

**AGRICULTURAL
AND
FARMLAND
PROTECTION
PLAN**

Prepared By

ACDS, LLC

Agricultural and Community
Development Services, LLC

P.O. Box 6666

Columbia, MD 21045

Phone: 410-799-4300

Fax: 410-799-4337

Email: infor@acds-llc.com

For

**Cattaraugus County
Agricultural and Farmland
Protection Board**

February 2007

Adopted by

Cattaraugus County Legislature

March 28, 2007

TABLE OF CONTENTS

	Page Number In PDF
Executive Summary	3
Agricultural Economic Development Report	7
Agricultural Land Use Report	52
Appendix A – Study Area Definitions	92
Appendix B – Interview List	95
Appendix C – SWOT Analysis	96
Appendix D – Demographic and Market Profile Summary	111
Appendix E – Retail Consumer Expenditure Summary	122
Appendix F – Agricultural Data Synopsis	132
Appendix G – Maps	145
Appendix H – Land Protection Ranking Formula	152

EXECUTIVE SUMMARY

INTRODUCTION

The purpose of this project is to analyze and understand the foundations of Cattaraugus County's agricultural economy and to create an Agricultural and Farmland Protection Plan that will fulfill both the requirements of the Agriculture and Markets Law 25-AAA and create recommendations for structural economic development programming to ultimately enhance the future of local agriculture.

The project output is intended to encourage long-term policy formation in support of agriculture while providing a specific short-term framework to guide local programs regarding specific agricultural economic development and land use initiatives.

To accomplish this, the ACDS and American Farmland Trust (AFT) study team gathered published data for Cattaraugus County and the surrounding region to assess current conditions. This data was reaffirmed by interviewing 44 farmers, agribusinesses, entrepreneurs, service providers, public officials, and community leaders. In addition to interviews, the study team sent a survey to town officials to assess on-the-ground land use conditions.

The result of the process is a series of findings relative to agricultural business and land use conditions. As well, the study team has made 11 recommendations for action to improve these conditions in advancement of both the agricultural industry and local communities.

DEFINITION OF AGRICULTURE

This study uses a broad definition of agriculture that includes all aspects of the cultivation and production of plant material and animal products; as well as the marketing, processing and distribution of these products; and other secondary on-farm activities, (e.g., agricultural tourism, forestry, and aquaculture.)

FINDINGS

Despite slow structural change that has both farm numbers and farmed acres declining, Cattaraugus County has maintained and, in some cases grown, a vibrant agricultural economy. This is supported by the fact that agriculture and agriculturally related industries account for nearly 3% of all private income and 5% of private employment in Cattaraugus County. These facts make agriculture the sixth largest employer in the County behind tourism, manufacturing, health care, administrative services, and retail industries. Beyond production agriculture, the County also has strong output in related manufacturing sectors such as wood product manufacturing and meat processing.

Cattaraugus County Agricultural and Farmland Protection Plan

Agriculture in Cattaraugus County, New York, is a large and extensive industry consisting of 1,157 farm enterprises on over 200,000 acres of farmland. In 2002, the last year for which comprehensive data is available, Cattaraugus County's farm output totaled over \$58 million and employed nearly 1,500 people on the farm with another \$15.5 million in logging output. Along with the direct impact to the economy, Cattaraugus farm economy contributed an additional \$46 million in output and employed another 550 workers through its linkages to other industries.

A key feature in the agricultural economy is an increase in crop sales in Cattaraugus County that has been especially pronounced since 1997. This upward trend is led by production increases in the nursery and greenhouse industry as well as vegetables and fruit. However, the small number of producers in each sector makes confirmation of this assertion difficult. Beyond nursery and greenhouse and vegetable production, on-farm forestry activities have provided solid returns for several of the northern Appalachian hardwood species found in the County.

However, not all of Cattaraugus County's agriculture is as robust. Dairy farming, in particular, has been adversely impacted by rising costs and transitioning markets. Since 1997, 30 percent of all Cattaraugus County dairy farms went out of business accounting for more than half of all farms lost. Some of these dairy farms were consolidated into larger operations, while others came out of production or transitioned to development.

The net result to Cattaraugus County's economy is a general agricultural stasis with losses in livestock revenues offset by gains in crop production. The return to the farmer however, has seen a steady decline in both real and nominal terms with 2003's nominal net return to the farmers being 98 percent lower than it was in 1984. Higher expenses, particularly for hired labor, are a major contributor.

Beyond farm economics, several land use trends are expected to impact the viability of farming in the long-term beginning with the small decrease in land in farms that is lost to residential development annually. Once this farmland is lost, it is rarely converted back to agricultural use. Maintaining a core land base in active agriculture is necessary for the survival of the industry.

Locally, increases in low density rural residential development seem to have the most significant impact on farm businesses. Foremost, this type of development most often occurs on the best drained soils, which are generally the most productive. Second, these scattered residential developments most often bring new neighbors that are unfamiliar with agricultural practices and can generate time consuming and potentially expensive conflicts. In addition, this type of development often puts a higher demand on local services than it contributes in tax base, which has a negative fiscal impact on both the County and local municipalities.

While this slow, but steady land use change is expected to continue county-wide, several areas are expected to grow much more rapidly. This change is expected to occur in towns surrounding the Village of Ellicottville, and in the towns bordering Erie and

Wyoming Counties. New landowners most often target large residential lots or large acreage parcels for recreational pursuits such as hunting, snowmobiling, ATV, and similar activities, which are often not allowed on public lands. Higher density uses and additional sprawl are expected when the Route 219 extension is built. Impacts will be localized where the interchanges are located.

The rate and type of development that occurs in the community as well as specific economic conditions facing agriculture are only part of the planning process. Broader trends in the national and regional economy as well as regional and local land use and infrastructure decision making will influence the success of the Agricultural and Farmland Protection Plan. With this dynamic in mind, the Agricultural and Farmland Protection Board will work diligently with local and regional officials to update and amend the document as appropriate to current conditions.

Based on the above, as well as other analysis and findings presented throughout this report, the project team has assembled the following 12 recommendations.

RECOMMENDATIONS

The recommendations in this report are divided into three distinct groups.

Recommendations 1 through 4 address critical structural and industry-wide concerns that impact the long-term viability of agriculture in Cattaraugus County. The proposed solutions are based on current economic needs and opportunities and seek outcomes that have a direct benefit to the community through such effects as industry stabilization, job creation, enhanced tax base, and improved quality of life.

Recommendations 5 through 7 relate to improving conditions specific to the health and well being of local agricultural enterprises through training, business planning, network development, mentoring, finance, research and development support, and similar services. These recommendations are offered with an understanding that the overall health of the agricultural industry is intricately tied to the financial health of the underlying enterprises.

Recommendations 8 through 11 offer programs and processes that address the land use issues facing both towns and farmers. These recommendations bridge training and education that focuses on defining the needs of agriculture as an industry with refining the land use planning and regulatory functions of the County and towns to be more supportive of agricultural uses.

The report's 11 recommendations are highlighted in the following table.

Cattaraugus County Agricultural and Farmland Protection Plan

Agricultural and Farmland Protection Plan Recommendations								
Recommendation	Number of Action Items	Implementation Partnerships						
		County Agencies			External Entities			
		AFPB	Planning & Economic Development	Other¹	Federal	State	Town	Private²
1. Develop an Agribusiness Retention Expansion and Attraction Plan	9	√	√	√	√	√	√	√
2. Support Regional Agricultural Leadership Development	6	√	√	√			√	√
3. Expand Education and Training Programs	4	√	√	√	√	√		√
4. Develop a Regulatory and Policy Action Program	13	√	√	√		√	√	√
5. Enhance Business Development Programs and More Fully Incorporate Agricultural Needs	9	√	√			√	√	√
6. Support Development of Regional Enterprise Center and Incubator	3	√	√	√	√	√		√
7. Support Broadened Access to Capital	5	√	√	√	√	√	√	√
8. Support Farm Friendly County Based Land Use Policies and Programs	6	√	√	√	√		√	
9. Actively Support Town Based Agricultural Planning	5	√	√	√		√	√	√
10. Support Efforts to Establish a State Tax Incentive Program to Stabilize Farmland and Investigate a Purchase of Development Rights Program for High Development Pressure Areas	5	√	√	√		√	√	√
11. Promote Understanding and Appreciation of Cattaraugus County Agriculture to the Non-Farm Public	5	√		√	√	√	√	√

Notes:

1. *Other includes Cornell Cooperative Extension, the Office of Real Property Tax Services, and other County departments.*
2. *Private includes the Chamber of Commerce, Foundations, Farm Bureau, St Bonaventure, Western New York Land Conservancy, private businesses, and other private/quasi-governmental entities.*

**Cattaraugus County, New York
Agricultural Development Plan**

*~Prepared for the~
Cattaraugus County Agricultural and Farmland Protection Board*

February, 2007

Cattaraugus County: Agricultural Development Plan

ACKNOWLEDGEMENTS

This project was funded by the New York Department of Agriculture and Markets and the Cattaraugus County Legislature. The statements, findings, conclusions, and recommendations are those of the author(s) and do not necessarily reflect those of the Cattaraugus County Government or the Cattaraugus County Agricultural and Farmland Protection Board. ACDS staff involved in the project include:

County Project Leader

Thomas M. Livak

Study Team Leader

J. Philip Gottwals

Study Team Members

Donald Hering, ACDS, LLC
William Stroud, ACDS, LLC
Paul McIntyre, ACDS, LLC
Jeremiah Cosgrove, American Farmland Trust
David Haight, American Farmland Trust
Diane Held, American Farmland Trust

The researchers and authors of the report owe a debt of gratitude to the many organizations and individuals that participated in interviews and focus groups for this project. A list of those that participated in the interviews and focus groups is presented in Appendix B of this document. Some names have been kept confidential at the request of the participants.

(THIS PAGE LEFT INTENTIONALLY BLANK)

TABLE OF CONTENTS

Acknowledgements.....i
Table of Contents.....ii

INTRODUCTION 1
Project Background.....2
Implementing the Plan3

MARKET FINDINGS 4
Economic Impact4
SWOT Analysis7

CASE STUDIES 8
Loudoun County Virginia.....8
Oneida County New York8
Cheltenham Farmers’ Market8
Coulee Region Organic Produce Pool9
Iowa State Agricultural Support Program.....9

INDUSTRY TRENDS..... 10
Dairy10
Livestock.....12
Fruit and Vegetable Production14
Greenhouse and Nursery Production15
Equine16

ECONOMIC DEVELOPMENT TOOLS..... 19

RECOMMENDATIONS 25
Recommendation 1: Develop an Agribusiness Retention, Expansion, and Attraction Plan .25
Recommendation 2: Support Regional Agriculture Leadership Development28
Recommendation 3: Expand Education and Training Programs.....29
Recommendation 4: Develop a Regulatory and Policy Action Program31
Recommendation 5: Enhance Business Development Programs33
Recommendation 6: Support Development of Regional Enterprise Center and Incubator ...35
Recommendation 7: Support Broadened Access to Capital for Agribusinesses37

KEY FUNDING AND GRANTMAKING ORGANIZATIONS 39

CONCLUDING REMARKS 40

INTRODUCTION

The Cattaraugus County Agricultural and Farmland Protection Board undertook an analysis of the County’s agricultural industry as a component, and supplement, to the County’s Agricultural and Farmland Protection Plan. In doing this, the Board acknowledges both the important economic role that agriculture plays in the County, as well as the vital role that farm profitability plays in maintaining the County’s land resources. Recommendations from this study will be used to support and develop innovative agricultural programs that promote successful farm operations. The outcome of this analysis is encompassed in the following elements of the “Agricultural Development Plan.”

The “Agricultural Development Plan” uses a study of empirical data, case studies, in-depth interviews with key industry players, and an analysis of industry trends to establish a 10-year strategic vision for Cattaraugus County agriculture including a series of short-term action items. Collectively, these action items will direct cooperative efforts between the private and public sectors targeting at improving the economic climate facing farmers and agribusinesses. This ambitious plan for the future of Cattaraugus County agriculture supports an expanding mission of the Agricultural and Farmland Protection Board:

To investigate methods to support, promote, develop and preserve the agricultural industry in Cattaraugus County.

To be successful in this endeavor, the study team identified two key focus areas in which to undertake 7 new initiatives or renew current efforts. These focus areas are:

Economic Development – The purpose of the five economic development recommendations is to create an environment where traditional and non-traditional agricultural operations thrive and benefit the larger community. Economic Development initiatives will focus on improving the structural conditions under which agriculture operates by directing public resources to enhance industry infrastructure, recruit and retain valuable input and output industries, integrate farming and non-farming communities through education and outreach, create agriculturally related jobs, improve wages and proprietor’s income, enhance tax base, support supplier/vendor networks, and enhancing the quality of life.

Business Development – The three business development recommendations will provide Cattaraugus County farmers with access to world class operational support, training, and financing to maintain and nurture continued economic viability at the farm level. The ultimate goal of the business development recommendations is to increase on-farm profitability.

This document addresses each of these areas with respect to a Ten-Year Objective and a Five-Year Action Plan. The Ten-Year Objective sets the tone for the overall plan and

provides long-term guidance for implementation. The Five-Year Action Plan is the work plan, the current and immediate portion of the plan. These are presented together so that the reader can understand how the long-range goals will be implemented.

The following project background informs the reader of the processes and information used to develop this plan.

PROJECT BACKGROUND

Recommendations in this strategic plan are drawn from empirical and anecdotal evidence collected during the study period of September, 2005 through March 23, 2006. Interpretations of this data were utilized in preparing the Ten-Year Objective and Five-Year Action Plan and in developing evaluation benchmarks.

Also critical in this analysis is the inclusive definition of agriculture that should motivate future agricultural programs in Cattaraugus County.

DEFINITION OF AGRICULTURE

This study uses a broad definition of agriculture that includes all aspects of the cultivation and production of plant material and animal products; as well as the marketing, processing and distribution of these products; and other secondary on-farm activities, (e.g., agricultural tourism, forestry, and aquaculture.)

INFORMATION RESOURCES

Empirical Data Sources: A statistical analysis of the region was conducted using information from the United States Census of Agriculture, Bureau of Economic Analysis, Regional Economic Information System, and County Business Patterns. Information from these sources was adjusted for rural and urban bias and inflation. Trend analysis was conducted over the last twenty years as appropriate. In addition, the study utilizes the IMPLAN input-output model to characterize the indirect and induced impacts of agriculture on the broader economy.

The statistical analysis can be found in Appendix A and is broken down into the following categories:

- Section 1: Financial Summary
- Section 2: Characteristics and Structure
- Section 3: Secondary Industry Impact

Because the agricultural economy reaches beyond the County's borders, ACDS, LLC defined a regional market area from which to draw comparative data. This market area includes Allegany, Chautauqua, Erie, Livingston, and Wyoming Counties in New York and McKean, Potter, and Warren Counties in Pennsylvania. Collectively, these counties are used as a comparative benchmark.

Anecdotal Data Sources: Interviews were conducted with approximately 40 farmers, agricultural service professionals, public officials, and other interested parties throughout the region (Appendix B). Information was gathered on individual perceptions of the agricultural industry, potential for future growth, and the impact of public policy. This information was used to validate trends discovered in the empirical analysis as well as to discover underlying issues of importance to the industry.

Individual comments focused on seven broad issue areas. The seven issue areas are farm transition, land use, market access, finance, education and training, regulation, business development, and infrastructure. The viewpoints expressed ranged from pessimistic to optimistic. One commonality among the farmers interviewed was the desire to continue farming and pass the farm on to a next generation. Interview results are integrated into the recommendations of the overall “Agricultural and Farmland Protection Plan.” For more detail, refer to the following Appendices:

Appendix C: SWOT Analysis

Appendix D: Demographic Data and Market Profile

IMPLEMENTING THE PLAN

In order for a strategic plan to be effective over the long-term, it must be a dynamic, living document. To maintain its focus and vision, the Cattaraugus County Agricultural Development Plan should become an integral part of the Agricultural and Farmland Protection Board’s annual work plan and should be supported by county, state and local agencies. The Agricultural and Farmland Protection Board should work with the County Legislature; the Cattaraugus County Department of Economic Development, Planning, and Tourism; Cornell Cooperative Extension; the Soil and Water Conservation District; Cattaraugus County IDA; Cattaraugus County Business Development Corporation; and others to develop specific, measurable goals and to report progress toward those goals on an annual basis.

Furthermore, the Agricultural and Farmland Protection Board should undertake a periodic review of progress made toward fulfilling the long-term priorities set forth in this document and to update them as appropriate to current conditions. It is further recommended that the review process be open to the public as a means to receive up-to-date input.

MAJOR FINDINGS

Despite slow structural change that has both farm numbers and farmed acres declining, Cattaraugus County has maintained and, in some cases grown, a vibrant agricultural economy. This is supported by the fact that agriculture and agriculturally related industries account for nearly 3% of all private income and 5% of private employment in Cattaraugus County. These facts make agriculture the sixth largest employer in the County behind tourism, manufacturing, health care, administrative services, and retail industries. Beyond production agriculture, the County also has strong output in related manufacturing sectors such as wood product manufacturing and meat processing.

This section of the Cattaraugus County Agricultural Development Plan presents a snapshot of agricultural economic conditions and offers an industry self assessment in the form of a strengths, weaknesses, opportunities, and threats (SWOT) analysis.

ECONOMIC IMPACT

Agriculture in Cattaraugus County, New York, is a large and extensive industry consisting of 1,157 farm enterprises on over 200,000 acres of farmland. In 2002, the last year for which comprehensive data is available, Cattaraugus County's farm output totaled over \$58 million and employed nearly 1,500 people on the farm with another \$15.5 million in logging output. *(Note: Based on project interviews, the project team believes that federal statistics significantly under-report agricultural and forestry activity.)* Cattaraugus County's farm economy contributed an additional \$46 million in output and employed another 550 workers through its linkages to other industries.

A key feature in the agricultural economy is an increase in crop sales in Cattaraugus County that has been especially pronounced since 1997. This upward trend is led by production increases in the nursery and greenhouse industry as well as vegetables and fruit. However, the small number of producers in each sector makes confirmation of this assertion difficult. Beyond nursery and greenhouse and vegetable production, on-farm forestry activities have provided solid returns for several of the northern Appalachian hardwood species found in the County.

However, not all of Cattaraugus County's agriculture is as robust. Dairy farming, in particular, has been adversely impacted by rising costs and transitioning markets. Since 1997, 30 percent of all Cattaraugus County dairy farms went out of business accounting for more than half of all farms lost. Some of these dairy farms were consolidated into larger operations, while others came out of production or transitioned to development.

The net result to Cattaraugus County's economy is a general agricultural stasis with losses in livestock revenues offset by gains in crop production. The return to the farmer however, has seen a steady decline in both real and nominal terms with 2003's nominal net return to the farmers being 98 percent lower than it was in 1984. Higher expenses, particularly for hired labor, are a major contributor. A more complete highlight of local and regional agricultural economic conditions can be found on the next page.

