of forest land within the region and pull in timber from a 150-200 mile range for processing as both green and kiln-dried hardwood lumber. They also supply pallet material, sawdust for animal bedding and stove pellet manufacturers, veneer logs, bark for landscape mulch producers and chips and low-grade logs for use by pulp and paper companies. Some sawdust is, too, burned to generate steam and some low-grade lumber is exported to Canada for use as flooring material.

Coastal Lumber is one of the largest hardwood producers in the nation and has over 30 processing and distribution facilities in both the U.S. and abroad, including plywood manufacturing plants and wood treating operations. It processes approximately 20,000,000 board feet of hardwood annually in Schuyler County (some 20 times the amount of product harvested in the County) and, therefore, is a major importer of dollars to the area. Cotton-Hanlon, though a substantial forest industry in its own right, supplies less than 10% of this volume and this is an indication of the importance of the Coastal facility to the local economy. The estimated \$15,601,500 economic impact of the forest industry, when added to the dollars generated by other farm enterprises (not including wineries that are large contributors in their own right) indicates agriculture accounts for over \$38,000,000 of the Schuyler County economy.

Moreover, below average cutting rates within the County suggest there is some harvest potential that is not being pursued as aggressively as it could or should be for the long-term health of the County's forests. The quality is relatively good at present with 79% of hardwoods rated as Grade 3 or better, slightly above the State average of 76%. The County's hardwood stock primarily consists of lighter-colored woods which have been more in demand in recent years. It represents a self-replenishing resource if managed correctly. Farm and woodlot owners in the County can, if they want to do so, generate income from it and this, in turn, benefits the tourism industry by helping to maintain the County's appealing character.

Much like the remainder of the agricultural sector, Schuyler County's forest industry would benefit by the development of secondary processing and value-added industries that would utilize locally produced wood and not send so much of it out as raw product. Craft-related enterprises that would mesh with the County's tourism industry are a distinct possibility and other niches could include specialty products for marketing to nearby metropolitan areas (e.g., cabinet panels, long-handled tools, wood flooring, wooden lawn furniture). The Mills Pride company manufactures solid wood doors for the ready to assemble market and this is an example. Unfortunately, it chose to locate in Sayre, Pennsylvania rather than New York due to taxes and other considerations. Nevertheless, it does provide an outlet for regional wood products of the sort needed.

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The key is to approach development from the standpoint of the market first and the resource second. Nevertheless, the resource is available locally and, therefore, Schuyler is a natural location for these industries if the County is willing to provide tax incentives to level the playing field with neighboring lower-taxed Pennsylvania. Some regional facilities have relocated there for that reason and, as stated above, others with new projects have chosen to go there over New York on the same basis. The County needs to be more aggressive in soliciting such businesses. An appropriate vehicle is the agricultural industry tax-abatement program recommended in Section 4.4 hereof. It would offer new secondary processors of agricultural products (including lumber) five years of no real property taxes on improvements and then phase them in at approximately 10% a year such that the property wouldn't be fully taxable until the sixteenth year. Inexpensive electricity can be used as an additional incentive in some instances.

While finding uses for low-grade sawtimber is a challenge (and a necessity), there are some distinct opportunities given the large quantity of growing stock available. These include pallet manufacturing, firewood, flooring and wood chips for sale to Western Pennsylvania pulp and paper mills. Mulching facilities are another possibility and the County's geography puts it within reasonable trucking distance to all the major metropolitan markets that would purchase the product. Export opportunities also exist in high-grade products if enough volume can be identified and marshaled on a regular basis.

There are, too, a number of possibilities to complement Schuyler County's tourism industry by using its forest land to develop recreational attractions. If such activities are constructed as recreational leases they also hold the potential to generate added income for forest owners and, thereby, help the industry. Forest land is ideally suited to mountain biking, wilderness camping, hunting and other similar endeavors which, if promoted properly in conjunction with area Bed and Breakfasts and restaurants, can contribute in substantial ways to the economy. Some 20,000 acres of the Cotton-Hanlon acreage is, for example, leased for hunting to help offset the average \$9/acre/year holding costs associated with the property. Also, the Finger Lakes National Forest is an "economic engine" for tourism in this regard.

Finally, the general proximity of Northeast urban populations, many of whom possess strong environmental views, might present a marketing opportunity if best forestry management practices were incorporated into a certification program. Wood products manufactured using such a "green-certification" program could enjoy better access to these markets and possibly command better prices. There are some pilot efforts in this regard being made by companies such as Kane Hardwoods, a Pennsylvania wood processor, but it is too early to evaluate the results. The Agricultural and Farmland Protection Board should monitor this activity. It should also consider working together with local or regional

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processors and organizations such as Southern Tie Central and the Resource Conservation and Development District to launch such a program on a pilot basis in Western New York.

Unfortunately, New York has been a high tax state and, while many recent reforms have helped to lower taxes on farmers, seniors and other residents, forest land is still often taxed at rates which exceed the annual income that can be derived for woodlot owners from forest management.³⁹ It is extremely difficult to maintain a forested property from a cash flow perspective and this tends to produce poor stewardship in some instances, because landowners need to do quick harvests to pay taxes. This, in turn, has sometimes led to backlash efforts by municipalities to regulate all forest activity with very negative impacts on the industry. A better approach would involve encouragement of sustainable forest management practices, combined with right-to-forest protection and positive tax relief.

Section 480(a) of the Real Property Law provides a measure of relief for participating landowners, but there is a strong disincentive to promote this program because the tax "costs" (savings to individual landowners) must be made up within the municipality and the strings attached in terms of management are too entangling. Clearly, there are no compelling reasons for private owners to hold onto forest land except for speculative purposes and this poses a substantial threat to long-term maintenance of forest land uses. A better solution for taxing forest property would be to collect at the time of harvest based on a percentage of sales or some similar measure of productivity. This is a matter that should be pursued by the Agricultural and Farmland Protection Board, working together with organizations such as Farm Bureau and the Empire State Forest Association. At a minimum, more training for local assessors and more effective programs for determining the real economic value of forest land are needed.

³⁹ A recent analysis of real estate taxes on private forest land in the Catskill counties of New York State indicated annual tax rates of \$7-\$33/acre compared to forest revenues averaging less than \$5/acre. Local timber managers indicate the cost is approximately \$9/acre and needs to be less than that.

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2.8 Schuyler County Agriculture - Strengths, Weaknesses, Opportunities and Threats

The Schuyler County Agricultural and Farmland Protection Board, in the course of preparing this Plan, analyzed the strengths, weaknesses, opportunities and threats applicable to the County's agricultural industry. These are reflected both in the goals and objectives and the recommendations of this report but some of the major items in these categories include the following:

Taxes

Taxes were, for many years, the greatest concern of farmers and a competitive disadvantage for New York State farmers. Agriculture Value Assessment helped but in rural communities it did not solve the problem. Several recent tax laws, however, have had a significant positive impact in lowering farm taxes and actually creating a marketable advantage for New York State. There is, for example, a Refund of School Taxes program for farmers which provides for a full refund of school taxes paid on farmland and buildings (not including the residence). The refund is received on farmers' New York State Income Tax returns. Additional farms will qualify for 1999 and, while small and part-time farmers who could be a source of future agricultural expansion may not always qualify, this is of extraordinary benefit to production agriculture.

The STAR Program, too, provides reduced assessment for school tax on those portions of the property not subject to refund or for farmers not eligible for the latter. This includes substantial tax relief for farmers over age 65 (many Schuyler farmers are in this category) and a \$10,000 assessment break for farmers under age 65. There is need of an educational program to ensure all farmers are getting maximum benefit from the STAR and Refund of School Taxes programs as well as other farm tax incentives. These include a 10 year exemption on all real estate tax on new farm buildings, a requirement that assessors use depreciated values for farm buildings and the exception of certain classes of farm structures from real estate taxation. This applies to silo's, manure storage facilities, bulkhead tanks and greenhouse structures (including those used for raising calves). There is also a New York State Investment Tax Credit on new capital purchases equal to 4% of the purchase price. Many young farm families have large carryovers of Investment Credit and the Board should work with Farm Bureau and others to achieve legislative changes which would make these dollars refundable.

Unique markets

Schuyler County, because of its relative proximity to New York City and other urban areas, has access to special markets. These include a substantial ethnic population wanting Kosher, Halal and other comparable goods. There is also a demand among new immigrants

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for foods traditional to their cultures such as lamb and goat and certain breeds of poultry. Likewise, the New York City market is particularly strong for organic products and anything which can be “green-labeled.” Finally, the Seneca Lake and Keuka Lake Wine Trails provide access to tourists who could with proper marketing be persuaded to purchase complimentary products such as local cheeses. The Watkins Glen Race Track offers similar potential.

