

Delaware County Agricultural Growth and Sustainability Plan 2010-2015

Delaware County Department of Economic Development



**Delaware County, New York
Agriculture Industry Growth and Sustainability Plan**

TABLE OF CONTENTS

1. Introduction & Methodology	page 1
2. County Agriculture Industry Profile	page 2
3. Survey and Interview Themes	page 5
4. Barriers to Growth	page 11
5. Trends & Opportunities	page 13
6. Goals & Strategies for Implementation	page 15

Appendix A: Interview and focus group participants

Appendix B: Survey Instrument

Appendix C: Survey Responses

**Delaware County, New York
Agriculture Industry Growth and Sustainability Plan**

1. Introduction & Methodology

The Delaware County Department of Economic Development (DCED) received planning grant funds from the Office of Community Renewal, to conduct an assessment of agricultural businesses in the county, and to develop a plan of how Delaware County can help to sustain and grow the agricultural industry.

DCED staff, together with Skate Creek Consulting developed a survey instrument to seek farmland and business owners' input regarding the current state of agriculture, future trends, assistance needed, opportunities for growth, and barriers to development.

The survey was sent to over 800 farms and farmland owners, and was made available online. More than 350 surveys were completed, a response rate of almost 45%. In addition to surveys, the consultants conducted dozens of interviews with farmers to gather ideas and input for this plan. Focus groups were held with a number of farmers to refine the plan and recommendations. Particular emphasis was given to actionable strategies and achievable goals for the county and for the local farming community.

DCED wishes to thank the Office of Community Renewal for providing funds for this plan for Delaware County agriculture, as well as the hundreds of farmers and landowners who took the time to respond to the survey, participate in an interview, or review the plan and provide valuable input. In addition, we would like to thank Stamford Farmers Coop, McDowell and Walker, and Tractor Supply for providing discount coupons for farmers who filled out the survey, and Cornell Cooperative Extension and the Watershed Agricultural Council's Farm to Market and Small Farms programs for their invaluable input to the survey and the outreach plan for this project.

2. Delaware County Agricultural Industry Profile

Agriculture has long been recognized as an important business in Delaware County. The NYC Watershed Economic Impact Assessment report completed in 2009 identified agriculture as a mature, “mainstay” industry in Delaware County, along with manufacturing, the public sector, utilities, and other natural resource-based industries (namely forestry and bluestone). Like manufacturing, agriculture has experienced a decline in the past decades. The goal of this study is to outline potential strategies to help reverse this trend and grow income and jobs in the agricultural sector.

The USDA census of agriculture is a starting point for looking at the state of agriculture in Delaware County and its contribution to the economy.

Farm Investment

The USDA identifies 747 “farm operations” in Delaware County as of 2007, and estimated total farm sales of commodities as \$55,143,000.

The capital investment in land and buildings is \$375,493,000. The estimated investment in machinery assets is \$62,669,000.

There is also significant investment in livestock. Delaware County is home to approximately 30,000 head of cattle, including dairy and beef cows and calves on 409 operations.

Collectively, the capital investment in agriculture is the equivalent of several large manufacturing plants in Delaware County. This investment helps support Delaware County banks, machinery dealerships, and other farm support businesses such as supply stores and veterinarians. Cornell University has estimated that the “multiplier effect” is 2.5 for agriculture – greater than any other industry studied. This means that a dollar received by a farm business multiplies in the local economy approximately two and a half times when the farm uses dollars received from exporting farm products to other regions and spends them with local support businesses. As locally-owned businesses, farms are more likely to use local banks, lawyers, accountants, and parts suppliers than large non-locally owned manufacturing plants or retail chains.

Delaware County Agriculture Snapshot 2007

1217 ‘farm owners’: 437 identify agriculture as their primary business. Net farm income is \$13,000,000. Most owners are also residents.

Farms employ at least 760 people. Farm payroll is \$5,600,000

\$55,000,000 in sales of agricultural product (fluctuates with milk prices)

Increase in number of vegetable, small ruminant, hog and poultry farms

Increase in the largest and the smallest farms

Growth in farms doing ‘direct marketing’

Decrease in the number of dairy farms, increase in average size.

Since 2000, the county has lost 5% of the farms, but sales have increased

At the same time, farm production expenses have risen 5%

**Delaware County, New York
Agriculture Industry Growth and Sustainability Plan**

Farm Characteristics

The vast majority of Delaware County farms are owned by a family or individual residing in Delaware County. Of the 747 farms, 348 have sales of more than \$10,000, and 142 farms have sales greater than \$100,000 ('commercial-scale' farms for the purpose of this study).

The USDA further classifies farms in Delaware County as follows:

- Limited resource farms: 136
- Small family farms / lifestyle farms: 210
- Small family farms / retirement: 159
- Very large family farms: 15
- Operations where principal operator is female: 103

Historical Trends

Commercial-scale farm numbers have declined over the past decades, while the value of agricultural products sold in Delaware County has remained roughly the same, indicating growth in scale and consolidation of commercial farms. While dairy farming remains the largest sector of farms, the numbers have declined as well as dairy's proportion of all farm sales in the county.

Sales of greenhouse/nursery products, hay, fruit, and horses represent the greatest area of growth in sales between 1997 and 2007.

Table 1: USDA Census data highlights in Delaware County Agriculture:

Shows decline in number of farms with value of farm products growing.

	2007	2002	1997
Value of products sold	\$55,143,000	\$50,520,000	\$44,623,000
# of farms	747	788	848
Land in farms (acres)	165,572	191,537	195,554
# of farms with sales > \$10,000	348	358	381
# of farms with sales > \$100,000	142	153	156
# Dairy farms	161	204	246
% of sales from dairy products	62%	68%	76%
# primary occupation is farming	437	497	428
Jobs on farms	760	770	

**Delaware County, New York
Agriculture Industry Growth and Sustainability Plan**

Direct to consumer sales are a small but growing portion of farm sales. In 2007, 134 farms in Delaware County sold direct to consumers, representing annual sales of \$1,155,000.

Employment

Farms provided jobs for approximately 760 people in Delaware County in 2007, on 197 operations. A significant number of these jobs are seasonal labor. Additionally, 1,213 people are owners / operators of farms in Delaware County. 415 of these operators are women. 437 of the owners indicate that their primary occupation is farming. The vast majority of operators indicate that their residence is on the farm property.

3. Survey & Interview Highlights

DCED mailed surveys to all farms and farmland owners in Delaware County that receive the agricultural exemption (more than \$10,000 in sales), as well as farms that participate in Farm Service Agency programs. Three hundred and fifty responses were returned. Following the surveys, more than fifty farmers in at least thirteen towns participated in interviews and focus group meetings. Themes that emerged from both surveys and interviews follow.

a. Pursue a Dairy Differentiation Strategy for Higher Value

The interviews validated the survey responses and highlighted the important fact that dairy is still the largest sector of the agriculture industry in the county. If the tide is to be turned back to growth and viability in agriculture, dairy farms need a large market for milk that provides them with a price that exceeds production costs. Delaware County farmers produced 181,000,000 pounds of milk in 2008 – the equivalent of the annual dairy consumption of roughly 300,000 people.