Cattaraugus County: Agricultural Development Plan

	Farm Highlights						Cattaraugus County Highlights Summary Data								
	40-mile County Highlights Summary Data			1997			2002			1997			2002		
	Data	Units	Percent Change	Data	Units	Percent Change	Data	Units	Percent Change	Data	Units	Percent Change	Data	Units	Percent Change
Farms	7,722	Farms	-3.78%	8,025	Farms	-3.78%	1,157	Farms	-3.78%	1,188	Farms	-2.61%	1,157	Farms	-2.61%
Land in Farms	1,438,666	Acres	-0.14%	1,440,666	Acres	-0.14%	201,913	Acres	-0.14%	215,692	Acres	-6.39%	201,913	Acres	-6.39%
Average Farm Size	186	Acres	3.78%	180	Acres	3.78%	175	Acres	3.78%	182	Acres	-4.11%	175	Acres	-4.11%
Estimated Value of Land and Buildings	\$ 1,989,587	(\$1,000's)	21.91%	\$ 1,631,958	(\$1,000's)	21.91%	\$ 253,116	(\$1,000's)	21.91%	\$ 211,541	(\$1,000's)	19.65%	\$ 253,116	(\$1,000's)	19.65%
Total Cropland	878,175	Acres	-0.59%	883,399	Acres	-0.59%	108,279	Acres	-0.59%	115,879	Acres	-6.56%	108,279	Acres	-6.56%
Harvested Cropland	678,741	Acres	2.81%	660,160	Acres	2.81%	77,030	Acres	2.81%	79,042	Acres	-2.55%	77,030	Acres	-2.55%
Cropland Used for Pasture	98,070	Acres	-22.78%	127,005	Acres	-22.78%	16,313	Acres	-22.78%	21,884	Acres	-25.46%	16,313	Acres	-25.46%
Other Cropland	101,364	Acres	5.33%	96,234	Acres	5.33%	14,936	Acres	5.33%	14,953	Acres	-0.11%	14,936	Acres	-0.11%
Woodland	339,515	Acres	-1.35%	344,161	Acres	-1.35%	60,385	Acres	-1.35%	62,039	Acres	-2.67%	60,385	Acres	-2.67%
Pastured	43,719	Acres	3.24%	42,349	Acres	3.24%	8,745	Acres	3.24%	7,340	Acres	19.14%	8,745	Acres	19.14%
Other Woodland	295,796	Acres	-1.79%	301,182	Acres	-1.79%	51,640	Acres	-1.79%	54,699	Acres	-5.54%	51,640	Acres	-5.54%
Pastureland and Rangeland	99,386	Acres	5.67%	94,056	Acres	5.67%	18,066	Acres	5.67%	17,709	Acres	2.02%	18,066	Acres	2.02%
Pastureland	241,175	Acres	-8.44%	263,410	Acres	-8.44%	43,124	Acres	-8.44%	46,933	Acres	-8.12%	43,124	Acres	-8.12%
Total Farm Sales	\$ 603,957	(\$1,000's)	16.53%	\$ 518,293	(\$1,000's)	16.53%	\$ 58,352	(\$1,000's)	16.53%	\$ 55,922	(\$1,000's)	4.35%	\$ 58,352	(\$1,000's)	4.35%
Crops Including Nursery and Greenhouse	175,327	(\$1,000's)	34.07%	130,774	(\$1,000's)	34.07%	15,670	(\$1,000's)	34.07%	11,030	(\$1,000's)	42.07%	15,670	(\$1,000's)	42.07%
Livestock and Poultry	428,630	(\$1,000's)	10.61%	387,520	(\$1,000's)	10.61%	42,682	(\$1,000's)	10.61%	44,892	(\$1,000's)	-4.92%	42,682	(\$1,000's)	-4.92%
Direct to Consumer (Human Consumption)	5,608	(\$1,000's)	2.54%	5,469	(\$1,000's)	2.54%	478	(\$1,000's)	2.54%	578	(\$1,000's)	-17.30%	478	(\$1,000's)	-17.30%
Net Cash Income															
Positive Cashflow	43.50%	Percent of Farms					45.89%	Percent of Farms							
Negative Cashflow	55.97%	Percent of Farms					54.11%	Percent of Farms							
Principal Occupation															
Farming	4,457		12.55%	3,960		12.55%	628		12.55%	582		7.90%	628		7.90%
Other	3,265		-19.68%	4,065		-19.68%	529		-19.68%	606		-12.71%	529		-12.71%
Age of Operator															
Under 55	4,211		-8.73%	4,614		-8.73%	638		-8.73%	712		-10.39%	638		-10.39%
55 and Over	3,472		1.79%	3,411		1.79%	519		1.79%	476		9.03%	519		9.03%
Gender of Operator															
Male	6,749	Farms	-6.00%	7,180	Farms	-6.00%	1,034	Farms	-6.00%	1,073	Farms	-3.63%	1,034	Farms	-3.63%
Female	973	Farms	15.15%	845	Farms	15.15%	123	Farms	15.15%	115	Farms	6.96%	123	Farms	6.96%
Land Tenure															
Full Owner	5,382	Farms	0.28%	5,367	Farms	0.28%	817	Farms	0.28%	792	Farms	3.16%	817	Farms	3.16%
Full Owner	652,276	Acres	5.89%	616,004	Acres	5.89%	102,760	Acres	5.89%	107,668	Acres	-4.56%	102,760	Acres	-4.56%
Part Owner	2,079	Farms	-7.68%	2,252	Farms	-7.68%	308	Farms	-7.68%	344	Farms	-10.47%	308	Farms	-10.47%
Part Owner	703,695	Acres	-7.38%	759,768	Acres	-7.38%	93,585	Acres	-7.38%	101,352	Acres	-7.66%	93,585	Acres	-7.66%
Tenant	261	Farms	-35.71%	406	Farms	-35.71%	32	Farms	-35.71%	52	Farms	-38.46%	32	Farms	-38.46%
Tenant	42,892	Acres	-33.90%	64,894	Acres	-33.90%	5,568	Acres	-33.90%	6,672	Acres	-16.55%	5,568	Acres	-16.55%
Years on Present Farm															
9 or less	1,867		-0.64%	1,879		-0.64%	277		-0.64%	270		2.59%	277		2.59%
10 or more	5,855		17.22%	4,995		17.22%	880		17.22%	695		26.62%	880		26.62%

Source: US Census of Agriculture

Cattaraugus County: Agricultural Development Plan

Agribusiness Related Multipliers (2002)				
Industry Code	Sector Name	Output	Employment	Value-Added
1	Oilseed farming	1.248416	1.062325	1.329140
2	Grain farming	1.220894	1.043808	1.311917
3	Vegetable and melon farming	1.230226	1.099980	1.207797
4	Tree nut farming	1.271190	1.123777	1.292708
5	Fruit farming	1.265675	1.077195	1.275135
6	Greenhouse and nursery production	1.300079	1.041384	1.224981
10	All other crop farming	1.243052	1.148119	1.278894
11	Cattle ranching and farming	1.722462	1.498713	4.216758
12	Poultry and egg production	1.222326	1.355876	1.356580
13	Animal production, except cattle and poultry	1.428410	1.099103	2.281206
14	Logging	1.338808	1.327695	1.604441
18	Agriculture and forestry support activities	1.568375	1.061201	1.593058
19	Oil and gas extraction	1.284225	1.063196	1.309961
24	Stone mining and quarrying	1.306034	1.223495	1.310879
25	Sand, gravel, clay, and refractory mining	1.321929	1.106235	1.285950
27	Drilling oil and gas wells	1.345254	1.237799	1.373585
28	Support activities for oil and gas operations	1.406521	1.062258	1.33573
30	Power generation and supply	1.272373	2.278072	1.220203
36	New farm housing units and additions and alterations	1.497818	1.731678	2.124022
42	Maintenance and repair of farm and nonfarm real estate	1.490139	1.472893	1.786740
47	Other animal food manufacturing	1.268910	1.951983	2.860328
60	Frozen food manufacturing	1.444398	1.527133	2.270309
64	Cheese manufacturing	2.135262	7.804773	5.072401
67	Animal, except poultry, slaughtering	2.196493	7.773705	5.659401
73	Bread and bakery product, except frozen, manu	1.321113	1.170055	1.339062
75	Mixes and dough made from purchased flour	1.258637	1.380435	1.430517
101	Textile bag and canvas mills	1.327234	1.094913	1.622587
109	Leather and hide tanning and finishing	1.688576	2.065404	2.394451
111	Other leather product manufacturing	1.310594	1.031399	1.219489
112	Sawmills	1.573235	1.549976	1.871783
118	Cut stock, resawing lumber, and planing	1.798747	2.153413	2.758353
120	Wood container and pallet manufacturing	1.691202	1.215489	1.755385
123	Miscellaneous wood product manufacturing	1.596944	1.460529	1.782835
126	Paperboard container manufacturing	1.281391	1.255091	1.582076
135	All other converted paper product manufacturi	1.322612	1.321864	1.737731
262	Sawmill and woodworking machinery	1.394389	1.291550	1.793076
267	Food product machinery manufacturing	1.461358	1.310195	1.577369
362	Wood kitchen cabinet and countertop manufactu	1.546144	1.200306	1.672249
364	Nonupholstered wood household furniture manu	1.548193	1.332975	1.888686
369	Custom architectural woodwork and millwork	1.488701	1.727120	2.630480
370	Office furniture, except wood, manufacturing	1.384318	1.424779	1.725180
371	Showcases, partitions, shelving, and lockers	1.400322	1.187106	1.528653
397	Scenic and sightseeing transportation and sup	1.487658	1.182597	1.814965
449	Veterinary services	1.418494	1.114365	1.616656
456	Travel arrangement and reservation services	1.464840	1.202503	1.818251

Source: Implan 2002

Cattaraugus County: Agricultural Development Plan

SWOT ANALYSIS

SWOT analysis is a tool used by strategic planners and marketers to assess the competitive environment of a region, industry, business, or product. It is a very simple technique that focuses on the Strengths, Weaknesses, Opportunities, and Threats (SWOT) facing Cattaraugus County agriculture.

For the purpose of this study, the strengths, weakness, opportunities, and threats were assessed for the agricultural industry overall to include production agriculture as well as agricultural support industries. The SWOT criteria identified are drawn directly from the study team’s interviews with the agricultural industry and public officials. As such, this analysis should be considered an industry self-assessment.

SWOT ANALYSIS MATRIX	
INTERNAL FACTORS	
Strengths	Weaknesses
Stable Land Base	Tax Structure
Industry Structure	Farm Transition
Agricultural Infrastructure	Development Patterns
Market Access	Market Access
Economic Strength	Labor - Availability and Cost
Public Sector Support	Utilities
Agricultural Region	Land Competition
Location Factors	Land Fragmentation
Low Development Pressure	Transportation Infrastructure
Supportive Community	Risk Management
Diversifying Production Base	Soils
Tourism Linkages	Grain and Feed Marketing Facilities
Industry Cooperation and Integration	Farmland Consolidation
Transportation Infrastructure	Wood Lot Management
Natural and Physical Assets	Neighbor Relations
EXTERNAL FACTORS	
Opportunities	Threats
Regional Business Attraction, Retention, and Expansion	Regional Development Patterns
Industry Consolidation	Regional Competitiveness
Ethnic Market Development	Diminished Capital Investment in Agriculture
Labor Force Development	Market Concentration
Venture Development	Commodity Price Fluctuation
Recreation and Tourism Development	Cost of Doing Business
Regional Land-Use	International Market Access
Leadership Development	Farm Consolidation
Public Education	Extra-Regional Business Recruitment
Regional Economic Development Support	State and Local Fiscal Conditions
Regional Demographics	Federal and State Regulatory and Policy Structure
Alternative Energy Development	

The complete SWOT analysis can be found in Appendix C.

CASE STUDIES: AGRICULTURAL DEVELOPMENT PROGRAMS

The ACDS study team feels that a brief overview of selected public and private sector development initiatives proves as an instructive introduction to agricultural development. The study team interviewed and evaluated the best practices employed by selected agricultural viability projects throughout the United States. Summaries of these programs are provided below.

LOUDOUN COUNTY, VIRGINIA

Loudoun County has had an agricultural development program for 20 years. The Agricultural Development Program has operated under the guiding principles of several strategic plans. Policy work, agritourism programs, advice to farmers, publications and the development of a farmers market system are key program areas of the Agricultural Development Program. Production of marketing guides, listings of specialty producers, spring and fall farm tours and a website are the primary tools of the program and have proven very successful. Recent full color glossy publications include *Spring Farm Tour and Product Guide 2000*, *Loudoun Valleys Color Farm Tour* and *The Loudoun Wine Trail*. Their two newest programs are the farmland viability program and the Purchase of Development Rights Program. The Agriculture Development Program conducts 5 major events throughout the year attracting nearly 50,000 visitors to local farms. These events target non-agricultural citizens in an effort to educate and increase their awareness of the agricultural industry and to enhance on-farm and off-farm marketing.

ONEIDA COUNTY, NEW YORK

Oneida County has had an Agricultural Development Program for seven years. However, the current Agricultural Development Program Officer has been in place just a short time. The Agricultural Development Program is focused on increasing farm numbers, enhancing food processing and manufacturing, and improving markets for local products. The Agricultural Development Officer has actively pursued various market opportunities, such as H'Allal meat packing for the large Muslim market between New York City and Detroit in an effort to rekindling meat packing in the state. The Agricultural Development Officer also makes frequent recruiting trips to the Mid-Atlantic States to recruit farmers to the region.

CHELTENHAM FARMERS MARKET

The Cheltenham Farmers Market was constructed by the State of Maryland to serve as an export oriented tobacco warehouse. Due to the market's location, as well as structural changes in tobacco market, no tobacco was ever moved through Cheltenham. Instead, the market was handed over to local farmers, many of whom are Amish and Mennonite. This group of farmers operates the facility as a vegetable, hay, and horticulture auction. While the facility has never operated beyond financial break-even, it provides a vital linkage to nearby urban markets and serves as a network development system for local

farmers. This has been particularly true for the plain sect communities who have parlayed relationships made at the market into large, farm-based wholesale operations that directly supply produce and horticultural items directly to retailers in the Washington market area.

COULEE REGION ORGANIC PRODUCE POOL

As a marketing cooperative, CROPP is focused on producing a wide variety of high price point, value-added organic foods for distribution through wholesale channels nationwide. CROPP's sales are dominated by its full line of dairy products which account for 90% of sales activity. Eggs account for an additional 6% with the balancing 4% composed of meat, produce, and juice products. CROPP maintains its market leadership by constantly up-dating its product line of nearly 100 products to match changing consumer tastes and trends. CROPP's nearly 200 customers are dominated by retailers ranging from small buyer cooperatives to retail giants such as Wal-Mart. Nearly 85 percent of distribution goes through wholesalers while the remaining 15 percent goes directly to chain store warehouses like Wal-Mart and Publix.

CROPP farmers are organized by geography and commodity lines in highly dispersed production pools. As CROPP grows and expands it uses a market demand model to determine the best method to expand or add production pools. For instance, if market demand for organic dairy products sharply increases in the Southeastern United States, CROPP would conduct a market demand assessment to determine if it should develop a local dairy production pool in the Southeast or, for instance, try to serve that market by expanding its mid-Atlantic/Northeast pool. Members of CROPP production pools become full members of the cooperative and share in all cooperative decision-making.

Much of CROPP's success in attracting members to its production pools has been attributed to its grower payment model. This model is built on the philosophy that growers should be paid a stable, equitable, and sustainable pay price for pooled products. Compensation is based on the cost of production plus an estimated fair return. Under the current pricing scheme, CROPP's New York dairy members average approximately \$31.00 per hundredweight of milk including quality and component adjustments. Egg farmers are paid roughly \$1.30 per dozen, well in excess of the national average.

IOWA STATE AGRICULTURAL SUPPORT PROGRAMS

The State of Iowa has been actively supporting innovations in agriculture through the Iowa Agricultural Development Authority (IADA) and the Iowa Agricultural Finance Corporations (IAFC) since 1981. During the last two decades, Iowa has financed over \$200 million in agricultural and agriculturally related improvements using a combination of capital instruments. The stated reason Iowa has engaged in such a comprehensive approach is to "facilitate private investment capital in this under-served industry." The primary tools employed by the IADA and the IAFC are: 1.) the tecTERRA Food Capital Fund, 2.) the Value-Added Agricultural Products and Processes Financial Assistance Program, and 3.) the Aggie Bond Program.

INDUSTRY TRENDS

The following analysis is intended to provide a snapshot of Cattaraugus County's primary industry sub-sectors. Data used in completing this analysis comes from interviews as well as the National Agricultural Statistics Service.

DAIRY

The dairy industry is the largest component of New York's agricultural economy accounting for more than 53% of the State's agricultural output at \$1.95 billion. New York exports a significant share of its dairy production ranking it as the third largest exporter of dairy products in the United States. Western New York is a large contributor to these exports.

Cattaraugus County's dairy is a significant agricultural sector representing approximately 63% of the County's overall agricultural output, a proportion that has been slowly declining from nearly 70% since the late 1980's. Despite losing a significant proportion of its dairy operations between 1992 and 2002, Cattaraugus County has been able to maintain dairy income levels through the efficiency gains related to consolidation.

Dairy Data for Cattaraugus County, NY: 1992 to 2002				
Item	1992	1997	2002	1992 to 2002 % Change
Number of Dairy Farms	384	346	240	-38%
Number of Dairy Cows	22,261	20,157	16,705	-25%
Total Value of Dairy Products (\$1,000's)	\$40,774	\$37,834	\$36,486	-10%

Source: U.S. Census of Agriculture, 1992, 1997, and 2002.

In order to understand the potential impact of an economic development strategy on the local dairy industry, it is important to understand the trends that are impacting the industry at the national and local levels.

National

- Milk production per cow is up 18% over the last ten years.
- Dairy farms are becoming larger and more capital intensive. Farms with more than 500 cows represent 3% of dairy farms and 40% of national production.¹
- After long-term price depression, dairy prices have been strong for the last two years.
- Dairy production is shifting south and west in the United States, specifically to Idaho, California, and New Mexico.
- Dairy cooperatives are becoming larger and more concentrated.
- Dairy processing and distribution are becoming more concentrated under the market leadership of Dean Foods.

¹ <http://usda.mannlib.cornell.edu/reports/nassr/livestock/dairy-herd/specda02.txt>.

Cattaraugus County: Agricultural Development Plan

- A new dairy support program (MILC) came into effect in 2002 and provides needed financial support for small dairies.
- Alternative dairy products such as goat, sheep, and soy analogs are growing in market share.

Local

- The dairy industry is rapidly consolidating with the sixteen largest farms accounting for 35% of the cattle inventory in 2002.
- Small dairy farms (fewer than 100 head) have declined at an annual rate of 4.9%.
- Small dairy farms are very concerned about market access and farm transition.
- The area does not fall under a Federal Market Order but is influenced by Market Orders 1 and 33.
- Cattaraugus County dairy farms are competitively served by milk handlers and other dairy service providers.
- Cattaraugus County dairy farms tend to be well integrated with other agricultural operations and exhibit high levels of inter-industry cooperation.
- Continued dairy consolidation amidst current growth pressure seems likely, both locally and regionally.
- The decline in dairy farms is accompanied by a decline in cow numbers.
- Fragmentation of the land base for dairy support activities is a limiting factor for growth of large operations.
- Land fragmentation creates pockets of competition for land throughout the County. In some areas vegetable and grain production edges out dairy support land.
- The dairy industry supports significant hay and forage production.

Cattaraugus County's dairy sector is supported by a regionally robust dairy industry anchored in neighboring Wyoming County. Because of this, dairy infrastructure remains competitive, though costs for inputs, services, and milk handling are generally on the rise. The geographic isolation of dairy operations and poor transportation infrastructure contribute to this condition. Structure of the sector, which tends to be bifurcated between small family based operations and large operations (more than 200 head), contributes to an overall sense that current dairy conditions are favorable. Scale efficient larger producers benefit from independently accessing any number of proximate Federal Market Orders in the Midwest and East Coast to balance production and income while small farmers generally seem to have very low debt and limited hired labor, which keeps costs low and operations nimble.

However, conditions across the industry are not all positive. Mid-sized producers in Cattaraugus County, despite good milk prices recently, are concerned about their future. With higher per unit operating costs, labor issues, and no evident next generation, this group of farmers feel that they are the most likely to transition out of agriculture in the foreseeable future. The later is also true of small farms (fewer than 100 head).

Given the above issues, the dairy industry is best supported through directed economic development efforts that capitalize on the regional strength of large producers with business development support for small and mid-sized producers.

Cattaraugus County: Agricultural Development Plan

LIVESTOCK

Livestock is another important sector in New York agriculture contributing approximately \$2 billion in annual sales. A significant portion of this activity can be attributed to New York's large dairy industry that provides a supply of replacement heifers, bull calves, herd culls, and other livestock to local and regional markets. Cattaraugus County's livestock sector, exclusive of dairy products, produces nearly 11% of the County's annual agricultural output. This is in part due to the dominance of the dairy industry and its spin-off impact on the livestock industry.

The local industry, though small, is made up of several components. The first is dairy related livestock sales driven by the dairy replacement business. The second is the production of beef cattle (feeders, stockers, etc). The final, and smallest, sector is the growing number of small ruminants and alternative livestock producers (mostly Alpaca) who typically produce for personal consumption, freezer trade, or ethnic markets.

Livestock Production for Cattaraugus County, NY: 1992 to 2002				
tem	1992	1997	2002	1992 to 2002 % Change
Cattle and Calves				
Farms	622	663	401	-36%
Inventory Sold	18,870	19,389	11,388	-39%
Value of Sales (000)	\$6,153	\$6,460	\$4,832	-21%
Small Ruminants				
Farms	44	45	51	16%
Inventory Sold	720	1,236	1,183	64%
Value of Sales (000)	\$43	Withheld	Withheld	N/A
Hogs and Pigs				
Farms	59	86	60	-2%
Inventory Sold	1,590	2,003	1,380	-13%
Value of Sales (000)	\$141	\$194	Withheld	N/A

Source: U.S. Census of Agriculture, 1992, 1997, and 2002

As with other sectors, understanding key trends in the industry will help to define the role of the Agricultural and Farmland Protection Plan relative to the local industry.

National

- Consolidation and specialization within the dairy industry is supporting a growing business in dairy replacements.
- Beef producers are relying more heavily on science based quality assurance programs to generate enhanced profits.
- Grouped sales are becoming more important for sale operators.
- Small ruminants production is being revitalized by ethnic and specialty demand.
- Meat marketing and processing is dominated by large firms with high industry concentration within and across species.
- Meat marketing systems have moved away from carcass meat and toward boxed meats.

Cattaraugus County: Agricultural Development Plan

- Producer cooperatives and small businesses around the country have been successful in developing niche oriented premium and certified meat products.
- Small meat packers and slaughter plants are declining nationwide.
- Food safety concerns dominate the meat industry and strongly influence the consumers' perception of the industry.
- Value-added and ready-to-eat meat products represent the fastest growing market segments.
- Young families, ethnic, and health conscious consumers are driving new product development.
- Slotting fees, the practice of charging food companies for shelf space in retail establishments, is becoming common for meat products.

Local

- Regional efforts to develop livestock cooperatives and slaughter plants are underway to increase marketing and kill potential. As well, these efforts are aimed to develop niche and ethnic specialties.
- Cattaraugus is still functionally served by regional livestock markets, slaughter facilities, and packing houses.
- Farm operations, typically new entrants, are increasing small ruminants herd in response to increased demand for goat and lamb products.
- Certification programs, including producer self-certification of grass fed, heritage breed, and natural meat products are becoming more prominent in the region especially among small producers.
- Infrastructure limitations in both input and output industries make competitive production of meat difficult.
- Interest in beef production is diminishing.
- Topography, soils, and climate are supportive of expanded meat production of large and small ruminants.