Low profitability

Agricultural enterprises have been subject to low profitability and this has had a particularly serious impact on Schuyler County’s dairy farmers. The earlier mentioned Cornell University “Dairy Farm Business Summary” for the Western and Central Plateau Region, indicates the 60 dairy farms surveyed (4 from the County) received a return on average total capital of only 5.5% before asset appreciation, after deducting an average of \$39,971 for unpaid family labor and management income. The return was 8.0% with asset appreciation considered and this was during a relatively good year. Attracting new operators to farming under such circumstances is difficult, though not impossible. Many existing dairy farmers, unfortunately, have been living off their equity and recently adopted changes in milk marketing orders will worsen a situation only temporarily eased by the high milk prices experienced in the latter part of 1998.

Nevertheless, it is clear good management can make an extraordinary difference. Good managers employ assets to lower the costs of inputs, negotiate milk price premiums and secure all available existing premiums for protein, quality, and the like. These measures can increase the margin on milk by as much as 10% with no change in overhead or operating expenses and this can make all the difference in the world.

This data indicates dairy farms can be very profitable and do have a future if farmers want it. Specialization in herd management, custom work, high-protein milk, breeding stock and similar ventures can produce the added cost control and value that permit success. This will be even more so in the future with component pricing of milk. For others the answer may be to diversify into related but complementary fields of agriculture or to grow larger. Still others will need to update practices to increase production using the same overhead.

It is instructional in this regard that the majority of large western New York State dairy farmers, whose success is often envied by others, use bST hormone treatments to increase milk production, but many central and eastern farmers do not. Is this due to lack of knowledge or are these farmers unconvinced of the economic value and merely being prudent? The answer is not clear and this is one of the challenges faced by all dairy farmers - getting information they need to make sound management decisions.

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Nutrient management

Pressure on farm operations to do a better job with manure management continues to grow. The emphasis is typically on control of nutrients (phosphorous and nitrogen) as a means of limiting eutrophication of water bodies but the Safe Drinking Water Act, among other State and Federal regulations, has imposed new standards for pathogens and other criteria. The Concentrated Animal Feeding Operation (CAFO) regulations, though now limited to very large farms, could well be made applicable to smaller farms in the future, with very serious economic impacts on the industry. There are, too, ever more strict standards on the use of farm chemicals.

There are benefits in terms of public health and gaining maximum fertilizer value from manure. Nevertheless, the additional costs of installing manure management systems, using integrated pest management techniques and environmental compliance can be enormous and many farmers, already operating at very low margins, could opt to simply go out of business and recover their equity by selling their farms for non-farm purposes. Others may simply be overwhelmed by the prospects of burdensome regulations and bureaucratic oversight. Either way, the threat to agriculture as an economic sector is substantial.

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3.0 Goals and Objectives

The following goals and objectives have been established for Schuyler County's agriculture and farmland protection program. These are based on the results of interviews with farm community leaders and the farm producer and agri-business surveys summarized in 5.1 of this report. The goals are intended to be multi-year in nature and reflect the basic policies of the County for agricultural and farmland protection, while the objectives spell out more specific criteria by which policy performance can be measured. Measures of success are also suggested. Specific major recommendations may be found in Section 4.0 of this Plan.

3.1 Goal: Preserve a critical mass of both farmers and agri-businesses to support competition and provide a foundation for a sound agricultural economy, maintaining a base of 60,000 acres of Schuyler County land in farming (including 30,000 acres in active use for cultivation) and preserving a minimum of 20,000 acres through purchase or lease of development rights and other farmland protection mechanisms.

Objectives:

3.1.1 Identify Schuyler County's most valuable farmland (particularly vineyards and areas within and bordering large dairy farms) for purposes of providing regulatory protection, defining agriculture districts, purchasing or leasing development rights and offering other incentives to stay in farming.

Measure: Maps produced (Ag District and otherwise) for local government use.

3.1.2 Develop a program to purchase or lease development rights on most valuable farmland that will allow those farmers to capture their equity, reduce their carrying costs and continue farming.

Measure: Number of farmers participating and acres of farmland protected.

3.1.3 Create and promote agricultural zoning incentives and similar devices or methods of countering farmland conversion pressures.

Measure: Number of towns employing agricultural protection incentives (e.g. cluster development provisions built around farmland preservation) in their land use regulations.

3.1.4 Develop a new tax benefit program targeted to complement the Section 483 of the New York State Real Property Tax Law (10 year property tax exemption on newly constructed or reconstructed agricultural structures), by expanding benefits for agricultural support

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industries and farm marketing buildings (e.g., the proposed Schuyler IDA Ag Industry Tax Abatement Program).

Measure: Adoption of program and use by local agri-businesses.

- 3.2 Goal: Increase the economic returns associated with farming by generating at least 20% higher prices at the farm gate, increasing net farm incomes by 2% per year to achieve parity with the typical non-farm wage earner (approximately \$20,000/year) and produce a rate of return of at least 8% on farm investments so as to be able to attract private capital.**

Objectives:

- 3.2.1 Identify specific new agricultural product lines and opportunities to add value to existing products through, for example, use of mini-dairy production facilities.

Measure: Number of educational programs conducted to disseminate this data.

- 3.2.2 Provide marketing and promotion training and technical assistance to farms and vineyards, including identification and/or development of new outlets (e.g., Windmill Market, Penn Yan), pricing strategies and new marketing themes that can be employed with regard to Schuyler County agricultural products. Quality hay, greenhouse vegetables, tree fruit based wines, cheeses and natural beef all offer possibilities for more intensive marketing.

Measure: Hours of specialist training provided and technical assistance provided and volumes of new products marketed.

- 3.2.3 Provide farmers with general information and research findings on innovative and alternative farming practices that can lower the costs of inputs and/or improve quality for a greater return (e.g. rotational grazing, direct commodity purchasing and other least cost feeds programs).

Measure: Measure: Hours of training provided and numbers of farmers using methods.

- 3.2.4 Encourage best management practices for farm woodlands as a means of increasing value and returns as well as establishing a “right to forest” principle with respect to local laws.

Measure: Hours of training provided and number of farm wood lot owners who participate.

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- 3.2.5 Form marketing groups to bid truckloads of milk annually and provide better outlets for cull-dairy cows.

Measure: Number of farmers participating in such bargaining groups.

- 3.2.6 Educate farmers and winery owners regarding the various aspects of legislative initiatives potentially affecting their profitability (e.g. proposed legislation to allow interstate mail-order wine sales, dairy compacts and changes in marketing orders that could impact Northeast growers).

Measure: Hours of training provided and number of farmers who participate.

- 3.2.7 Train farmers in the use of the Dairy Futures Program and similar mechanisms as means of stabilizing milk prices and securing greater farm control over pricing.

Measure: Hours of training provided and number of farmers who participate.

- 3.2.8 Annually conduct an intensive training program for farmers on the availability of farm tax relief under both New York State and Federal law, including agricultural assessments, exemptions and refunds offered to farmers apparently unaware of many of them.

Measure: Hours of education provided, number of farmers who participate in training and proportion of farmers who take advantage of programs.

- 3.2.9 Provide farmers with technical assistance in responding to CAFO regulations and potentially turning these practices into profit through a form of “green certification.”

Measure: Hours of training provided, number of farmers who participate in training and/or green-certification programs.

- 3.3 Goal: Diversify and broaden the agricultural economic base to provide new income opportunities, increasing agricultural sales in greenhouse, fruit, vegetable, poultry, sheep, goats, beef and other diversified products by 5% per year.**

Objectives:

- 3.3.1 Identify Schuyler County's marketable advantages for new agricultural endeavors and promote these both within the farm community and outside the County (e.g., Ithaca, Corning and Elmira are market centers).

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Measure: Development of promotional literature and/or videos such as a "Top 10 Reasons to Farm in Schuyler County" list.

- 3.3.2 Work with locally owned/operated food stores to market local produce and develop new products.

Measure: Number of local or regional stores handling Schuyler County products and number of farmers growing for them.

- 3.3.3 Build on the Seneca Wine Trail success to expand and add other Schuyler County farm products.

Measure: Number of wineries promoting locally produced cheeses, jams, syrups and other agricultural products as part of their offering.

- 3.3.4 Expand farm-based tourism by adding features to wine marketing programs, cross promoting with Bed & Breakfast operators and increasing farm-stand activity and varieties of products to take advantage of bus tour possibilities and the like.

Measure: Number of farm-based tourism enterprises along Wine Trail, number of Bed & Breakfast visitors and farm-stand sales.

- 3.3.5 Package and market products to Raceway patrons

Measure: Volume of products marketed at Raceway events and number of farmers participating.

- 3.3.6 Work with surrounding Counties to develop a Finger Lakes label for specialty food products.

Measure: Development of a Finger Lakes label and number of farmers and vineyard owners and wineries participating.

- 3.3.7 Develop a quality farmers' market in Watkin's Glen to take advantage of the Wine Trail tourism market.

Measure: Creation of functioning market, number of visitors and number of vendors participating.