As one focus group member stated clearly, the land resources of Delaware County generally do not lend themselves to a low-cost production strategy for dairy products or crops; therefore differentiation to receive a higher price is necessary for long-term success. While energy programs, tax savings, and direct marketing assistance can all be important aids to individual farmers, the only real route to growth and sustainability in the next decade is a shift for dairy farmers to a viable market that pays a premium for Delaware County-produced dairy products, while at the same time supporting the development of emerging areas in Delaware County agricultural production

***“The impact of tax breaks
and farm education
programs pales in
comparison to what a
higher price for our farm
products would bring to
Delaware County”
~ Dave Rama***

Delaware County dairy farms could differentiate themselves in a variety of ways:

- Milk quality (low bacteria and somatic cell counts and/or high butterfat or protein)
- rBst free farms
- Family-owned farms
- Environmentally sound production practices
- Location within NYC’s watershed, protecting the NYC water supply
- Grass-based / grazing farms

Delaware County, New York Agriculture Industry Growth and Sustainability Plan

One potential barrier to developing this market is processing. Delaware County is home to three large processing plants, but there currently does not exist a nearby location for contract milk processing on a smaller scale. Evan's Creamery in Norwich is the nearest facility which does contract processing of bottled milk and yogurt products. Sullivan County recently completed a feasibility analysis for a medium-scale (15,000-30,000 gallons per day) dairy processing facility. While the study determined that there is sufficient product available in the region to support such a plant, it also determined that it was not a feasible investment at this time. The analysis suggested that a plant of this scale would cost between \$17 million and \$20 million to construct, and even given extremely favorable financing conditions, would generate a very low discounted annual rate of return (2.71%), making it a less-than attractive proposition for investors. Sullivan County's analysis that a medium scale plant is not a feasible investment at this time is consistent with findings that economies of scale support only the very largest of facilities, while tiny specialty facilities are also viable investments.

However, a different approach, starting with the market development (rather than with a processing facility) may be an alternative. If products can be developed that could be produced and marketed at a larger scale, potentially excess capacity at existing facilities could be used to make Delaware County value-added dairy products. Once a viable market is developed and a dairy brand is launched farmers could re-visit the business case for owning their own processing facility. This is a strategy which has been used successfully by small fluid milk cooperatives including Our Family Farms in Massachusetts and Hudson Valley Fresh. These farmer-owned collective businesses began their businesses by marketing their own milk but having it processed under contract with an independent processor with excess capacity.

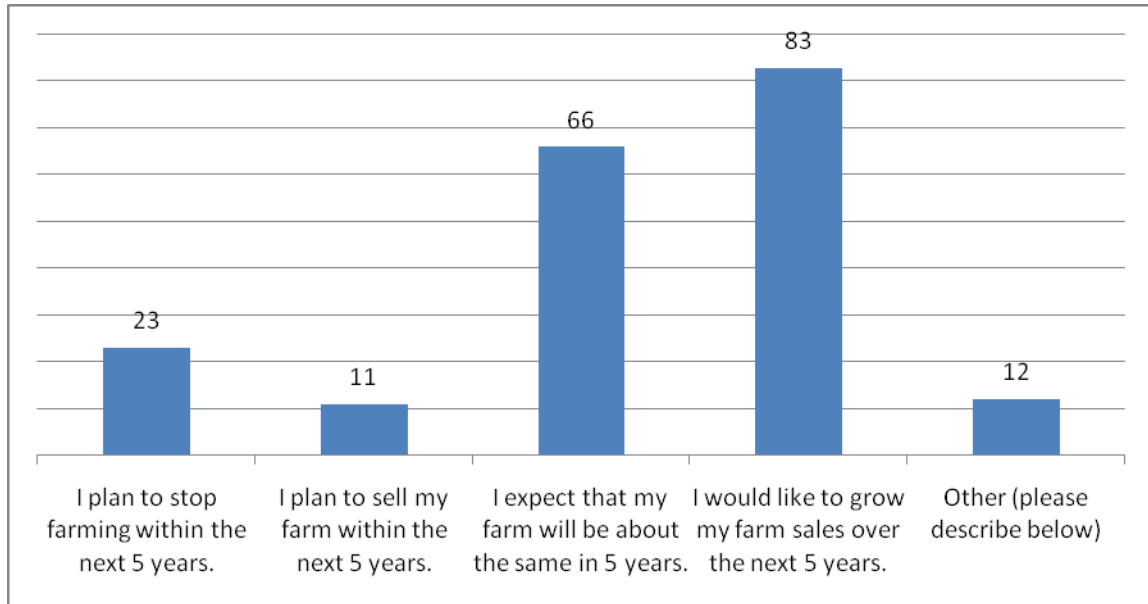
b. Support Emerging Sectors – Beef, Farmstead Cheeses, Direct Marketing and Regional Markets

Direct marketing is on the rise in Delaware County, with the growing interest in buying local, and the trend towards increasing numbers of second homes in the county, typically owned by people with significant disposable incomes. There are now at least four dairies (goat and cow) processing and marketing their own milk, yogurt, and/or cheeses in Delaware County - only one of these was in existence ten years ago. A number of farms are raising and marketing their own brand of beef, both locally and increasingly to New York City. At least two distributors have begun picking up on a regular basis from farms in Delaware County and delivering to outlets in the Hudson Valley and New York City. While still small percentages of the total agricultural sales for the county, these are important trends that can be nurtured and encouraged.

**Delaware County, New York
Agriculture Industry Growth and Sustainability Plan**

c. Other highlights from the survey responses:

- a) **Farmers are interested in pursuing growth, but new farms need to be started to replace those who will stop farming.** 42% of the farmers who responded to the questions about future plans for their business indicated they would like to grow their farm sales over the next five years.



*83 respondents would like to grow their farm sales over the next 5 years.
23 indicated they plan to stop farming in five years or less.*

b) Areas of focus for Delaware County, as indicated by survey responses:

- Protect active farms and prime soils (through making farming viable, not by regulation)
- Promote development of alternative energy sources
- Make city-owned land easier to lease
- Support purchase locally grown products by local institutions

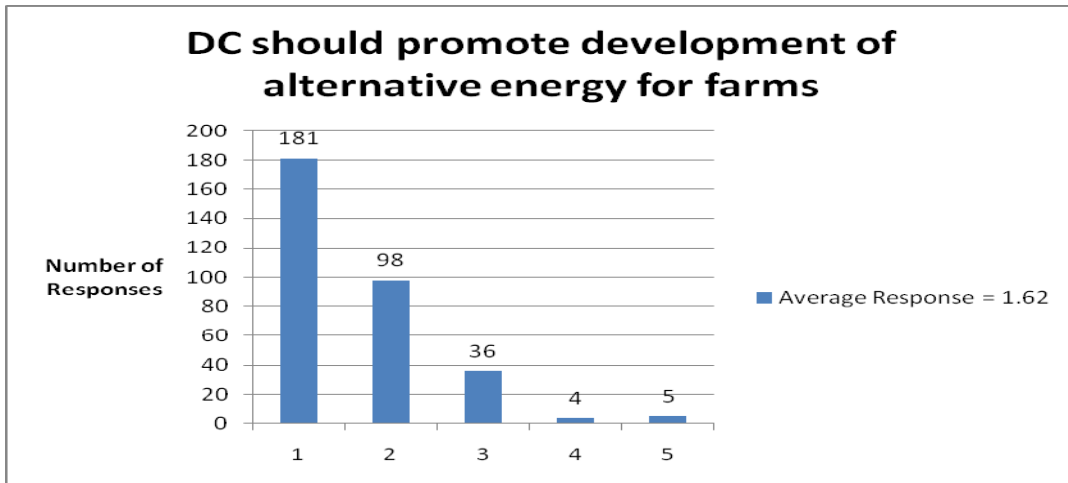
c) Barriers to growth:

- Inability for farmers to receive a viable price for their product which covers the cost of production in Delaware County.
- High property and school taxes are considered by most farmers to be a barrier to growth.
- Interviews indicated that the difficulty and expense of hiring employees (workman's comp and taxes) were a barrier to growth in employment on farms.
- NYC DEP purchase of farmland is driving up prices, making farmland unavailable / too expensive.

