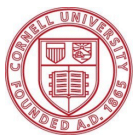


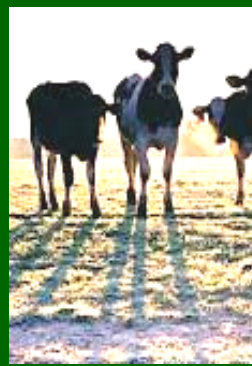
Harvest New York



Cornell University
Cooperative Extension

**HARVEST
NEW YORK!**

HARVEST NEW YORK PROGRAM HIGHLIGHTS **Quarterly Report** **January 2013 — March 2013**



Growing New York's Agriculture and Food Economy
www.harvestny.cce.cornell.edu

Workforce Development Initiatives in Food Processing for Western NY

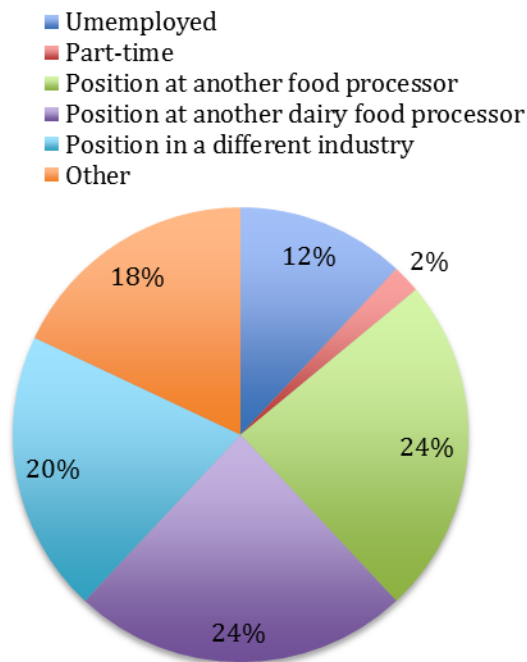
Western NY processors have always struggled to find enough qualified individuals to staff their facilities. With new processors coming to the region and processors looking to expand, the demand for such employees is as strong as ever. Harvest NY has collaborated with industry to determine what skills are necessary to work in the food-processing environment. Some of these skills include knowledge of food safety regulations, good manufacturing practices, processing equipment and good oral and written communication skills.

With this understanding, Tristan is working to develop a plan to address this growing need for the dairy and food processing industry. This includes expanding accessibility to Cornell's Dairy Food's Extension Certificate Program, a program designed to train employees in the areas of fluid milk, fermented dairy and cheese processing. Tristan has been working with industry, Rochester Institute of Technology, regional economic development centers and community colleges to bring some short courses to Western NY, thereby allowing greater access to processors who may not have the option of sending employees to Ithaca.



Teaching a course on Dairy Processing Equipment

Previous Employment Status



As a short term solution to the growing demand for qualified individuals, Tristan has been working with the Genesee County Economic Development Center to develop a two-week training program for those who may want to work in food processing immediately, but lack the skills to do so. The training program is supported through grants from National Fuel and the Finger Lakes Food Cluster Initiative and will teach Lean Manufacturing (RIT), team building (Genesee Community College), OSHA, and Basic Dairy Science & Sanitation (Cornell). Upon graduating from this program, participants will go through mock interviews to be hired by local food processors.

Additionally, Tristan is collaborating closely with local community colleges to help develop certificate and degree programs that will be geared towards providing the skills that are necessary for advancement within the food processing industry. As well, Tristan has been working with local high school programs to increase the awareness of careers in food science and food processing. This multifaceted approach will eventually help to solve a growing need within the Food Processing sector and make Western NY a more attractive area for companies to develop and grow.

An example of this is bringing a Basic Dairy Science Course to new and expanding companies in the Western NY region. This specific course is designed to teach basic food safety, dairy, and rules and regulations that will affect dairy plant employees. In a poll given to participants in this course, approximately 14% were either unemployed or under-employed (see chart 1). Additionally, almost 20% worked in a completely different industry with zero experience in the food industry. Course participants walked away with a greater understanding of why they need to follow rules and regulations that are set forth by state and federal governments.

New Resource Available: Guide on How to Purchase at the NYS Produce Auctions

A produce auction is a wholesale market for regionally grown produce. Currently there are five produce auctions in New York State offering a wide variety of produce at competitive prices. This guide will provide basic instruction on the terminology of the auction, as well as how to purchase produce at these unique markets! In addition a map of the New York State Produce auction and a list of auction addresses, contact information and operation times is also available.