- 3.3.8 Work with surrounding Counties to develop meat marketing programs and, if necessary, establish a regional U.S.D.A. slaughterhouse or set up similar arrangements with an

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existing slaughterhouse (e.g. Taylor Packing, in nearby Pennsylvania) to accommodate small producers.

Measure: Development of marketing program(s), number of farmers who participate and number of animals processed.

3.4 Goal: Increase public recognition of the value of agriculture and farmland and develop a better understanding of farm issues by non-farmers.

Objectives:

- 3.4.1 Increase the level and frequency of farm community communications with the non-farm community by conducting more shared events, use of additional publications and employment of public service announcements and advertising (e.g., a "Down on the Farm Day" for Schuyler).

Measure: Number of communications to non-farm community and number of non-farm participants in events.

- 3.4.2 Increase the participation of farmers and agri-business owners in local government and, specifically, on town planning boards by getting all towns with significant agricultural activity to appoint agricultural members under the authority of § 271.11 of the Town Law. Also, conduct training programs for local officials on agricultural planning issues.

Measure: Number of Planning Boards with designated agricultural members and hours of training provided.

- 3.4.3 Conduct training and agricultural awareness programs for high school students who might not have exposure to farm opportunities but could benefit from learning more about agricultural careers.

Measure: Hours of training provided and number of students participating.

- 3.4.4 Specifically address the lack of public knowledge regarding animal agriculture by promoting farm tours, utilizing videos such as "Feeding the Green Machine" and conducting educational sessions.

Measure: Numbers of showings and tours conducted and number of participants.

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- 3.4.5 Work with schools and their guidance counselors as well as work force development program leaders to add agriculturist training tracks wherever possible. Develop programs to expand and train the supply of agricultural workers (vineyards and dairy).

Measure: Number of agricultural-related training programs available, number of participants and number of trained workers available.

3.5 Goal: Attract new entrepreneurs and younger households to farming ventures and expand the availability of capital to finance such enterprises.

Objectives:

- 3.5.1 Actively promote Schuyler County as a location for new farm and agri-business enterprises by working with school guidance counselors and through use of targeted advertisements and mailings in cooperation with the the RC&D program, SCOPED, Southern Tier Central, real estate firms and the wine industry.

Measure: Number of new farm enterprises recruited.

- 3.5.2 Develop and promote the availability of financing programs, which can provide capital for farm and agri-business ventures, doing so in cooperation not only with farm agencies but also Cornell Cooperative Extension, the County Industrial Development Authority and SCOPED.

Measure: Dollar volume of loan capacity available to creditworthy farmers. and number of institutions and programs available to help.

- 3.5.3 Encourage the formation of new generation farm cooperatives for marketing purposes, financing of new ventures and purchasing of raw materials (e.g., electricity).

Measure: Number of Schuyler farmers participating in such cooperatives.

- 3.5.4 Promote intergenerational farm transfers by conducting educational sessions, providing technical assistance on estate and business planning and identifying and/or establishing sources of start-up capital for young farmers.

Measure: Hours of training and technical assistance provided, number of participants and number of successful farm transfers.

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3.6 Goal: Protect farmers from development and regulatory intrusions that threaten their ability to operate in a normal competitive fashion as agricultural enterprises.

Objectives:

- 3.6.1 Streamline town land use and zoning measures to simultaneously accommodate both agricultural activities and development, incorporating the latest elements of State law affording protection for farmers and agri-businesses.

Measure: Number of towns with specific provisions in their land use regulations to not only allow but also protect agricultural enterprises.

- 3.6.2 Encourage development of sewer and water infrastructure within town centers rather than agricultural areas and encourage towns to promote hamlet development over highway-oriented suburban sprawl in zoning laws, so as to ensure development within and adjacent to agricultural zoning districts is fully compatible with farm activities.

Measure: Number of towns with strong incentives for hamlet and village development and disincentives for strip development.

- 3.6.3 Encourage towns with zoning to enhance agricultural districts by developing agricultural zoning districts to provide for compatible forms of development within these districts.

Measure: Number of communities employing these measures in their zoning laws (if they have such laws).

- 3.6.4 Encourage all Schuyler County towns to adopt meaningful Right to Farm Laws.

Measure: Proportion of Schuyler County towns with local Right to Farm laws.

3.7 Goal: Integrate agricultural development into town and County economic strategies and land use plans so as to take advantage of the farm opportunities which will inevitably result from growth of the community as a whole.

Objectives:

- 3.7.1 Strengthen relationships between farm and economic development agencies through appointment of cross-memberships and execution of formal cooperation agreements.

Measure: Number of cooperative agreements implemented.

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- 3.7.2 Incorporate the goals, objectives and recommendations of this Plan as elements of the County Economic Development Strategy and County Comprehensive Plan now being developed.

Measure: Inclusion of agricultural recommendations in other County plans.

- 3.7.3 Establish shared agricultural economic development or marketing staff who can work with both farm and non-farm agencies to promote new farm and agri-business ventures.

Measure: Creation of an Agricultural Economic Development Specialist position serving Southern Tier Central.

- 3.7.4 Establish a revolving loan program targeted at agriculture by working with SCOPED and Southern Tier Central.

Measure: Establishment of program, dollars committed and number of participants.

- 3.7.5 Work with major agricultural towns now lacking land use planning to develop, at a minimum, effective site plan review laws which afford a measure of protection to agriculture and limit development pressure, particularly around larger dairy farms and vineyards.

Measure: Number of towns with site plan review criteria that include agricultural protection.

- 3.7.6 Consider changes in taxing strategies to shift from improvement-based taxes to those which offer an opportunity to raise more revenue from non-resident land holders and visitors.

Measure: Proportion of tax burden paid by non-residents.

4.0 Major Recommendations for Agricultural Development and Farmland Protection

Agriculture is continuous transition and farming will disappear unless it continually adapts to these changes and evolves. New markets, new products, new ways of doing business and new partnerships are needed now and in the future. The Agricultural and Farmland Protection Board has an opportunity to lead this effort and if it does so, there can be substantial payoffs in tourism, quality of life and the long-term growth of the Schuyler County economy. The success of the Finger Lake wine industry provides a superb illustration of the possibilities. The Agricultural and Farmland Protection Board should make implementation of the recommendations which follow its primary mission over the next 3-10 years.

4.1 Economic Development of Agriculture

Farmland preservation is useless and irrelevant unless there is profit in farming and, therefore, the thrust of this Plan is to address means by which agriculture as an industry can be further developed to increase economic returns. The following measures are recommended:

4.1.1 Agricultural Marketing Specialist

It is recommended that Schuyler County, create an Agricultural Marketing Specialist position. Steps in this direction have already been taken by SCOPED as part of its venture development program and it is anticipated that the person hired to run that program will be able to devote half of his or her time to agricultural economic development opportunities, those being among the most promising in the County. This person should lead a coordinated effort by the Schuyler County Agricultural and Farmland Protection Board, Cornell Cooperative Extension of Schuyler County, the Industrial Development Agency and SCOPED to implement the recommendations of this Plan. He or she should help to identify new markets for agricultural products and services and be assigned to provide technical assistance to farmers and agri-businesses in selling to those markets.

The person hired should be employed by SCOPED and housed in their offices with specific additional responsibilities to the Industrial Development Agency and Cornell Cooperative Extension as a resource person. The shared responsibilities are essential to highlighting the value of agriculture and forestry to the local economy and further integrating agriculture into the County's economic development program. Funding for this position could come from a variety of sources including the County but, initially, this

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endeavor is properly being approached as a demonstration project. Grant funds have been secured from State and/or Federal sources to help launch the project. The position should, however, be designed to be at least partially supported by producers and agribusinesses over the long-term on fee-for services or cooperative basis.

Implementation Period:

1) Start-up		2000
2) Demonstration period		2001-2004

Responsible Parties:

- 1) SCOPED
- 2) Cornell Cooperative Extension of Schuyler County
- 3) IDA
- 4) Agricultural and Farmland Protection Board

4.1.2 Formation of Additional Cooperatives

Schuyler has, in the example of the Seneca Wine Trail, an excellent example of the type of cooperative needed to further agricultural development. It is a relatively small but highly effective organization with limited overhead that is able to promote the wine industry as a whole within the area despite the competition among members.

Another example is the informal buying group several larger dairy farmers have created to bid some of their farm supply purchases. There are other opportunities of both a formal and informal nature to form additional selling or purchasing cooperatives in the County.

Such organizations are needed to pursue better pricing for dairy products and to secure less costly goods and services through joint purchasing arrangements. Dairy processors such as Polly-O prefer to deal with small to mid-sized groups of farmers and good examples of such cooperatives may be found in adjacent Steuben County. In some cases these groups can be loosely knit while, in others, more structured legal entities will be required but, in all cases, these cooperatives needs to be relatively small and narrowly focused to be successful.