Based on interviews and project team experience, the opportunity to support the livestock industry will have the most significant and meaningful impact on the dairy industry and should therefore focus on improvements in local infrastructure such as attraction of a rendered to the area. Secondly, the County is well positioned to exploit ethnic Middle Eastern markets in the Midwest, Canada, and the eastern seaboard. New entrants into the livestock market are likely, but will likely be part-time ventures or new entrants to farming altogether. Because of this, it is most likely that small livestock producers will benefit from business development services such as market development, management training, and technical assistance services. As well, it will be important to introduce local producers to quality assurance programs for both small and large ruminants, in order to enhance returns.

FRUIT AND VEGETABLE PRODUCTION

The produce industry, for both fresh market and processed fruits and vegetables, consistently places New York in the top ten production areas in the nation (6th in 2002 for fresh vegetable production with \$503.1 million in output).

Cattaraugus County is not a significant contributor to New York's produce industry and accounts for an estimated \$1.7 million² in fruit and vegetable output in 2002. While fruit and vegetable production is not an anchor for the local agricultural economy, it is closely linked to the plain sect communities and, to a growing extent, the regional processing vegetable production base anchored regionally by Genesee, Orleans, Monroe, Wyoming, and Wayne Counties. The County's soils and micro climate are not as suitable to this type of production as are other counties such as Genesee and Livingston.

In order to understand the potential impact of changes in the produce industry sector on agriculture and therefore the Agricultural and Farmland Protection Plan, it is important to understand the trends that are impacting the industry at the national and local levels.

National

- Production of fruits and vegetables is becoming concentrated, either directly or through producer alliances, in the hands of large grower-shippers.
- Year-round fresh produce consumption is replacing consumption of canned and frozen produce items.
- International produce sourcing is growing in importance as a component of grower-shipper produce movements.
- Distribution and marketing tasks, such as inventory management, demand forecasting, category management, and productivity analysis are being forced down the distribution chain to the grower/shipper³ meaning scale efficiencies are more important at the grower level.
- Produce sales increasingly rely on Electronic Data Interchange (EDI) as a key component of vendor managed inventory services.
- Value-added fresh produce accounts for 25% of produce department sales. Cut fruits and vegetables will account for much of the growth.
- Value-added fresh produce is highly concentrated with the top five lettuce/salad processors maintaining a 91% market share.
- Direct buying is expected to account for up to 75% of all retail and foodservice produce purchases by decade's end.⁴ Much of this will occur under contract.
- Produce origin is becoming a more important issue in the retail sale of produce with nearly 90% of all consumers expressing an interest in country of origin labeling.⁵

² Vegetable production in 2002 is estimated at \$428,000, but is not disclosed by USDA.

³ "Supply Chain Management in the Produce Industry," produced by Produce Marketing Association. and Cornell University in 2001.

⁴ Ibid.

⁵ Fresh Trends 2002.

Local

- Vegetable production is small (less than 500 acres), but growing.
- Fruit and nut production, though small, is led by grape and berry production.
- Investment in this sector is limited to modest growth in grapes and other berries.
- Fruit production is also correlated to wine production.
- Fruit and vegetable production is direct market driven both on-farm and off-farm at regional metropolitan centers.
- Major vegetable crops are sweet corn, pumpkins, squash, and peas.
- Labor force, while adequate, remains a significant source of concern for produce operations.
- Soils will be a limiting factor for significant growth in vegetable production, though fruit, berry, and nut production may not be similarly limited.

Despite not having a large population base, Cattaraugus County has been able to capture on-farm direct marketing and agritourism opportunities related to its fruit and vegetable sector. Most notable are the small Amish roadside stands and operations like Pumpkinville. In addition, other local growers have been successful at marketing into larger regional markets like Buffalo and Rochester, utilizing producer only markets.

Given the disparity in the production base and grower interests, it will be difficult to offer economic development based responses to this sector. The most effective support approach will be based on a business development model whereby individual grower interests are addressed such as market access, product development, and labor force development.

GREENHOUSE AND NURSERY PRODUCTION

The nursery and greenhouse industry in New York is rising quickly through the ranks of the State's most important agricultural industry sectors. As of the 2002 Census of Agriculture, New York State was producing approximately \$344,320,000 in output, placing it among the nation's top ten nursery and greenhouse producers.

With sales of nearly \$9.7 million in 2002, Cattaraugus County can be described as having a small but vibrant industry. The major component of the County's industry is open production of nursery stock followed by floriculture and bedding plants, which collectively account for the majority of the production under glass. Most production is concentrated among a few growers making the overall success of the industry highly correlated to a few firms.

Key trends of note in the local greenhouse and nursery industry include the following:

- Outside of the largest players, nursery and greenhouse operations tend to be small and niche oriented.
- Coordination among the industry's divergent operations is poor. The nursery and greenhouse sector does not have a strong local voice.

- Overall, the local industry is not as well integrated with regional landscape architects, installers, and designers.
- The industry is dispersed throughout the County.
- The sector tends to be highly compatible with residential uses.
- Growth in this sector tends to follow high development pressure.
- The nursery and greenhouse industry does not have strong local service and supply networks, but instead relies on regional networks.
- This sector has high labor force requirements relative to the other agricultural sectors found in the County.

At its current sales and production levels, Nursery and Greenhouse production represents the second largest industry sector easily surpassing non-dairy livestock (e.g., beef cattle, meat goats, etc.). New entrants to this sector are likely to be relocations from the region and will be driven by the area's affordable labor and land. As well, it is likely that there will be new starts-ups and expansions from within the County. By virtue of its production characteristics, it is likely that this industry will have a more significant impact on agricultural land sales over the coming decade with a focus on acquiring high quality soils. If past development trends hold, much of the new production will be open field production, with modest growth in production under cover.

Because of its unique characteristics, the Nursery and Greenhouse industry is likely to benefit from economic development programming related to business retention and attraction. As well, it is a candidate for business development and finance programs since Nursery and Greenhouse operations often have heavily front loaded development expenses and long production horizons. Furthermore, this sector is also likely to benefit from workforce development such as job/life skill training, English as a second language programs, and affordable housing.

EQUINE

The equine industry remains one of the most poorly understood and poorly measured of New York State's agricultural industries. The primary contributing factor is the difficulty in defining an industry that straddles agriculture and recreation. However, it is largely understood that New York's equine industry is a critical driver of economic activity in the State as well as in Cattaraugus County. This assertion is supported by Cattaraugus County's proximity to the large horse concentration in Erie County.

The equine industry is an almost silent industry (in terms of measurable direct impact) as it is hard to classify. Its diversity is wide ranging and includes both working uses and recreational uses that range from the team horses used by the Amish and the breeding, boarding, and training of performance horses to recreational trail riding. As one would guess, these sectors tend to be highly divergent in their interests, trends, and patterns and they attract very different stakeholder groups. Because of this, the industry tends to be disaggregated and unorganized. Furthermore, developing a statistical picture of the industry is a serious challenge since USDA does not generally report equine statistics and New York State's year 2000 effort to profile the industry through a statewide survey

Cattaraugus County: Agricultural Development Plan

received poor results. The following are reported about Cattaraugus County's and Southwestern⁶ New York's equine industry in the 2000 New York State Equine Study:

- Nearly 40% of the 3,000 horse operations in the southwestern region classify themselves as non-commercial and non-farm operations. The next highest concentration of operations is self-classified as crop and livestock farms (38%) with commercial boarding and training at 10%.
- Cattaraugus County, with 3,500 equine, has the second highest horse inventory in the Western region and the fifteenth highest horse inventory in the State.
- The region's horse inventory is primarily light horse (75%) breeds with the next largest group being draft horses (14%).
- Nearly 48% of the inventory is kept for pleasure with 21% kept for "Other Uses" (e.g. team horses), 20% kept for breeding, 9% kept for competition or racing.
- Cattaraugus County has the thirtieth highest valued equine inventory in the State and the second highest in the region at aggregated \$10.64 million.
- Between 1998 and 2000, the horse inventory in the region grew by 4% while the County's inventory fell by 8%. Statewide inventory also fell by 8%.
- The value of equine inventory in the region and County fell by 10% and 30% between 1998 and 2000 respectively, indicating a change in the composition of stock and ownership.
- 87% of equine operations have been in business 6 years or longer indicating low replacement. 73% have been in business longer than 11 years.
- The "Preceding Use" of most equine operations in the Southwestern region was most often a crop or livestock farm (64%).

Despite strong fundamentals in equine value and on-farm investments, the horse industry is considered by many insiders to be stagnant or declining. Growth within sectors such as boarding and commercial horse operations is assumed to be coincidental with a reduction in backyard equine impoundments. This assertion is supported by the decline in horse numbers in the County and indeed is a statewide phenomenon. However, maintaining the equine industry is critical for the health of agriculture, if for no other reason than its strong linkages to agricultural support land (e.g., hay production ground) and agricultural infrastructure such as feed dealers, animal nutritionists, large animal vets, and tractor dealerships. Other important characteristics, though not easily quantified, are the equine industries' significant impact on tourism and recreational opportunities, positive quality of life attributes, and land-use/viewshed impacts. In 2004, Cattaraugus County published an Equine Initiative Study, and as a result is currently undergoing efforts to support and sustain its equine industry through tourism promotion, added trails, among others.

Supporting the horse industry through economic and business development programming in Cattaraugus County will prove challenging. Given the part-time and avocational nature of most operations and the divergent interests of the many constituencies within the equine industry, it is difficult to pinpoint specific opportunities for enhancement.

⁶ Southwestern New York, as defined by the 2000 New York Equine Study, includes Chautauqua, Cattaraugus, Allegany, and Stueben Counties.

Cattaraugus County: Agricultural Development Plan

Several common themes generated throughout the interview process did involve the need to expand trail access, as well as addressing a shortage of public event space. Though not specifically mentioned, services such as animal health training/mentoring, pasture management, business management for boarding operations, and nutrient management will be important to offer to this industry as many entrants are new to farm management and animal husbandry.

ECONOMIC DEVELOPMENT TOOLS

Local communities often benefit by providing structured economic development support to regionally important industries. Agriculture is no exception. In fact, public policy efforts to protect the farmland base, such as land use planning and purchase of development rights, are often more effective when combined with economic development programming.

Effective economic development tools generally concentrate on supporting the private interest of the industries (i.e. the profit-making potential of individual firms within an industry sector) while providing a clear public benefit such as employment creation, infrastructure improvement, wealth generation, and quality of life enhancement. In the case of agriculture, the greatest public benefit may be the stability of the working landscape and all of the secondary benefits that follow. Examples of economic development programming that can benefit the agricultural industry at the local level are summarized here:

STRATEGIC PLANNING

Many communities undergo an economic development processes very similar to, and often coinciding with, the comprehensive planning process. The intent is usually to develop a community vision and subsequent set of goals that will lead the community to a desired economic development outcome ten or more years in the future. Most often, these plans address the need to enhance the job base, improve quality of life, retain local youth, provide sufficient economic diversity to weather economic cycles, improve tax base, and develop an infrastructure base that will facilitate future growth. Plans can be broad based and visionary or detailed and industry-specific. No matter what the process, the plans must have clear public policy and industry support in order to be effective. Otherwise, these plans will go unimplemented. Economic development strategic plans often include many of the elements described in the balance of this section.

BUSINESS DEVELOPMENT

Business development programs focus on supporting the needs of small businesses, generally fewer than 500 employees, by addressing specific needs such as access to financing or technical and professional services. Nationwide, the U.S. Small Business Administration leads efforts to support small business development through its lending programs as well as technical and grant support. As well, most U.S. counties are supported by technical and professional counseling and mentoring services through a Small Business Development Center (SBDC) and the Service Corps of Retired Executives (SCORE). These services are generally offered through a local community college, economic development agency, or Chamber of Commerce. These agencies often add additional benefit to their services by providing access to a broad network of technical and professional specialists that enhance the base value of SBDC and SCORE.

In addition to the basic services noted above, some communities choose to provide more directed support to small businesses. Often these services are designed to fill a critical local gap in service provision or are designed to support the unique needs of targeted industry sectors. Examples of this type of enhanced business development programming include:

Business Incubators - Business incubators generally provide flexible real estate and business service solutions for selected small businesses. Business service solutions are generally targeted to the needs of high growth industry sectors and may include professional assistance from attorneys, accountants, and marketing specialist; technical assistance from product developers, laboratories, and engineers; as well as administrative assistance with secretarial duties, personnel, and bookkeeping. Business incubators are costly and technically challenging to implement, but when successful have a proven track record of accelerating small business growth and keeping those businesses in the community. Agribusiness incubators are employed for a variety of uses ranging from developing biotechnology products (e.g., Monsanto's incubator) to supporting value-added food products (e.g., Unlimited Future, Inc, in West Virginia).

Entrepreneurship Training and Support - Entrepreneurship training and support is very similar to business incubation in that it provides support services to start-up and early-stage companies that generally have a high need for specialized technical and professional services. However, these programs often support a wider array of business sectors ranging from agriculture to retail and high technology. These programs rarely offer real estate options or day-to-day business support and are therefore much less expensive to operate versus a business incubator. Agribusiness entrepreneurship training and support programs are becoming popular across the United States including Cornell University's NxLevel cohort program.

Small Business Support Networks - Small business support networks tend to be informal, peer-based systems where small businesses counsel one another. These systems are often sponsored, but not operated, by an agency or organization such as an economic development office or industry association and rely on participating businesses to direct their programming. Programming may include a speakers' series relative to topical industry issues, advisory boards, and brown bag lunches. Agribusiness roundtables are popular in many areas of the United States as a means to improve network development among farmers as well as upstream and downstream industries.

Small Business Finance - Small business finance programs generally target gaps in private sector funding such as limited access to equity capital within a region or specific industry sector. Most programs are oriented toward providing revolving credit and include provision of capital for early-stage businesses, farm ownership, interest rate buy-downs, loan guarantees, down payment loans, and operating capital. One of the greatest challenges in making finance programs work is

developing enough deal flow to cover the costs of operations. Agricultural finance programs such as Aggie Bonds are used nationally to improve farmer access to development capital and to enhance capital availability to new farmers.

PUBLIC RESEARCH AND DEVELOPMENT SUPPORT AND TECHNOLOGY TRANSFER

Some communities are driven by a culture that supports innovation and technology development. Many of these communities choose to provide financial resources through grants and direct funding of research at universities and colleges in order to stimulate the creation of platform technologies that may be commercial and thus generate new business activity within the economy. Nationally, support for research and development ranges from production agriculture to biotechnology.

Supporting research and development alone is not sufficient to glean benefit from research and development. A community must be in a position to understand the needs of industry, thereby developing technology that meets a market need, and have a system in place to transfer those technologies to industry. In response to this, communities with a technology or entrepreneurial culture often focus human and financial resources on matching technology needs and technology solutions through a Technology Transfer Office or some similarly focused entity. These offices function as a networking system, matchmaker, and in some cases equity partners in technology deals.

Communities, especially throughout the southeastern United States, have allocated research and development funding for alternative crop research as well as new uses/new sources research. The intention is to improve the competitive positioning of local farmers versus regional and even international competitors.

WORK FORCE ENHANCEMENT

Work force enhancement programs recognize that businesses and economies cannot function without a well-trained and available workforce. When companies, no matter the industry, seek to relocate or expand within a market place, work force conditions, both current and future, are among the first tier of criteria they examine. Because of this, communities often seek to address workforce development from a global, economy-wide, or firm level. At the economy level, communities use public financing through the school system, primarily through higher education, to reinforce the skills sets that are required by that community's industrial base. In transitional economies, this means that work force development issues are likely to focus on new job classifications rather than historic job classifications. Firm level work force development assistance is typically used to assist at-place and relocating employers with discrete training needs and is often supported through loans and grants.

Recent collaborations between agricultural industry associations and community colleges have led to the development of distance learning programs to educate field workers. For example, the Advanced Technology Center for Agriculture at Carroll Community

College in Maryland developed a CD-ROM based training program in English and Spanish to teach laborers field identification of plants.

BUSINESS CLUSTER DEVELOPMENT

The United States has seen a trend toward concentrated clustering of industries during the last several decades led by access to key infrastructure, workforce characteristics, concentrations of wealth, advances in information technology, and enhanced telecommunications capacity. Communities have responded by developing targeted strategies, many of which are highlighted in this section, to enhance lifecycle development (lifecycle development includes companies at all stages of development, from start-up to mature) of companies within a business cluster (a business cluster includes a primary industry sector as well as its input, output, support sectors). Because business cluster development is industry specific and generally forward looking, it requires that significant community resources be speculatively dedicated to targeted assets in-place as a precursor to industry development. In order for this type of development to be successful, the area must support, or have the capacity to support, at least the minimum needs of the target industry otherwise business cluster development will likely fail.

Agriculture is a business, especially as it relates to upstream and downstream industries and marketing, which is prone to clustering due to efficiencies of scale and the industry's propensity to spin-off new ventures. For example, Lancaster County Pennsylvania has been successful, through its Chamber of Commerce, in attracting a strong agribusiness cluster. This cluster continues to grow in strength despite high growth pressure in the area.

ECONOMIC DEVELOPMENT INCENTIVES

Many communities offer economic development incentives to attract or retain their industrial base. Incentives are often financially based and tied to a corporation's costs of relocation, real estate development, job creation, or expected tax impact. Incentives are best employed as part of a larger economic development strategy and must clearly be understood in the context of their fiscal impact to a community as well as their true impact on relocation decision making. Many incentive programs are put in place as a competitive response to programs in other jurisdictions and often do not match local needs and assets.

Economic development agencies in New York have been creative in using Payment in-Lieu of Taxes (PILOT) programs to facilitate capital investment in on-farm improvements in the dairy industry. Formerly, these programs were limited in use to non-agricultural businesses.

Cattaraugus County: Agricultural Development Plan

BUSINESS RECRUITMENT, RETENTION, EXPANSION, AND ATTRACTION (BREA) PLANNING

Once a community has decided its intended industrial mix, it is important to design a strategy to achieve this goal. A Business Retention, Expansion, and Attraction (BREA) plan is a key step in achieving this end. BREA planning requires that communities identify and understand its core asset base, and how this asset base can be leverage to generate future growth in a core group of industries. Because the plan is industry focused, it must address the discrete needs of each of its target industries to be successful. For instance, if a community has a strong tourism base due to its scenic vistas, that community would seek to protect its scenic vistas, an economic asset, as part of its strategy for attracting greater tourism investment. In addition, the BREA must develop a method of outreach to the targeted industries to deliver a message about why that community would be a relocation asset to the target industry.

Oneida County New York follows a policy of recruiting both farmers and agribusinesses from throughout the northeast as part of its overall strategy to strengthen the industry. Oneida focuses attraction on its key advantages including workforce availability, land affordability, and workforce quality.

STRATEGIC MARKETING

Strategic marketing is the means by which a community conveys its economic development mission to its various stakeholders, both internal and external. Depending on the messages and the audiences, these programs can utilize a wide variety of media and carry a diversity of messages. Despite this, all strategic marketing plans in economic development must have two key features. The first is means to reach the constituent base of the community with a message that keeps the broader community, and therefore policy makers, engaged in economic development. At a minimum, this message must convey the community benefit of the economic development and seek continued/sustained support. Second, the message must reach the intended industry markets in a meaningful way. In other words, a strategic marketing campaign such as a BREA must reach a market that has a willingness to respond to the message, or the message will be lost. Even if the public constituency has bought into an economic development campaign, it will be ineffective if the market does not respond. Similarly, an effort to recruit businesses can be very successful in term of deal flow, but will fail if the community is not willing to support that type of business or industry.

In Genesee County New York the Cooperative Extension Association follows a program of public sector outreach and education that keeps both the community at-large and the agricultural industry engaged in the future. The program is anchored by public school education, participation in radio talk shows, and policy education tours.

INFRASTRUCTURE DEVELOPMENT

A community cannot be effective in retaining or attracting industry if its basic infrastructure such as water and sewer cannot accommodate industry needs. Good economic development planning, therefore, makes sure that the current and future needs of industry are accounted for as communities plan infrastructure. This becomes doubly important when a community is engaged in a BREA or business cluster development activity that requires the development or enhancement of specific infrastructure such as redundant broadband access.

Infrastructure development generally applies to upstream and downstream agribusinesses and includes such examples as Sandpoint, Idaho expanding its sewer and water capacity to accommodate the development of a new dairy processing facility. Currently this is the only such facility in that region and serves as an important milk outlet for regional farmers.

REAL ESTATE DEVELOPMENT

In today's corporate environment, many relocation decisions are made and implemented with very short development cycles. Communities that have worked with the real estate development industry to pre-position built capacity and/or pad sites often have an advantage in attracting and retaining businesses. As with other economic development tools, the target industries must be clearly understood and a marketing strategy in-place for this tool to be effective. Otherwise, real estate investments may go un-recovered or moved at fire-sale rates.

The State of Georgia uses its system of statewide farmers markets, including the Atlanta State Farmers Market, to attract food industry to the region through the specialized development or real estate and infrastructure. Having pre-positioned real estate has allowed the State to close several major food companies that would have located in other parts of the Southeast.

REGULATORY AND POLICY GUIDANCE

As the regulatory environment at the local, state, and federal level becomes more complex, compliance becomes more costly across all sectors. Many communities have developed responses to this issue through their economic development offices as a means to streamline processes and improve efficiency in both the development process as well as on-going corporate operations. Tools such as one-stop licensing, regulatory ombudsmen, and specialized training of enforcement officers have proven both inexpensive and effective.