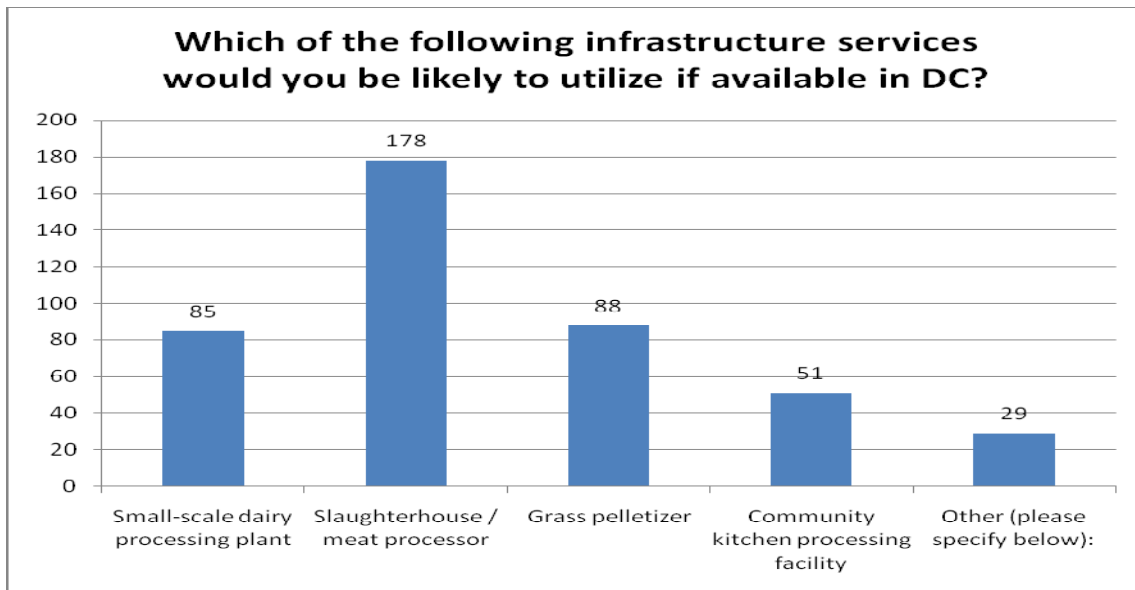
**Delaware County, New York
Agriculture Industry Growth and Sustainability Plan**

d) Areas for Assistance

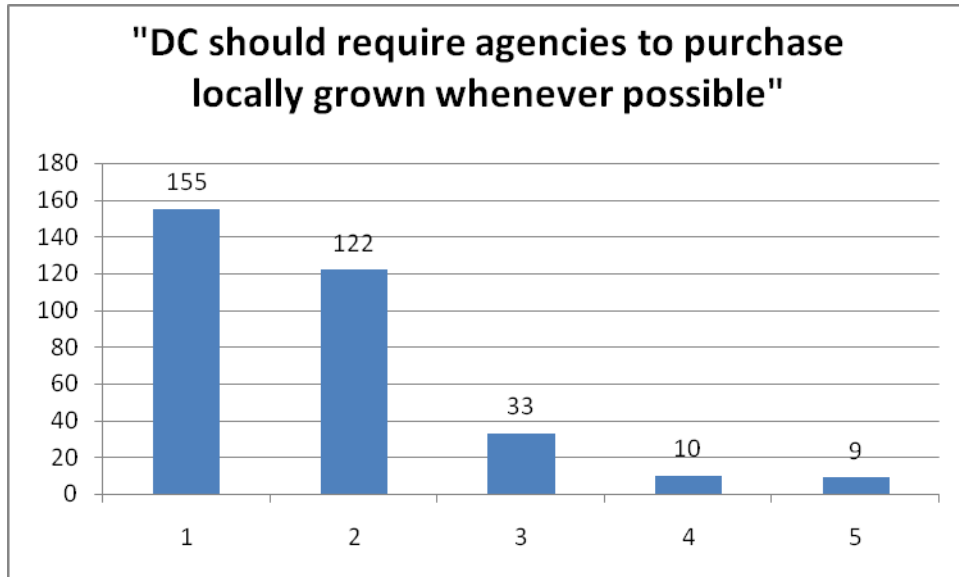
When asked “How can Delaware County Encourage Agriculture?” respondents overwhelmingly indicated the need for alternative energy sources for farms. Dairy and meat processing responses got an average response in the slightly positive to neutral range. Significantly fewer people indicated the need for a commercial kitchen, however given the growth of vegetable and fruit production in the region, and the interest indicated by beef producers in value-added production of foods such as stock and meat pies, a licensed kitchen facility may also become an important asset to agricultural development.



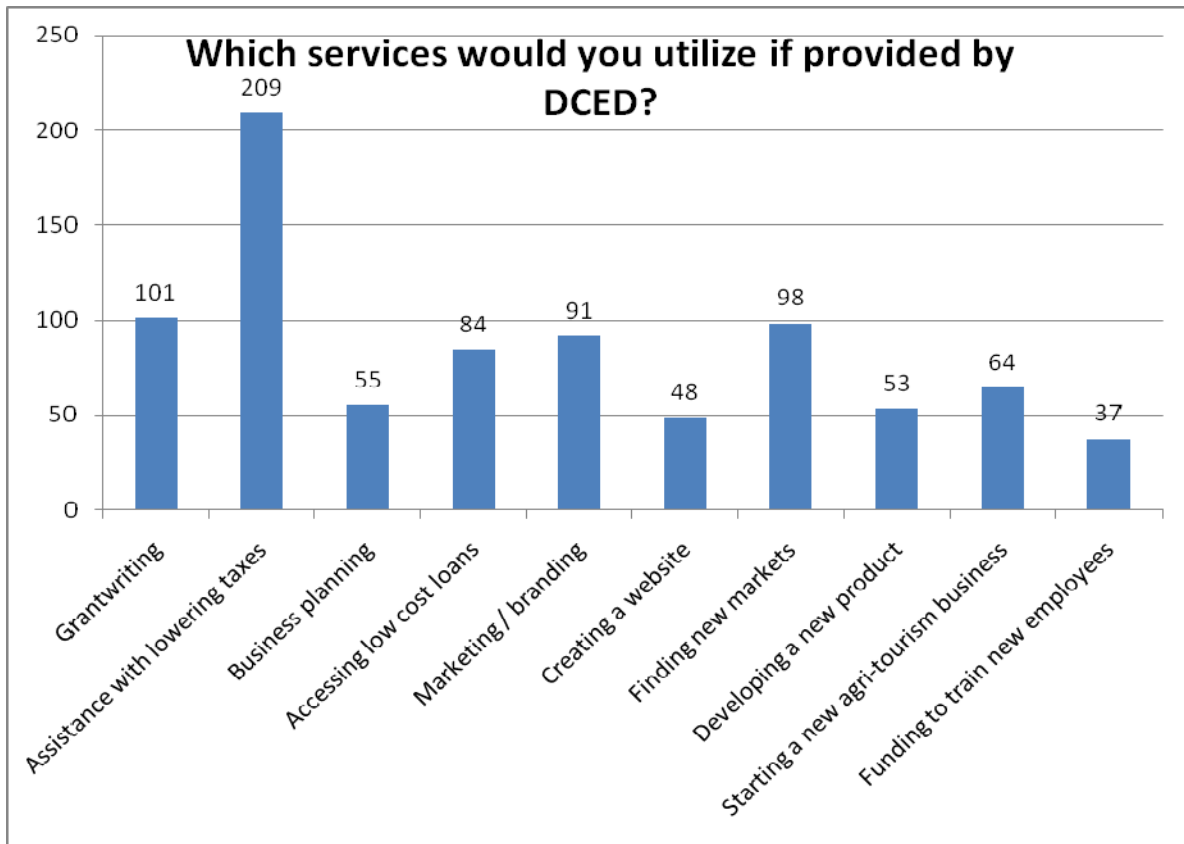
181 respondents – “Strongly Agree”