There is a need for technical assistance in forming and administering the cooperatives. Assistance is available from the U.S.D.A. Rural Development Agency insofar as start-up, but on-going activities will demand the help of the Agricultural Marketing Specialist or some outside private help which is free to get involved in price negotiations and other day to day business activity. Once organized, such cooperatives might, in fact, do well to employ their own personnel on a part-time or consulting basis for this purpose.

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Implementation Period:	1) Start-up	2002
	2) Operation	2003
Responsible Parties:	1) Agricultural Marketing Specialist	
	2) Agricultural and Farmland Protection Board	
	3) U.S.D.A. Rural Development Agency	
	4) Farm Bureau	
	5) Cornell Cooperative Extension of Schuyler County	

4.1.3 Added Value Initiatives

One of the key tasks of the Agricultural Marketing Specialist will be to identify and spur the development of opportunities to add value to existing agricultural products grown or produced in the County. The mini-dairy concept is an excellent example and Cornell Cooperative Extension should take a lead in educating dairy farmers as to the opportunities for establishing such operations in the County by conducting a seminar(s) on the subject to follow-up on discussion that took place at the conference conducted in conjunction with the preparation of this Plan.

The Agricultural Marketing Specialist and Extension together could assist a working group of interested farmers in further exploring the possibilities, identifying financing and helping to get a demonstration project(s).

A particularly good opportunity may exist with cheeses due to the wine trail and obvious potential to market premium local brands at various wineries along it. There is also potential to export cheese. Vermont cheese producers are now successfully selling to both the New York City and European markets and there is no reason a small to medium sized commercial cheese plant located in the Finger Lakes couldn't do the same.

New York cheeses are among the best in the world and need to be marketed in the fashion of its wines. A Finger Lakes label on cheese would capitalize on the region's name recognition and joint promotions in combination with the area's world class wines would embellish the image of both products. Use of the Pride of New York program would be of great benefit as well.

Other opportunities exist in forestry products, Kosher and Halal foods and tree-fruit wines, as discussed earlier. Each of these should be approached in the same manner as the mini-dairy concept - start with a seminar, follow with a working group, identify financing, promote and continue with technical assistance through start-up. Pricing of products is one of the areas where such technical assistance could pay great benefits.

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Implementation Period: 2001-2005

- Responsible Parties:**
- 1) Agricultural Marketing Specialist
 - 2) SCOPED
 - 3) Cornell Cooperative Extension of Schuyler County
 - 4) Industrial Development Agency

4.1.4 Green Labeling

The Chesapeake Milk model of green-labeling, based on the water quality should be explored further as a vehicle for helping the County's larger dairy farmers finance CAFO-required manure management system improvements and increasing profitability. This program is being test-marketed at present and involves premium pricing of milk (see earlier discussions) with the extra dividends being split between funding of farm improvements to protect water quality and additional profits to dairy farm owners.

Investing in water quality in this context makes economic sense because it will eventually be required any way and by advancing the investment farmers get an opportunity to use it as a marketable advantage. The Schuyler County Agricultural and Farmland Protection Board should investigate the feasibility of such a program in cooperation with NRCS and watershed organizations such as the Chesapeake Bay Foundation.

Similar efforts should be pursued simultaneously within the forestry sector based on producers adopting environmentally friendly forest management plans. Local lumber manufacturers could be very logical partners to engage in such an effort and the combination of good forest management with green-labeling would provide an effective private sector alternative to timber harvesting regulation by local municipalities.

There are opportunities to market a variety of wood products with a green-seal to the urban markets that surround Schuyler County, although this is a subject demanding regional leadership from the Resource Conservation and Development District and/or Southern Tier Central.

Implementation Period:

1) Investigation	2001-2002
2) Implementation	2003

- Responsible Parties:**
- 1) Agricultural Marketing Specialist
 - 2) Agricultural and Farmland Protection Board
 - 3) Chamber of Commerce
 - 4) Watershed Agricultural Council
 - 5) Cornell Cooperative Extension of Schuyler County

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4.1.5 Financing Programs

Schuyler County should work with Southern Tier Central to establish an Agricultural Revolving Loan Program. The fund should be targeted specifically to agricultural and forestry processing projects, financing innovative manure management systems and similar ventures and promoted through the use of descriptive brochures. Candidate projects will typically need to be identified for the initial round of funding but could include a mini-dairy processing facility or winery expansion. Cornell Cooperative Extension's new Agricultural Industry Development Enhancement & Retention (AIDER) program offers opportunities to secure technical assistance with other financing and additional facets of agricultural economic development. The HUD Community Development Block Grant should be considered as a source of funding for such a revolving loan program.

The County should also meet with local financial institutions to explore ways to enhance this fund with leveraged below-market rate or market rate financing which would help to meet their Community Reinvestment Act obligations. A "Funding for Farm and Agribusiness Projects," brochure should also be developed to identify all the various funding sources which the IDA can assist agri-businesses and farms in obtaining. This would differ from existing handouts in that it would be more focused on agriculture and also identify additional programs not available to non-farm entities.

Implementation Period: 2001

Responsible Parties:

- 1) SCOPED
- 2) Southern Tier Central
- 3) Agricultural Marketing Specialist

4.1.6 Solicit New Farm Enterprises

Schuyler County has a great deal of vacant farmland that could possibly be put back into production. A new farm solicitation effort is warranted to better employ this asset. Oneida County, New York has developed an excellent program of this nature. It relies upon a professional video entitled "The Mohawk Valley - The Agricultural Edge." Lewis County also has a good program. These should be duplicated in Schuyler. Oneida's program is managed by their Agricultural Economic Development Specialist and a special sub-committee of their Agricultural and Farmland Protection Board. A similar approach is warranted in Schuyler and it is appropriate to target the Amish and Mennonite communities who have been moving into adjoining Steuben and Yates Counties in some numbers already. These communities have helped to maintain a strong agricultural base and have demonstrated the benefits of diversification by establishing

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small sawmills and assorted other niche enterprises that complement farm endeavors. Most importantly, they are helping to maintain a critical mass of farmers and agribusinesses.

It is critical that such programs honestly represent the County and not promote features that do not exist or oversell the County. Soils can be limited and NRCS assistance in evaluating properties for new prospective buyers is warranted. The best opportunities may well be with part-time farmers interested in special crops such as tree fruits.

Implementation Period: 2001

Responsible Parties:

- 1) Ag & Farmland Protection Board
- 2) Cornell Cooperative Extension
- 3) Agricultural Marketing Specialist

4.1.7 Agricultural Tourism Initiative

The County would benefit greatly by developing an agricultural tourism initiative around the Seneca Wine Trail promotions. That program is excellent but can be greatly expanded upon by packaging of bus tours with Bed & Breakfast promotions and marketing of these outside the region. Both Watkins Glen and the Finger Lakes Region offer tremendous name recognition and the efforts made to build upon the area's auto racing and wine credentials have been quite impressive, particularly in regard to extensions of the season with such concepts as the February Chocolate and Wine promotion. Nevertheless, the market is still only beginning to be tapped and continued professional marketing is needed to package such varied attractions as the racetrack, Finger Lakes National Forest and Seneca Wine Trail with local Bed & Breakfast offerings, vineyard/winery tours and farm markets.

The Chamber of Commerce is already working with AAA to package wine tours and lake cruises and create late season events such as the Octoberfest at the racetrack (in which wineries are asked to participate). The potential for adding farm stand tours, adding cheese to the wine trail and making tourist attractions out of farms and vineyards is considerable. An excellent illustration of the type of appeal that should be made is the brochure developed by Ontario, Seneca and Yates Counties entitled "The Beat of the Finger Lakes Heartland."

One of the most important assets in this regard is the fact most of the wineries and other farms are family operations. Family history is a great marketing device of much interest to visitors who like to take home wine, cheese and fruits they tell others they purchased at a little family-owned farm or vineyard in the Fingers Lake. Some of the wineries have

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begun to take advantage of this but others have not and need to become more receptive to bus tours and other organized group visitation. Professional marketers, therefore, are required to sell the tours at both ends - to visitors and to the businesses who could benefit from their visits. Visitors want to not only buy a bottle of wine but also to see how it's made and know who's making it. They want to know the family and associate with those individuals.

The area also very much needs more activities for youth to complement the adult attractions and create a family tourism image for the area. These might include corn mazes, equine activities and farm visits, for example. Other farm-related tourism could include tours of a small cheese plant, if one could be developed using the mini-dairy concept. A comprehensive three-year demonstration project funded with help from the County and State and/or Federal grant sources to develop and market bus tours centered around a combination of agricultural and recreational attractions is needed. The project should be assumed by the Chamber of Commerce over the long-term, but SCOPED and the IDA can create incentives for the development of additional agricultural tourism ventures such as new fruit and vegetables stands, corn mazes, farm tours, u-pick operations and the like through a combination of financial and tax incentives. The Agricultural and Farmland Protection Board should provide some initial leadership by assembling a working group and helping to secure some extra funding. The Board, in cooperation with Extension should also be doing seminars and continuous education with regard to establishing agricultural tourism ventures on farms and vineyards.