Some communities such as Saint Mary's County Maryland utilize economic development staff to act as regulatory ombudsmen on behalf of farmers. According to local farmers, this process can significantly shorten the development cycle and provides an important feedback loop to politicians regarding the agricultural impact of regulations.

RECOMMENDATIONS

The following recommendations should be considered a menu of options for agricultural development opportunities. The study team realizes that the County will not be able to implement all aspects of the recommendations, but expects that this list should spark a debate that helps to further classify, refine, and prioritize agricultural development initiatives.

As priorities are developed, key agencies should adopt them as part of their individual work plans, and the County should seek to integrate them into its general economic development planning as well as working with towns and municipalities to integrate appropriate elements into local plans. It is also noted that the commitment and support of the County along with the towns and industry is critical to the success of this plan as well as the land-use recommendations included in the “Agricultural and Farmland Protection Plan” component of the report.

Note: Each recommendation includes a priority ranking which is based on the frequency and urgency of issues identified during the study; cost considerations address funding issues, exclusive of personnel requirements, based on the study team’s experience; and responsibility which is based on the logical agency(s) to oversee implementation.

ECONOMIC DEVELOPMENT

Ten-Year Objective

Create an economic environment where traditional and non-traditional agricultural operations thrive using a full complement of economic and business development tools. Economic Development initiatives will focus on improving the structural conditions under which agriculture operates by directing public resources to enhance industry infrastructure, recruit and retain valuable input and output industries, integrate farming and non-farming communities through education and outreach, create agriculturally related jobs, improve wages and proprietor’s income, enhance tax base, support supplier/vendor networks, and enhancing the quality of life.

Five-Year Action Plan

RECOMMENDATION 1

Develop an Agribusiness Retention, Expansion, and Attraction Plan

Cattaraugus County has an industrial history that includes both production agriculture and manufacturing. Much of this activity was predicated on the area’s proximity to oil and gas production, access to inputs (agricultural and forest products) and transportation infrastructure. All of these factors are in play, at varying levels, throughout the County today and can be more fully utilized to enhance agriculture. However, there is no countywide plan that coordinates inter-agency and inter-municipal efforts to retain, attract, expand, and develop production and manufacturing clusters built around agriculture and forestry. Without such a program, it will be difficult to vie

Cattaraugus County: Agricultural Development Plan

against regional competitors such as Bradford, Pennsylvania which has a business incubation and business attraction program directed specifically toward the forest products industry.

ACTIONS

- Develop a targeted marketing plan for agricultural and forestry related input and output industries that focuses on strategic advantages and needs of Cattaraugus County and, more discretely, its municipalities:
 - Existing core of transportation and logistics businesses,
 - Strong agricultural and forest products sectors,
 - Accessible infrastructure,
 - Available and qualified workforce, and
 - Supportive public sector.
- Develop a target marketing plan, similar to that employed by Oneida County, to attract new farmers to the area based on assets such as the County's extensive fallowed pasture lands or to attract an appropriately scaled manufacturing plant such as the Coulee Region Organic Produce Pool.
- Seek means to expand agricultural and forest products industry participation in tourism based industries following the example of Loudon County New York.
- Assess existing incentives, economic development programs, and real-estate suitability for sectors outlined for recruitment and development.
- Identify key marketing partners and conduct outreach with generators of agribusiness deal flow:
 - Site location consultants and real estate brokers,
 - Business park developers,
 - Empire State Development,
 - Department of Agriculture and Markets,
 - Cattaraugus County Department of Economic Development, Planning, and Tourism
 - Trade associations, and
 - Agricultural industry.
- Prepare marketing collateral and disseminate critical decision making information through direct mail, industry "ambassador" programs, brokers' tours, etc.
- Develop a pilot program for streamlining and/or fast-tracking agribusiness development projects with towns within the key transportation corridors or key environmental assets.
- Integrate the Agribusiness Retention, Expansion, and Attraction Plan (BREA) within broader economic development initiatives at the town, County, and State levels.
- Develop an outreach program to generate public support and understanding for forest products and agricultural industries.

IMPLEMENTATION RESPONSIBILITY: Agricultural and Farmland Protection Board (AFPB) with assistance from industry associations; Cornell Cooperative Extension; Empire State Development; Cattaraugus County Department of Economic

Cattaraugus County: Agricultural Development Plan

Development, Planning and Tourism; and the New York Department of Agriculture and Markets.

BUDGET CONSIDERATIONS: The County may consider allocating \$5,000 to facilitate the creation of a BREA component for agriculture within county economic development plans and to complete a target market study. Information from the study will be used to identify key prospects as well as an information packet to be distributed to site location firms, industry executives, economic development officials, commercial/industrial property owners, and real-estate brokers. Furthermore, the results of the target market study should be integrated into regional marketing efforts as well as the broader economic development strategy for the county.

ISSUE PRIORITY: The study team considers this recommendation to be of top priority for the Agricultural and Farmland Protection Board as it may help address the near universal issue of market access.

FUNDING RESOURCES: Funding for this recommendation will likely require direct county allocation through the AFPB. Matching grants from various federal and state programs may be available such as USDA's Federal State Market Improvement Program, the Economic Development Administration, the USDA Forest Service's Economic Assistance Program, and USDA Rural Development.

RECOMMENDATION 2

Support Regional Agricultural Leadership Development

The long-term success of agriculture within Cattaraugus County and the region are directly impacted by the quality of the industry's existing and emerging leadership. Specifically, the development of new leadership to set the vision for the future of agriculture is critical to the success of the industry over the long-term.

ACTIONS

- Encourage greater farmer participation in local, regional, and statewide leadership development programs such as Leadership Cattaraugus County.
- Encourage youth participation in agricultural organizations such as the Agricultural and Farmland Protection Board.
- Introduce board and leadership training to existing agricultural organizations and agencies.
- Enhance inter-industry communications through formal networking events between farmers and agribusinesses.
- Support participation in LEAD NY by identifying potential participants and through funding assistance.
- Work with Southern Tier West Regional Planning and Development Board to develop agriculture and forestry related leadership training as well as training for elected officials on temporal agriculture and forestry issues.

IMPLEMENTATION RESPONSIBILITY: Agricultural and Farmland Protection Board with assistance from industry associations, Cornell Cooperative Extension, Cattaraugus County Farm Bureau, town officials, and other agencies as necessary.

BUDGET CONSIDERATIONS: Action items within this recommendation will require a limited administrative budget and staff allocation. Provide funding assistance to LEAD candidates in the way of a modest, \$1,000 per year, stipend from the AFPB.

ISSUE PRIORITY: The study team feels that this is a top priority issue that should be implemented immediately.

FUNDING RESOURCES: County funding should be allocated to cover basic program costs.

RECOMMENDATION 3

Expand Education and Training Programs

As agriculture becomes a smaller element of both the County's land use and economy, it will become increasingly difficult to keep the interests of agriculture in the forefront of policy. Study team members found that keeping policy makers, agricultural industry leaders, and the general public informed and educated goes a long way toward developing better relations. In addition, the agricultural industry has common needs in workforce development, farm management, finance, and other issues that can be met through public training resources.

ACTIONS

- Conduct advanced training and outreach relative to economic development policy with a specific focus on agriculture, food, fiber, wood, and related products.
 - Develop a policy makers' tour, to include key agricultural industry leadership, of areas with recognized and long-standing and successful agricultural development programs.
 - Hold periodic discussion sessions with town and municipal officials as well as agricultural industry leaders to discuss industry needs.
 - Conduct an economic development training session inviting agricultural industry leaders and county and town policy makers. Regional training programs through Southern Tier West Regional Planning and Development Board should be explored.
- Work with educational institutions at the post-secondary and continuing education level to develop flexible training modules for use by agricultural operations:
 - Language training for managers and workers,
 - Advanced farm management,
 - Finance and development,
 - Agricultural land preservation,
 - Beginning farmer training, and
 - Other issue based training as necessary.
- Use Ag in the Classroom to integrate agricultural issues into primary and secondary schools' curricula and educational materials.
- Support the development of agricultural based continuing education training accredited for public school teachers.

IMPLEMENTATION RESPONSIBILITY: Action items under this recommendation require significant interagency cooperation with a range of potential task leaders. It is expected that overall leadership will be provided by the Agricultural and Farmland Protection Board and Cornell Cooperative Extension with assistance provided by agricultural industry associations; Cattaraugus County Department of Economic Development, Planning, and Tourism; the New York Department of Agriculture and Markets; BOCES; Teachers associations, as well as other agencies.

BUDGET CONSIDERATIONS: Much of the workload encompassed within this recommendation will require dedicated staff time with a limited annual program budget

Cattaraugus County: Agricultural Development Plan

of \$3,000 to \$5,000 to facilitate specific task/program development. On-going programs and events should be conducted on a cost recovery basis.

ISSUE PRIORITY: Elements of this task represent long-term on-going efforts that will become more necessary as farm conversion continues. Therefore, the study team feels that this is a high priority issue that should initiate within the first 24 months of plan adoption.

FUNDING RESOURCES: Funding for this recommendation will require modest, but long-term county support. Various private and public grant resources are available to support specific programs such as USDA's SARE program. The Foundation Center should be consulted for specific private funding options.

RECOMMENDATION 4

Develop a Regulatory and Policy Action Program

The need for a Regulatory and Policy Action Program is two-fold. First and foremost, if the Agricultural and Farmland Protection Plan is to be successfully employed across the County, it will require, at some level, adoption and implementation at County and sub-county levels. Secondly, there are situations that may involve the County and the AFPB acting as an industry advocate or a regulator with regard to protecting the interest of agriculture. This dichotomy is captured in this recommendation.

ACTIONS

- Seek to have the Agricultural Development Plan adopted by the towns
 - Work with towns to appropriately integrate elements of the plan into their respective capital programs, comprehensive plans, etc.
 - Encourage towns to integrated plans and capital improvements to achieve regionally desired outcomes or to ensure compatibility.
- Encourage local land-use policies that support production agriculture and forest industries as well as the maintenance of important support industries.
- Design programs to fit the needs of all agricultural constituencies.
- Develop a training program for tax assessors related to valuation of agricultural and forest land properties.
- Advocate changes to section 102 of the state tax code to bring forest land taxes in-line with agricultural land taxes.
 - Analyze full fiscal impact of full value assessments.
 - Work with tax assessors, land owners, and County Office of Real Property Services to clarify issues and solutions.
 - Develop policy guidance document for County and State officials.
- Develop an energy strategy that promotes expansion of farm and community-scale alternative energy projects.
 - Identify/Map key infrastructure such as high power distribution infrastructure, rail access, large municipal waste systems, and other relevant structures.
 - Create an outreach strategy to work with private businesses, towns, and municipalities that have a concentration of alternative energy assets that, where appropriate, encourages such development.
- Support expanded education and training programs (see Recommendation 3).
- Develop an on-going ombudsman function to support the regulatory, infrastructure, and program needs of individual farmers and industry clusters.
- Conduct periodic workshops with agricultural leadership, county staff and town/municipal officials to review and update policies making them more “farm friendly”.
- Work with the Department of Transportation and State Police on agricultural transportation issues.
- Conduct outreach with realtors to increase the understanding of Right-to-Farm protections and agricultural district responsibilities.

Cattaraugus County: Agricultural Development Plan

- Work to ensure fair treatment of both farm owners and agricultural labor at the federal and state levels.
- Work with neighboring counties to expand regional planning for agriculture.

IMPLEMENTATION RESPONSIBILITY: Agricultural and Farmland Protection Board with assistance from industry associations; Cornell Cooperative Extension; Empire State Development; Cattaraugus County Department of Economic Development, Planning, and Tourism; the New York Department of Agriculture and Markets; and other agencies as necessary.

BUDGET CONSIDERATIONS: Action items within this recommendation will require a limited administrative budget for local travel as well as a staff allocation.

ISSUE PRIORITY: The study team feels that this is a high priority issue that should be implemented in the near term.

FUNDING RESOURCES: County funding should be allocated to cover basic program costs.

BUSINESS DEVELOPMENT

Ten-Year Objective

Cattaraugus County farmers will have access to world class operational support, training, and financing to maintain and nurture continued economic viability at the farm level including transitional support for the next farming generation.

RECOMMENDATION 5

Enhance Business Development Programs and More Fully Incorporate the Interests of the Agriculture and Forest Products Industry

Cattaraugus County has numerous economic and business development programs that have the capacity to support the needs of growing businesses. This recommendation proposes to expand these programs within a targeted business incubation format. As well, general business development programs should incorporate the particular needs of agriculture and related industries with an effort to improve integration with private service organizations.

ACTIONS

- Train business counselors to work with agribusiness and forest products businesses.
- Support integration of workforce development and finance programs with agricultural industry.
- Develop a feedback mechanism to incorporate agribusiness needs in County development programming.
- Support and expand Chamber of Commerce and other program activities that enhance business growth and understanding of agricultural industry needs.
- Implement, in cooperation with regional partners and Cornell University, the Nxlevel agricultural entrepreneurship or similar program.
- Develop a service corps of mentors and counselors with specific professional or technical expertise to provide direct service to agricultural entrepreneurs and to work with Cattaraugus County Business Development Corporation (CCBDC) programs.
- Facilitate the development of formal “masterminding” roundtables of farmers, agribusinesses, and other related industries that may benefit from periodic meetings to discuss business and management issues, market development, and other relevant topics.
- Conduct quarterly brown bag lunches for farmers that focus on networking and the topical discussion of important issues such as farm management, farm transition planning, marketing, timber management, real estate, policy/regulations, and other relevant topics.
- Work with farmers to improve non-farm income sources such as hunting leases (e.g. Montana Programs) and woodlot management.

Cattaraugus County: Agricultural Development Plan

IMPLEMENTATION RESPONSIBILITY: Partnership of Cattaraugus County Department of Economic Development, Planning, and Tourism; Cattaraugus County Business Development Corporation; Agricultural and Farmland Protection Board; Chamber of Commerce, Empire State Development, SUNY, St. Bonaventure, and others.

BUDGET CONSIDERATIONS: The AFPB may consider supporting, through match funding, a grant application with the CCBDC to expand business development programs and to conduct feasibility study. Follow-up funding will only be necessary if positive progress with CCBDC is made or if there is a positive market feasibility recommendation. Sufficient staffing must be allocated for concept development, grant writing, and project oversight.

ISSUE PRIORITY: Given the potential for business development programs to have a very quick return, the study team considers this recommendation to be of moderate to high priority.

FUNDING RESOURCES: Action items within this recommendation require a limited administrative budget of approximately \$5,000 and staff allocation.

RECOMMENDATION 6

Support Development of a Regionally Focused Forest Products and Agribusiness Enterprise Center and Incubator-Without-Walls.

The success of any industry is incumbent on the success of the businesses and entrepreneurs that control the assets, take the risks, and make the markets. Agriculture in Cattaraugus County is no exception and its long-term success will have as much to do with the savvy and skills of its agricultural entrepreneurs and farm managers as it does with market fundamentals. Enhancing the skills and business networks of these and future entrepreneurs has a significant positive impact on the future of agriculture in Cattaraugus County.

ACTIONS

- Develop a pilot program to package a professional and technical service network made up of private sector expertise and built on the model of a virtual business incubator or Incubator-Without-Walls.
- Support creation of a business enterprise center
 - Develop a scope of services and timeline for the completion of a feasibility analysis for a flex warehouse/manufacturing center:
 - Market feasibility,
 - Financial feasibility,
 - Management and organizational issues,
 - Site assessment,
 - Preliminary engineering, and
 - Business and marketing plan.
 - Seek funding support for feasibility analysis.
 - Conduct exploratory meetings with regional business developers and agribusiness entrepreneurs.
 - Integrate the enterprise center concept within the Agribusiness Retention, Expansion, and Attraction Plan.
- Identify targeted industry sectors for specialized support such as alternative energy.

IMPLEMENTATION RESPONSIBILITY: Agricultural and Farmland Protection Board with assistance from industry associations; private businesses; higher education institutions; Cornell Cooperative Extension; Empire State Development; Cattaraugus County Business Development Corporation; the New York Department of Agriculture and Markets; Southern Tier West, and other agencies as necessary.

BUDGET CONSIDERATIONS: Designing and implementing a well-qualified service network may take significantly more resources and is best integrated with Recommendation 1. Approximately \$25,000 should be allocated for the first program year followed by approximately \$10,000 to \$15,000 thereafter to operate and maintain the network.

Cattaraugus County: Agricultural Development Plan

It is likely that a direct allocation from the County will be necessary to initiate the agribusiness enterprise center. Funds from various programs may be available such as the U.S. Economic Development Administration, Appalachian Regional Commission; USDA Rural Business Enterprise Grant Program, Grow New York Enterprise Program, and the State's Food and Agriculture Industry Development Projects Program.

ISSUE PRIORITY: The study team feels that this is a high priority issue that should be implemented in the near term. Development of the service network, however, is likely to take a significant time commitment, and the AFPB may choose to delay its implementation until sufficient staff time can be devoted to this project.

FUNDING RESOURCES: County funding should be allocated to cover basic program costs. On-going programs, such as brown bag lunches, should be conducted on a cost recovery basis. Development of the pilot services network may be an attractive project for national or regional foundations.

RECOMMENDATION 7

Support Broadened Access to Capital for Agribusiness

Access to capital is a limiting factor for new farmers entering the market area. This proposal suggests innovative methods to improve such access.

ACTIONS

- Collaborate with statewide efforts to develop sources of “risk” and “patient” capital such as an agricultural angel capital network.
- Work with existing business finance programs to enhance agribusiness participation.
- Assist farmers with match requirements for agribusiness development, value-added, and innovation oriented grants.
- Examine the use of an affirmative agricultural use covenant⁷ (5, 10, or 20 year) to provide financial flexibility to farm owners and planning flexibility for towns and the County.
 - Pricing of covenants should be studied closely but may follow one of the following models:
 - Price may reflect property tax burden of holding the land.
 - Price may reflect a net present value of the purchase of development rights easement.
 - Covenants may be considered as part of the landowner match for purchase of development rights (PDR) programming.
 - Covenant may include a right of first refusal for purchase of the property for subsequent resale for an agricultural use.
- Develop a revolving loan program such as Carroll County, Maryland’s “Critical Farms” program that bridges the funding gap between farm purchase and enrollment in a PDR program by making a loan of up to 75% of the easement value.

IMPLEMENTATION RESPONSIBILITY: Agricultural and Farmland Protection Board with assistance from industry associations; Cattaraugus County Department of Economic Development, Planning, and Tourism; Cattaraugus County Business Development Corporation; New York Agridevelopment Corporation; town officials; and the New York Department of Agriculture and Markets.

BUDGET CONSIDERATIONS: Action items within this recommendation run a wide gamut of budget needs ranging from staff participation in regional planning efforts and network development to financing program development and operations.

If the AFPB is to proceed with the examination of an agricultural use covenant, it is recommended that an additional \$15,000 be sought for professional support services and matched by nearby Counties. Determining the level of capitalization for a bridge loan

⁷ Affirmative covenant would require that farmers place a temporary easement on their property with an affirmative agriculture production clause in exchange for a formula payment.

Cattaraugus County: Agricultural Development Plan

fund is best done in conjunction with planning the level and timing of funding for local, regional, and county purchase of development rights programs.

ISSUE PRIORITY: The study team feels that developing alternative finance programs is a high priority issue that should be implemented in the near term.

FUNDING RESOURCES: County funding should be allocated to cover basic program costs. Grant funding should be sought from the New York Department of Agriculture and Markets to further explore the development of a model term easement program. Funds for a bridge loan program may be available through various federal and foundation sources such as USDA Rural Development.

KEY FUNDING / GRANT MAKING ORGANIZATIONS

1. UNITED STATES DEPARTMENT OF AGRICULTURE
 - a. Small Business Innovative Research
 - b. Alternative Agriculture Research and Commercialization
 - c. Sustainable Agriculture Research and Education
 - d. Rural Development – Business and Industry Programs
 - e. Innovative Food and Farming Systems
 - f. Federal-State Market Improvement Program
 - g. Food Assistance and Nutrition Research Program
 - h. Rural Community Development Initiative
 - i. US Forest Service
 - j. USDA/DOE Alternative Energy Grant Programs
2. United States Department of the Treasury
 - a. Community Development Financial Institution Fund
 - b. Community Development Venture Capital Fund
3. Department of Housing and Urban Development
 - a. 504 Programs
 - b. Community Development Block Grant
4. Small Business Administration – Rural Business Investment Corporation Program
5. Appalachian Regional Commission
6. New York Department of Agriculture and Markets
 - a. Food and Agriculture Industry Development Grants
 - b. Grow New York
7. Empire State Economic Development
 - a. Work Force Training
 - b. Tax Incentives
 - c. Loan Discounts
 - d. Brownfield Redevelopment
8. Private Foundations
 - a. Kellog Foundation
 - b. Philip Morris
 - c. Others – See New York Grant Funder’s Manual
9. Other
 - a. NYSERDA
 - b. Public Utilities
 - c. ACE Net

CONCLUDING REMARKS

Agriculture in Cattaraugus County is in transition, but remains a key element of the local economy. Consolidation, weak commodity markets, changing consumer purchasing patterns, and a burdensome tax structure are major contributing factors. Cattaraugus County farmers must study the opportunities inherent in these changes and plan to capitalize on the offering. Such changes will not come without growing pains. However, once engaged, the industry will be in a better position to succeed in the long-term.