Delaware County, New York
Agriculture Industry Growth and Sustainability Plan



"155 respondents: Strongly Agree"



4. Obstacles to Growth

- a. Inability of farms to receive a sustainable price for their product that covers cost of production.**

- b. Limited prime soil resources and topography keep Delaware County from succeeding with only a “low cost” production strategy.** Dairy farms continue to account for the bulk of sales of agricultural products and fluid milk is an important export market for the county. However, the potential to succeed with a low cost production strategy for fluid milk and crops such as corn is limited, due to the limited amount of prime soils and large tracts of land needed to support large machinery and economies of scale, as well as aging infrastructure and relatively small size of most of the dairy farms in the county. While keeping costs under control and pursuing efficiencies are important for farms, this will not be effective by itself over the long term.

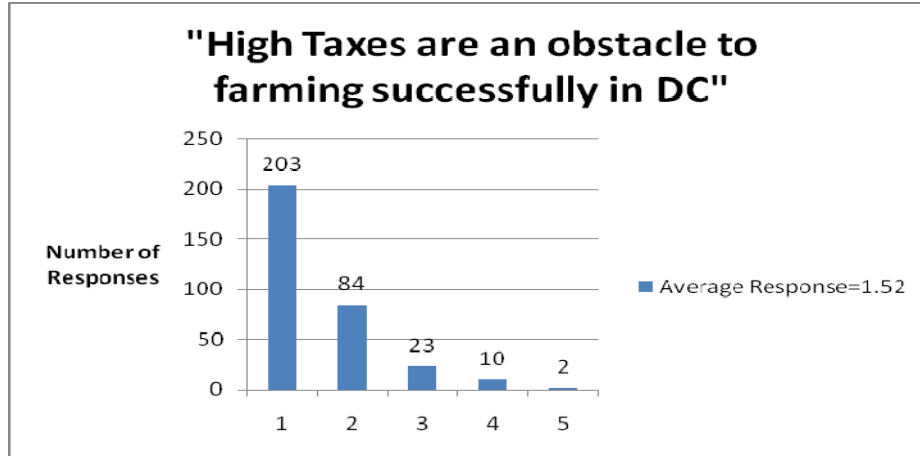
- c. Global market forces will continue to put downward price pressure on commodity products.** A variety of factors contribute to this, including a projected increase in demand for food, trade agreements, and countries’ strategies to pursue “cheap food policies” as a development strategy. As a result, the industry will continue to move towards consolidation and growth of the largest farms, with niche production, value-added, and specialty producers offering an alternative route to viability through commanding price premiums.

- d. NYC DEP purchase of farmland driving up prices, making farmland unavailable / unaffordable and contributing to production costs.** Many respondents indicated that the NYC DEP purchase of farmland was having a negative impact on their operation.

- e. High property and school taxes.** In the survey responses and interview comments, farmers responded overwhelmingly that high property taxes were a barrier to their viability and growth.

“Landowners we rent from sell out from under us because they get an offer from NYC DEP they can't refuse, which is way higher than we could ever pay. We are often not told until the deal is done, and aren't even offered a chance to purchase. We lose cropland and pasture due to this. We are now surrounded by [the] city” –

**Delaware County, New York
Agriculture Industry Growth and Sustainability Plan**



203 respondents: "strongly agree"

The USDA Agriculture Census of Agriculture 2007 estimated the average value of farmland and buildings/improvements in Delaware County at \$2,268 an acre. This value is expected to be lower for 2008-2010. However, many farms are assessed significantly higher, particularly the buildings, which results in a higher tax bill for the farm. Refer to the Delaware County Agricultural and Farmland Protection Board's recently completed Farmland Tax Analysis study, which identified issues with farm assessments and provided recommendations for Delaware County and New York State.

f. Other Obstacles: state and regional barriers

Difficulty / expense of hiring employees (workman's comp and taxes).

Relatively few farms expressed an interest in growth through adding employees. It became apparent through interviews that this is primarily due to the perceived risk and expense associated with adding an employee who may not stay with the job. Several farms shared stories of large increases in their unemployment insurance or workman's compensation costs after a new employee left unexpectedly or didn't work out as planned. This is keeping farmers from employing extra people. One farmer indicated that the lack of affordable housing was also a barrier to growing his workforce.

Barriers to entry for new / young farmers

As of 2007, the average age of farmers in Delaware County was 56.7 years. Farmers indicated that the high cost of land and equipment made it very difficult to get started in farming. The risks associated with agriculture make sufficient, affordable capital relatively scarce. Several farmers indicated that the loans available through FSA were not sufficient, while others shared stories of "poor investments" that the FSA made in young farmers who didn't succeed.

5. Trends and Opportunities

a. New markets and branded specialty products.

The USDA census of agriculture identifies growth of farms engaging in direct marketing, and specialty products. There are six alpaca operations with sales in the county and two bison farms, for example. A growing number of small farms are raising livestock and poultry for direct marketing of eggs and meat. At least four farms are processing and selling farmstead dairy products, and three farms (one goat and two cow) have licenses to sell raw milk from their premises.

The USDA estimates that 134 farms in Delaware County sell direct to consumers, with sales of \$1,155,000. This is an area that farmers identified as a particular growth opportunity, and represents at least a 196% growth in sales volume between 1997 and 2007.

Many farmers have noted that there is an opportunity for more branded products as a strategy to achieve higher prices, but have also expressed a need for a larger scale effort to launch a branded product from numerous farms as a means of having a wider impact on agriculture. Hudson Valley Fresh is one example of a model mentioned by farmers.

b. New business development

Farmland owners. Twenty five farmland owners who rent their land for agricultural purposes indicated that they are planning to start farming or expand a farm business on their property in the future. These farmland owners are a potential source of new business investment and development.

New farmers. The Northeast has a large number of young people who are interested in starting a new farm. Beginning farmer conferences, trainings, and peer groups are growing in number and participation, and major media have covered this trend (NY Times, USA Today story references). These young people are the most likely source for commercial scale farm business development; however they are less likely to have the capital resources needed to invest in a farm, and require different strategies to assist their farm business development.

c. Farm Business Growth

42% of the farmers who responded to the questions about future plans for their business indicated they would like to grow their farm sales over the next five years. This indicates that existing farmers are the most likely source of growth of commercial scale farm businesses in the short to mid-term.