Implementation Period: 2001

Responsible Parties:

- 1) Ag & Farmland Protection Board
- 2) Chamber of Commerce
- 3) Agricultural Marketing Specialist
- 4) Cornell Cooperative Extension

4.2 Agricultural Policy - Right to Farm

Right to farm laws should be encouraged in all Schuyler County towns. A suggested model is included as Appendix 5.1 of this Plan and representatives of the Agricultural and Farmland Protection Board should meet with local officials of these towns on an individual basis over the next two years to explain the benefits of agriculture and propose the adoption of this model or a close facsimile. It is town government which typically receives agricultural complaints and takes responsibility for mediating these conflicts. Towns also control building and development and, therefore are the logical entities to administer Right to Farm laws.

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Right to Farm laws, it should be noted, are intended to complement the New York State Agricultural District Law and provide a means for resolving farm-neighbor conflicts. They do so by protecting the rights of farmers using sound agricultural practices to continue those practices and to grow and expand within the community. They establish a policy which recognizes agriculture as a priority land use and puts the burden of proof that a farm practices constitutes a nuisance squarely upon those who would oppose such practices. The model law establishes specific criteria which broadly define the nature of a sound agricultural practice and make it extraordinary difficult for such practices to be declared nuisances. The real strength of such laws, however, is that they create a mechanism to discuss problems, educate the parties and resolve conflicts on a local level. They also serve to establish a statement of town policy which, it is hoped, will carry over to other aspects of local government.

There has recently been a successful legal challenge to Right-to-Farm legislation in Iowa on the basis that the right to create an agricultural nuisance effectively establishes an easement over someone else's property without providing just compensation. However, the Iowa law was much broader than those of most states or the model local law recommended in this Plan. The Iowa law did not provide a right for an aggrieved neighbor to sue under any circumstances, regardless of negligence, whereas the New York State legislation and the model offered herein require use of sound agricultural practices and do not limit the ability to file a nuisance suit where such practices have not been followed or there has been negligence on the part of the farmer. Indeed, the thrust of these laws is simply to provide a defense against nuisance suits where sound agricultural practices have been followed. Consequently, neither the New York State legislation nor the model local law recommended should run afoul of the recent case law.

Implementation Period: 2000-2001

Responsible Parties:

- 1) Agricultural and Farmland Protection Board
- 2) Cornell Cooperative Extension of Schuyler County

4.3 Education and Public Relations

This is an area in which much can and needs to be done. The “Schuyler County Farm Days” program need to be re-established. Sullivan County’s “Down on the Farm Day”’s is an excellent example along this line and an annual publication similar to Saratoga County's "Saratoga Farms" resource guide to farms in the County should be developed to map Schuyler farms and promote agriculture in general. This might simply be as a Down on the Farm Day newspaper insert or it could be done in the manner of the "Business Journal" publication.

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The Agricultural and Farmland Protection Board, along with the SCOPED or the Chamber or the Chamber of Commerce, could also develop such a publication on an annual basis as the vehicle for agricultural promotion given that so much of the County's economy revolves around agriculture. It should include not only the map but also economic data on agri-business and farming, excerpts from this Plan, descriptions of all significant farms in the County by category and advertising and promotional material. The goal should be to use the piece for education of both the farm and non-farm community and to instill pride among members of the industry.

There should also be increased efforts to get this type of information and agricultural vocational training into BOCES and local high schools, some of whom have not been as receptive as they should be to such programs as the Dairy Princess. The "Feed the Green Machine" video is a place to start and from this base a program of seminars and, eventually, courses should be developed, particularly in the areas of agricultural diversification and specialization.

The "Agri-Core" curriculum programs used in Cortland, Ontario and Cayuga Counties are also excellent models. These programs need to be heavily promoted in the non-farm community to build knowledge of farm practices and an appreciation for agricultural economic opportunities in the County as well as the need to support and protect farming.

Implementation Period:	1) "Schuyler Farm Resources"	2001
	2) Presentations	2001
	3) Seminars and Courses	2002

Responsible Parties:	1) Cornell Cooperative Extension of Schuyler County
	2) Agricultural and Farmland Protection Board
	3) Farm Bureau

4.4 Taxation

It is recommended the County of Schuyler Industrial Development Agency consider a special tax abatement program to promote investment in new or expanded agricultural enterprises. There are several reasons to consider such a program, including but not limited to the following:

- The average value of land, buildings and equipment used in Schuyler County farm businesses in 1997 was \$244,532, for total investment of approximately \$77,761,000, the equivalent of several major manufacturing facilities. Expansion of these enterprises and development of support businesses such as wineries (which

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are not included in these totals) is the perfect place to start with a targeted tax-abatement program.

- An often cited reason for businesses considering relocating out of Schuyler County is “high taxes.” Wineries can be particularly affected because they do not generally qualify as agricultural buildings and, therefore, cannot take advantage of New York State agricultural tax incentives. A targeted tax abatement program can help to address this problem by converting a distinctive to an incentive for those businesses with particular potential for job growth and the wine industry is clearly one of those. So is agricultural in general.
- The farm community depends, for competitive advantage, on having choices of farm supply dealers available and it is critically important that Schuyler County not only retain those suppliers it presently has but also increase their numbers. Feed Dealers, farm equipment dealers, fruit and vegetable processors and similar support businesses are needed and none of the existing agricultural tax incentives provided to farmers will provide any incentives for these businesses to locate in Schuyler County or expand. A complementary enticement to these enterprises is, therefore, required.
- Farmers typically purchase most of their goods and services from within a 20-25 mile range of the farm, while their product is marketed outside the region. This export of product and import of dollars produces higher income multiplier impacts compared to virtually every economic sector. Agricultural manufacturing industries generate extraordinarily high employment multipliers.
- One of the key features of this Plan is emphasis on agricultural economic development, the goal being to stimulate more recognition for the sector and investment in it. A target tax-incentive program, combined with programs to protect farmland and recapitalize agricultural enterprises, will allow the County to offer unique packages of benefits to such enterprises and make it the place to be if one is in those businesses - an essential ingredient of effective marketing for which individually negotiated abatements cannot substitute because they cannot be promoted. This is particularly appropriate for the wine industry because wineries do not qualify for agricultural tax breaks in their own right and are increasingly being established separate from vineyards due to the difficulty in capitalizing both enterprises simultaneously.

It is, for these reasons, recommend the IDA consider a targeted tax abatement program with an abatement schedule as follows:

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Proposed Schuyler County Agricultural Industry Tax Abatement Program

<u>Year</u>	<u>% Real Estate Taxes Abated</u>	<u>% of Improvements Taxed under PILOT*</u>
1	100%	0%
2	100%	0%
3	100%	0%
4	100%	0%
5	100%	0%
6	90%	10%
7	90%	10%
8	80%	20%
9	70%	30%
10	60%	40%
11	50%	50%
12	40%	60%
13	30%	70%
14	20%	80%
15	10%	90%
16	0%	100%

* PILOT = Payments In Lieu of Taxes

This schedule is designed to provide maximum benefits during that period of time when an agri-business or a winery is paying off equipment and start-up loans and, therefore, will be direct aid in capitalizing these businesses. It is aggressive but not unprecedented. Ontario and Sullivan Counties, for example, have similar programs that have already been used by agricultural processors and feed and farm machinery dealers to expand their operations, increasing their commitment to those respective Counties. An aggressive program is, moreover, required to get attention and be truly able to market the County's package as a valuable competitive advantage for businesses considering locating here. Yates County, too, has a similar program for industrial value-added businesses, much more aggressive than Schuyler's and open to wineries as value-added food processors.

Similar or even greater benefits could be extended to all farm enterprises through a program of leased development rights (LDR) wherein the IDA would hold title to development rights for a specified period of time during which taxes (actually payments in lieu of taxes) would only be collected on that percentage of the tax base specified in the abatement schedule. There is also a great need, for reasons expressed earlier, for tax

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relief to the forest industry and these vehicles could be used for this purpose as well, although a modification of the State's 480(a) rules is what is really required to effect meaningful change. The program requires very intensive management compared with the burdens of obtaining the benefits.

A lowering of property taxes and compensating increase in the County sales tax could also be of benefit to farm and forest landowners because it would shift some of the burden to second-home and seasonal visitors. This would help to address Objective 3.7.6 herein but ensuring the overall tax burden did not increase would be essential.

