

## **Dairy and Field Crops Focus Group Notes**

Feb 19, 2014

### **10 Attendees**

Shouldn't give up property rights

#### **Regulations**

- There are layers of regulations. For example, when you want to clear out a ditch. It took 1.5 years for one participant to go through the process of getting permission to get one ditch cleared out.
- It gets complicated if you're involved in government support programs, if you've gotten government grant money or loans.
- Gas field development could be a game-changer of it's ever allowed.

#### **Neighbor conflicts**

- One participant recounted a conflict with his neighbor about the location of a fence. Even though it was on his property and didn't violate local ordinances, etc., the neighbor felt it was too close to his residence.
- Manure spreading causes problems with residential neighbors, who don't like the smell. It has led to bad feelings. The question was posed whether anyone gives notice in advance of spreading, which others in a different focus group had said worked well for them, but no one in this group said that they do that.
- Some participants do coordinate spraying with neighboring farmers, particularly when there were conventional fields next to organic ones, or cash crop fields next to orchards. Group discussed the benefits and limitations of buffers, horizontal and vertical buffers. Also, how spray can drift several fields down before it settles.

#### **Zoning/subdivision/site plan issues**

- None identified. The farmers could do pretty much what they need or want to do without local government interference. Some towns don't have zoning at all, some have it but it doesn't affect their ag-related activities.
- There have been some subdivision activity going on, mostly in the north and southeastern areas of the county. Some relatively small parcel with a farmhouse on it, around 20-50 acres, aren't getting farmed. Someone buys up that property, subdivides the house off, then sells the acreage to a farmer and the house to a separate buyer. At least one participant expressed disapproval of this practice, stating that farmhouses should stay with the farmland as a single unit.

**One attendee posed the question, "Is the ag exemption worth keeping?"** Based on a conversation about the tax burden that the participant had with a farmer a few days prior.

- It depends on the town. If there are a lot of farms in a town, then there is less of a benefit to the tax exemption because most properties in the town would have it but the same amount of revenue would have to be raised.

- You need to keep an eye on town assessors – some do a really good job of working with farmers but others put the onus of getting the ag exemption on the farmer.

### Land Prices

- The reality is that land prices are increasing all over the country.
- It's mostly bad for the new guys.
- Nationwide, there is speculation going on by entities outside the USA, international investors buying up land to later use to grow food for their native market. The nearby Plainsville Turkey Farm was bought up by Chinese investors.
- Corn prices are going down, so that will curb the high land prices. Crop insurance is also artificially increasing land values. The government is driving up the price of corn (*because of ethanol mandates, or some other reason?*).
- There is a strong demand for milk, so the big dairies have the money to buy up land. Our county is not driven by grain prices, it's driven by milk.

**Why isn't there more conversion from cash crops to specialty crops?** A participant made a comment about how there should be more people making this switch.

- Labor limitations. Cash crops allow you to be more self-sufficient whereas specialty crops requires more dependency on labor.
- Been doing cash crops, so focused on that. It's what we're already doing.
- There are barriers to switch over – need different equipment, new investments. We used to have a lot of snap beans but there were not enough processors. Labor costs might have also been an issue.
- Smithfield Farms – getting bought up by Chinese investors. This may be good or bad for hog farmers.

### Are farms diversifying?

We're seeing more vertical integration than diversification. For example, instead of paying someone to do it, you can invest in the equipment and spread your own fertilizer. Technology is very relevant to cut costs.

### Technology

- Challenge to access services because it is difficult for service providers to keep good, trained employees. The industry looks to the dealerships to keep a staff of experienced, capable technicians who know how to work with today's sophisticated machinery. Now, the equipment has gotten user-friendly enough so that operating the machines is manageable, but the barrier is maintenance and repair.
- When you buy equipment from a dealer, they set it all up for you and go over it with you to answer your questions on how to operate it, etc. If you have issues going forward, the dealer should go out to the farm and assist you. Is this an opportunity for BOCES or CCC? There's also customer service hotlines. Typically, the first year of support services is free.

**Market Access – how do you get your products to market? Participant responses:**

- Send to broker that sells to whoever will pay the most
- Send directly to end processor: Corn to Cargill and West NY Energy, soy to Bunge in Canada. Had some bad experiences with broker, didn't get paid. So do it myself.
- Milk (organic) – sell to Dairylea. Gets sold as Horizon organic milk
- Little feed mills have disappeared. There was a niche market for custom mixing. Barsky's still mixes for horses, chickens, backyard stuff.
- Follow Bloomberg for RFD and call to see what we can get. Pre-sell the soy. The beef goes to JBS in Souderton, PA, owned by a Brazilian company.
- Last year, soy was sold to Bunge in Ohio, base price was best. Drove it over there in his own truck and takes processed soy back to New York. Made about 10 trips (10 truckloads).
- Brokers his own, a lot goes to Genoa. Uses an independent trucker that has his own clients down south.
- A lot of corn goes to the Fulton ethanol plant
- Beef gets sent to JBS, grass-fed gets sold locally, but processing facility he had been using burned down