**Delaware County, New York
Agriculture Industry Growth and Sustainability Plan**

d. Increasing interest in local food and farms for food security, health, and community development.

The Pure Catskills buy local campaign conducts events and outreach each year, and reports growing numbers of calls from people looking to purchase local product. Farmers' markets are now held every summer in Delhi and Margaretville, with smaller markets in Deposit, Sidney, and Stamford. Farm stands and farm stores are also experiencing growth.

6. Goals and Strategies for Implementation

Strategic Areas of Focus

Delaware County and the Economic Development Department are not positioned to assist farmers with improving their production or lowering their costs – this is an area where Cornell Cooperative Extension provides research and technical expertise to farmers already. Rather, DCED is able to respond to the areas of potential for growth and the key strengths of Delaware County agriculture and provide assistance and coordination in three strategic areas:

1. Product differentiation: marketing and branding Delaware County farm products;
2. Creating new mechanisms for aggregating, selling, and distributing products; and
3. New product development

DCED will coordinate farmer-driven committees in each of these areas, and work to provide needed assistance and resources for each strategy.

1. Product differentiation

DCED will partner with other organizations and farmers to help differentiate products from Delaware County, beginning with dairy, in ways that help return a higher price to the farmgate. The goal is to build awareness in metro areas that Delaware County farms produce fresh, quality, pure products on family farms that protect the environment. This will be done through developing a branding strategy and partnering with other organizations that are promoting Delaware County, for example Delaware County Tourism.

2. Market Exchange development

Much of the growth in agriculture in Delaware County is on small farms, not producing enough individually to meet the demands of a larger market. However the quality of these products (eggs, farmstead cheese, vegetables) is extremely high, and in demand from larger metro areas. Large buyers require simple ordering structures, regular delivery, and consistent product – creating a disconnect of scale between small producers and large buyers.

Technology offers the potential for aggregating these smaller producers for the purposes of marketing and distribution. DCED will work with partners to create an online ‘market exchange’ that allows small producers to collectively reach larger buyers, as well as compare and share delivery options by aggregating multiple products.

Delaware County, New York Agriculture Industry Growth and Sustainability Plan

3. New product development

In order to grow commercial-scale farms, it is essential that new products be developed and scaled up to larger markets. DCED will coordinate a committee that will begin by identifying facilities in the region with capacity for processing farm products (both dairy and other). At the same time, DCED will support the development of new processing and agricultural infrastructure businesses with business planning, financial analysis, assistance with financing, and employee recruitment. As viable products are developed that can be produced to scale, DCED will support the development of these businesses as well.

Business Development Assistance

In addition to three strategic areas of focus, DCED will target its efforts for three different scales of business: micro/new farm small business; “farm entrepreneurs” growing to the next level of sales and employment, and agriculture infrastructure businesses, which provide large-scale services to farmers throughout the county to help them grow their businesses.

DCED will provide the following services to these businesses:

1) Microenterprise training and resources

Cornell Cooperative Extension provides business planning courses to new farm businesses and agricultural entrepreneurs. DCED will work with CCE to bring available economic development resources to these farmers, in the form of grants and loans to help them finance implementation of a business plan.

2) Access to capital

Banks and the Farm Service Agency provide financing for farm businesses, including lines of credit and capital for purchasing land and equipment. DCED does not finance businesses; rather it helps to fund specific projects that can result in job growth, business growth, or increased production. Agricultural enterprises with a specific project that can meet these goals can work with DCED staff to finalize a business plan and secure appropriate financing.

3) Agriculture infrastructure development

For larger businesses that support agriculture (for example a slaughterhouse, dairy processing facility, or commercial kitchen), DCED has the expertise to assist with the financial analysis of the business, and can help to secure needed financing and grant funds to launch a new venture. Again, economic development funds are tied to the development of jobs, sales, and business growth.

Delaware County, New York Agriculture Industry Growth and Sustainability Plan

Implementation Strategies

DCED will convene a farmer advisory committee to help drive the implementation process, priorities, and timeline. Action steps will be shaped by ongoing input of the farmer advisory panel. Based on survey results, the farmer committee will help identify and implement actions which fall within the strategic areas of focus, and align with the business development work which DCED has the expertise to provide. Based on survey results, examples of these implementation strategies might include:

1) Market development

- a. Creation of a web-based market exchange system that can be used for ordering purposes from local and regional buyers from all size farmers.
- b. Cross-sector collaboration with other organizations such as Delaware County Tourism, Farm Catskills, and the Watershed Agricultural Council to develop and deploy a Delaware County branding strategy.
- c. Research and develop county policies which would support the purchase of local products by taxpayer-funded institutions.

2) New Business Development

- a. Business plan development and financing for new farm support infrastructure including meat processing facilities, grass pelletizing, small-scale dairy processing, and aggregation and distribution facilities – particularly for dairy and meat products.
- b. Allocation of finance and technical resources to support the development of on-farm alternative energy sources. For example, DCED might explore a collaboration with the Delaware County Electric Cooperative and NYSERDA to offer alternative energy consulting services to farmers, and with a local bank to offer attractive financing for implementation, while working with the farmer to develop a financial analysis for the investment.
- c. Research processing facilities in other counties to identify capacity to work with Delaware County farmers, and to understand the success factors for counties to attract and build agricultural infrastructure businesses and farm entrepreneurs.
- d. Development of a farm enterprise training and grant program that provides business planning, grants, and grantwriting services for farmers, together with Cornell Cooperative Extension.

**Delaware County, New York
Agriculture Industry Growth and Sustainability Plan**

3) Workforce Development

- a. Development of a website that lists all farm training and employment opportunities in Delaware County and promotes careers in agriculture.
- b. Creation of a farm employee “temp agency” that provides pre-screening, training, and employment services for farms. This could help a farm employ a worker on a seasonal or trial basis and grow jobs in the agricultural sector, by reducing the cost and risks of employment for farms.

4) Policy Changes to Support Agriculture

- a. Work with NYC DEP to encourage additional outreach and longer lease terms for farmers to utilize city owned land.
- b. Development of a program with NYC DEP that makes city-owned land available to low income families in NYC to grow food and sell it in NYC.
- c. Creation of alternate strategies for the NYC land acquisition program to protect local ownership, water quality, and farmland affordability.

**Delaware County, New York
Agriculture Industry Growth and Sustainability Plan**

Appendix A: Interview and Focus Group Participants

Delaware County Economic Development and Skate Creek Consulting wish to thank the following individuals who participated in this process:

Paul Aitken	Herman More
Frank Bachler	Will Patterson
Richard Baldauf	Elizabeth Phillips
Joan Burns	Dave Rama
Jack Burns	Art Reynolds
Mike Cipperly	Lonnie Schaffer
Challey Comer	Kathy Scullion
Gwen & Paul Deysenroth	Linda Smith
Mark Doring	Janice Smith
Mark Dunau	Wayne Snyder
Jim Eklund	Dave Stanton
Sally Fairbairn	Rosemary Stewart
Dan Flaherty	Evelyn Stewart
Diane Frances	Kathy Sullivan
Richard Giles	Tom Warren
Holley White Giles	Ed Weber
Dominic Gullow	Donna Weber
Terry Hannum	Jay & Abby Wilson
Barb Hanselman	
Seth Hanselman	
Jeff Haynes	
Brian Haynes	
John & Laura Hussey	
Tom Hutson	
Ken Jaffe	
Scott Jensen	
Eleanor Jensen	
Catharina Kessler	
Mariane Kiraly	
Don Leach	
Kate Marsiglio	
Duane Merrill	
Leslie Mignier	
Bill Moody	

**Delaware County, New York
Agriculture Industry Growth and Sustainability Plan**

Appendix B: Survey Instrument

352 farmers and landowners responded to this survey, primarily through mail, with a handful of internet responses.