Finally, there is a demand within the farm community for increased awareness of existing tax benefits available to farmers. Surveys conducted as part of this planning process indicating a lack of knowledge regarding fairly generous tax benefits available to New York State farmers. As a result a presentation was made to the Agricultural and Farmland Protection Board. This needs to continue on a regular basis with farmers, assessors and others and be extended to the farm community as a whole. A farmers tax guide needs to be developed along this line with annual seminars and release of reminder notices

Implementation Period:	1) IDA Program	2000
	2) Investigation of LDR	2001
	3) Farmers tax guide	2001

Responsible Parties:	1) County of Schuyler Industrial Development Agency
	2) Agricultural and Farmland Protection Board
	3) Cornell Cooperative Extension of Schuyler County
	4) SCOPED

4.5 Land Use Planning

Purchase of development rights (see below) will often be impractical in Schuyler County due to limited differentials between agricultural and development values, and lack of public knowledge. Other measures are appropriate in those circumstances and these include land use regulations. Farming can be greatly helped or greatly hurt by zoning and other land use regulations, depending on how well agricultural interests are incorporated in the land use planning which undergirds the regulations. Three recommendations for accomplishing this objective are outlined below:

4.5.1 Agricultural Zoning

Where zoning exists within the County, the zoning laws should include agricultural zoning districts that match, to as great a degree as practical, the New York State Certified

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Agricultural Districts within those borders. The Agricultural Farmland Protection Board should, in cooperation with the Cornell Cooperative Extension's Planning Division, develop a model set of district regulations for this purpose. The regulations should permit a wide range of uses in such districts but only at densities compatible with farm activities so that adequate buffers can be provided and reduce potential nuisances suits. Uses should also be oriented toward compatible activities like campgrounds, farm resorts, light manufacturing and other activities where the potential for conflict with agriculture is minimized and residential development of any significant nature should be discouraged.

The districts should discourage activities that will require the extension of sewer and water lines into active farm areas but encourage "conservation" or "farm-friendly" subdivisions which allow the area to develop in a reasonable and compatible manner and permit farmers to secure extra income from sale of equity in land which is not essential to their farm operations. Such subdivision regulations typically require clustering of housing and development along the edges of properties or wooded areas to avoid using up valuable farm fields. Some sample language along this line might be as follows:

"Proposals for subdivision of parcels including active farm or crop land within New York State Agricultural Districts shall include delineation of proposed building sites on each lot, which sites shall be located outside of or along the edges of the active farm and crop lands. Subdivisions of five (5) lots or more shall ordinarily be required to employ conservation subdivision or clustering techniques which provide for presentation of active farm and crop land without reducing overall density of development."

Some caution must be exercised, however, in planning developments of this nature to avoid creating conflicts between homeowners and farmers engaged in normal agricultural practices such as manure spreading, weed spraying and cattle pasturing. Density of development and buffering are both factors which should be considered in this regard.

Implementation Period: Start-up - 2000

Responsible Parties: 1) Agricultural and Farmland Protection Board
2) Cornell Cooperative Extension

4.5.2 Agricultural Planning Guide

Local officials and, particularly, planning board members, require continuous education on planning issues in general and agricultural law. Many planning board members often come from non-farm backgrounds and are unaware of farm issues and the law as it

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pertains to agriculture. An agricultural planning education program is, therefore, recommended. and a draft document of this nature has been separately provided as part of this project. Planning schools, seminars and resource materials for local officials should be prepared and/or conducted to help them understand how the Agricultural Districts Law works and the considerations they should give to development adjacent to farms.

Implementation Period: 2001-2002

Responsible Parties: 1) Cornell Cooperative Extension
2) Agricultural and Farmland Protection Board

4.5.3 Farm Representation on Planning Boards

Section 271.11 of the New York State Town Law specifically provides towns with the authority to appoint one or more agricultural members who earn at least \$10,000 per year in gross income from agricultural pursuits. Such members can be in addition to the 5 or 7 other members the Law specifies each Board must have all major agricultural towns should take advantage of this provision to designate additional farm members.

Such members are more effective in the long-term than simple appointments of farmers to regular planning board positions because there is no guarantee with the latter that farmers will stay on the boards in the case of reappointments over the years. Getting towns to make such appointments will demand not only some initial persuasion but also continued follow-up and technical assistance.

Implementation Period: 2000-2001

Responsible Parties: 1) Agricultural and Farmland Protection Board
2) Cornell Cooperative Extension of Schuyler County

4.6 Farmland Preservation

The County should, together with the Finger Lakes Land Trust, establish a program to acquire conservation easements on the most valuable farmland in the County, provided the program is strictly voluntary and limited to high-value farmlands threatened by development (e.g. Seneca Lakes tracts well suited to growing grapes). Conservation easements effectively separate commercial and residential development rights from farming rights and the acquisition of the former is, therefore, often referred to as "purchase of development rights" or "PDR." The values of such programs are two-fold. It preserves farmland with all the attendant benefits of protecting open space, critical

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mass and future opportunities to farm. The program is, therefore, very much directed at the future and, hence, the name.

The program will require funding for easement purchases, administrative assistance and an organization to receive and hold the easements or development rights. The primary areas to be protected may be described as those farms, depicted on the map found in Section 2.2 of this Plan, that lie within a New York State Certified Agricultural District and are located within those Soil Groups rated as "highly suited" in terms of Agricultural Suitability (see Table 2.1). Individual priorities should be established using the recommended "Guidelines for PDR Program" found as Appendix 5.3 of this Plan.

The receiving organization for the easements could be the County itself through the Agricultural and Farmland Protection Board or a land trust such as the Finger Lakes Land Trust. The Land Trust is already operating within the County and it might well also play an administrative role. The American Farmland Trust is another possibility and, of course, AFT has assisted with the preparation of this Plan and is, therefore, familiar with the County. Also, regardless of who is chosen to receive easements or administer the program, AFT is a reservoir of valuable information and models of easement of easement/PDR programs.

Funding for the program could come from many sources including the New York State Environmental Bond Act, the Federal Farms for the Future program, the New York State Agricultural and Farmland Protection Program, local and national land trusts and/or private individuals. Multiple sources of financing will probably be required. A landowner might, for example, donate a portion of the easement value for a tax write-off and to provide the match for New York State or other funding. This could work particularly well with wealthier owners of rented farmlands.

The Conservancy, if involved in the program might well also be able to raise private donations for matches. There are, too, other programs such as the Federal Conservation Reserve Program (CRP) which might well be piggybacked onto the local program as a way of leveraging additional monies.

This is why the AFT and/or WAC could be of extraordinary help in developing the program. The Agriculture and Farmland Protection Board will need to approve guidelines for dealing with the sensitive issues of how farms are chosen for the program and the management of the conservation easements, setting off of areas that can be reserved for family residential development and limiting other commercial and residential development of the farmland itself through negative covenants which confine or prohibit such activity. It will be important to avoid discriminating against small farmers in the selection process. The Board will also need to do a fair amount of preliminary

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organization before it can solicit easements, but the program can come together quickly with the right help and the Board should establish high goals and publicize them as a way of generating interest in the program, both from farmers and potential contributors.

Implementation Period:

1) Start-up	2002
2) Acquisition	2003-2012

Responsible Parties:

- 1) Agricultural and Farmland Protection Board
- 2) Cornell Cooperative Extension
- 3) Finger Lakes Land Trust

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Section 4.7 - Agricultural Development and Farmland Protection Plan Summary and Implementation Schedule				
No.	Description	Priority	Responsible Persons	Implementation Date
4.1.1	Create Agricultural Marketing Specialist position	Immediate	SCOPE/IDA Cooperative Extension Ag Protection Board	Start-up, 2000 Demonstration, 2001/2004
4.1.2	Formation of additional farm cooperatives	Important	Ag Marketing Specialist Ag Protection Board USDA Rural Development Cooperative Extension	Start-up, 2002 Operation, 2003
4.1.3	Added value initiatives	Very Important	Ag Marketing Specialist SCOPE/IDA Cooperative Extension	2001-2005
4.1.4	Green-labeling program	Important	Ag Protection Board RC&D District SCOPE/IDA Ag Marketing Specialist	Investigation, 2001-2002 Implementation, 2003
4.1.5	Expand financing programs	Very Important	SCOPE/IDA Southern Tier Central Ag Marketing Specialist	2001-2005
4.1.6	Solicit new farm enterprises	Important	Ag & Farmland Board Cooperative Extension Ag Marketing Specialist	2001
4.1.7	Pursue agricultural tourism initiative	Extremely Important	Ag Protection Board Chamber of Commerce Ag Marketing Specialist Cooperative Extension	2001
4.2	Promote use of Right to Farm Laws among Towns	Very Important	Ag Protection Board Cooperative Extension	2001/2002
4.3	Create "Schuyler Farm" guide Agricultural presentations Seminars and courses	Important	SCOPE/IDA Ag Protection Board Farm Bureau	Guide, 2001 Presentations, 2001 Seminars/courses, 2002
4.4	Adopt/utilize IDA program Investigate LDR Farmers Tax Guide	Very Important	IDA Ag Protection Board Cooperative Extension	IDA Program, 2000 LDR, 2001 Guide, 2001
4.5.1	Promote agricultural zoning where zoning is in place already	Very Important	Ag Protection Board Cooperative Extension	Start-up, 2000
4.5.2	Agricultural planning education	Important	Cooperative Extension Ag Protection Board	2001-2002
4.5.3	Get major agriculture towns to appoint agricultural members to Planning Boards	Very Important	Ag Protection Board Cooperative Extension	2000-2001
4.6	Establish Farmland Preservation Program	Important	Ag Protection Board Cooperative Extension Finger Lakes Land Trust	Start-up, 2001 Agreements, 2002-2012

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5.0 Appendices

Attached are the following Appendices to this Plan:

5.1 Model Right to Farm Law

5.2 Summary - Agricultural Protection Plan Surveys

5.3 Guidelines for PDR Program

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Model Right to Farm Law

Be it enacted by the Town Board of the Town of _____ as follows:

Section 1. Legislative Intent and Purpose

The Town Board recognizes farming is an essential enterprise and an important industry which enhances the economic base, natural environment and quality of life in the Town of _____. The Town Board further declares that it shall be the policy of this Town to encourage agriculture and foster understanding by all residents of the necessary day to day operations involved in farming so as to encourage cooperation with those practices.

