

A New Initiative to Strengthen New York Agriculture and What It Will Mean to You and the New York Fruit Industry

Dan Donahue

Executive Director
New York State Horticultural Society

In this article I will present the Empire State Council of Agricultural Organizations (CAO) "Agricultural Initiative" (A.I.) in its entirety for your review, and describe the process that led to its current content. I will add my thoughts on how it will positively impact the New York state fruit industry. A.I. in its present form is the result of many hours of often intense discussion within CAO organizations, the New York State Department of Agriculture (NYSDAM), and Cornell University's College of Agriculture and Life Sciences (CALs). At this stage, A.I. should still be considered a "work in progress." The basic framework of goals, action areas, and programs is solid, but the funding requests are subject to change, and many of the details within each action area are still open for further input from all interested parties. Credit should be given to the primary authors of the A.I. Document in its current form: Jackie Moody of the CAO and Ed Harwood of CALs. They have managed to do an excellent job of putting into words many diverse ideas which were the result of seemingly endless hours of meetings over the last year.

Who is the Empire State Council of Agricultural Organizations?

The CAO is the long-standing "umbrella" over 26 agricultural organizations

involved in all facets of agricultural commodity production, processing, marketing, and supply support. Traditionally, the CAO has produced an annual publication titled *Legislative Recommendations and Policy Statements*. The 1999 edition included 12 pages of specific policy and program recommendations on 43 specific topics of interest to New York agriculture. The CAO is a "consensus" organization where all positions and recommendations must have the unanimous support of the membership. For those who are interested in specific CAO positions on issues, please contact the NYSHS office for further details.

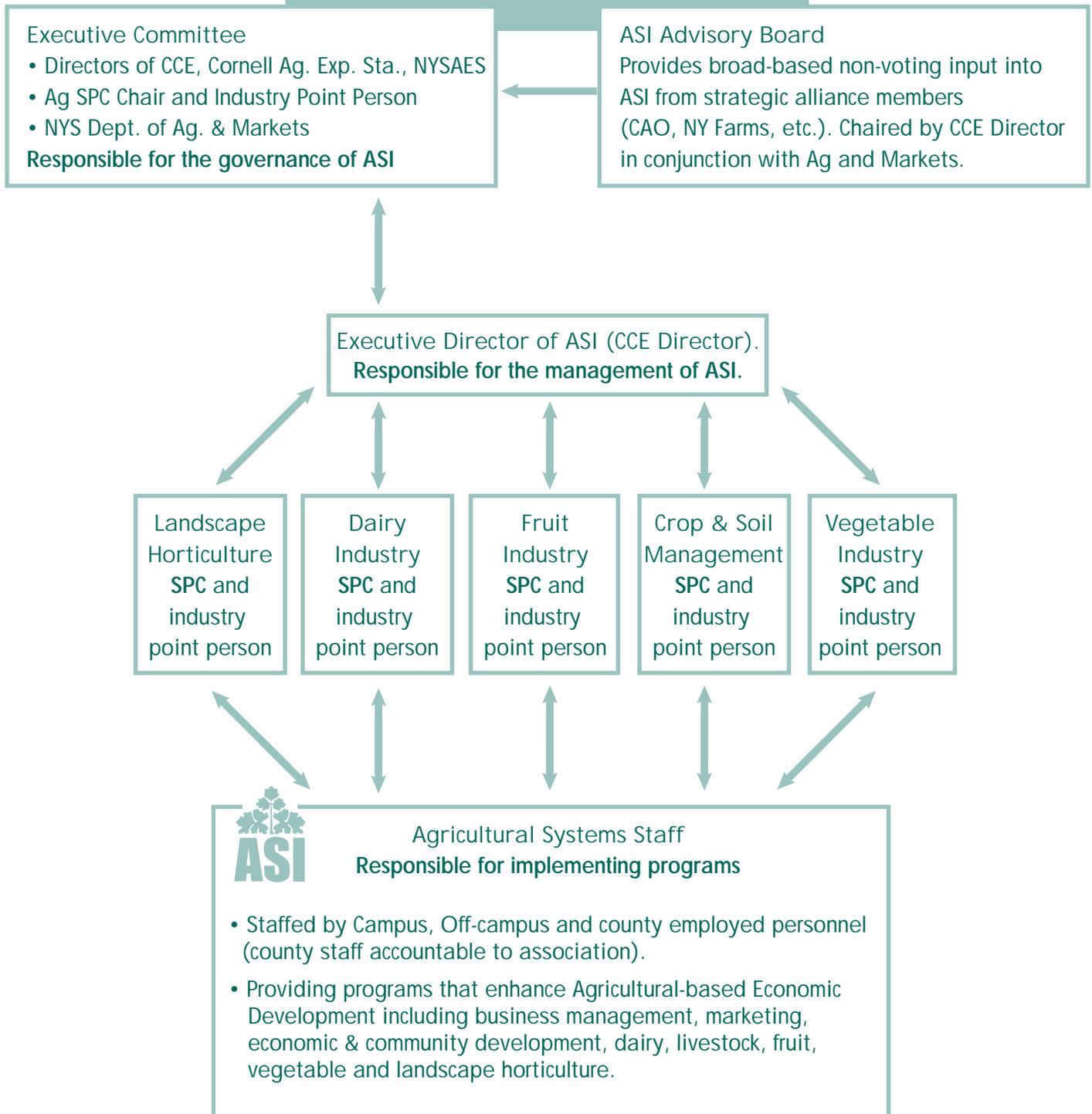
Day to day operations of the CAO are conducted by Jackie Moody (Executive Secretary), with oversight from an eight member Advisory Committee. Advisory Committee members in office during the development of A.I. were: Ronald Robbins of the New York State Corn Growers Association (Chairman), David Linehan of the New York State Nursery/Landscape Association (Vice-Chairman), Bruce Krupke of New York State Dairy Foods (Secretary), Douglas Ricketts of Upstate Farms Cooperative (Treasurer), Advisory Committee members Dan Donahue of the New York State Horticultural Society and Robert Smith of the Farm Credit Associations of New York, along with past CAO chairmen John Lincoln of the New York State Farm Bureau and Steven Hoefer of Agway, Inc.