Cover Letter:

Delaware County Economic Development Agriculture Survey

Delaware County Department of Economic Development is conducting a survey of all farmers and farmland owners, to better understand the opportunities and challenges facing farmers in the county, and what kind of assistance the county could provide.

Your input is important! The feedback you provide will help the county determine how best to support agriculture in the future, and will be utilized to develop the County's strategy for how best to sustain and grow the agricultural industry. We need every farmer, large and small, to fill out this survey so that our office can better understand the current state of agriculture in the county, and can access grants and other resources targeting agriculture specifically. Your response is critical!

All the answers will be aggregated by the consultant, so your responses are 100% confidential. While the survey asks for information about sales and income, these details are important for the survey to show the state of farming and the importance of agriculture in the county's economy. Your individual responses will not be shared. Please be as detailed as possible!

Several local farm supply businesses have agreed to provide coupons for farmers who return their survey. Send back your survey by December 31st and we will mail you a coupon for McDowell and Walker, Stamford Farmers Co-op, or Tractor Supply Company (while supplies last).

We will be doing many follow-up interviews around the county to get more in-depth feedback from farmers, so you may be hearing from us again with an interview request. Your feedback is very important. Thank you for your time and your input. If you have any concerns, please feel free to contact either of us at the numbers below.

Sincerely,

Glenn Nealis
Economic Development Director
Delaware County
607-746-8595

Amy Kenyon
Consultant
Skate Creek Consulting
607-643-1724

Survey Instructions

If you received more than one survey form in the mail, or if your family members or farm partners also received a survey, **please fill out only one survey per farm.**

If you have access to the internet, please consider filling this survey out online. Go to www.dcecodev.com, and follow the link to the Delaware County Farm Survey. You will need your ID#, from the upper right-hand corner of the first page of this survey.

If you do not have access to the internet, or prefer to send a paper copy of the survey, please fill out the attached survey and return it to Skate Creek Consulting, PO Box 22 East Meredith, NY 13757.

Section 1

Section 1 includes questions about

- your farm business
- your perceptions of agriculture and how Delaware County can support agriculture, and
- protecting farmland in Delaware County

If you own farmland, but are not currently farming, you will only need to fill out section 1 of this survey.

Section 2

Section 2 is for active farmers only. This section includes questions about

- your farm products and sales
- farm employment
- future plans
- what assistance you would like to see provided by Delaware County in the future

If you have questions about this survey, please e-mail info@skatecreekconsulting.com, or call Amy Kenyon at 607-643-1724.

ID# _____

DELAWARE COUNTY AGRICULTURE SURVEY

PLEASE RETURN TO: Skate Creek Consulting, PO BOX 22, East Meredith, NY 13757

As a thank you for completing this survey, we'd like to send you a discount coupon for the farm supply retailer of your choice. Please choose which company is your first choice for a coupon, and we will mail it to you when we receive your completed survey, while supplies last. Please include a return address on the envelope so we can send the coupon to you.

_____ McDowell & Walker

_____ Stamford Farmers' Co-op

_____ Tractor Supply

SECTION 1: Farm Business Information

1. Which best describes your current farm business?

_____ Hobby or homesteading farmer – not selling anything I grow

_____ Part-time farm business

_____ Full-time farm business (full-time work for at least 1 person)

_____ I am not currently farming, but have plans to in the future.

_____ I am not farming, but a farmer uses my land. **If you check this box, please answer question 2.**

_____ Other (describe) _____

2. ***This question is for farmland owners who are not farming themselves.*** If you are a farmer, please skip this question and proceed to question #3.

Number of acres farmed by someone else _____

What does the farmer use your land for (grazing, hay, corn, vegetables, etc.)? _____

What are your future plans for your farmland?

Farmland Protection

- 3. Do you have an agricultural easement on your property restricting your future development of the property?
- 4. If not, are you considering selling an agricultural easement to the Watershed Agricultural Council?
- 5. Would you be interested in working with Delaware County to get an agricultural easement / purchase of Development rights through New York State Ag & Markets?
- 6. Has the affordability or price of farmland impacted your farm in any way? If so, tell us how:
- 7. Has NYC’s purchase of farmland had any impact on your farm? If so, tell us how:

For each statement below, please circle the number which most closely corresponds with your response to the statement. One = Strongly Agree, Five = Strongly Disagree

	1 = Strongly Agree	2 = Agree Somewhat	3 = Neutral	4 = Disagree Somewhat	5 = Strongly Disagree
8. Delaware County Economic Development is supportive of agriculture	1	2	3	4	5
9. My town is supportive of agriculture	1	2	3	4	5
10. Delaware County (DC) should hire an Agriculture Economic Specialist	1	2	3	4	5
11. DC should provide grants to farmers to grow their businesses	1	2	3	4	5

	1 = Strongly Agree	2 = Agree Somewhat	3 = Neutral	4 = Disagree Somewhat	5 = Strongly Disagree
12. DC should provide incentives to help farmers add employees	1	2	3	4	5
13. DC should work to protect active farmland	1	2	3	4	5
14. It is most important to protect prime farm soils in DC.	1	2	3	4	5
	1 = Strongly Agree	2 = Agree Somewhat	3 = Neutral	4 = Disagree Somewhat	5 = Strongly Disagree
15. DC should work with NYC DEP to make city owned land easier to lease for agriculture	1	2	3	4	5
16. It is most important to protect active farms in DC.	1	2	3	4	5
17. DC should stop farmland from being developed	1	2	3	4	5
18. DC dairy farms need a processing plant to process and market their own milk.	1	2	3	4	5
19. DC should stop NYC from buying farmland	1	2	3	4	5
20. I would utilize a commercial kitchen to make new value-added products if one were available.	1	2	3	4	5

	1 = Strongly Agree	2 = Agree Somewhat	3 = Neutral	4 = Disagree Somewhat	5 = Strongly Disagree
21. DC should promote the development of alternative energy sources for farms	1	2	3	4	5
22. DC needs a slaughterhouse for processing livestock.	1	2	3	4	5
23. I know where to go to get any education, marketing, or business planning help I need for my farm.	1	2	3	4	5
24. DC should require its agencies to purchase locally grown products whenever possible.	1	2	3	4	5
25. Environmental regulations are an obstacle to farming successfully in DC.	1	2	3	4	5
26. Lack of good employees is an obstacle to farming successfully in DC.	1	2	3	4	5
27. High cost of farmland is an obstacle to farming successfully in DC.	1	2	3	4	5
28. High taxes are an obstacle to farming successfully in DC.	1	2	3	4	5
29. Not enough buyers for farm products is an obstacle to farming successfully in DC.	1	2	3	4	5

	1 = Strongly Agree	2 = Agree Somewhat	3 = Neutral	4 = Disagree Somewhat	5 = Strongly Disagree
30. Difficulty or expense of accessing bank financing is an obstacle to farming successfully in DC.	1	2	3	4	5
31. Lack of educational or business planning resources is an obstacle to farming successfully in DC.	1	2	3	4	5
32. Lack of processing infrastructure is an obstacle to farming successfully in DC.	1	2	3	4	5
33. Lack of distribution infrastructure is an obstacle to farming successfully in DC.	1	2	3	4	5
34. Agriculture will be an important part of DC's economy in 10 years	1	2	3	4	5
35. DC is a good place to operate a farm.	1	2	3	4	5

The rest of this survey is for current farmers only. If you are a farmland owner, not currently farming yourself, you have now completed the survey and can return it. Thank you!