It is the general purpose and intent of this law to maintain and preserve the rural traditions and character of the Town, to permit the continuation of agricultural practices, to protect the existence and operation of farms, to encourage the initiation and expansion of farms and agribusinesses, and to promote new ways to resolve disputes concerning agricultural practices and farm operations. In order to maintain a viable farming economy in the Town of _____, it is necessary to limit the circumstances under which farming may be deemed to be nuisance and to allow agricultural practices inherent to and necessary for the business of farming to proceed and be undertaken free of unreasonable and unwarranted interference or restriction.

Section 2. Definitions

1. "Farmland" shall mean land used in agricultural production, as defined in subdivision four of section 301 of Article 25AA of the State Agriculture and Markets Law.
2. "Farmer" shall mean any person, organization, entity, association, partnership, limited liability company, or corporation engaged in the business of agriculture, whether for profit or otherwise, including the cultivation of land, the raising of crops, or the raising of livestock.
3. "Agricultural products" shall mean those products as defined in section 301(2) of Article 25AA of the State Agriculture and Markets Law, including but not limited to:
 - a. Field crops, including corn, wheat, rye, barley, hay, potatoes and dry beans.
 - b. Fruits, including apples, peaches, grapes, cherries and berries.
 - c. Vegetables, including tomatoes, snap beans, cabbage, carrots, beets and onions.

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- d. Horticultural specialties, including nursery stock, ornamental shrubs, ornamental trees and flowers.
 - e. Livestock and livestock products, including cattle, sheep, hogs, goats, horses, poultry, llamas, ratites, such as ostriches, emus, rheas and kiwis, farmed deer, farmed buffalo, fur bearing animals, milk and milk products, eggs, furs, and poultry products.
 - f. Maple sap and sugar products.
 - g. Christmas trees derived from a managed Christmas tree operation whether dug for transplanting or cut from the stump.
 - h. Aquaculture products, including fish, fish products, water plants and shellfish.
 - i. Short rotation woody crops raised for bioenergy.
 - j. Production and sale of woodland products, including but not limited to logs, lumber, posts and firewood.
4. "Agricultural practices" shall mean those practices necessary for the on-farm production, preparation and marketing of agricultural commodities. Examples of such practices include, but are not limited to, operation of farm equipment, proper use of agricultural chemicals and other crop production methods, and construction and use of farm structures.
5. "Farm operation" shall be defined in section 301 (11) in the State Agriculture and Markets Law.

Section 3. Right-to-Farm Declaration

Farmers, as well as those employed, retained, or otherwise authorized to act on behalf of farmers, may lawfully engage in agricultural practices within this Town at all times and all such locations as are reasonably necessary to conduct the business of agriculture. For any agricultural practice, in determining the reasonableness of the time, place, and methodology of such practice, due weight and consideration shall be given to both traditional customs and procedures in the farming industry as well as to advances resulting from increased knowledge, research and improved technologies.

Agricultural practices conducted on farmland shall not be found to be a public or private nuisance if such agricultural practices are:

- 1. Reasonable and necessary to the particular farm or farm operation,

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2. Conducted in a manner which is not negligent or reckless,
3. Conducted in conformity with generally accepted and sound agricultural practices,
4. Conducted in conformity with all local state, and federal laws and regulations,
5. Conducted in a manner which does not constitute a threat to public health and safety or cause injury to health or safety of any person, and
- 6 .Conducted in a manner which does not reasonably obstruct the free passage or use of navigable waters or public roadways.

Nothing in this local law shall be construed to prohibit an aggrieved party from recovering from damages for bodily injury or wrongful death due to a failure to follow sound agricultural practice, as outlined in this section.

Section 4. Notification of Real Estate Buyers

In order to promote harmony between farmers and their neighbors, the Town requires land holders and/or their agents and assigns to comply with Section 310 of Article 25-AA of the State Agriculture and Markets Law and provide notice to prospective purchasers and occupants as follows: "It is the policy of this state and this community to conserve, protect and encourage the development and improvement of agricultural land for the production of food, and other products and also for its natural and ecological value. This notice is to inform prospective residents that the property they are about to acquire lies partially or wholly within an agricultural district and that farming activities occur within the district. Such farming activities may include, but not be limited to, activities that cause noise, dust and odors." This notice shall be provided to prospective purchase of property within an agricultural district or on property with boundaries within 500 feet of a farm operation located in an agricultural district.

A copy of this notice shall included by the seller or seller's agent as an addendum to the purchase and sale contract at the time an offer to purchase is made.

Section 5. Resolution of Disputes

1. Should any controversy arise regarding any inconveniences or discomfort occasioned by agricultural operations which cannot be settled by direct negotiation between the parties involved, either party may submit the controversy to a dispute resolution committee as set forth below in an attempt to resolve the matter prior to the filing of any court action and prior to a request for a determination by the Commission or Agriculture and Markets about

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whether the practice in question is sound pursuant to Section 308 of Article 25AA of the State Agriculture and Markets Law.

2. Any controversy between the parties shall be submitted to the committee within thirty (30) days of the last date of occurrence of the particular activity giving rise to the controversy or the date the party became aware of the occurrence.
3. The committee shall be composed of three (3) members from the Town selected by the Town Board, as the need arises, including one representative from the farm community, one person from Town government and one person mutually agreed upon by both parties involved in the dispute.
4. The effectiveness of the committee as a forum for the resolution of disputes is dependent upon full discussion and complete presentation of all pertinent facts concerning the dispute in order to eliminate any misunderstandings. The parties are encouraged to cooperate in the exchange of pertinent information concerning the controversy.
5. The controversy shall be presented to the committee by written request of one of the parties within the time limits specified. Therefore after, the committee may investigate the facts of the controversy but must, within twenty-five (25) days, hold a meeting at a mutually agreed place and time to consider the merits of the matter and within five (5) days of the meeting render a written decision to the parties. At the time of the meeting, both parties shall have an opportunity to present what each consider to be pertinent facts. No party bringing a complaint to the committee for settlement or resolution may be represented by counsel unless the opposing party is also represented by counsel. The time limits provided in this subsection for action by the committee may be extended upon the written stipulation of all parties in the dispute.
6. Any reasonable costs associated with the function of the committee process shall be borne by the participants.

Section 6. Severability Clause

If any part of this local law is for any reason held to be unconstitutional or invalid, such decision shall not effect the remainder of this Local Law. The Town hereby declares that it would have passed this local law and each section and subsection thereof, irrespective of the fact that any one or more of these sections, subsections, sentences, clauses or phrases may be declared unconstitutional or invalid.

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Section 7. Precedence

This Local Law and its provisions are in addition to all other applicable laws, rules and regulations.

Section 8. Effective Date

This Local Law shall be effective immediately upon filing with the New York Secretary of State.

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Survey Highlights

Schuyler County has a diverse and economically important agricultural industry. The Schuyler County Agricultural and Farmland Protection Board has been charged with the responsibility for developing a comprehensive strategy to preserve and enhance the County's agricultural industry. As part of this effort, the Board, in cooperation with Cornell Cooperative Extension and Shepstone Management Company, conducted surveys of both farmers and agri-businesses.

Two such surveys, one of producers and the other of agri-businesses serving them, were made in the Summer of 1999 to gather industry opinions as to the future directions the County should take with respect to protecting and further developing agriculture as an industry. Survey recipients were asked to complete and return their forms within 2 weeks and instructed that all individual survey responses were confidential and would be used for no other purpose. All surveys were sent directly to the Cooperative Extension Service and then onto the project consultants, for tabulation, and have not been made available to members of the Agricultural and Farmland Protection Board except in this summary form.