The Empire State Council of Agricultural Organizations in cooperation with Cornell University and the New York State Department of Agriculture and Markets is developing an Agricultural Initiative whereby the State of New York can invest in New York agriculture to keep it a vital and important part of the state's economy. If such an initiative is passed into law, it will be a very positive step for the New York Fruit industry. It will significantly strengthen fruit businesses by providing the best production and marketing information available and research to solve problems in both production and marketing.

What Events Led to the Development of this Initiative?

Several years ago, agricultural organizations in New York State began to independently arrive at the conclusion that agriculture in New York State was a large contributor to the state's economy, particularly its rural economy, but New York State government policies and programs did not treat agriculture as such. Traditionally, agriculture is not considered a driver of economic development. The state's focus has been on environmental and labor issues, understandable considering society's interest. Very little concern was reflected in public policy despite the steep economic decline of the industry over the last decade or more. Agricultural organizations also contributed to this omission by traditionally focusing on defensive ac-

Organizational Aspects of Administering Agricultural Extension and Applied Research Programming



Ag SPC = Statewide Program Committee, an alliance of Cornell Cooperative Extension, the Cornell University and New York State Agricultural Experiment Stations, and the private sector who will work to enhance agriculture in the state.

tions that reacted to threats to the status quo. The agricultural initiative is an offensive strategy aimed at moving forward and turning the changing economy to our strength, not playing to our industry's traditional weaknesses.

Approximately three years ago, CAO established an Agricultural Economic Development Task Force with the goal of identifying specific programs and policies that would help reverse the decline in New York agriculture. Three important areas of weakness in New York agriculture were identified: A decline in staff and resources available to the College of Agriculture and Life Sciences; a dearth of private agricultural economic development entities, including a lack of recognition within county Industrial Development Authorities (IDA) of the importance of agricultural industries to the local economy; and the absence of government programs and policies that would stimulate economic activity in the private agricultural sector. The CAO then began raising the awareness of these issues among the agriculture leadership in New York, and was the catalyst for several related projects. In 1999, NYSDAM assigned specific agricultural economic development responsibilities at the Deputy Commissioner level. In early 1999, CALS, encouraged by the direction CAO had taken, stepped forward with a proposal called the Agricultural Systems Initiative (ASI).

ASI was an ambitious proposal to restructure the agricultural side of Cooperative Extension, provide for increased state funding of agricultural research, and to restore faculty positions lost to attrition over the course of the 1990s. The development of ASI continued through most of 1999. Input from CAO and other advisory groups resulted in more emphasis being placed on business management and marketing issues and the inclusion of non-farm citizen issues into the proposal. Every step of the way, input from many quarters resulted in an ever-improving document.

The New York State fruit industry can take some real pride of ownership of the ASI proposal. The concepts embodied in Cooperative Extension reform were the direct result of intense work by the NYSHS and the Cornell Fruit-Statewide Program Committee on a plan to implement a state-wide fruit extension program. Intense work within the fruit industry over the previous several years formed the basis for the CALS ASI proposal. Of course, Professor Warren Stiles (retired) was often heard reminding us that fruit started this process way back in 1980!

Intense meetings between CAO, CALS, and NYSDAM in the fall of 1999 resulted in the document presented for your review in this article. As this *New York Fruit Quarterly* goes to print, the agricultural initiative is being presented to the Governor, as well as leaders in the State Legislature. A broad industry coalition is being established with A.I. as the top priority for funding in 2000.



The Empire State Council of Agricultural Organizations Agricultural Initiative, December 1999

Background

Agriculture is New York's most important industry. It generates over 140,000 jobs. In 1995 NYS food and agriculture sectors—production, agricultural services, and food manufacturing—contributed \$22 billion to the state's economy. While the production, service and supporting businesses in agriculture are typically small, the diverse range of agricultural businesses contribute greatly to the economic vitality and well-being of New York State and local economies. In addition, thriving agricultural businesses contribute to the attractiveness of New York State, encouraging tourism and recreation and enhancing the environment.

The agriculture of today is increasingly "high tech." To remain competitive and responsible, New York's agricultural industry must be positioned to capitalize on enhanced business opportunities and adapt to change. Developing new business alliances, ventures and products only happens when accompanied by financial, technical, education and promotion assistance. Without relentless, world-class agricultural marketing, education and research the competition will prevail. Reinvestment in these fundamental business elements is critical. New York State has seen its ranking drop from 21st nationally in total cash marketing of New York farm products in 1988 to a position of 27th today. Without additional resources, NYS agriculture will remain at a competitive disadvantage and at significant risk of losing further ground in the national economy.

Consumer demands, environmental concerns, declining profits, increasing investment and operating costs, lack of adequate labor and changing

In the remainder of this article, I will review with you some of the details of A.I. and some suggestions of how these often unique program proposals could be implemented. The actual text of A.I. is printed with a blue background. My comments on the proposal and process follow, and should be considered my own, and should not be attributed to CAO.

market channels continue to threaten the existence of New York agriculture. Presently, New York agriculture is not prepared well enough to address the ever-increasing speed and impact of these changes. New York agriculture must position itself to take progressive steps. Many export market opportunities exist for New York products, but often are not recognized or developed. Biotechnology and information technology will also continue to have dramatic implications. Economic vitality, market structure, industry coordination, customer orientation, technology and human capital development are important to ensuring a vibrant agricultural economy for the 21st century.

The agricultural industry appreciates the support the Governor and Legislature have provided over the years. The budget process has served us well. We stand firmly behind the allocation of resources in FY1999-2000 that were dedicated to our industry. These levels must be maintained and new resources must be provided to complement and extend successful programs, such as Pro-Dairy, the Wine and Grape Foundation, and the Food Venture Center. We look forward to working with the Governor and Legislature to secure additional resources to enhance the programs available to New York agriculture.

The CAO Proposal — An Initiative to Strengthen New York Agriculture

The Agricultural Initiative will contribute to the economic vitality of New York State by developing the knowledge and decision making capacity of the agricultural industry. The initiative will enable New York to: 1) assemble world class marketing, educational and research capabilities; 2) effectively transfer that information to the end-user, the farmer; and 3) assist agricultural entities in developing market channels, educational programs, research based projects and business opportunities.

Author's Comment: The prioritization of "Focus Areas" is not reflected in the order of presentation. In general, discussions within CAO prioritized programs for marketing and promotion as number one, applied and basic agricultural research (not necessarily production research) as a close second, with comprehensive reform of agricultural cooperative extension third.



Focus Area #1: Progress Through Agricultural Research and Technology

Research and technology will increase the sustainability of agricultural businesses through improved understanding and design of market strategies, business management, pest management and access to information.

These resources will provide agriculture with new varieties/technologies, enhanced pest identification and management, environmentally friendly practices, better connections to the community and markets, faster resolution of technological challenges, and increased innovation.

Success in these areas depends upon securing 20 tenured faculty to underpin the required research and educational activity. Public/private grants will complement institutional research allowing agricultural entities to take a hands-on approach to finding the answers to questions related to their businesses. To ensure that the research results from everywhere reach and are best applied by the members of the industry, a continued investment in communications technology is also necessary.

Investment
Annual allocation (new)
Tenured Faculty and Program Support: \$5.8 million
Public/Private Agricultural Research Grants: \$2 million
Distance Learning/Communications technology \$500,000

Author's Comments on FA #1: The following three programs are new. The funding request for 20 faculty positions (including seven Geneva Plan positions) would need to be routed through the State University of New York (SUNY) budget. The research grants program

would likely be a multi-objective matching grants program. The first objective would be to encourage existing commodity organizations, and commodity sectors without such organizations, to form research and development boards, similar to our Apple Research and Development Board. A small amount of core research funding would be made available to those R&D boards recognized by the state. The second objective would be to encourage these R&D boards to pursue grower contributions, either voluntarily, or through a Market Order. The state would then match these contributions according to a set formula. The grower R&D boards would publish a "Request for Proposals" (RFP), and decide which proposals to fund. As an example, the Apple Research and Development Board could receive matching funds from the state to add to those funds raised by the growers. This would significantly enhance the research done on apples. Similar boards could be organized for other fruit crops. The Distance Learning project recognizes that in the future, sophisticated communications technology will begin to replace some of the need for expensive and labor intensive local educational sessions.



Focus Area #2: Assisting Our Farm Businesses and Employees Through Education

Business management will increase the knowledge base and the problem solving capacity of New York State's agricultural and horticultural industries, enabling people to manage their enterprises more effectively and profitably. The agricultural industry will be equipped to deal with the challenges related to a trained labor force and environmentally friendly production practices.

The greatest challenge to agricultural businesses is continuously developing the knowledge and decision-making capacity of owners and managers and attracting and developing the next generation of owners, managers and employees. Busy with a wide range of demands, today's agricultural enterprises are not always in a position to invest a great deal of time and resources in improving the management of their businesses. Agricul-

tural business employees and owners must become information connoisseurs, able to seek, select, sort, apply and evaluate information to increase their ability to thrive in a time of change. Armed with the right knowledge and techniques to increase it, each farm business will attract and retain the best employees, manage financial and human capital, plan and successfully manage change.

With this Initiative, information needs and skills will be identified by representatives from the various commodity sectors and relayed to experts at Cornell University. The Initiative incorporates teams of Cooperative Extension specialists and educators to work across commodities to provide collaboration with industry professionals and Cornell faculty. Areas of investment will be financial analysis and management, business planning, organizational development and human resource management. In addition to the training of management, farm workers will be trained in collaboration with the managers to provide training capacity to the farm manager, while developing a skill set with the worker.

Investment:
Annual allocation (new)
Cornell Cooperative Extension for the 21st Century: \$14.0 million
NYS/DAM Farmworker Training Program: \$250,000

Author's Comments on FA #2: Cornell Cooperative Extension for the 21st Century and IPM/PMEP have their roots in the original CALS ASI proposal. These two programs will be combined, both managerially and financially, and presented as a single annual funding request. In brief, CCE reform will include the following: Number one: A complete shift to state funding of the core agricultural extension program. Counties are still welcome to contribute staff if they desire, but it will not be essential to the success of the new program. Number two: Reliance on the Statewide Program Committees (SPCs), along with related regional committees, to provide most of the program direction. The SPCs will be further improved to ensure effective industry participation. Number three: Structure the new statewide extension positions so as to be competitive with industry in attracting top-quality talent. Overall, the new positions

will have generally regional responsibilities, and have a significant applied research component. With this proposal, CAO and CALS expects to stabilize CCE funding, vastly increase cooperation and coordination with industry, improve CCE employee skill levels and retention, as well as to flatten and make more responsive the CCE management structure. Of special interest to the fruit industry, the New York State IPM Program will be restructured and reintegrated into the CCE system (i.e. SPCs), with the intention of encouraging a shift towards integrated crop and pest management (ICPM), and the adherence of the entire CCE system to one structure of management and advisory input.



Focus Area #3: Marketing New York State Agricultural Products

Marketing will enable the industry to better analyze existing and potential market channels, access the best channels and increase consumer awareness of the diversity and quality of locally grown products.

Utilizing resources of Cornell University, Cornell Cooperative Extension and the Department of Agriculture and Markets, the agricultural industry will be able to take advantage of a comprehensive marketing program that meets and capitalizes on the challenges and opportunities New York's agricultural businesses face in today's market place.