For political and industrial leaders, the charge is to monitor this change and foster the environment for success. The tools to be employed are limited only by intellect and imagination and begin with the implementation of and commitment to a strong economic development strategy.

**Cattaraugus County, New York
Agricultural Land Use Plan**

*~Prepared for the~
Cattaraugus County Agricultural and Farmland Protection Board*

February, 2007

ACKNOWLEDGEMENTS

This project was funded by the New York Department of Agriculture and Markets and the Cattaraugus County Legislature. The statements, findings, conclusions, and recommendations are those of the author(s) and do not necessarily reflect those of the Cattaraugus County Government or the Cattaraugus County Agricultural and Farmland Protection Board. ACDS staff involved in the project include:

County Project Leader

Thomas M. Livak

Study Team Leader

J. Philip Gottwals

Study Team Members

Donald Hering, ACDS, LLC
William Stroud, ACDS, LLC
Paul McIntyre, ACDS, LLC
Jeremiah Cosgrove, American Farmland Trust
David Haight, American Farmland Trust
Diane Held, American Farmland Trust

The researchers and authors of the report owe a debt of gratitude to the many organizations and individuals that participated in interviews and focus groups for this project. A list of those that participated in the interviews and focus groups is presented in Appendix B of this document. Some names have been kept confidential at the request of the participants.

(THIS PAGE LEFT INTENTIONALLY BLANK)

TABLE OF CONTENTS

Acknowledgements.....i
Table of Contents.....ii

POPULATION AND HOUSING 1
Population and Housing Trends.....1
Interview Summaries5
Infrastructure Assessment.....6

FARM TRENDS..... 7
Farmland Assessment7
Soils Assessment.....8

LAND USE TOOLS 10
Comprehensive Plans.....10
Zoning.....10
Subdivision Regulations13
Transfer of Development Rights.....13
Examples of New York Towns with Land Use in Their Planning Process14

PURCHASE OF DEVELOPMENT RIGHTS 16
Setting Priorities.....17
Agricultural Conservation Easements.....17
Determining Easement Value18
PDR Costs.....18
Stewardship and Monitoring.....19

**NEW YORK STATE AGRICULTURAL AND FARMLAND PROTECTION
INITIATIVES 21**
Agricultural Districts21
Tax Relief.....22
Right to Farm ‘Package’24
Agricultural and Farmland Protection25
Advisory Council on Agriculture.....27
County Farmland Protection Boards.....28

FARMLAND PROTECTION TOOLS IN CATTARAUGUS COUNTY..... 29

**IMPLICATIONS FOR THE AGRICULTURAL AND FARMLAND PROTECTION
PLANS 32**

RECOMMENDATIONS 33

Cattaraugus County: Agricultural Land Use Plan

Recommendation 1: Support Farm Friendly County Based Land Use Policies and Programs34

Recommendation 2: Actively Support Town Based Agricultural Planning.....35

Recommendation 3: Support Efforts to Establish a State Tax Incentive Program to Stabilize Farmland and Investigate a Purchase of Development Rights Program for Identified High Development Pressure Areas in the County36

Recommendation 4: Promote Understanding and Appreciation of Cattaraugus County Agriculture to the Non-Farm Public37

AGRICULTURAL LAND USE PLAN

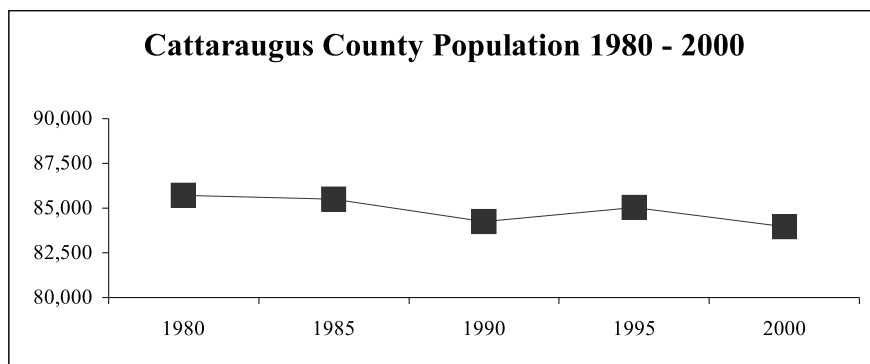
Cattaraugus County's agricultural industry is an economic stimulus and important employment base for the County. In 2002, agricultural sales totaled over \$58 million, and there were 817 self-employed farm operators plus 1500 farm workers in Cattaraugus County. Agriculture is also a significant land use in the County with 24% (201, 913 acres) of the land in farms.

This section analyzes land use trends for Cattaraugus County and their implications for the County's agricultural industry.

Population and Housing

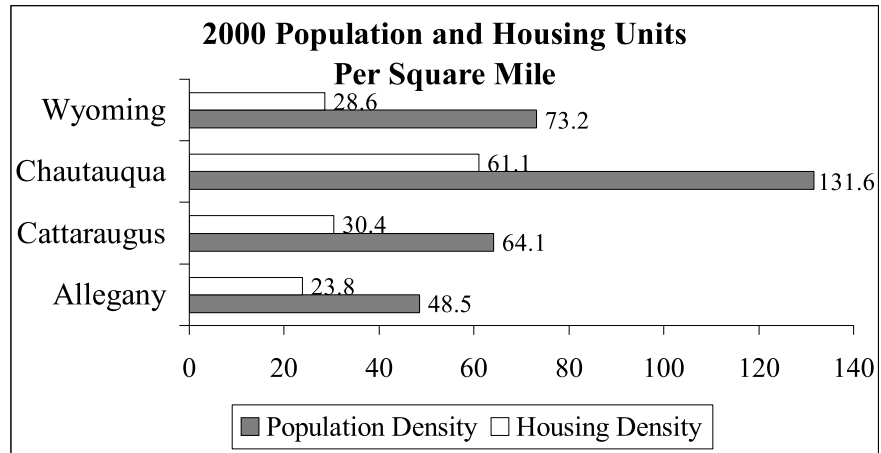
As noted in Figure 1, Cattaraugus County's population decreased slightly, by 2%, from 1980-2000. Of the four counties represented in Figure 2, Cattaraugus County's population per square mile is significantly less than neighboring Chautauqua County, somewhat less than Wyoming County, and greater than Allegany County. When comparing housing units per square mile Chautauqua County continues to rank first but Cattaraugus and Wyoming County are very similar with Allegany County having the least houses per square mile.

Figure 1: Population



Source: US Census

Figure 2: Population and Housing



Source: 2000 US Census

In Table 1, the number of housing units per person is similar for the three Southern Tier counties. Allegany County has 2.04 people per housing unit, Cattaraugus County has 2.1 people per housing unit, and Chautauqua County has 2.15 people per housing unit, while Wyoming County has the most efficient housing pattern of the four counties with 2.56 people per housing unit.

Table 1: 2000 Population and Housing

	Allegany	Cattaraugus	Chautauqua	Wyoming
Population	49,927	83,955	139,750	43,424
Housing Units	24,505	39,839	64,900	16,940
Land area (sq mi)	1,030.2	1,309.9	1,062.1	592.91

Source: 2000 US Census

As Table 2 demonstrates, the number of housing units per town varies considerably in Cattaraugus County. All but 2 of the 32 towns have seen at least modest growth in the number of housing units in the ten year period from 1990 to 2000. Not surprisingly, the towns of Ellicottville, Mansfield, and Great Valley have housing unit increases over that ten year period of 17%, 17.5%, and 21% respectively. This is an outgrowth from the village of Ellicottville and is largely due to demands from tourists for seasonal and recreational homes. Housing unit growth was 37% in that time period in the town of Freedom and 21% in Yorkshire due to residential spread from the village of Arcade in Wyoming County. The towns of Humphrey, Ischua, Lyndon, Farmersville, and Hinsdale all saw growth over 20%. Route 16 either goes directly through those towns or nearby, and this increase is attributable to lower density rural residential development as

Cattaraugus County: Agricultural Land Use Plan

people look for affordable land which is accessible to a major transportation route. The town of Otto has a 23% increase in housing units from 1990 to 2000 also due to scattered lot residential growth and outward migration from Erie County.

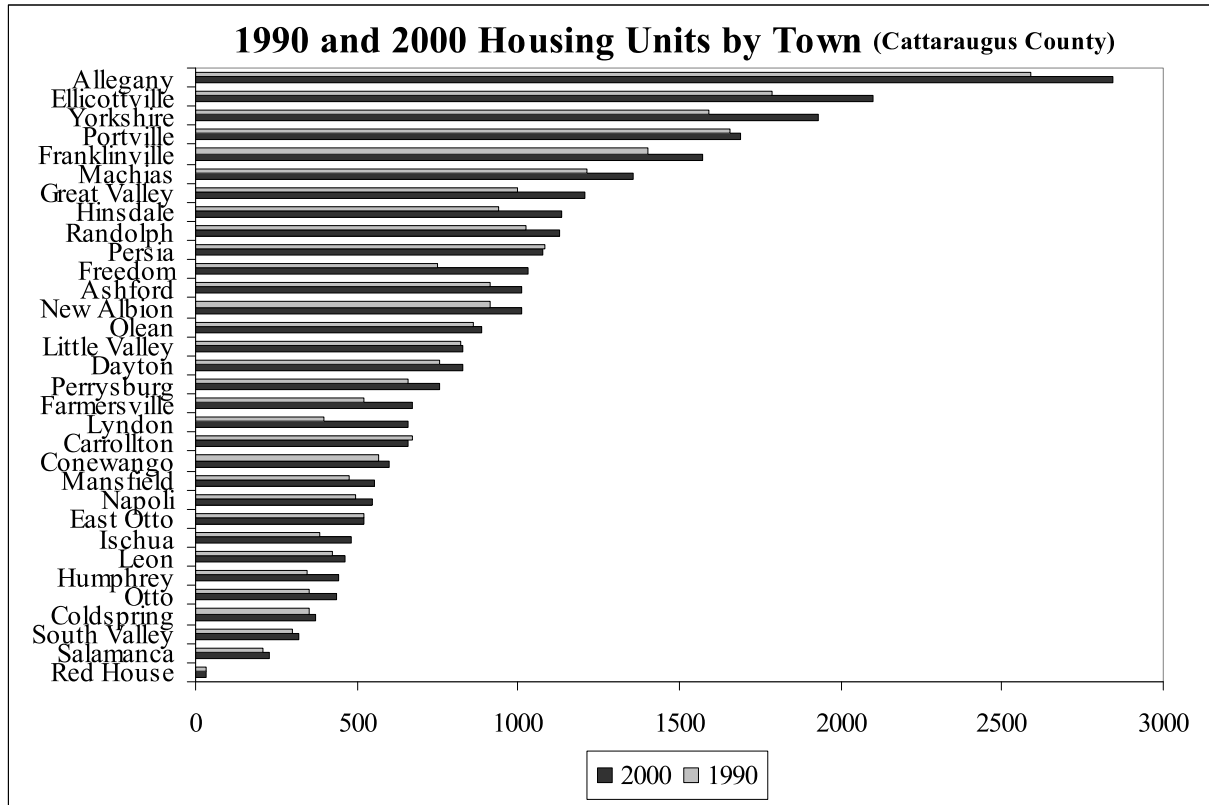
Table 2: Number of Housing Units in Cattaraugus County Towns

	2000	1990	Change from 1990 to 2000
Red House	32	35	-9%
Salamanca	231	211	9%
South Valley	317	298	6%
Coldspring	373	354	5%
Otto	438	355	23%
Humphrey	446	347	28.5%
Leon	466	425	10%
Ischua	481	385	25%
East Otto	523	520	1%
Napoli	548	495	11
Mansfield	557	474	17.5%
Conewango	600	566	6%
Carrollton	656	671	2%
Lyndon	657	399	65%
Farmersville	671	522	28.5%
Perrysburg	754	657	15%
Dayton	828	757	9%
Little Valley	828	821	1%
Olean	884	864	2%
New Albion	1008	915	10%
Ashford	1012	915	11%
Freedom	1029	753	37%
Persia	1076	1082	-1%
Randolph	1125	1023	10%
Hinsdale	1136	937	21%
Great Valley	1207	997	21%
Machias	1359	1215	12%
Franklinville	1570	1400	12%
Portville	1690	1658	2%
Yorkshire	1932	1591	21%
Ellicottville	2098	1786	17%
Allegany	2843	2591	10%

Source: US Census

Figure 3 visually documents housing unit changes for each Cattaraugus County town over the 10 year period.

Figure 3: Housing Units



Source: US Census

Sprawl Without Growth: The Upstate Paradox

Cornell University’s Dr. Rolf Pendall and the Brookings Institution recently completed a study titled “Sprawl Without Growth: The Upstate Paradox” that analyzed development and population trends in Upstate New York during the 1980s and 1990s. The study found that despite very slow population growth between 1982 and 1997 in Upstate New York (2.6% increase for the period), 425,000 acres of farm and forestland in the region were developed. While Western New York “sprawled less” than other parts of Upstate during the period, 33,000 acres of farm and forestland were developed during the period despite a loss of 64,500 people. The study reinforced findings from other research that population spread – not population growth – is driving the loss of farmland in Upstate New York.

Banker/Realtor Interviews

Three bankers and three realtors were interviewed to provide anecdotal evidence of land use trends in the county. Interviewees represented the following businesses: Community

Cattaraugus County: Agricultural Land Use Plan

Bank, Farm Credit of Western New York, Farm Service Agency, Concord Land Realty, Holiday Valley Realty Company, and Buncy Real Estate.

Cattaraugus County agricultural businesses proliferate on the northwest side of the county with significantly less agricultural land on the southeast side of the county. The best farmland lies in the valleys, which is also the best and most accessible land for homes and other development. Farmland sales occur, some between farmers, some for home building, and some for hunting but sales have been fairly stable in the last few years. The strength of the timber industry in the county has led farmers to occasionally sell woodlots. Farm foreclosures have been on a downward trend for the last few years which is indicative of the relatively stable state of agriculture in the county. Much of the agriculture is low input, sustainable agriculture which is reflected in the current slow agricultural lending trend in Cattaraugus County. The Amish community is actively buying land and expanding toward the village of Cattaraugus. There are some farm renters in the county who would like to become farm owners and are seeking farms and farmland to purchase. Development pressure is spotty and found in the Salamanca area, Great Valley/Mansfield area, and Ellicottville area. Much of Ellicottville development is driven by homeowners from outside of the state: primarily Ohio, Pennsylvania, and to some extent Canadians. Although Ellicottville has thrived as a ski resort, in recent years it has attracted buyers looking for year-round outdoor recreational activities including hiking and biking. The extension of Route 219 will boost the tourism industry in the county which may lead to some additional development but should also create opportunities for agritourism.

Infrastructure Assessment

Infrastructure such as roads, water, sewer, electric, gas and telecommunication services are critical to the success of the agricultural sector but can also play a role in accelerating non-farm development. The availability and price of electricity and other resources can significantly influence farm profitability. Additionally, farms depend upon safe and well-maintained roadways to move equipment, receive goods and services and ship farm products.

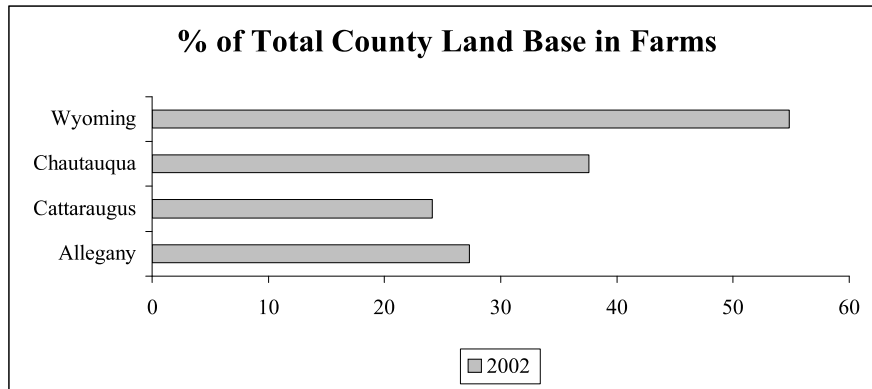
At the same time, infrastructure – particularly roads, water, and sewer – often accelerates new development in rural areas. Without appropriate land use planning, infrastructure extensions can occur in a fiscally inefficient and haphazard manner and spur scattered new development in agricultural areas.

Farm Trends

Farmland Assessment

In 2002, approximately 24% (201,913 acres) of Cattaraugus County's 838,305 acres were estimated to be in farm ownership or use. The County had the least percent of land in farms of the 4 counties shown in the region in Figure 4.

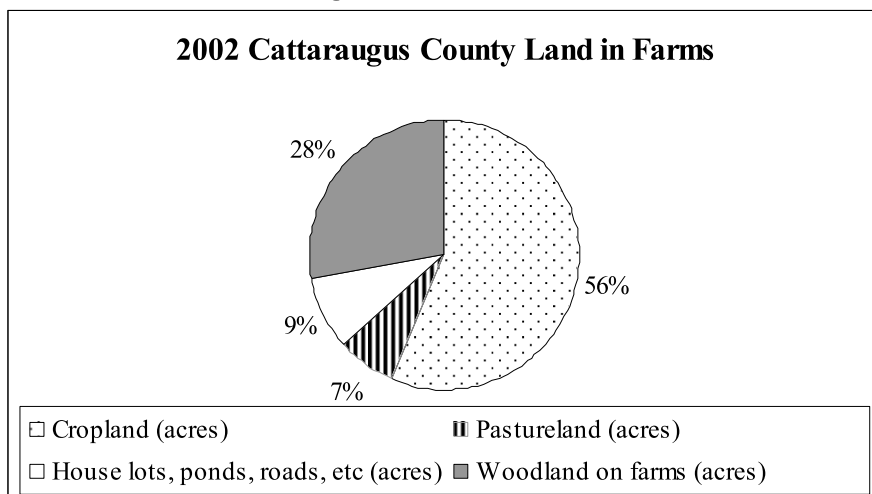
Figure 4: Farm Land Base



Source: 2002 US Census of Agriculture

Land in farms in Cattaraugus County includes cropland (56%), woodland on farms (28%), house lots, ponds, roads, etc. on farms (9%), and pastureland (7%) (See Figure 5). In 2002, 31,069 acres (approximately 15% of the County's land in farms) was rented farmland. If it is assumed that most of this rented land was cropland, rented land constituted almost 1/3 of the cropland in Cattaraugus County.

Figure 5: Land in Farms



Source: 2002 US Census of Agriculture

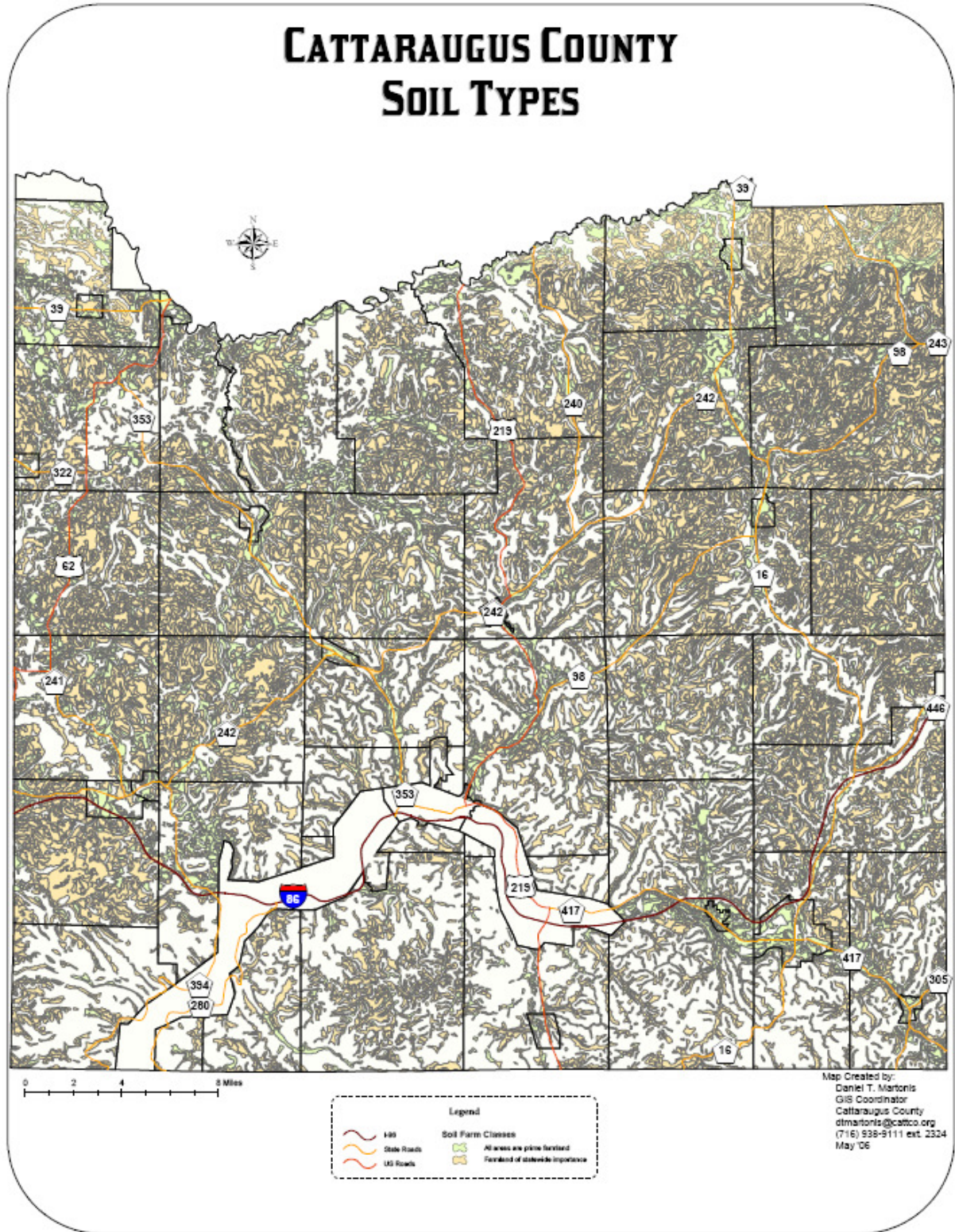
Cattaraugus County: Agricultural Land Use Plan

The four counties compared in Table 3 have some similarities and some differences. Cattaraugus and Allegany Counties are the most similar in terms of acres of farmland and the various uses of that farmland. But Allegany County shows a slight gain in agricultural land in the 5 years between 1997 and 2002, while Cattaraugus County shows a loss of 6.3% of total land in farms. Agricultural commodities and land topography in Chautauqua County are fairly different than Cattaraugus County but Chautauqua County has also sustained a loss of farmland. Wyoming County, one of the top 25 milk producing counties in the country, has a significantly higher proportion of land in agriculture than any of the other 3 counties. Wyoming County also shows strong growth of land in farms. Cattaraugus County had the greatest increase, 29%, in the value of land and buildings per acre on farms with Allegany and Wyoming Counties close behind with 24% and 22% respectively.