The response to both surveys was excellent. Altogether, some 119 or 30% of the surveys were returned with information. A total of 272 surveys were mailed to producers and 125 more were delivered to known agri-businesses using Cooperative Extension database addresses. Some 82 producer and 37 agri-business surveys were returned for response rates of 30% each. The most important results, with key points highlighted, are offered below and these are, in turn, followed by a summary of the detailed results:

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Characteristics of Respondents

- Over 40% of the producers who responded came from the Town of Hector and another 35% came from the Towns of Tyrone, Montour and Reading. **Interestingly, however, only 50% of the agri-businesses came from Schuyler County.**
- Out of the total of 16,684 acres of farmland reported being held by respondents, some 13,902 or 82% was being farmed and 2,982 acres or 18% was idle. Some 13,351 acres or 79% constituted owned property and 3,533 acres or 21% was rented.
- **Some 82% of those farmers who responded were over the age of 41 and 55% of were over 51 years old.**
- **Although the majority of the land owners surveyed were over 50 years old, 64% planned on farming for another 5 to 10 years.**
- Following retirement, 42% of farmers plan on transferring their farm to other family members while 29% plan on selling to other farmers. **Thus, a total of 71% plan on keeping the land in farming.**
- **Some 47% of agri-business owners witnessed a drop in the number of all farmers and 33% reported a smaller number of larger operations.**
- A total of 58% of farmers had been farming at their current locations for 20 or more years.
- **Approximately 53% of farmers indicated this was their full-time occupation, while 47% of respondents spent less than 40 hours per week farming.**
- **Some 47% of farmers reported that other household members were actively involved in farming operations but 65% of spouses spent less than 25% of their work time on the farm. Surveys indicated 54% of spouses had off-farm employment.**
- Some 92% of small agri-businesses employees were full-time. The majority of these business were well established, having been in operation for over 20 years (61%). Less than 6% of businesses had been in operation less than five years.
- Machinery sales and/or repair accounted for the largest single share of agri-business enterprises responding to the survey (17%), vehicle/equipment repair businesses were next (13%) and these was followed by agricultural consultants and seed dealers (9% each). **Some 54% of agri-business owners estimated Schuyler purchases constituted less than 25% of their total revenue.**

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Taxation and Regulation

- **Farmers surveyed felt property and school tax reforms were very important to the future success of farming in Schuyler County but less than 25% took advantage of New York State's School Tax Refund program, due to either lack of knowledge (26%) and/or eligibility (50%).**
- At the time of the survey, 40% of respondents were receiving an agricultural assessment on their land.
- Some 8,555 acres or 51% of the farmland owned by respondents was located within agricultural districts and a 47% felt agricultural district development was very important for the successful future of farming within Schuyler County.
- Only 16 or 23% of respondents reported having had problems with neighbors concerning farming practices but 27% of business owners were aware of nuisance suits or right to farm complaints against their customers.
- **Some 69% of agri-business owners thought not enough was being done by the State or County to preserve or enhance agriculture and 62% of these businesses and 55% of producers thought local planning and zoning boards needed more information on the value of protecting agricultural land.**

The Business of Farming

- **Altogether, 35% of farm respondents reported selling their products directly to consumers through farmers' markets (24%), "U-pick" operations (24%), mail order (18%) and the Internet as well as other means (35%).**
- Some 46% of those farmers surveyed identified marketing for higher prices to new outlets as very important for the successful future of farming within Schuyler County.
- **Health insurance (58%), utilities (57%), property and liability insurance (44%) and workmen's compensation insurance (42%) were cited as critical costs of doing business for Schuyler County farmers.** The availability of skilled labor, financing availability and agricultural land were also considered important.
- Only 18% of farms indicated they were part of a farm/business cooperative and only 9% participated in buying groups.

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- **Some 59% of farms indicated having room for expansion and 37% were considering expanding or renovating in the next five years.** Moreover, 40% of agri-businesses said they planned on increasing their sales dollar volume over the next five years. However, 57% expected to lose customers and 54% expected declining profits, reflecting anticipated industry consolidations.
- **Some 38% of farmers reported sales of less than \$10,000 in 1998, but 26% had sales volumes of \$100,000 or more and 8% sold over \$500,000 of product.**
- **Very few farmers (10%) had difficulty obtaining financing to renovate or expand, but only 52% were confident the terms had been reasonable.** Some 52% indicated they would need in excess of \$100,000 in financing for renovations or expansions under consideration.
- Some 49% of farmers surveyed had approached a commercial bank or savings and loan for financial assistance, followed by 39% who had contacted a farm credit agency.
- Those farmers surveyed indicated that, over the last five years:
 - Customers had increased or stayed the same for 85% of the respondents;⁴⁰
 - Sales quantity volume had increased or stayed the same for 82% of the respondents;
 - Sales dollar volume had increased for 75% of the respondents; and
 - **Profits had decreased for 35% of the respondents.**
- Cornell Cooperative Extension, farm publications and other farmers were the leading sources that farmers used for information on agricultural issues.
- Some 51% of those surveyed indicated Cornell Cooperative Extension's information was very effective followed by Farm Bureau (39%), and the Soil and Water Conservation District (36%).
- **A high 56% of respondents reported making less than 25% of their agricultural purchases were within Schuyler County and only 8% reported making 75% or more of such purchases within the County.**

⁴⁰ Dairy farmers typically have only one "customer," their milk processor, but others farmers usually sell to multiple customers.

Schuyler Farms for the Future Program **Guidelines for Purchase of Development Rights**

Project Criteria/Eligibility:

Landowners will be required to be within a New York State Certified Agricultural District to be eligible to participate in the Schuyler Farms for the Future Program.

Project Ranking:

In order to provide an unbiased method of selecting properties for the **Schuyler Farms for the Future** program, the Schuyler County Agricultural and Farmland Protection Board has developed a ranking system as delineated below.

The ranking system, based on a series of points per category, will enable the Agricultural and Farmland Protection Board to prioritize potential **Schuyler Farms for the Future** program properties based on their agricultural characteristics.

Project ranking criteria have been carefully identified based upon successful agricultural easement programs.

I. U.S.D.A. Soils - Number of acres highly suited for agriculture (see Section 2.1 of Agricultural and Farmland Protection Plan):

<u>Points</u>	<u>Criteria</u>
20	80% or more of farm
15	60% to 79% of farm
10	40% to 59% of farm
5	20% to 39% of farm

Soil is the basic resource of agriculture. Priority will be given to farmland that is considered, on a state and national level by the USDA-NRCS, to be of high quality for a variety of crops and agricultural enterprises.

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II. Development Potential:

A. Soils highly suitable for development (see County Soil Survey):

<u>Points</u>	<u>Criteria</u>
25	50 percent or more
10	Greater than 25 percent but less than 50 percent

B. Public road frontage (linear feet, as measured on property boundaries):

<u>Points</u>	<u>Criteria</u>
15	2,000 feet and greater
10	1,500 to 1,999 feet
5	1,000 to 1,499 feet

C. Distance from hamlets or villages (as measured by public roads):

<u>Points</u>	<u>Criteria</u>
20	Less than 1 mile
10	1 mile to 3 miles

Development is often driven by the location of a particular parcel and its ability to be converted to non-farm use. Soils suitable for septic, significant road frontage which could support future subdivision on a large scale, and proximity to hamlets which may expand public sewer and water capacity, can contribute to the conversion of farmland. Emphasis will be placed on farmland which exhibits these characteristics, thereby making it more vulnerable to development.

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III. Other Significant Resources:

<u>Points</u>	<u>Criteria</u>
35	Production of high-valued or specialized products(e.g. wine).
15	Recommended for protection in local Comprehensive Plan or as part of other local, County or regional planning effort.
10	Farm is employed for multiple agricultural purposes.
10	Outstanding conservation measures.
10	Outstanding agricultural facilities.
10	Approved forest management plan.
5	Other significant resources (e.g., extensive acreage, century farm, etc.), please describe below:

Occasionally a farm may be encountered which possesses resources of one kind or another so significant that a majority of Board members could agree that such resources are important and should be protected and are therefore worthy of receiving additional points, in which case a maximum of 10 additional points may be allowed.

IV. Prospects for Continued Agricultural Use:

<u>Points</u>	<u>Criteria</u>
25	A formal estate and/or business plan is being implemented for transferring ownership of the farm to individual(s) who plan to continue farming.
10	More than 10 farms within a 3-mile radius of the main farmstead.
5	Five to 10 farms within a 3-mile radius of the main farmstead.

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V. Proximity to Other Farms:

<u>Points</u>	<u>Criteria</u>
20	Adjacent to permanently protected land.
10	Simultaneous application with contiguous neighbor(s)
10	Within one mile of permanently protected land.

VI. Percent of Property to be Protected with a Schuyler Farms for the Future Easement:

<u>Points</u>	<u>Criteria</u>
10	90-100% of the farm
5	75-90% of the farm

VII. Acreage to be Protected by Applicant under a Conservation Easement:

<u>Points</u>	<u>Criteria</u>
20	Greater than 100 acres
10	50 to 99 acres
5	<50 acres