Private/public agricultural marketing grants will also be available enabling the industry to pursue new markets, present their products competitively and have the resources to pursue marketing orders and other industry arrangements whereby industry dollars are available as a match for long term marketing efforts. In addition to providing seed money to assist commodities in this area, the funding for the existing, successful Wine and Grape Foundation at \$600,000 should be made permanent and the Pride of New York program maintained at \$500,000.

Department of Agriculture and Markets' Market Access Program, Market Information Service, Marketing Statistics Service and the Farmers Market Nutrition Program will also assist in increasing the sales of New York grown products. The industry

will be given technical marketing assistance, exposure to potential buyers via publications and the Internet, and direct access to buyers in local, national and international venues.

Investment Annual allocation (new)	
Public/Private Agricultural Marketing Grants	\$1 million
NYS DAM Market Access Program	\$120,000
NYS DAM Market Information Service	\$ 60,000
NYS ASS Marketing Statistics Service	\$100,000

Author's Comments on FA #3: CAO's philosophy here is first to encourage the private sector to respond to its own needs. The marketing grants program will likely be structured in a fashion similar to the research grants program. The resulting private commodity-based marketing and promotional efforts such as the New York Apple Association would be buoyed by possible grants, improved market information support, and export market enhancement support from New York State.



Focus Area #4: Stimulating New York State Agricultural Business Development

Business development will increase the impact of agricultural-based businesses on the state's economy and employment. Agricultural businesses will be able to take advantage of grants that allow them to conduct feasibility studies, obtain technical assistance and conduct demonstration phases of projects that expand the agricultural industry in New York State. Complementing these grants, the Department of Agriculture and Markets will provide an agricultural development service for food and agriculture firms wishing to establish or expand in New York State. Assistance may include: regulatory compliance, financial sourcing, arranging economic incentives, input sourcing and site location. A program targeting improvements to farm worker housing will move from solely a loan program to a loan and/or grant opportunity. Cornell programs like FarmNet and Farming Alternatives

currently support the development, enhancement and retention of agricultural businesses. Agricultural leadership is critical to ensure the representation of agriculture where its future is at stake.

Investment Annual allocation (new)	
Public/Private Agricultural Business Grants	\$1 million
NYS DAM Agricultural Development Specialist	\$150,000
NYS DAM Farmworker Housing Construction Grants/Loan Program	\$250,000
Agricultural Leadership Development	\$100,000

Author's Comments on FA #4: The Agricultural Business Development Grants Program will help solve the problem new or existing cooperatives and agribusinesses have of raising initial capital from cash-strapped growers for the purposes of hiring consultants, attorneys, and conducting feasibility studies. Grants from this program could also help existing New York state agribusiness make a decision to expand in New York, or otherwise demonstrate the value of establishing a new agricultural business in the state. The revised Farm Worker Housing Program and the new Agricultural Leadership Development Program are concepts that have been promoted by the NYSHS for the last three years. Including a granting component, and expanding eligibility criteria to include new housing where none currently exists, will bring us up to par with programs in competing states, such as Michigan. The Agricultural Leadership Development Grants Program would provide a source of matching funding for innovative and unique industry/academic educational projects designed to really "push the envelope" in a commodity area.



Focus Area #5: Reversing the Decline in Agricultural Literacy Amongst New York's Non-Farm Citizens

Agricultural outreach will educate consumers on the value of agriculture to increase community involvement in and connection to agriculture. The increase in urban populations coupled with farm consolidation and loss has created a population unfamiliar with agriculture yet intensely interested in access to a safe, nutritious, abundant

and inexpensive food supply. Grants will be available to educate consumers and the general public about the benefits and practices of production agriculture.

Investment Annual allocation (new)	
Innovative Agricultural Education	
Grants:	\$150,000
Ag in the Classroom	\$120,000

Author's Note on FA #5: The CAO membership clearly understands that the non-farm citizens of New York need to feel some connection back to the farm. Government policies in New York State, in total, over many years, have reduced the competitiveness of New York agriculture. This is reflected in high property taxes, extensive regulation, and a lack of government interest in developing and funding programs to stimulate the agricultural sector of our state's economy. This is not a problem driven by political ideology or political parties. A rift has developed between our urban citizens and our rural farm producers. Over the last 50 years, as our farming population dropped from 20 percent to 2 percent, the average citizen, even in rural areas, became unlikely ever to meet a farmer, never mind understand much of what he or she does. Over this same time period, there was not a commensurate increase in attention paid to this issue in our schools. As a consequence, we have today's policy environment, which is insensitive to the status of agriculture. This is a democracy, and our government policies will reflect the wants and desires of the general population, and how the non-farm citizenry is fed every day is not something that is thought about very often. As a whole, our policy makers in and outside of government mirror this disinterest in New York agriculture. The following two programs are a modest attempt to restore the educational balance. Innovative Agricultural Education Grants will fund public/private and private efforts to educate New York's citizens on the value of local agriculture. Cornell's Agriculture in the Classroom Program is an existing effort to integrate agricultural topics into the existing school curriculum, thereby raising the awareness of agriculture among our younger generation.



Focus Area #6: Addressing the Needs of Existing NYSDAM Programs
Equipping the Department of Agriculture and Markets with the resources

necessary to meet its statutory requirements will ensure the health and safety of New York citizens and protects the integrity of the agricultural industry.

Investment Annual allocation(new)	
Fertilizer and Lime Testing Program	\$200,000
Seed Testing Program	\$200,000
Apiary Inspection	\$200,000

Author's Note on FA #6: Restoration of these state regulatory programs will provide clear benefits to New York State agricultural producers by assuring both the producer and supplier of the integrity of these critical farm supplies and services.



Focus Area #7: Continuing Facilities Improvements at the College of Agriculture and Life Sciences, Cornell University

Investing in Cornell's infrastructure provides the agricultural industry with buildings and equipment that are up to date and cutting edge. There is a critical need to establish a mechanism to assure that the necessary investment is made in this area each year.

Investment Annual allocation(new)	
Capital Improvement Revolving Fund	\$2.5 Million

Author's Note on FA #7: Academic building construction, and major renovations, are funded through a program administered by New York State. Renovations that are considered too minor to attract these "building" funds risk being put aside in our tight fiscal environment. However, first class, state of the art laboratories and greenhouses are necessary if we are to continue attracting the most talented scientists, and producing the technology necessary to compete in the 21st century. The CAO recommends that a special state fund be established to finance an ongoing program of minor facilities renovation at CALS.

How Will A.I. Assist the New York State Fruit Industry?

Industry is in a position to immediately benefit from programs proposed in the Agricultural Initiative. Existing grower and processor funded research and marketing programs would be

strengthened with matching state funds. Innovative educational programs, such as our Leadership Forums could receive support from the new Agricultural Leadership Grants Program. Improved apiary inspection will help ensure a healthy supply of bees in New York. Needed laboratory renovations will be stepped up. Several faculty will be added to support the fruit industry. While the fruit extension program is arguably the closest in its structure and management to the model proposed in A.I., stabilization of extension funding and retention of our highly skilled extension educators will be a major benefit.

So What Happens Next?

This is the first major agricultural economic development initiative to be proposed in New York State. The size and scope of this proposal breaks new ground and will likely leave some of our policy makers a little short of breath. The agricultural and food processing sector contributes \$22 billion to the New York State economy and is a primary driver for economic growth in upstate New York. Our upstate economy has not participated in the economic growth experienced downstate, or by much of the rest of the country. The members of the CAO believe that now is the time to act to revive our upstate economy by reviving our agricultural industry.

Convincing our policy makers and the public of our industry's value to New York will not be easy. For a long time agriculture has played defense. Are we up to the task of playing offense?

The burden of promoting this initiative will fall on the members of the Empire State Council of Agricultural Organizations. The New York State Horticultural Society is a very active participant in the CAO and currently holds a seat on the CAO Advisory Committee. The NYSHS Board of Directors has enthusiastically supported the development of A.I. and is prepared to carry its share of the task ahead.

This initiative is still a work in progress. While it has taken many hours of intense work by numerous people to get to this point, we really have only just begun. Each of these program proposals needs to have the details filled in. We know that the details of how a program is implemented will make or break its usefulness to the industry. The NYSHS Board of Directors would like to have your input on this initiative. Please contact any

of our directors, or staff, with your comments, concerns, and questions. There is much in this initiative for the New York state fruit industry. The NYSHS Board of Directors believes that our industry will benefit greatly in the long run by enthusiastically supporting this initiative, and recommends that our industry invest some of its financial resources and time to support its implementation.

Dan Donahue is the Executive Director of the New York State Horticultural Society whose primary focus is education and public policy that affects the fruit industry. He has represented the fruit industry in the development of the Agricultural Initiative.

New York Agriculture FOR THE 21st CENTURY

New York State has seen its ranking drop from 21st nationally in total cash marketing of New York farm products in 1988 to a position of 27th today. Without additional resources, NYS agriculture will remain at a competitive disadvantage and at significant risk of losing further ground in the national economy.