SECTION 2: ACTIVE FARMERS

Production, Sales, and Marketing

36. How much acreage do you actively farm?

Owned	Rented
_____	_____

37. How many years have you been farming in Delaware County?

38. In what town is your farm located?

39. For each of the following, please give the approximate annual sales income for your farm.

- _____ Beef
- _____ Dairy
- _____ Value-added dairy (cheese, pasteurized milk, yogurt, etc).
- _____ Poultry
- _____ Pork
- _____ Lamb and/or Goats
- _____ Alpaca
- _____ Vegetables
- _____ Fruit
- _____ Maple
- _____ Flowers/Nursery/Trees

_____ Horses
_____ Hay
_____ Grains or corn silage
_____ Agri-tourism
_____ other – please describe and give approximate sales figure _____

40. Which best describes your production methods?

_____ Conventional
_____ Natural
_____ Organic
_____ Certified Organic
_____ Other (please describe _____)

41. Please share the approximate percentage of your farm sales to each of the following outlets:

_____ Dairy processor or co-op
_____ Other farms
_____ Livestock auction
_____ Farmers market
_____ Direct from my farm to the consumer
_____ Restaurants, Retailers, and Stores
_____ Distributors
_____ Other (please describe and list approximate percentage of your farm sales
_____)

42. What are your annual gross sales (not net income)?

_____ Less than \$10,000

_____ \$10,000- \$49,999

_____ \$50,000-\$99,999

_____ \$100,000 - \$250,000

_____ more than \$250,000

43. Do you add value or process anything that you grow or raise (for example making cheese from milk or chopping and freezing vegetables)? If so, please explain. What do you process, and how important are these value-added products to your business?

44. Please tell us approximately what amount of your gross sales dollars are processed or consumed in Delaware County, and what amount goes outside of the county to be processed or consumed (your best estimate).

Sales of products to be consumed or further processed in Delaware County _____

Sales of products further processed or consumed outside of the county _____

Farm Employment

45. How many people work on your farm (including you and your spouse, if applicable):

46. How many people are employed:

____ Full-time

____ Part-time

47. Do you provide health insurance to your family and/or employees through your farm?

48. Would you be interested in adding new employees if there were job training or job creation incentives available?

49. Comments about farm employment?

Future plans

50. Please check all that apply:

_____ I would like to add more employees to my farm.

_____ I would like to increase my farm sales.

_____ I would like to develop new products.

_____ I would like to add value or further process the products I grow/raise.

_____ I would like to develop new markets for my products.

_____ I would like to increase the price I get for my products.

51. In FIVE years... (please check the most applicable answer).

_____ I plan to stop farming within the next five years.

_____ I plan to sell my farm within the next five years.

_____ I expect that my farm will be about the same in five years.

_____ I would like to grow my farm sales over the next five years.

Other – please specify:

52. Do you have a written business plan?

53. Do you have a transition plan for farm succession so that your farm stays in operation when you retire or stop farming?

54. Which of the following infrastructure services would you be likely to utilize if available in Delaware County (check all that apply).

- _____ Small-scale dairy processing plant
- _____ Slaughterhouse / meat processor
- _____ Grass pelletizer
- _____ Community kitchen processing facility
- _____ Other (please specify):

55. Which services would you be most likely to utilize if provided by Delaware County Economic Development?

- _____ Grantwriting
- _____ Assistance with lowering taxes
- _____ Business planning
- _____ Accessing low cost loans
- _____ Marketing / branding
- _____ Creating a website
- _____ Finding new markets
- _____ Developing a new product
- _____ Starting a new agri-tourism business
- _____ Funding to train new employees
- _____ Other (please describe) _____

56. Any other thoughts you'd like to share about the state of agriculture in Delaware County?

THANK YOU FOR TAKING THE TIME TO FILL OUT THIS SURVEY!

PLEASE RETURN TO: Skate Creek Consulting, PO BOX 22, East Meredith, NY 13757

Appendix C: Agriculture Survey Responses

350 respondents by mail and internet

11% self-described “hobby farmer, not selling anything”

19% part time farm business

31% full time farm business

2% not currently farming, but plans to in the future

38% Not farming, a farmer uses the land

Total number of acres owned by respondents:

10,236 acres non-farmers

30,807 acres owned and 17,386 acres rented by farmers.

Of the \$21.5 million in sales documented by respondents, 87% of the sales are dairy. Beef and hay are second largest sales, with 3% each of the total reported sales volume.

34 respondents indicated that they add value in some way to their products.

Several respondents indicated that they have sold their farm.

Future plans

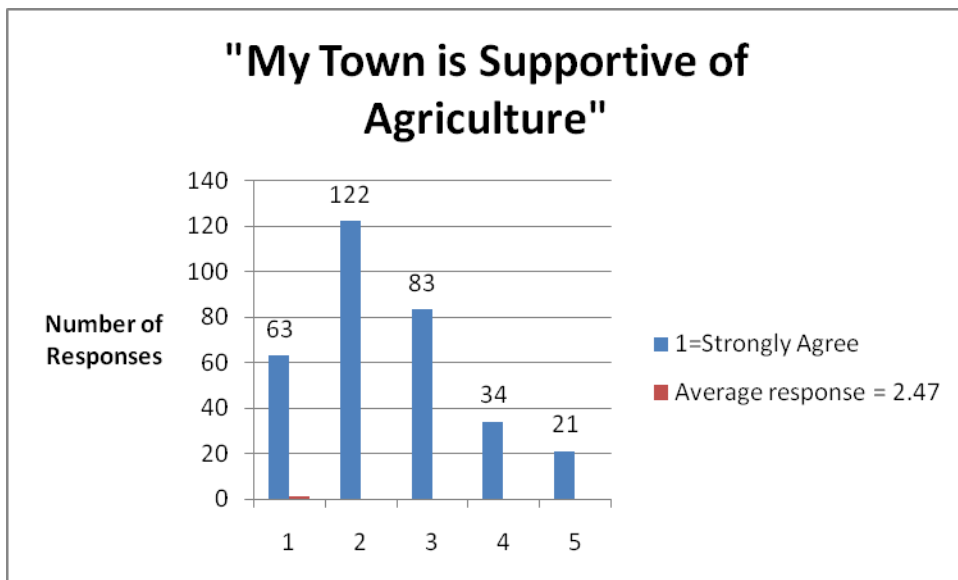
Of the non-farmers who responded to the question about their future plans for their farmland, most (66%) indicated that they planned to continue allowing a farmer to use it. Interestingly, 25 responded that they had plans to start farming or somehow expand a farm business on their property – an interesting potential source of future new business investment.

Farmers plans: A number of farmers also indicated plans to grow their farm in the near future.

Perceptions of agriculture:

Respondents are generally positive about support for agriculture in Delaware County, but somewhat less so than they are on other questions, with just slightly more negative and neutral responses than average.