The agriculture economic development specialists of the Harvest New York Team encourage wide distribution of these resources. These resources could help fuel economic development in your region! A focused mailing to area restaurants, grocers, retailers and even distributors could help your area produce auction grow, providing more markets for area farmers and increased consumption of local food! The Harvest New York Team will be utilizing these materials to promote greater awareness of these epicenters of local produce! These resources can be found on the Cornell Vegetable Program website at: <http://cvp.cce.cornell.edu> by clicking the “Business” tab.



Harvest New York Support Economic Development at New York State Produce Auction

Research conducted by the Harvest New York team in 2012 demonstrated that the New York State produce auction that had the greatest support from the Cornell Vegetable Program grew by over \$185,000 per year on average, while auctions that did not enroll in full services from the Cornell Vegetable Program grew modestly at or below \$30,000 per year on average. The Harvest New York team therefore has been seeking to replicate the services of the Cornell Vegetable Program at underserved auction, and also strengthen the programming at the enrolled auctions. Three meetings were held as collaboration between Harvest New York and the Cornell Vegetable Program to better serve these auctions and support greater economic growth!

This winter four educational meeting were held at the Mohawk Valley Produce Auction, Finger Lakes Produce Auction, Chautauqua Production Auction and the brand new Seneca Produce Auction. These educational meetings we tailored to meet the education needs that were identified in the statewide research conducted by the team. Our research shows that these educational meetings coupled with on farm consultation and applied research will result in an exponential increase in economic growth for these auctions and the communities that they serve!

Southern Tier Dairy Farmers Look to Peers When Seeking to Improve Milk Production with New '10 Pound Club'



A new opportunity for dairy farmers in the Chautauqua/Allegany/Cattaraugus county region has been developed with the goal of helping participants identify and address bottlenecks limiting milk production. The 10 Pound Club will meet several times per year with the purpose of encouraging the exchange of ideas on increasing milk production by improving cow management and modernizing facilities.

The first two meetings saw 10 dairy farm owners attend, representing over 1,700 milking cows. Members were most interested in looking into options for improving cow comfort as a way to improve milk production- focusing on low cost updates to cattle housing and considerations when designing new barns.

The group toured two dairy farms in Cattaraugus County in March. The first: a carefully remodeled tie-stall barn featuring 100 milking cows, each producing nearly 90 pounds of milk each day. Here, members were able to gain insight on how to consistently improve housing and identify low-cost methods of managing cows to produce to their potential. The second dairy

featured 350 cows housed in several “cow comfort” focused barns, including one barn constructed this fall with every detail in optimizing milk production seen to and exciting amenities for farmers to see and consider.

Through discussion and tours, group members will identify and implement new strategies at their home farm, and we can expect to see increased milk production and higher profitability from these dairies. Given the 1,700 milk cows currently enrolled in the group, ten additional pounds of milk per cow, per day would add six million pounds of milk per year to the region, with a present market value over one million dollars of new farm revenue.

Our next meeting will be held post-harvest in late October, with a focus on increasing milk production through better forage quality. In the meantime, one group member is looking to expand his grass-based dairy farm from 40 cows to nearly double and engage in the ProDairy Dairy Farm Business Summary, and another is preparing to build a new, modernized barn for his family’s 100 cow milking herd.



Survey of Western NY Dairy Farmers Shows Appetite for Growth and Increasing Milk Production Amid Land and Labor Concerns

In January 2013, surveys were mailed to 450 dairy farmers across Western NY with the goal of gaining insight on the needs and limiting factors facing dairy farmers in the region. The results represent a twenty-three percent response rate and will be used to guide funding, legislative interaction and the formation of relevant programming to address the needs identified.

Survey Highlights

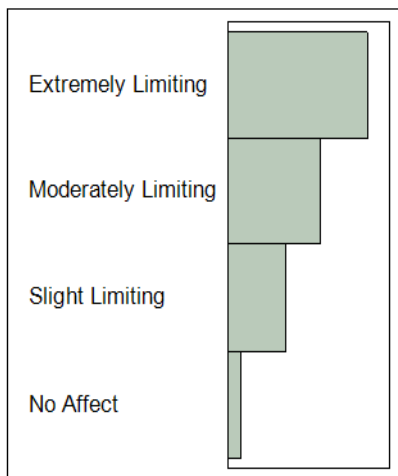
Survey results indicate a vast majority of farms grow most, if not all, of their forage needs while most produce 10% or less of their grain needs.

Mean herd size: 229 cows
Median herd size: 90 cows
Representing 13 WNY Counties
Average Milk/Cow, 70 pounds/day

53% of farms have considered expanding in recent years, with 20% of farms indicating strong interest in increasing their milking herd size, or with plans underway to expand.

Notably, 93% of respondents indicated land availability is a limiting factor for growth. Of that 93%, 50% said that it was an extremely limiting factor. The data indicated land availability is a limiting factor across all herd sizes. Labor joins land constraints as being a primary bottleneck for growth of Western New York dairy farms. 79% of dairy farmers surveyed indicated qualified labor availability is also a limiting factor, with 37% citing it as a major concern and extremely limiting to expansion.

Profit Margin Volatility Limits Growth



Not surprisingly, 76% of farms cited profit margin volatility as being moderately or extremely limiting to growth, with 93% identifying milk price volatility as being a limiting factor.

Other Factors Affecting Growth in WNY Dairy

CAFO and other environmental regulations are viewed by 82% of farms as limiting to growth while only 37% of dairy farmers cited limited access to financing as being a significantly limiting factor. Less expected was the 55% of respondents indicating next generation interest in owning or operating the dairy farm is slightly limiting or not a concern.

Despite many challenges facing dairy farmers, 79% of Western NY dairy farms surveyed noted an ongoing or strong interest in increasing their milk production per cow, and 56% indicated they would be interested in participating in a discussion group focused on improving milk production. This indicates much opportunity to improve profitability for dairy farmers in the region, and to design programs to aid these farms in achieving better performance.

Opportunities for Growth in Western New York Farmers Markets

Supplemental Nutrition Assistance Program (SNAP) sales at Farmers Markets nationwide increased from \$4 million in 2009, to \$16 million in 2012. Incentivizing the use of SNAP benefits at Farmers Markets is one effort that has contributed to this increase.

In collaboration with Field and Fork Network, the Harvest New York team is in the beginning stages of piloting a SNAP incentive program in Erie County. The Double Up Food Bucks model is being employed and Fair Food Nation created it. By leveraging Foundation support, Double Up Food Bucks matches SNAP benefits used at participating Farmers Markets, dollar for dollar for up to \$20 per day. Beginning in 1 market in 2009, Double Up Food Bucks is now present at 100 Farmers Markets throughout Ohio and Michigan. The economic impact of this program is tremendous. SNAP sales increased by \$500,000 from 2010-2011 in Michigan farmers markets. Additional benefits include: more SNAP recipients are spending their benefit dollars on fresh fruits and vegetables, more markets and farmers are participating in the Double Up Food Bucks program, and ultimately, more money is being returned directly into the hands of farmers.

Erie County has approximately 20 farmers markets, two of which are in designated food deserts. Food deserts are defined as parts of the country void of fresh fruit, vegetables, and other healthful whole foods, usually found in impoverished areas. Utilizing the tools and expertise provided by Fair Food Nation, Field and Fork Network and Harvest New York plan to execute this program initially in the City of Buffalo, with the intent to expand this program to other counties in Western New York.

Harvest New York supports the development of a regional food hub in Western New York

The five county region of Western NY, to include Erie, Niagara, Orleans, Wyoming, and Genesee, is home to over 3900 farms. Of these farms, more than 87% gross less than \$250,000 annually in farm related sales, and thus by USDA standards are considered small farms. Many barriers exist that prohibit small farms from scaling up their production to meet the demand of larger markets. These barriers include basic supply and demand, sorting and grading capabilities and distribution. Food Hubs have proven successful in helping to mitigate these barriers.

Given the high percentage of small farms and the demand for local foods by larger markets, Western New York is primed for the establishment of a regional Food Hub. Currently a thorough knowledge of the market challenges and potential with regard to small and mid-size farms entering into larger and more diversified markets does not exist.

In an effort to ensure sustainable economic development, Field and Fork Network and Harvest NY are approaching this opportunity utilizing a methodology grounded in sound data collection and analysis. The multi-phase project will include a thorough market analysis, infrastructure analysis, production analysis, and recommendations for scale and scope of a Food Hub. The project will test several models, to include aggregation and value-added processing. Contingent upon the results of the project, there will be an additional phase, which will include the development of a business plan. A positive externality of this effort is that the information gleaned from this project will inform sound economic development for many other projects in Western NY.

Harvest NY assisted Field and Fork Network with identifying and applying for sources of grant money and designing a strong Advisory Board comprised of food and agriculture industry leaders. Once grant funds have been secured, Harvest NY will continue to support the development of a Food Hub by being an integral part of the project team.