Table 3: Farm Statistics from 1997 and 2002

	Allegany		Cattaraugus		Chautauqua		Wyoming	
	2002	Change 1997-2002	2002	Change 1997-2002	2002	Change 1997-2002	2002	Change 1997-2002
Proportion of Land in Farms	27.3%	3%	24.1%	-6.2%	37.6%	-5.3%	54.8%	4%
Total Land in Farms	180,169	3%	201,913	-6.3%	255,896	-5%	215,317	10.5%
Cropland	101,707	6%	108,279	-6.5%	149,985	-3.5%	151,257	11%
Pastureland	12,497	-2.5%	18,066	2%	15,737	-25%	11,912	17.3%
Land in House Lots, Ponds, Roads, Wasteland	15,806	-4%	15,183	-24%	27,678	2%	19,436	14.5%
Woodland on Farms	50,159	2%	60,385	-3%	62,496	-6%	32,712	3.1%
Rented Land in Farms	28,159	-4%	31,069	-14%	39,054	-9%	51,790	18%
Value of Land & Buildings per Acre	\$1,056	24%	\$1,293	29%	\$1,401	16%	\$1,341	22%

Source: 2002 US Census of Agriculture



Land Use Tools

Loss of farmland and its associated benefits of food production, stabilization of local economies, protection of the environment, and enhancement of the quality of life are being felt to varying degrees throughout the country. Common to most situations is the threat to the land base from sprawling suburban development and the vulnerability of a challenged industry, often in transition. Given the diversity of types of agriculture and the various governmental structures, protection of agriculture and farmland takes many forms. They are often in the form of land use regulations, agriculture economic development initiatives, and purchase of development rights to permanently secure a land base for the industry. The communities around the nation making the greatest strides are those employing some combination of the tools described in this section, as well as a robust economic development strategy – all customized to their respective circumstances.

In this section, land use planning techniques are discussed, as well as programming considerations for purchase of development rights (PDR) and a short primer on economic development tools for agriculture is provided. Finally, the current menu of options made available to jurisdictions and landowners by the State of New York to help protect agriculture in their communities completes this section.

At the local level, planning and zoning are important farmland protection tools. When a local area strives to sustain its agricultural economy and protect farmland, these objectives should be reflected in the planning and zoning process.

Comprehensive Plans

Comprehensive plans, also known as master or general plans, allow communities to create a long-term vision for their future. They outline local government policies, objectives and guidelines regarding development. Typically, they identify areas best suited for a variety of land uses, including agriculture, forestry, residential, commercial, industrial and recreational activities.

Comprehensive plans can establish a commitment to local agriculture by protecting natural resources and promoting farm business opportunities. Comprehensive plans can form the basis of a local farmland protection strategy by identifying areas to be protected for agriculture and areas where development will be encouraged. They also should aim to conserve natural resources while providing affordable housing and adequate public services.

Zoning

Cattaraugus County: Agricultural Land Use Plan

Zoning is usually the chief tool, along with the water and sewer plan and transportation plan, to implement what the community agreed to work toward in the comprehensive plan. Legally, all zoning requirements must be in accordance with a comprehensive plan. Zoning controls usually function at the smallest level of government. Zoning ordinances segment portions of counties, cities and towns into areas devoted to specific land uses. They also establish standards and densities for development.

Zoning ordinances, lot size requirements, and road specifications may affect agriculture immensely and should be reviewed carefully. Many local governments and planning boards assume that farming is a residential land use. Worse, they consider agriculture a temporary land use until further suburban or non-farm development occurs. As a result, farmland is often zoned in rural/residential districts, which may encourage premature conversion of the land.

Zoning can be used as a form of farmland protection. For instance, maintaining a lower density of development in an area may be beneficial to farming. Fewer neighbors mean fewer potential conflicts. Local governments can reduce the density of development in two ways: by increasing the minimum lot size or by reducing density without requiring large lots that may prove to be “too small to farm and too big to mow.”

Several different zoning techniques that may be used to encourage the protection of farmland are outlined below.

Agricultural Protection Zoning (APZ) - Agricultural protection zoning stabilizes the agricultural land base by keeping large tracts of land relatively free of non-farm development. For APZ to be effective, the area’s farming industry must be profitable, and farmers must be committed to keeping their land in production. Agricultural protection zoning ordinances designate areas where farming is the primary land use. They discourage development that could impair the land’s use for commercial agriculture and they restrict the density of residential development. They generally require building on small lots as opposed to dividing tracts into large, equally sized lots. Most ordinances make use of a fixed density, allowing, for instance, one dwelling for every 25 acres. Others are based on a sliding scale, with the dwelling and acreage allowances more flexible.

Sliding Scale Zoning - Sliding scale zoning uses a scale to determine the number of lots that potentially could be developed in an area. Owners of smaller parcels are allowed to divide more land into lots than are owners of larger parcels. To keep farmland in productive use, maximum lot sizes (usually two or three acres) typically are established. Non-farm development is directed to less productive land.

Cluster Zoning - Cluster zoning ordinances allow or require houses to be grouped close together on small lots to protect open land. They increase density on part of a parcel while leaving the rest undeveloped. This allows the construction of the same number of houses, while minimizing the impact to the area’s natural resources.

For example, the zones residential density is one unit per five acres and the parcel in question is 100 acres. This parcel could be divided into either 20 5-acre parcels or 20 1-acre parcels and an 80-acre parcel. In both examples, the result is 20 building lots (not considering the 80-acre parcel as a separate building lot) with a density of one unit per five acres. In the latter example, however, a relatively large, agriculturally viable parcel remains.

Cluster subdivisions may keep land open for future agricultural use, but generally they are not designed to support commercial agriculture. In addition, clustering may create tension between residential and agricultural land uses if new neighbors object to the sights, sounds and smells of commercial farming. To increase its usefulness as a farmland protection tool, provisions should be made to protect commercial farming or recognize that cluster arrangements may be more appropriate near less-intensive farming operations. New York Town Law, Section 281, allows municipalities to permit, or require, cluster development.

Large-Lot Zoning - Generally, large-lot zoning (that designates minimum lot sizes as small as five to ten acres) is not considered a farmland protection technique. In fact, it may encourage the premature conversion of farmland since it often results in the purchase of more residential acreage than homebuilders actually want or need. Large-lot zoning often is used in conjunction with lists of “permitted by right” uses that fail to view agricultural areas as important commercial zones worthy of special protection from incompatible uses.

Performance Standards - Performance standards can minimize the impact of development on farming. They may be used to steer development away from prime agricultural soils and existing farm operations. They usually are applied on a case-by-case basis, and they require discretionary decisions by a local planning board. Some factors that can be used as performance standards are:

- Potential for conflict with agriculture.
- Need to minimize the amount of converted agricultural soils.
- Agricultural productivity of the land and soils involved.
- Compatibility with existing or permitted uses on adjacent property.

Overlay Districts - Some communities have used agricultural overlay districts to direct development away from prime farmland. While overlays lessen the impact of development on agriculture, they generally regulate how—not if—farmland is developed. So far, such districts have not been used to change underlying density requirements or limit non-farm uses. Agricultural overlay districts can be used to trigger cluster zoning provisions, buffer strips or other performance standards.

Subdivision Regulations

Unlike zoning ordinances, which address whether specific uses are permitted, subdivision regulations specify how development will actually occur and exactly what form it will take. For example, zoning ordinances designate how many lots can be developed on a parcel, but subdivision regulations determine where those lots will be located and how the land is developed. Subdivision regulations are usually the home of buffer requirements – the distance of homes or wells from farm operations - that can be critical for continued operation of adjacent farms.

Buffers - In rapidly growing areas, development inevitably will occur adjacent to active farm operations. Based on the concept that “good fences make good neighbors,” buffers create physical barriers between potentially incompatible land uses. Buffers may be created by strips of land (from 50 to 500 feet wide) or by vegetation such as existing hedgerows, planted trees and shrubs. Some subdivision ordinances require the developers to provide the buffers. To be effective, buffers must be designed on a site-specific basis and adapted to address different types of agricultural operations. In some cases, they simply may not be effective.

Mitigation Techniques - Mitigation techniques applied to high quality farmland refers to a “no net loss” approach to farmland protection. Land taken out of agriculture use and/or zoning must be replaced with either new land of equal size and productivity being brought into agricultural use or a fee paid by a developer to permanently protect acreage elsewhere.

In New York, the state Legislature has created a mitigation requirement in the Agricultural Districts Law. Section 305(4)(h-1) requires mitigation when land is taken by eminent domain for use as a landfill. The provision became effective January 1, 1998, representing the first time that a mitigation requirement has been applied to farmland in New York. The Army Corps of Engineers has also utilized the concepts of mitigation and “no net loss” routinely for the protection of wetlands. Such mitigation provisions are a way to balance growth and resource protection.

Transfer of Development Rights (TDR)

Transfer of development rights programs allow landowners to transfer the right to develop one parcel of land to a different parcel of land. (By contrast, cluster zoning usually shifts density within a parcel.) TDR programs can protect farmland by shifting development from agricultural areas to areas planned for growth.

Section 261-a of the Town Law and section 7-703 of the Village Law explicitly empower municipalities to authorize transfer of development rights. Such programs are defined in these provisions as “the process by which development rights are transferred from one lot, parcel or area of land in any sending district to another lot, parcel, or area of land in one or more receiving districts.”

To implement TDR, receiving and sending districts are designated and mapped in accordance with a comprehensive plan. State law dictates that the sending district may include agricultural land and that the receiving districts must have the infrastructure needed to support increased development. Development rights are documented as conservation easements that are enforceable by the town or other designated entity. They may be bought or sold by the municipality for deposit in a development rights bank.

Flexibility is important throughout the TDR process. For TDR to work, communities must build consensus on its use as a way to protect resources and direct future growth. A market must exist for both the development rights (either in the private sector or via a municipal development rights bank) and the higher density development that will result. While the TDR technique holds promise in theory, it has not been utilized in New York due to the complexity of its administration and its unproven track record.

Examples of New York Towns with farmland protection in their land use planning process

Town of Pittsford—After adopting an updated comprehensive town plan in 1995, the Pittsford Town Board developed a rating formula to evaluate the town’s remaining land resources. The highest rated parcels were identified in Pittsford’s *Greenprint for the Future* plan in 1996. The *Greenprint* steered development away from areas of ecological importance, recommending that approximately 60 percent of the town’s remaining undeveloped land be protected. In 1996, the town board approved \$9.9 million in bonds to purchase development rights and permanently protect seven farms totaling 1,100 acres.

Town of Stuyvesant—In 1993, Stuyvesant (located south of Albany in northern Columbia County) was accepted into the “model communities program” of the Hudson River Greenway Communities Council, which provided funding and technical assistance for the town to develop a comprehensive plan. The plan identified agriculture as the town’s primary land use; the town has since implemented a right-to-farm law and passed a resolution declaring Stuyvesant to be an “agricultural community.” The town also is considering farmland protection techniques such as incentives for residential clustering, low-density zoning and PDR.

Town of Ithaca—Located in the heart of the Finger Lakes Region, the town of Ithaca’s 1997 *Park, Recreation and Open Space Plan* incorporated recommendations from a 1992 report, *Planning for Agriculture in the Town of Ithaca*, that emphasized the importance of agriculture to the town’s economy and quality of life. The report made several policy recommendations including revising zoning regulations, integrating agricultural policy statements into the town’s comprehensive plan, creating a voluntary PDR program, and establishing a permanent town agriculture committee (which was created in 1993). The 1997 open space plan estimated the acquisition of development rights to important lands would cost the town \$3.7 million over 20 years, approximately \$15 per resident per year—a somewhat modest investment on a per capita basis.

Purchase of Development Rights (PDR)

In general, landowners possess a variety of rights to their property, including the rights to use water resources, harvest timber or develop the property consistent with local regulations. Some or all of these rights can be transferred or sold to another person. PDR programs enable landowners to voluntarily separate and sell their right to develop land from their other property rights. Participating farmers are typically offered the difference between the restricted value of the land and the fair market value of the land. A permanent conservation easement is recorded in the land records binding all future owners. The land remains in private ownership and on the tax rolls.

Local PDR programs can prevent development that would effectively eliminate the future possibility of farming in an area. Selling an easement allows farmers to cash in a percentage of the equity in their land, thus creating a financially competitive alternative to development. Agricultural producers often use PDR program funds to buy and/or improve land, buildings and equipment, retire debt and increase the viability of their operations. The reinvestment of PDR funds in equipment, livestock, and other farm inputs also may stimulate local agricultural economies.

Benefits

- Protects farmland permanently, while keeping it in private ownership.
- Participation in PDR programs is voluntary.
- Allows farmers to capitalize on unrealized assets—their land.
- Can be implemented by state or local governments, or by private organizations.
- Can provide farmers with a financially competitive alternative to development.
- Can protect ecological as well as agricultural resources.
- Removes the non-agricultural value of land, which, in some places helps keep it affordable to farmers.

Drawbacks

- It is expensive.
- PDR programs generally are oversubscribed. In New York, funding for PDR has been limited, with demand far exceeding available funds.
- Purchasing easements is time consuming. Participants in the state program generally must wait at least a year before all details regarding their easements are finalized.
- Monitoring and enforcing easements requires an ongoing investment of time and resources.

The effectiveness of PDR programs depends on how well municipalities address several key issues. There are many factors that a municipality or organization needs to consider before participating in the New York State Agricultural and Farmland Protection Program or before designing their own local PDR program. These include deciding what kind of farmland to protect, which geographical areas to focus on and how to set priorities; what restrictions to put on the use of the land; how much to pay for easements; how to raise purchase funds; how to administer PDR programs; and how to monitor and enforce easements.

Setting Priorities

Setting priorities for a PDR program is an exercise in achieving balance. Since the program is voluntary, it needs to be attractive to the farmers who own the county's prime agricultural resources. Flexible easement conditions and reasonable prices to facilitate participation by farmland owners are as important as raising the public funds to buy the easements. The process of setting priorities assumes funding and participation. It takes a number of forms.

With the development of Geographic Information Systems (GIS), strategic farmland mapping is a relatively new expression of a jurisdiction's priorities. It is a very effective way to graphically depict what is the most important and the most vulnerable land so that purchases with limited funds can be strategic. This sort of mapping is also an indispensable tool for education of the public and local officials about the connection between the agricultural resources and public infrastructure decisions.

Eligibility criteria are minimum requirements for participation. Sometimes they are reflections of purpose clauses or other legal requirements in state PDR enabling legislation or local ordinances. They often include categories such as location, develop-ability, parcel or farm size, soil quality, and stewardship provisions. These criteria are the first round of a selection process because they decide who can apply to sell easements.

Once applications are received, a ranking formula is used to decide the order in which offers will be made until the funds allocated to that 'batch' of properties is spent. It is a means of stating preferences among eligible applicants. Because the goal of the program is the long-term protection of the land base, rankings formulas typically are heavily weighted for soil quality and size characteristics and for adjacency to other farmed and/or protected land. However, they often contain categories of points measuring economic productivity, capital investment, ease of development/threat, and degree of public policy support (i.e., agricultural protection zoning) context for the purchase.

Agricultural Conservation Easements

The conservation easement is the legal instrument that protects the land for agriculture over time. They are written documents signed and acknowledged by all parties involved. They are filed with the county clerk's office so that future owners and lenders will learn about the restrictions through a title report. Depending on the circumstances of the transaction, the easement may need to meet the requirements of the New York Environmental Conservation Law and the federal tax code.

The purchase of development rights uses a conservation easement to secure the removal of development rights on the property. Most conservation easements are permanent. The farmland owner retains all other rights of ownership and can continue to farm the land as he or she did before. The land remains private and on the tax rolls.

Because agriculture is always evolving, agricultural conservation easements must be flexible and tailored to meet its ever-changing conditions. Generally, they:

- Extinguish virtually all non-farm development rights (i.e., the right to build residential or non-agricultural structures).
- Limit future uses of the land that degrade the agricultural value or productivity of the land.
- Encourage the business of farming.
- Permit the construction of new farm buildings and farm employee housing.
- Do not require public access.

Determining Easement Value

In general, the value of an easement is the fair market value of the property minus its restricted value, as determined by a qualified appraiser. For example, if the market value of an unprotected parcel of farmland is \$200,000, but worth only \$100,000 if protected with an agricultural conservation easement, then the farmer is paid the difference of \$100,000 for selling the development rights. Landowners may choose to donate some or all of the value of their development rights as a way to permanently protect their farmland and potentially reduce income and estate taxes.

Program Costs

Most PDR programs (including New York State's) require a local dollar match, county and municipal funds are also necessary for the implementation of PDR projects. For example, the New York State PDR program will fund up to 75% of the cost of a purchased easement. The remaining 25% must be matched by local jurisdictions. The following section outlines several ways local communities can finance their PDR programs.

Bonds - In the past decade, many New York communities have recognized that farmland conservation is a long-term investment. Several of these communities have issued municipal bonds to pay for the purchase of development rights on farmland. Suffolk County on Long Island was the first. In 1976, they authorized a \$21 million bond program to pay for the development rights to thousands of acres of farmland. Since then, several towns on the eastern end of Long Island also have instituted bond programs of their own. In the 1990s, the western New York town of Pittsford authorized two consecutive \$5 million bonds to fund its farmland protection program.

General Revenues - Other communities have set aside annual appropriations to pay for farmland protection projects by using current revenues. The town of Amherst has allocated funding for its projects in this manner, as well as the town of Ithaca.

Real Estate Transfer Taxes - In 1998, the state Legislature and Governor Pataki approved a law that allowed five towns in the Peconic Bay region of Long Island to establish individual community preservation funds. The proposed funding mechanism would create a 2 percent real estate transfer tax to apply to most high-end property sales. The tax, paid by the purchaser, is based on property value above a designated threshold.

In 1998, the proposed real estate transfer tax was approved by voter referendum in all five towns as a way to raise money for the protection of farmland and other resources. The money raised in each town through tax revenues will be used to purchase development rights on farmland, as well as protect other environmentally sensitive or historic properties. New York State approval will be required before local communities can increase the real estate transfer tax.

Public/Private Partnerships - Some municipalities have successfully used partnerships with private organizations to facilitate their PDR programs. In some areas, local land trusts, once formed primarily by conservationists concerned about vanishing habitat and open space, have formed to tackle the challenges of preserving farmland. It is possible for a private land trust to have the needed easement settlement and administration expertise that municipalities may lack.

For example, a land trust may play a key role in assembling PDR applications; holding, monitoring and enforcing easements; managing the PDR program; or providing a portion of the local match as in-kind credit or in cash. In addition, land trust involvement may increase the incentive for farmer participation, since landowners who donate an easement or a portion of their property to a nonprofit land trust may receive a federal tax deduction, thus offsetting some of their capital gains tax liability.

Stewardship and Monitoring

When landowners sell or donate an agricultural conservation easements to the State, municipality or a qualified nonprofit conservation organization, that agency or organization then ‘holds’ the easement. The holder of an easement is obligated to monitor the land involved and uphold and enforce the terms of the agreement.

Though the New York State Agricultural and Farmland Protection Program provides funding to purchase development rights to farmland, New York State Department of Agriculture & Markets, itself, does not hold easements. It is often the town or county that holds the easement and therefore takes on the perpetual responsibility to monitor its conditions.

Known as stewardship, the process of holding and maintaining easements is an important consideration to any PDR program. Good stewardship will help ensure the perpetual nature of the easement. The municipality holding the easement should set up a system for administering, monitoring and enforcing the easement terms. That involves creating baseline documentation, maintaining a good working relationship with the landowner, monitoring the property, and, if needed, addressing violations. In recognition of this permanent obligation and responsibility, project costs in the New York State Agricultural and Farmland Protection Program can include funding for stewardship expenses as part of the initial transaction for which state assistance payments are sought.