1. My town is supportive of agriculture: average response 2.47
2. Delaware County Economic Development is supportive of agriculture: 2.54
3. Agriculture will be an important part of DC’s economy in 10 years: 2.311
4. Delaware County is a good place to operate a farm: 2.20

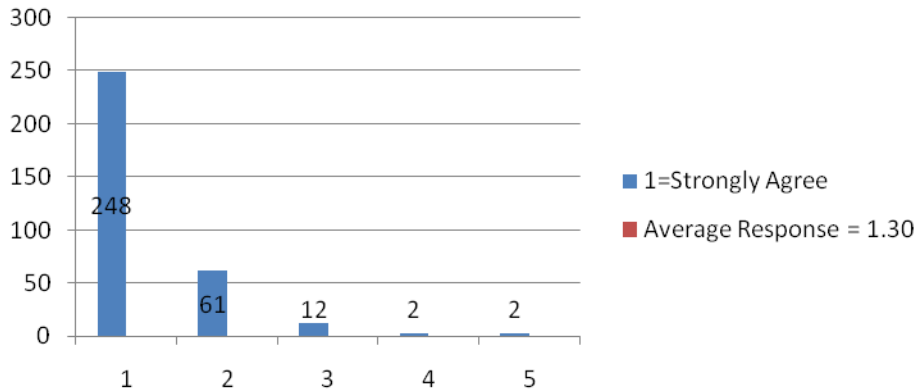


Farmland Protection:

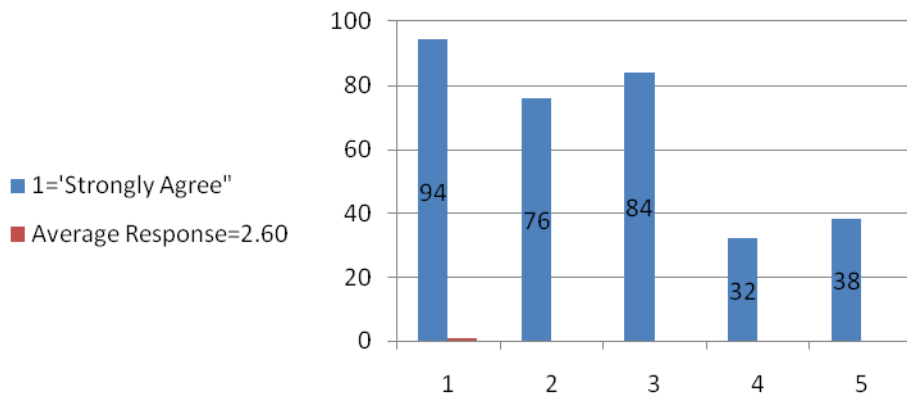
Responses to questions regarding protecting farmland were extremely positive, particularly about “protecting active farms”. However, there was significantly less support for Delaware County prohibiting development. Comments on these questions indicated that people are in support of voluntary programs to protect farms, and want to develop new tools to keep farmland viable, but are not in support of regulations that prohibit development.

- 5. It is most important to protect active farms: 1.30**
- 6. DC should work to protect active farmland: 1.45
- 7. It is most important to protect prime soils: 1.45
- 8. DC should work with NYC DEP to make city owned land easier for farmers to lease: 1.63
- 9. DC should stop NYC from buying farmland: 2.18
- 10. DC should stop farmland from being developed: 2.60**

It is most important to protect active farms.



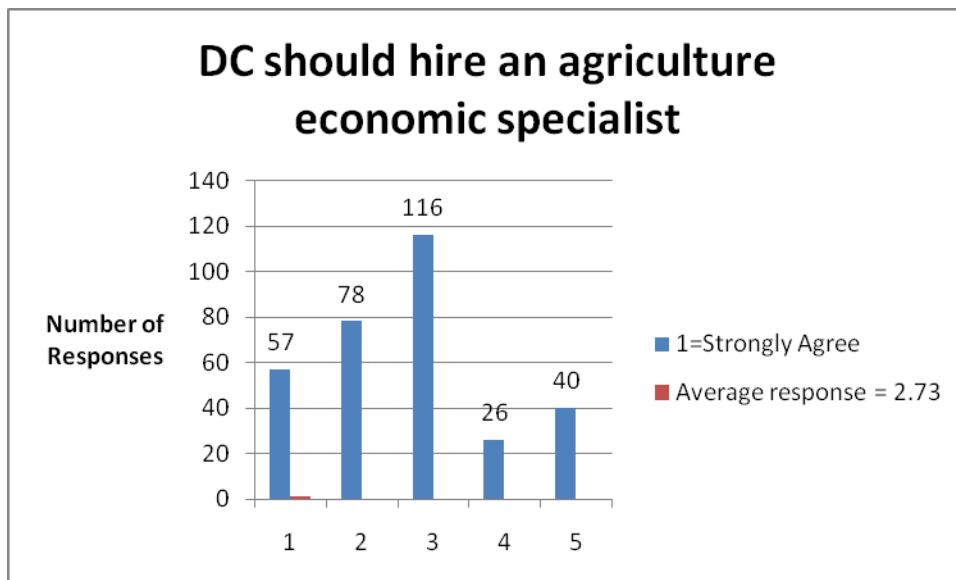
DC should Stop Farmland from Being Developed



Economic Development Assistance for farms:

Interestingly, there is significantly more support for Delaware County purchasing local products and for providing grants and incentives directly to farms, than there is for hiring an economic development specialist devoted to agriculture.

11. Delaware County should hire an agricultural economic development specialist: average 2.73
12. DC should provide grants to farmers to help grow their businesses: average 2.22
13. DC should provide incentives to help farmers add employees: average 2.23
14. DC should require its agencies to purchase locally grown products whenever possible: 1.78



Infrastructure

Respondents overwhelmingly indicated the need for alternative energy sources for farms. Dairy and meat processing responses got an average response in the slightly positive to neutral range. Significantly fewer people indicated the need for a commercial kitchen.

- 15. DC farms need a dairy processing plant: average 2.17
- 16. I would utilize a commercial kitchen to make new value added products if one were available: 3.01
- 17. DC should promote the development of alternative energy sources for farms: 1.62
- 18. DC needs a slaughterhouse for processing livestock: 2.20

Education and Resources:

Survey respondents were generally positive to neutral about finding educational, marketing and business assistance in Delaware County. Many people commented that Cornell Cooperative Extension is the first place they turn for education.

- 19. I know where to go to get education, marketing help I need for my farm: average response 2.28

Obstacles to farming successfully:

As indicated previously, respondents believe that there are generally enough educational resources available to them. The two major obstacles that were identified by survey respondents to farming successfully were the high cost of farmland, and high taxes.

- 20. Lack of educational resources is an obstacle to farming successfully in DC: 3.00
- 21. Difficulty of expense of accessing bank financing is an obstacle to farming successfully in DC: 2.54

- 22. Not enough buyers for farm products is an obstacle to farming successfully in DC: 2.50
- 23. Lack of processing infrastructure is an obstacle to farming successfully in DC: 2.49
- 24. Lack of distribution infrastructure is an obstacle: 2.49
- 25. Environmental regulations are an obstacle to farming successfully in DC: 2.40
- 26. Lack of good employees is an obstacle: 2.30
- 27. High cost of farmland is an obstacle: 1.88
- 28. High taxes are an obstacle: 1.52**

Areas for focus as indicated by survey responses:

