

Recommendations by the NYS Senate Task Force for Hudson Valley Fruit Growers to Promote Fruit Farming

State Senator William J. Larkin, Jr.¹ and J. Stephen Casscles²

¹Chairman of the Senate Task Force for Hudson Valley Fruit Growers

²Counsel to the Senate Task Force

This article is the second part of a series that outlines recommendations contained in a report issued in December 2004 by the New York State Senate Task Force for Hudson Valley Fruit Growers. This report outlined an action plan to improve the ability of fruit farmers to operate more profitably and to retain a strong presence in the Hudson Valley. A complete copy of this report is available on Senator Larkin's website (www.senatorbilllarkin.com).

The report maintains that much can be done to increase the profitability of farming. Increasing profitability will ultimately encourage growers to continue to farm and allow land to remain open as working landscapes. The strategies to retain a strong farming community in the Hudson Valley include reducing the cost of producing fruit, increasing the demand for locally produced fruit, and reducing the transaction costs associated with marketing such produce. The ideas contained in this report come from suggestions submitted by growers, state agencies, local governments, not-for-profit organizations, and other sources.

It is our hope that this article encourages more communication and cooperation among those individuals, organizations, and governmental units that wish to assist growers in their attempt to remain a viable part of the Hudson Valley economy. The goals set forth in this report and similar reports issued by local civic organizations can be realized if the strategies contained therein are implemented in a coordinated fashion. For this action plan to be imple-

mented effectively, information, planning functions, financial resources, and responsibilities must be shared and specific tasks assigned to specific growers and organizations in a logical and business-like fashion.

Task Force Recommendations

Below is a summary of the strategies outlined in the Task Force's Report to increase the profitability of fruit farming in the Hudson Valley.

A. Cultivation and Farming Issues Faced by Growers

1. Deer Control — Growers are experiencing more grazing damage to their crops due to overabundant white-tailed deer herds. This problem could be mitigated by lengthening the deer hunting season, offering bounties to encourage more deer harvesting, authorizing the commercial hunting and sale of venison harvested from selected sites, expanding the venison donation program, and providing more aid to the Department of Environmental Conservation to expand the Deer Management Assistance Program, Deer Management Program, and Nuisance Damage Permit Program. The Task Force advocates that a broad interagency task force be created to identify new approaches to address this problem. (See Senate bill 1964/A. 6428 [Larkin/Magee]).
2. Need for New Fruit Cultivars — Growers and the Highland Fruit Laboratory should, in a cooperative

The Hudson Valley is an important agricultural region of the state. Growers in the Hudson Valley experience numerous challenges, despite their importance in maintaining the economic viability of the region. The following article outlines a plan for promoting fruit farming in the Hudson Valley in the present and future.

manner, establish a board of local growers to identify new marketable fruit cultivars that increase crop quality, reduce the amount of pesticide and fungicide applications, increase yield per acre, or reduce the amount of labor required to grow and harvest such crops. Examples of new fruit cultivars that could be planted include vinifera grapes, black currants, medlars (fruit resembling a crab apple and used in preserves), and newer varieties of apples, Asian pears, and plums.

3. Improvement of Cultivation Practices — The Highland Fruit Laboratory, in cooperation with the Geneva Experiment Station, should conduct more practical field research to address cultivation problems faced by local Valley growers. For example, much research has been done at the Geneva Station to minimize downy mildew on grapes; however, more may need to be done to address local black rot fungus problems faced more commonly by Valley growers.
4. Highland Fruit Laboratory Funding — The amount of state funds dedicated to the Highland Fruit Laboratory has been declining for some time now. To support existing research programs and extension services, alternative sources of both public and private funding must be identified and secured. Perhaps new economic development relationships could be established with businesses and support increased for biotech-

nology research related to food and agriculture. Another idea is to establish a research park that is affiliated with a university or other public or private institution.

5. Use of ATVs on Farm Lands — The unauthorized use of all-terrain vehicles (ATVs) is very prevalent on farms and results in extensive damage to farm access roads, farmland, and fruit grown on such farms. Senate Bill 1398/A. 6465 (Larkin/Magee) should be enacted into law. This law would increase the criminal and civil penalties for the unauthorized operation of ATVs on agricultural lands.

B. Large Commercial Fruit Grower, Processor, and Manufacturing Issues

1. Farm Labor — Federal labor programs such as the H2-A, Temporary Agricultural Laborers Immigration Permit Program, and H2-B, Temporary Other Full-time Workers Immigration Permit Program, should be revised to better meet the requirements of growers:
 - a. The H2-A permit program should reduce the minimum 21-day review time period required to obtain approval for the shifting of a farm worker from one farm to another and reduce the minimum 45-day period of review time needed to approve new grower employment contracts. This would increase a grower's ability to shift workers to those farms that need labor the most.
 - b. The H2-B permit program should raise the 66,000-worker cap to 100,000 workers; extend the current 120-day application deadline date to 180 days before workers are needed; alter the program start date to some date after October 1; and possibly allocate program workers to satisfy specific state or regional labor needs.
2. Income Tax and Sales Tax Relief — Additional income tax credits or sales tax exemptions should be extended to large commercial growers that purchase new equipment or are burdened with paying sales taxes on high-value input items.
3. Fruit Processing — Encouraging the production of brandy, grappa, and other distillates produced from local fruit would give growers another sales outlet. Enacting Senate Bill 1735/A.4822 (Larkin/Magee) would facilitate the operation of micro-distilleries and expand their ability to market products in a prudent manner.

C. Marketing, Sales, Tourism, and Promotion of the Hudson Valley

1. Wine Trails — Wine trail associations should prepare a strategic plan to expand their membership, activities, and programs to increase the sale of wine and promote more tourism. Wineries located along Route 9W from Newburgh to Esopus may wish to establish their own statutorily designated wine trail or become associated with the Shawangunk or Dutchess Wine Trails.
2. Wine Visitors Center — All Hudson Valley wineries or those wineries that participate in the two wine trail associations should consider establishing a centralized wine visitors center and tasting room. Establishing such a center near an interstate exit could generate more visits to the area by those individuals who are 'passing through' but would not have otherwise stopped to patronize local wineries. This visitors center could include a small museum or exhibits that highlight our local area's wine-making history. Furthermore, staff, in addition to selling local wines, could channel visitors directly to participating local wineries.
3. Additional Tourist Trails — Chapter 248 of the Laws of 2004 (Larkin/Magee) created farm trails, apple trails, and cuisine trails. This new law needs to be implemented as soon as possible and trails designated in a timely fashion.
4. Public Relations and On-Line Marketing — Through the cooperative work of individual growers, organizations such as the Culinary Institute of America, marketing agencies, local governments, and other civic organizations such as the Hudson Valley Greenway and the Glynwood Center, a unified regional public relations campaign should be implemented to promote the Hudson Valley, its products, and local cuisine. In addition, a well-designed regional website should be dedicated to all activities that occur in the Hudson Valley. Such a website should have extensive links to those growers that have their own individual sites.
5. Direct Marketing — Instead of developing websites that attract hits from individuals who are already planning to visit the area, growers should, through the internet, go directly to consumers to solicit their business. Growers may need some

technical assistance to develop direct-marketing computer programs to identify new customers and communicate with old ones to retain their patronage.

6. Capital Investment in Agriculture — Related to items 4 and 5 above, as the area's cache increases due to better marketing of the region as a prestigious area in which to live and from which to obtain agricultural products, perhaps the Valley could attract more agricultural investors from outside of the area. While the Valley is trying to secure new farmers and buyers of land so that existing vineyards and orchards can remain in production, people retiring from lucrative professions in the New York metropolitan area are relocating to California to purchase farms and wineries. Individuals that may wish to invest in farmlands should be steered toward investment opportunities that exist in the Valley.
7. Micro-Wineries — Chapter 522 of the Laws of 2003 authorized the establishment of micro-wineries. The capital needed to establish a farm winery can be high, so this legislation facilitates a grower's ability to gradually enter the wine business by reducing the cost to make wine on a limited basis. Since growers who may wish to establish a new micro-winery may be unacquainted with sound wine-making practices, it is important that they receive sound technical advice so that quality wines are produced.
8. Farm Wineries — Senate Bill 1397/A. 6466 (Larkin/Magee) authorizes a farm winery to sell wine at up to two roadside farm markets or stands located within 15 miles of the licensed winery. This bill would give farm wineries a new outlet to sell their products and help to promote tourism. Chapter 639 of the Laws of 2004 (Larkin/Magee) reduced the licensing fee charged by the State Liquor Authority when a farm winery conducts a wine tasting sponsored by a charitable organization and eliminates the need for prior approval before conducting such a tasting. Also, it allows the winery to sell their wine at such wine tastings. This measure should help farm wineries market their wine and help charitable organizations to raise funds for their charitable purposes.

9. Wine Industry Strategic Plan — Because of the Valley's excellent soils and topography, it has the potential to become one of the premier wine producing areas of the country and, indeed, the world. Like Long Island, the Valley has the potential to rapidly expand the number of its vineyards. To fulfill this promise, the State of New York, via its economic development agencies, and in conjunction with the local wine-making industry, should undertake the drafting and implementation of a strategic plan to achieve this goal.
10. Farmers' Markets — The Department of Agriculture and Markets is establishing regional wholesale farmers' markets to complement the successful farmers' market program that markets food directly to consumers. The Department believes that a niche market can be developed to sell more locally produced agricultural products to larger customers such as locally owned grocery stores, wholesalers, and restaurants.

D. State Tax and Regulatory Policy Initiatives to Benefit Growers

1. Revisions to the Farmers' School Tax Credit Program — Chapter 527 of the Laws of 2003 (Larkin) altered the income percentage threshold that a grower must satisfy to qualify for the Farmers' School Tax Credit from at least two thirds of his/her annual income per year to an average of two thirds of his/her income over a three-year period. This should help bona fide growers that suffer a severe reduction in their farm income due to adverse weather conditions that occur during a single growing season. Another measure, Senate Bill 447/A.3592 (Larkin/Magee), would extend the Farm School Tax Credit Program to cover agricultural land that is leased on a long-term basis to a grower who utilizes the parcel for agricultural production.
2. Mandate Relief — Since 1995, Governor George Pataki has done much to reduce the number of unnecessary state regulations and other mandates. The state should continue to audit all state regulations, circular letters, and other administrative directives to eliminate unnecessary regulations or other paperwork requirements.

E. Agriculture Financing and Access-to-Capital Issues

1. Agribusiness Development — Enactment of Senate Bill 853/A. 6430 (Larkin/Magee), which authorizes Industrial Development Agencies (IDAs) to finance agricultural business expansions, would increase grower access to capital.
2. Availability of Alternative Financing — Growers could benefit from regional bridge loan programs, farmland lease arrangements or swaps, and other alternative financing vehicles developed by entities such as IDAs, private financial institutions, farm credit organizations, and local municipal or quasi-public development corporations.
3. Use of Existing State Assistance Programs — New York has programs in place to subsidize the expansion of farm operations. For example, the Public Service Commission and the NYS Energy Research and Development Authority can assist growers in reducing their energy costs, and Empire State Development offers a number of low-cost loan options of which growers could make use.

F. Open-Space Initiatives

1. Education of Planning and Zoning Boards — Members of planning boards and zoning boards of appeals should have better access to training that makes them aware of and sensitive to common land use issues faced by growers. This would be of particular help in towns that have sizable suburban populations and whose appointed board members are largely unfamiliar with farm operations. In addition, technical assistance should be made available to identify regulatory tools that could be used to minimize unnecessary negative impacts of local land use laws on growers.
2. Encouragement of Smart Growth — Concepts related to smart growth, especially protection of open space and farmland, should be discussed by community leaders in those jurisdictions that contain significant agricultural acreage. The New York State Department of State and organizations such as Hudson Valley Greenway, Scenic Hudson, Patterns for Progress, and the Hudson Valley Agricultural Partnership have devoted significant resources to exploring issues surrounding sustainable development. A Hudson Valley-specific, comprehensive agricultural preservation package of model local

laws, covering land use, subdivision, and zoning regulations and other substantive areas that are within municipal regulatory authority, should be developed. Disseminating this package to interested local governments in the Hudson Valley might help them isolate and address any site-specific development issues they face.

3. Funding for Open-Space Initiatives — Individual municipalities or regional municipal associations should explore new funding mechanisms, such as the purchase or lease of development rights, to finance open-space initiatives. Other sources could include federal or state moneys appropriated specifically to preserve open spaces or pure aquifers and local funding tools, such as issuing bonds to purchase lands or adopting transfer taxes.
4. Leasing of Development Rights — The purchase of long-term leases to farmland development rights, a less expensive approach than purchasing development rights outright, should be explored. Such a program would keep at-risk farmlands in agricultural production while a more permanent solution to sustainability problems is found.
5. Subsidized Farmland Acquisition — A program should be established that subsidizes a grower's purchase of viable farmland, or otherwise vacant land that could be converted to viable farmland, that is adjacent to already existing farms. Subsidizing the purchase of additional farmland, with the condition that such lands remain under cultivation, would help expand working landscapes and create buffer zones between existing farms and neighboring residential areas.

G. Grower Lobbying at the Federal Governmental Level

The U.S. government plays a pivotal role in subsidizing agricultural industries that produce wheat, cotton, sugar, and other commodities. However, the federal government does not, nor should it, provide the same scale of financial support to the fruit-growing industry. By the same token, the federal government should expand, on a limited basis, the amount of support that is provided to New York agriculture.

Valley growers should become more aggressive in lobbying for their interests with their U.S. senators and congression-

al representatives. For example, local growers should advocate that the Congress and federal bureaucrats alter the following federal programs:

- H2-A and H2-B Immigration Permit Programs — These programs should be substantially revised to better address the legitimate needs of the Valley's growers.
- Farm Worker Housing Loan Programs — More federal funds should be secured to sufficiently finance programs that provide adequate housing for agricultural workers.
- Federal Crop Insurance Program — While helpful, the federal Crop Insurance Program does not satisfy the needs of local growers; hence, participation rates in this program are low.
- Federal Farmland Protection Program — This program should be expanded so that municipal governments can purchase or lease farmland development rights or secure aquifer buffer lands.

Conclusion

The purpose of this article is to encourage more communication and cooperation among those individuals, organizations, and government entities that wish to help growers remain a viable part of the Hudson Valley's economy. The ideas contained in this article and reports issued by local civic organizations need to be implemented in a coordinated way after a workable framework among the various organizations has been established. The effective implementation of this action plan can only occur if information, planning functions, financial resources, and responsibilities are shared and specific tasks assigned to specific growers and organizations in a logical fashion.

In order to continue to remain a significant part of the Valley's economy, existing growers, those who desire to become farmers, and state and local government policy-makers may wish to consider implementing the business strategies stated above to promote future profitability.

In particular, growers should begin to diversify the current mix of apple varieties that are being grown and consider planting fruits other than apples that command higher prices. In addition, growers should aggressively exploit agri-tourism opportunities to effectively sell more raw fruit and manufactured fruit products.

Hudson Valley growers and state and local governments should encourage rapid expansion in both grape cultivation and number of wineries, as was done on Long Island. The Valley is uniquely positioned to make world-class wines and to market them on a national level. The winemaking industry is a relatively untapped venture whose growth should be encouraged. The Task Force is preparing a briefing paper specifically on the needs of the Valley's wine industry.

It cannot be stressed enough that municipal and school real property tax increases must be curtailed for farms to remain competitive. Furthermore, additional state tax credits may be needed to place Valley growers on a level playing field with growers located in other states or countries.

Growers should continue to work with municipal governments, private individuals, and organizations such as the Hudson Valley Greenway, Scenic Hudson, Patterns for Progress, and the Glynwood Center to develop and implement smart-growth initiatives. These initiatives would secure development rights, and implement local land-use laws that shift new residential, commercial, and industrial development away from prime fruit-growing areas.

The first step in embarking successfully on an endeavor is to prepare a plan. The second, and by far more important step, is to carry out the plan. Cooperatively, growers, local and state governments, and civic organizations have the resources to implement a set of strategies to retain fruit farming in the Valley. It is our hope that we can.