New York State Agricultural and Farmland Protection Initiatives

New York State first formalized its Agricultural and Farmland protection efforts in 1971 with the passage of the Agricultural Districts Law, also known as Article 25-AA. The law recognizes that while agricultural land is one of the State’s most important resources, farmland throughout New York is threatened by non-farm development. The law’s purpose is to provide local mechanisms for keeping land in agricultural production.

The Agricultural Districts Law has been amended several times. In 1992, it was enhanced significantly to support New York State’s farmland protection activities. These changes were included in the Agricultural Protection Act, signed into law that year. Among other amendments, the legislation included stronger right-to-farm protection and established a statewide agricultural and farmland protection program.

The following components of the agricultural and farmland protection efforts in New York State are:

- Agricultural Districts
- Tax relief
 - Agricultural assessment
 - Ad valorem limitations
 - Farmers’ school tax credit
 - Farm building exemptions
 - Sales tax relief for farm supplies
 - Local tax abatement
- Right-to-Farm “Package”
- Agricultural and Farmland Protection Program
 - Planning grants
 - Purchase of development rights (PDR) grants

The players include the Advisory Council on Agriculture (ACA) at the state level and county Agricultural and Farmland Protection Boards (AFPB) at the local level.

Agricultural Districts

In 1971, the Agricultural Districts Law set forth the concept of “agricultural districts” as an effective and politically viable way to protect New York farmland. In exchange for designation as an agricultural district farmland owners benefit from limitations to utility ad valorem taxes, protection from local regulations that might impinge on necessary farming practices, and limited protection for nuisance suits under right-to-farm legislation.

An agricultural district is initiated when interested landowners submit a proposal to their county legislative body. The owners must collectively own at least 500 acres (or 10 percent) of the land proposed for the district. In considering the agricultural district proposal, the county legislature evaluates:

Cattaraugus County: Agricultural Land Use Plan

- The viability of active farming in the district and adjacent areas
- The presence of viable farmland that is not actively farmed
- The extent of other land uses
- County development patterns and needs

Once the county legislative body adopts an agricultural district, the commissioner of New York State Department of Agriculture & Markets must certify the district. Agricultural districts are reviewed every eight years by the County legislature. Recent amendments (2002) to the law allow landowners to petition and be included in a district at any time, rather than waiting for the eighth year review. However, land cannot come out of a district except during that review.

Agricultural districts have been created in 52 of New York's 57 counties. As of early 2003, 325 districts encompassed more than eight million acres statewide, with an average district size of approximately 26,000 acres.

Tax Relief

Tax relief is an important issue for farmers. Farms need land to operate and property taxes on farmland are a significant expense. Taxes on farm buildings are often substantial as well. Farmers often say, "Cows don't go to school," which reflects the concept that taxes on agricultural land should be proportionate to its demand on municipal services and its ability to generate income. Because farmland tends to provide more in property tax revenues than it requires in public services, keeping it in production may help control the cost of community services.

Since overtaxed agricultural land may be more susceptible to conversion to non-agricultural uses, tax relief measures may also be considered a farmland protection tool. The expense of property taxes may discourage farmers from buying land and can force existing farmers to sell. Farmers' savings from property tax relief programs can be significant and may make the difference between staying in business and selling out. Several state and local programs now exist to offer various kinds of property tax relief for farmers.

Agricultural Assessment - New York's Agricultural Districts Law established agricultural assessment as a way to provide property tax relief for farmers. Agricultural assessment allows farmland to be taxed for its agricultural value rather than its market value. Any land used for agricultural production may qualify if it meets the acreage and income requirements established by the Agricultural Districts Law. This provision recently changed from 10-acre minimum parcel size to 7 acres plus \$10,000 a year in agricultural sales. Smaller parcels are eligible if they generate at least \$50,000 annually. Another important change in agricultural provisions was to allow horse boarding income to count toward agricultural income. Thoroughbred breeders may also now count their winnings as income. Land does not have to be located in an agricultural district to receive the assessment.

Agriculture & Markets maintains an agricultural land classification system based on soil productivity that is used by the New York State Department of Real Property

Services. The system consists of 10 primary groups of mineral soils and four groups of organic (muck) soils. In determining agricultural assessment, the local assessor multiplies the State certified assessment value for each soil group by the total number of acres within the soil group. The assessor then totals the sub-amounts and applies the local equalization rate to determine the parcel's agricultural value.

Land placed under agricultural assessment and then converted to a non-agricultural use is subject to conversion fees. These payments equal five times the taxes saved in the last year during which the land was receiving an agricultural assessment, plus 6% interest compounded annually for each year that the assessment was granted (up to five years).

Ad Valorem Limitations - The Agricultural Districts Law limits the taxation of farmland for certain municipal improvements such as sewer, water, lighting, non-farm drainage, solid waste disposal or other landfill operations. Land used for agricultural production within an Agricultural District cannot be taxed for such improvements unless the fees were imposed prior to the formation of the District—or unless the farm structure benefited directly from the improvement district. The fees may be imposed on a one-half acre lot surrounding any dwelling or non-farm structure located on the farm's land. In addition, the governing body of a fire protection or ambulance district may adopt a resolution to state that agricultural assessment values be used to determine the taxes levied by that district.

Farmers' School Tax Credit - In 1996, the Farmers' Protection and Farm Preservation Act created the farmers' school tax credit. This allowed eligible farmers to obtain an income tax credit (or corporation franchise tax credit) for school district property taxes.

The credit applies to school taxes paid by the farmer on land, structures, and buildings used for agricultural production in New York. Farmhouses used as personal residences do not qualify. However, some farmers may also qualify for the New York State School Tax Relief (STAR) program to receive a partial exemption on the assessment of their houses. STAR is a residential tax exemption available to anyone in the State who meets age and/income criteria.

The farmers' school tax credit is fully funded by the State. It is neither a real property tax exemption nor is it affiliated with the agricultural assessment program. The credit does not diminish local school district revenue and does not shift the school tax burden to farmers' neighbors.

Farm Building Exemptions - Several provisions in the Real Property Tax Law exempt farm buildings or structures from property taxes. Section 483 exempts new and rebuilt farm buildings for ten years. Section 483-a exempts entirely certain agricultural structures from taxation, including farm silos, feed grain storage bins, commodity sheds, bulk milk tanks and coolers, and manure storage and handling facilities. Section 483-c also exempts temporary greenhouses.

The Real Property Tax Law also offers a limited exemption for the rehabilitation of historic barns. Local governments and school districts may authorize a 10-year exemption for the increase in value to a reconstructed or rehabilitated barn. This does not apply to buildings that have already received exemptions, to barns used for residences, or to renovations that alter historic appearances.

Local Tax Abatement - Local municipalities can also offer tax abatement targeted at their working landscapes. For example, the towns of Perinton, Penfield and Webster in Monroe County have enacted local tax abatement programs in exchange for term conservation easements. Authorized by Section 247 of the General Municipal Law, these programs offer reductions in property taxes to participating landowners.

In Saratoga County, the town of Clifton Park recently enacted a local tax abatement program for owners of 15 or more acres of farmland or open space who agree to keep their land in farming, or open, for at least 15 years. Two adjacent landowners can apply if their combined acreage meets the 15-acre minimum. Landowners who convert their land prematurely face penalties.

Right-To Farm ‘Package’

The continued development of agricultural areas has increased the potential for conflicts between farmers and their neighbors. In 1992, the Agricultural Districts Law was amended to add a limited defense for farmers against private nuisance lawsuits. Commonly referred to as the right-to-farm law, all 50 states have enacted some kind of nuisance protection law. Generally, these provisions aim to strengthen the ability of farmers to defend themselves in a nuisance suit brought by a neighbor or local government.

Right-to-farm laws also may be used to shield farmers from excessively restrictive local laws or to ward off intrusive and unwanted public infrastructure. Right-to-farm provisions can improve the viability of farm businesses since a “farm-friendly” local business climate can allow farmers to invest more in the future of their operations.

Despite the ambitious tone of their title, right-to-farm laws are not meant to shield farmers from all legal disputes with neighbors. However, they assert that a person who voluntarily moves into the vicinity of the nuisance activity (which is interfering with his or her enjoyment of the property) has no right to expect that a court would restrict such an activity.

The Agricultural Districts Law now provides five types of right-to-farm protections for farm businesses:

- Definition of Agriculture—Requires the commissioner of New York State Department of Agriculture & Markets to determine whether land uses are agricultural in nature.
- Local Ordinance Provision—Provides protection against laws that unreasonably regulate farm operations in agricultural districts.

Cattaraugus County: Agricultural Land Use Plan

- Notice of Intent–Requires analysis of proposed public projects that may impact farms in agricultural districts.
- Sound Agricultural Practice Determinations–Offer limited protection from private nuisance claims.
- Disclosure Notices–Inform property buyers about farming practices before they purchase property in an agricultural district.

Many notice-of-intent filings concern proposals to extend water and sewer lines into farming areas. These filings are so common that the Department of Agriculture & Markets has developed guidelines for water and sewer transmission mains located wholly or partially within an agricultural district. Three of the four guidelines relate to construction. They strive to minimize the disruption of farm enterprises, address soil compaction and erosion, and provide repair for any damaged agricultural drainage systems. The fourth guideline recommends that future water and sewer service be provided only to agricultural structures.

Agricultural and Farmland Protection Program

New York State’s Agricultural and Farmland Protection Program was enacted in 1992 as part of the Agricultural Protection Act. The program, often referred to as Article 25-AAA, encourages counties and towns to work with farmers to promote local initiatives that help maintain the economic vitality of agriculture and protect the industry’s land base.

Under this program, funds are available for counties to develop agricultural and farmland protection plans. Since 1994, 48 counties have received planning grants through the State’s Environmental Protection Fund to develop such plans. Forty counties have completed and approved plans. In 1996, the State amended Article 25–AAA to provide counties that have approved plans, known as eligible municipalities, with implementation grants to purchase development rights to farmland.

Planning Grants - County agricultural and farmland protection boards, in conjunction with local soil and water conservation districts and the United States Department of Agriculture Natural Resources Conservation Service (USDA NRCS), develop agricultural and farmland protection plans. These plans locate important county farmland, analyze the agricultural and environmental value of such farmland and identify threats to its continued agricultural use. They also describe activities, programs and strategies that will help keep the land in agriculture.

Completed agricultural and farmland protection plans, while tailored to the specific concerns of their region, usually address four critical issues:

- Agricultural viability and profitability–For agriculture to succeed, it must be profitable.
- Agricultural land use and farmland protection–Maintaining the land base for agriculture is crucial to its success as an industry.

Cattaraugus County: Agricultural Land Use Plan

- Agricultural awareness and public education—Public support for agriculture depends on educational efforts that stress its importance.
- Municipal land use—Review of local laws, ordinances, regulations and comprehensive plans can help identify potential conflicts with agriculture.

Strategic agricultural and farmland protection plans are only the beginning of a continually evolving process. To ensure their greatest success, plans must be evaluated periodically and revised as needed. They also will not achieve their objectives unless the recommendations they make are enacted. Responsibility and oversight for implementation efforts must be assigned. In addition, future actions should be prioritized in order to focus efforts once the plan has been adopted.

Funding sources for implementation also need to be identified and obtained. Some implementation efforts, such as purchasing development rights, can make use of state farmland protection grants. Other initiatives, such as agricultural economic development, likely will require local funding sources as long as state funds are not available for that purpose. Still other initiatives may serve as catalysts for new statewide or regional programs or may create new partnerships between public and private sectors.

Purchase of Development Rights (PDR) Grants - In 1996, the New York State Legislature provided eligible municipalities that have approved agricultural and farmland protection plans with implementation grants to purchase development rights (PDR) on farmland. PDR is a voluntary farmland protection technique that pays farmland owners for permanently protecting the land for agriculture.

In New York, PDR was first funded in 1996 under the State's Environmental Protection Fund and the Clean Water/Clean Air Bond Act. Grants have been awarded to communities across the state. Since the program's inception, competition for the state's limited funds has been intense. From 1996 to 2003, farmland protection grants were awarded to counties and towns throughout New York, totaling nearly \$56 million to protect 22,000 acres in 115 easements. As of April 2003, 60 easements totaling 10,600 acres and representing \$20 million have completed settlement. PDR programs have become increasingly popular with farmers. Despite the recent allocation of state grants, however, current funding levels have not been sufficient to meet the growing demand for agricultural conservation easements. Only about a quarter of all applications for PDR sale are able to be funded.

While there are no minimum eligibility requirements to apply, the State uses the following selection guidelines when choosing which projects to fund:

Priority is given to projects that:

- Preserve viable agricultural land,
- Are in areas facing significant development pressure, and
- Serve as buffers for a significant natural public resource.

Additional criteria considered are:

- Number of acres preserved,
- Soil quality,
- Percentage of total farm acreage available for agricultural production,
- Proximity to other conserved farms,
- Level of farm management demonstrated by current landowner, and
- Likelihood of the property's succession as a farm if ownership changes.

Advisory Council on Agriculture

The Advisory Council on Agriculture (ACA) is appointed by the Governor and authorized to make recommendations on state government plans, policies and programs affecting agriculture. This includes agricultural districts, agricultural assessment values and land use issues.

The ACA consists of 11 members selected for their expertise. At least five members are operators of commercial farm enterprises and at least two are local government officials. The rest represent agricultural businesses or institutions. The ACA also invites participation by the Chair of the state soil and water conservation committee and the Dean of the New York State College of Agriculture and Life Sciences at Cornell University.

County Agricultural and Farmland Protection Boards

In 1992, the Agricultural Protection Act reconstituted the former agricultural district advisory committees as county agricultural and farmland protection boards (AFPBs). To date, AFPBs have been formed in 52 of New York's 57 counties.

Agricultural and farmland protection boards, established by the county legislative body, usually consist of 11 members. This includes the Chair of the county soil and water conservation district's board of directors, a member of the county legislative body, a representative of the county cooperative extension, the county planning director and the county director of real property services. In addition, the board must contain at least four active farmers and an agribusiness representative (these members must reside within the County). A representative from a land preservation organization may be on the board.

County agricultural and farmland protection boards are authorized to:

- Advise the county legislative body about agricultural districts.
- Review notice-of-intent filings.
- Make recommendations about proposed actions involving government acquisitions of farmland in agricultural districts.
- Prepare and update county agricultural and farmland protection plans.
- Request review of state agency regulations that affect farm operations within an agricultural district.
- Review and endorse applications for New York PDR funds.

These responsibilities provide the opportunity for AFPBs to become active partners with NYS Agriculture & Markets in influencing state and local policy on agricultural and farmland protection issues.

Farmland Protection Tools and Cattaraugus County

<i>Protection Tool</i>	<i>Definition</i>	<i>Benefits</i>	<i>Drawbacks</i>	<i>Applicability/Status-Cattaraugus County</i>
Comprehensive Plan	Guiding vision of what a community wants to be in the future and a strategy for achieving that.	An organized way to identify productive farmland and set growth and protection goals. Serves as basis for land use regulations.	Not legally binding, May be changed or ignored by officials as they rule on development proposals.	Not all towns have a Comprehensive Plan. New funding opportunities at the NY Department of Agriculture and Markets can facilitate development of town level Agricultural Plans.
Differential Assessment	Taxation of farmland based on its agricultural use rather than its development value. In NY, calculated based on productivity of soils. Penalty if converted to non-ag use. Not tied to property being enrolled in an agricultural district.	Modest incentive to keep land in commercial farming. Especially important in NY State where tax burden on farms is very high.	Also benefits land speculators waiting to develop land.	Minimum 7 acres and \$10,000 in sales; horse boarding operations now eligible. Available to county farms but not widely used even among district properties. The effects of the differential assessment are not applied equally across all jurisdictions.
Agricultural Districts	State designation of an area of at least 500 acres of viable agricultural land. Initiated by landowners, adopted by county. Land can go in any time but can only come out when district is reviewed every 8 years. Not tied to agricultural assessment.	Farmed land within district provided limited protection from local ordinances, nuisance suits, and utility ad valorem taxes. Commissioner of NY State Ag & Markets has authority to rule on local land use conflicts.	Area defined by landowner willingness. County adopts but town ordinances are affected if there is a dispute. State Ag & Markets has authority to rule on local land use conflicts.	Adopted in 1973, Cattaraugus County has seven agricultural districts representing 234,044 acres. Nearly 28% of the County's land base is enrolled in the program which covers 30 of 32 towns. All districts will fall under review in the next five years.

Cattaraugus County: Agricultural Land Use Plan

<i>Protection Tool</i>	<i>Definition</i>	<i>Benefits</i>	<i>Drawbacks</i>	<i>Applicability/Status-Cattaraugus County</i>
Right-to-Farm Laws	<p>In NY for land in ag district:</p> <ol style="list-style-type: none"> 1. Definition of agriculture 2. Local ordinance provision 3. Notice of Intent 4. Sound ag practices determination 5. Disclosure notices 	<p>Strengthens the ability of farmers to defend themselves against nuisance suits. Shields farmers from excessively restrictive local laws and unwanted public infrastructure. Tied to agricultural district designation.</p>	<p>Not meant to shield from all legal disputes with neighbors. Does not stop complaints from non-farm neighbors. May not protect major changes in farm operations or new operations.</p>	<p>These protections are afforded to farmland in the agricultural district in the County.</p> <p>No evidence, however, that the Notice of Intent (towns must analyze projects for impact on district) and the Disclosures Notices (seller, agents must inform buyers of district status) are being carried out across the board.</p>
Agricultural Zoning	<p>Zoning that allows residential development at a rate of one unit per 20 acres or lower in a predominantly farming area. Ideally, the allowed density can be built on much smaller lots rather than large lots with each residence.</p>	<p>Limits non-farm development in areas intended for agricultural use. Can protect large areas of farmland at low public cost.</p>	<p>Local government can rezone land. Landowners may complain about loss of 'equity value' if land values have begun to escalate due to development pressure.</p>	<p>Agriculture remains a significant land use in all towns, however, there is little zoning that could be considered protective of agriculture.</p>
Purchase of Development Rights	<p>Voluntary separation and sale of the development rights from land in exchange for a permanent conservation easement. Typically paid difference between restricted value and fair market value. Land remains in private ownership and on tax rolls.</p>	<p>Provides permanent protection of farmland and puts cash into farm and farm economy.</p>	<p>Public cost may be high. Combined with being voluntary, it may be difficult to protect a critical mass of farmland.</p>	<p>Currently no purchase of development rights program in County for agricultural land., per se. The current AFPB planning effort will begin process of setting priorities.</p> <p>Accept for isolated areas, the restricted and fair market values will not have sufficient spread to entice land owners to apply.</p>

Cattaraugus County: Agricultural Land Use Plan

<i>Protection Tool</i>	<i>Definition</i>	<i>Benefits</i>	<i>Drawbacks</i>	<i>Applicability/Status-Cattaraugus County</i>
Transfer of Development Rights	Voluntary separation and sale of development rights from land in one part of a jurisdiction to be used to increase density in another part. Conservation easement placed on sending parcel.	Developers compensate farmland owners. Creates permanent protection of farmland and shifts some costs to private sector.	Difficult to establish and administer. Opposition by landowners in receiving areas. Needs to be an integral part of a jurisdictions growth management strategy at a time that sending area resources are relatively intact and intensification of receiving areas is feasible.	Currently no TDR programs in any towns in the County.
Private Land Trusts	Local non-profit 501.c (3) corporations designed to identify resources to be protected, accept permanent conservation easements from landowners, and monitor their provisions through time.	Can provide permanent land protection. Can forge public-private partnerships. Greatly facilitate the donation of conservation easements from landowners able to benefit from income tax benefits.	Private land trusts rarely have funds to buy easements. Conservation deals sometimes based on allowing limited development. May create islands of protection rather than a critical mass of contiguous lands. Unless specifically designed for agricultural protection, farming may be virtually impossible on conservation easements designed for other purposes.	The Western New York Land Conservancy is currently the only Land Trust active in the area.

Implications for the Agricultural and Farmland Protection Plan:

This analysis of land use trends and projections found the following issues to be of particular importance to Cattaraugus County's agricultural industry:

Although Cattaraugus County has experienced a small decrease in land in farms, the agricultural land base is still relatively intact. Once farmland is lost to development of any kind, it is rarely converted back to agricultural use. Maintaining a core land base in active agriculture is necessary for the survival of the industry.

Lower density rural residential development expected to occur in Cattaraugus County can still have a significant impact on farm businesses. Poorly planned, scattered residential development can bring new non-farm neighbors to the doorstep of farm businesses. These new neighbors may be unfamiliar with agricultural practices and can generate time consuming and potentially expensive conflicts.

Slow, but steady land use change in a few areas of the county will continue. It is expected that this will occur in towns surrounding the village of Ellicottville, and in towns bordering Erie and Wyoming Counties as they experience interest from buyers looking for larger lots to build a house and have acreage available for recreational pursuits. When the Route 219 extension is built, localized impacts will be felt where the interchanges are located.

The rate and type of development that occurs in these communities will be influenced by broader economic factors as well as by local land use policies and decisions. Planning for agriculture at the town level can positively affect development patterns within a community so that both agriculture and the broader community benefit.

Recommendations

Given that land use policy is determined at the town level, these recommendations offer guidance to the County and the AFPB in supporting town level action. As well, the recommendations offer guidance for improving the level of education and understanding of the general public regarding agriculture. The study team realizes that the County will not be able to implement all aspects of the recommendations, but expects that this list should spark a debate that helps to further classify, refine, and prioritize agricultural land preservation initiatives.

As priorities are developed, key town and County agencies should adopt them as part of their individual work plans, and the County should work with towns and municipalities to integrate them into their comprehensive plans. It is also noted that the commitment and support of the County along with the towns and industry is critical to the success of this plan as well as the economic development recommendations included in the “Agricultural and Farmland Protection Plan” component of the report.

Note: Each recommendation includes a priority ranking which is based on the frequency and urgency of issues identified during the study; cost considerations address funding issues, exclusive of personnel requirements, based on the study team’s experience; and responsibility which is based on the logical agency(s) to oversee implementation.

AGRICULTURAL AND FARMLAND PROTECTION

Ten-Year Objective

Create a land use environment where agriculture is treated as an important economic and ecological land use and not as a holding pattern for residential development. Future agricultural land use initiatives and policy will focus on improving the regulatory, physical, and fiscal (tax) conditions under which agriculture operates by directing public resources to enhance industry infrastructure, bring equity across all taxing jurisdictions, protect prime soils, and preparing an environment that supports future agricultural planning such as PDR.

Furthermore, the public will have a better understanding of the importance agriculture as a land use and a better understanding of the importance of agriculture to their particular town. With this understanding, it is the study team’s expectation that those towns where agriculture has the most significant impact will seek to adopt town level farmland protection plans. The County should be prepared to support such efforts.

Five-Year Action Plan

RECOMMENDATION 1

Support Farm Friendly County Based Land Use Policies and Programs

Local land use policy in New York rarely generally treats agriculture as a holding pattern for residential development and thereby encourages the co-mingling of residences with industrial activity. Scattered lot residential development in Cattaraugus County is already having an impact on agricultural land. Outgrowth from Ellicottville, Arcade, and Erie County has created competition for land. This development pressure needs to be managed if agriculture in those areas is going to survive.

ACTIONS

- Coordinate the development of regionally significant infrastructure improvements and target future infrastructure siting away from agricultural areas. While most land use decisions are made at the town level, the county can encourage and support communication and coordination between towns to prevent poor decisions made with inadequate information.
- Work with towns that will have interchanges on the Route 219 Extension to proactively plan for development in those areas while protecting important agricultural resources that might be impacted by new growth.
- Map all water lines in the county and provide this information to all towns for their use in land use planning. Adopt a lateral water line restriction policy in county agricultural districts.
- Encourage towns to adopt, implement, and promote town level Right to Farm Laws. Include a local agricultural dispute resolution process in the Law. Consider reviewing and updating the Cattaraugus County Right to Farm Law.
- Periodically hold trainings for local realtors and attorneys (provide continuing education credits when possible) to increase their understanding of NY Agriculture and Markets Law 25-AA and to help them better understand agriculture as a business and land use.
- Propose legislation for real estate disclosure notices to potential buyers of property near agricultural operations even when the property to be purchased is not in an agricultural district.

IMPLEMENTATION RESPONSIBILITY: Agricultural and Farmland Protection Board, Cattaraugus County Department of Economic Development, Planning, and Tourism, NRCS, Cornell Cooperative Extension.

BUDGET CONSIDERATIONS: Action items within this recommendation will require a limited administrative budget. Most of the expense will be in allocation of staff time.

ISSUE PRIORITY: The AFPB recognizes this as a high priority.

FUNDING RESOURCES: County funding should be allocated to cover basic staff time costs.

RECOMMENDATION 2

Actively Support Town Based Agricultural Planning

In New York State, most of the land use decisions are made at the town level. Differing levels of development pressure within Cattaraugus County towns necessitates the use of a variety of town-level farmland protection tools. Supporting, and periodically training, town officials in the use of these tools is critical.

ACTIONS

- Provide maps and GIS data to municipal officials to outline the location of productive farmland, Agricultural Districts and other agricultural resources with a goal of better integrating agriculture's interests into municipal planning.
- Encourage town level planning for agriculture by including agriculture in town comprehensive plans, zoning ordinances, and subdivision regulations.
- Provide County support through in-kind and cash match to town level applications for grants from New York Agriculture and Markets for funds to create municipal Agricultural and Farmland Protection Plans, grants to integrate agriculture into local planning from the Quality Communities Program and other grant programs available for town level agricultural planning.
- Engage town officials in agricultural district renewals by incorporating a tour of sample farms in the renewal area. Use this opportunity to inform town officials about the county Agricultural and Farmland Protection Plan and to encourage them to plan at the town level.
- Conduct formal training for town supervisors, town boards, planning boards, and zoning board of appeals members on land use law and best practices in planning as they relate to agriculture. Include some of these trainings in sessions offered by Southern Tier West Regional Planning and Development.

IMPLEMENTATION RESPONSIBILITY: Agricultural and Farmland Protection Board, Cattaraugus County Department of Economic Development, Planning, and Tourism, Cornell Cooperative Extension, Soil and Water Conservation District, Southern Tier West Regional Planning and Development Board.

BUDGET CONSIDERATIONS: Staff time will be the largest component of spending for this recommendation. A budget of \$5,000 for training of local officials is needed.

ISSUE PRIORITY: The AFPB recognizes this as a high priority.

FUNDING RESOURCES: County funding should be allocated to cover local officials training and extra staff support for this recommendation.

RECOMMENDATION 3

Support Efforts to Establish a State Tax Incentive Program to Stabilize Farmland and Investigate a Purchase of Development Rights Program for Identified High Development Pressure Areas in the County

Easing the tax burden on farms can help improve the financial situation of many farms. In some localities and states, a “term easement” program has been used to provide tax relief to farmers in exchange for keeping their land in agriculture for a specified period of time. Such a program does not permanently protect land but does help stabilize the agricultural land base. Purchasing development rights on farmland will provide this permanent protection from conversion pressure. Some specific areas in the county may have farms that would be candidates for a purchase of development rights project.

ACTIONS:

- Support the concept of a state Agricultural District Enhancement Program that would reduce property taxes on productive farmland in exchange for a term deed restriction.
- Communicate with state legislators and New York State Farm Bureau about the need for this program. Coordinate efforts with other western New York counties such as Genesee, Wyoming, and Livingston who are also supportive of this concept.
- Demonstrate the significance of the property tax burden on Cattaraugus County farmers and rural landowners.
- Provide information to farmers and rural landowners about New York’s Farmland Protection Program and USDA’s Farm and Ranchland Protection Program (purchase of development rights programs) and land trusts that may be of assistance in farmland protection projects.
- Support new funding opportunities for purchase of development rights programs such as the Community Preservation Act (legislation to enact a town real estate transfer tax for use in establishing local farmland and open space protection funds).

IMPLEMENTATION RESPONSIBILITY: Agricultural and Farmland Protection Board, Cattaraugus County Department of Economic Development, Planning, and Tourism, Cornell Cooperative Extension, Cattaraugus County Office of Real Property Tax Services, local towns.

BUDGET CONSIDERATIONS: Action items within this recommendation will require an allocation of staff time.

ISSUE PRIORITY: The AFPB recognizes this as a high priority.

FUNDING RESOURCES: County funding should cover needed staff time.

RECOMMENDATION 4

Promote Understanding and Appreciation of Agriculture to the Non-Farm Public

In Cattaraugus County, where much of the county is rural, people still are often removed from direct contact with farms and have limited understanding of modern farming practices. This can lead to farmer-neighbor misunderstandings that have the potential to negatively affect agriculture in the county. In addition the public does not have a clear understanding of the economic and environmental contributions made by the local agricultural industry. Many rural communities rely on agricultural businesses as their main economic base and those same businesses are often the fabric of the rural community's heritage. Cattaraugus County's rural nature is attractive to its more urban neighbors in Erie County and lends itself well to agritourism and agriculture-based events where the "teachable moment" can be used to inform the public about agriculture.

ACTIONS

- Publicize the economic, environmental, and cultural benefits of Cattaraugus County farms. Have appropriate sections of the AFPP and other outreach materials available at public offices. Cornell Cooperative Extension, Soil and Water Conservation District, NRCS, FSA, and Cattaraugus County Department of Economic Development, Planning, and Tourism should have a variety of agricultural publications available for public distribution.
- Identify a key agency/person to be the first contact for agricultural questions and issues. Refer questions to the appropriate agency/person.
- Develop a brochure for use with the non-farm public that explains what farmers do and why they do it. Possible topics: spreading manure, CAFO plans, legal standards, who to contact with questions.
- Plan an event appropriate to meet Cattaraugus County's needs by evaluating models used in other areas of the State such as Saratoga County's Sundae on the Farm, Genesee County's Local Decision Makers Tour, Tompkins County Farm City Day and others. (See more info about the Tompkins County tour at: <http://counties.cce.cornell.edu/tompkins/farmcityday/index.html>)
- Develop a county brochure that highlights agritourism businesses and events available for the public. Include farmers markets and seasonal roadside markets in the brochure.

IMPLEMENTATION RESPONSIBILITY: Agricultural and Farmland Protection Board, Cattaraugus County Department of Economic Development, Planning, and Tourism, Cornell Cooperative Extension, Soil and Water Conservation District, NRCS.

BUDGET CONSIDERATIONS: Action items will require an allocation of staff time. Approximately \$2000 - \$5000 should be allocated for brochure design and printing.

ISSUE PRIORITY: The AFPB recognizes this as a high priority.

FUNDING RESOURCES: County funding should be allocated to cover brochure development and printing costs.

Study Area

Agriculture, as an industry, does not respect the confines of political jurisdictions, and is therefore best analyzed and benchmarked by other measures. The rationale for this is simple, inputs and outputs are marketed and distributed on an increasing broader geographic scale making the agricultural “service area” within which a County’s industry operates significantly larger. In addition, the economic performance of agriculture within a county is often better benchmarked using a broader yardstick such as a region or state. In order to accomplish this effectively, the project team developed multiple target market profiles categorized as follows:

Primary Market Area: Cattaraugus County (See Map 1)

Secondary Market Area: Regional Counties within a 40-mile radius of Cattaraugus County (See Map 2)

Specifically, the data gathered using the above outlined market areas consists of demographic data, market profiles, agricultural production data, and general economic conditions.

Interview List

Personal Interviews			
Name	Affiliation	Name	Affiliation
Chuck Couture		Thomas Livak	
Phyllis Couture		Anna Jensen	
Tim Engles		Bob and Audrey Childs	
Dan Pawlowski		Jim Bockmier	
Jeff Goodyear		Dave Habermehl	
Ron Meeder		Pete Childs	
Don and Dave Telaak		Ron Dechow	
Don Wild		Ron, Penny, and Todd Parker	
Bob Steinbar		Randy Sprague	
David Blanchard		Sue Payne	
Dennis Sibley		David and Bob Potter	
Ted Olson		Chuck Boser	
Carl George		Jim Valent	
Jim Kisker		Frank Valent	
Dave Musall		Martin Culik	
John Elder		Dave Zilker	
Ron Guzetta		Robert Maute	
Gary Patterson			
Stefanie Lundmark			
Brian Aldrich			
Jak Rease			
Elizabeth Mosher			
David Paoletta			
Everrett Mosher			
Francis and Barbara Andera			
Chris and Cathy Andera			
Community Meetings			
Conewango		Ashford	

SWOT Analysis

Introduction

SWOT analysis is a tool used by strategic planners and marketers to assess the competitive environment of a region, industry, business, or product. It is a very simple technique that focuses on the Strengths, Weaknesses, Opportunities, and Threats (SWOT) facing Cattaraugus County agriculture by asking the following questions:

1. What are the advantages of engaging in production agriculture in Cattaraugus County?
2. What unique local conditions support the agricultural industry?
3. What do Cattaraugus County farmers do well?
4. What do Cattaraugus County farmers do poorly?
5. What can be improved in Cattaraugus County agriculture?
6. What are key regional/industrial trends?
7. What are the options and obstacles facing Cattaraugus County farmers?
8. How does Cattaraugus County agriculture fit within the regional context?

For the Cattaraugus County Agricultural Economic Development Strategy, the strengths, weakness, opportunities, and threats were assessed for the agricultural industry overall to include production agriculture as well as agricultural support industries. The SWOT criteria identified are drawn directly from the study team's interviews with the agricultural industry within the County. As such, this analysis should be considered an industry self-assessment.

Table C.1: SWOT Analysis Matrix

INTERNAL FACTORS	
Strengths	Weaknesses
Stable Land Base	Tax Structure
Industry Structure	Farm Transition
Agricultural Infrastructure	Development Patterns
Market Access	Market Access
Economic Strength	Labor - Availability and Cost
Public Sector Support	Utilities
Agricultural Region	Land Competition
Location Factors	Land Fragmentation
Low Development Pressure	Transportation Infrastructure
Supportive Community	Risk Management
Diversifying Production Base	Soils
Tourism Linkages	Grain and Feed Marketing Facilities
Industry Cooperation and Integration	Farmland Consolidation
Transportation Infrastructure	Woodlot Management
Natural and Physical Assets	Neighbor Relations

EXTERNAL FACTORS	
Opportunities	Threats
Regional Business Attraction, Retention, and Expansion	Regional Development Patterns
Industry Consolidation	Regional Competitiveness
Ethnic Market Development	Diminished Capital Investment in Agriculture
Labor Force Development	Market Concentration
Venture Development	Commodity Price Fluctuation
Recreation and Tourism Development	Cost of Doing Business
Regional Land Use	International Market Access
Leadership Development	Farm Consolidation
Public Education	Extra-Regional Business Recruitment
Regional Economic Development Support	State and Local Fiscal Conditions
Regional Demographics	Federal and State Regulatory and Policy Structure
Alternative Energy Development	

Strengths

Overall, the strength of Cattaraugus County agriculture is driven by a series of positive factors such as its strong dairy sector, access to agricultural infrastructure, high quality Northern Appalachian hardwood stands, and supportive communities. These factors are summarized below.

Stable Land Base – Despite several pockets of localized development pressure, Cattaraugus County’s land base remains stable and available for farming activities. Land transitioning out of farming is most often fallowed and returned to a natural state. In many cases, this land remains available for pasture and is well suited to the expansion of small rumen and beef cattle. Over time, this land also serves to expand the available base of Northern Appalachian hardwoods.

Industry Structure – As one of the top ten employers, the agricultural industry remains an important player in the County economy. This role is enhanced by the nearly monolithic importance of the dairy industry and its requirements for employment support services, and inputs. Collectively these needs have created strong backward linkages between dairy and other segments of the local economy such as the transportation and energy sectors. Dairy could have an even greater impact on the local economy, if it were better supported through local output industries. The County’s number two agricultural sector, Nursery and Greenhouse, has similarly strong employment effects and backward linkages.

The forest products industry also has a strong industrial base in the County that links to the land. The industry is buoyed by primary manufacturing of dimension lumber, much of it for export to other regions of the Country or overseas, where it is further processed. The region’s renowned Northern Appalachian hardwoods are the mainstay of the resource base.

Agricultural Infrastructure – Cattaraugus County, while it has a strong agricultural infrastructure, benefits from its proximity to a broader region that has strong agricultural clusters in dairy, vegetables, and field crops. These industries are economically strong and competitive on a regional and national level. They also support relatively strong input and output sectors that leverage the community level impact by providing upstream and downstream jobs and tax base. The following table demonstrates this strength.

Table C-2: Agricultural Infrastructure					
SIC Code	Industry Name	Number of Firms	Total Employment	Total Sales (Millions)	
752	Animal specialty services	213	358		20.8
742	Veterinary services, specialties	158	1,332		41.3
2411	Logging	70	192		11.2
2499	Wood products, nec	50	591		57.6
5191	Farm supplies	47	357		105.3
2421	Sawmills and planing mills, general	45	689		67.6
2431	Millwork	36	301		34.4
2511	Wood household furniture	29	2,364		193.6
2434	Wood kitchen cabinets	26	157		9.4
2426	Hardwood dimension and flooring mills	24	679		33
2099	Food preparations, nec	23	180		42.1
2051	Bread, cake, and related products	23	1,287		13.8
2448	Wood pallets and skids	19	198		15.5
851	Forestry services	18	143		3.1
5153	Grain and field beans	18	96		49.6
811	Timber tracts	17	36		1.6
751	Livestock services, except veterinary	15	58		2.2
2541	Wood partitions and fixtures	15	111		6.8
2013	Sausages and other prepared meats	14	1,074		217.4
2033	Canned fruits and specialties	13	1,846		1,263.00
722	Crop harvesting	11	26		5
2452	Prefabricated wood buildings	11	24		1.8
2084	Wines, brandy, and brandy spirits	10	45		2.5
2052	Cookies and crackers	9	287		45.9
5159	Farm-product raw materials, nec	9	20		2.7
711	Soil preparation services	9	63		4.4
723	Crop preparation services for market	8	36		7.7
5154	Livestock	8	50		9.8
741	Veterinary services for livestock	7	60		2.5
2521	Wood office furniture	6	226		19.3
762	Farm management services	6	27		1.4
2441	Nailed wood boxes and shook	6	69		3.1
2011	Meat packing plants	6	218		133.7
2026	Fluid milk	6	570		325.7
2024	Ice cream and frozen deserts	6	609		153.7
2493	Reconstituted wood products	6	400		26
2491	Wood preserving	6	32		129.4
2022	Cheese; natural and processed	5	813		835.9
2514	Metal household furniture	5	107		41
2599	Furniture and fixtures, nec	5	30		2.2
3523	Farm machinery and equipment	5	18		1
2041	Flour and other grain mill products	5	256		4.7
2015	Poultry slaughtering and processing	4	317		172.2
2035	Pickles, sauces, and salad dressings	4	12		0.8
721	Crop planting and protection	4	49		3.1
2047	Dog and cat food	4	5		0.3
2439	Structural wood members, nec	3	46		0.4
2096	Potato chips and similar snacks	3	10	N/A	
2023	Dry, condensed and evaporated dairy products	3	10		0.4
2091	Canned and cured fish and seafoods	2	3	N/A	
2043	Cereal breakfast foods	2	303		0.3
831	Forest products	2	4		0.2
2032	Canned specialties	2	2		0.2
2097	Manufactured ice	2	11		0.4
2048	Prepared feeds, nec	2	8		6.3
2038	Frozen specialties, nec	2	454		0.2
2053	Frozen bakery products, except bread	2	1,034		698.1
2045	Prepared flour mixes and doughs	1	45		5
2021	Creamery butter	1	N/A	N/A	
2046	Wet corn milling	1	7	N/A	
2519	Household furniture, nec	1	3		0.2
2449	Wood containers, nec	1	1		0.1
761	Farm labor contractors	1	4		0.6

Source: MarketPlace, 2nd Quarter 2005

Market Access – Within a 200 mile radius, there is a population base of nearly 13 million consumers spending nearly \$36.5 billion on food. Of this, \$22 billion is spent on food at home with another \$15.5 billion spent on food away from home. Notable facts about this population are that it tends to be poor (below the national per capita income by \$2,385), ethnically homogenous (91% white versus 75% for the nation), and has lower per household spending than the nation (88% of the national average.) Expanding the market to 750 miles would include nearly 50% of the nation’s consumers and significantly expand the diversity of the market. The Northeast alone accounts for nearly 54 million consumers who are ethnically diverse (75% white, 11% Hispanic, 11% Black and 5% Asian) and generally high food spenders at 114% of the national average (\$193 billion in food expenditures annually).

Economic Strength – Under current conditions, the economy in Cattaraugus County is relatively robust which supports industrial growth and expansion through tax base enhancement, infrastructure investments, workforce improvements, and similar activity. Part of this resurgence can be attributed to resource based industries such as forestry and petroleum extraction. This strong economic base offers good opportunities for expanding business development and business attraction programming in cooperation with private industry.

Public Sector Support – By and large, the agricultural industry has the support of local and county officials who recognize its importance to the County’s economy and culture. This condition is necessary, if the AFPB, the agricultural industry, or related groups are to successfully implement a plan or influence public policy.

Agricultural Region – Cattaraugus County is proximately located within Western New York’s primary agricultural production belt which combines with low residential and commercial growth pressure to create opportunities for continued expansion of agriculture and related industries. The County is proximate to the northern hardwood industry anchored in nearby Pennsylvania Counties which offers similar development potential for the forest products industry.

Location Factors – While Cattaraugus County is not directly impacted by major market opportunities given its geographic location, it is situated within a day’s drive of nearly 60% of the U.S. and Canadian populations. This factor, combined with good rail infrastructure and interstate highway access may make Cattaraugus County an attractive business relocation or expansion location for agriculturally related industries that require easy transportation distances to key Northeastern and Midwestern markets. Future improvements to Route 219 will further enhance the marketability of the area by opening a better north-south commerce route.

Low Development Pressure – Currently, development pressure is modest and concentrated which allows farmers to remain competitive when bidding for agricultural lands. Several issues though are of concern. With a modest number of high productivity soils, housing development seems to concentrate on these soils. Furthermore, housing unit development is taking place on larger lots, which can become land consumptive and drive up agricultural land values rapidly.

Supportive Community – In addition to having a supportive public sector, Cattaraugus County also has strong community support for agriculture. This manifests itself in lower levels of

neighbor conflict and little call for restrictive public policy. However, a changing demographic that includes more weekend and recreational land owners with fewer ties to the area and agriculture may change this situation.

Diversifying Production Base – Though Cattaraugus County does draw strength from its concentration in dairy production, having such a large base adds risk and causes the County’s agricultural industry’s health to be highly correlated to the economic cycles of the dairy industry. Since the mid-1900’s there has been a gradual change in the structure of agriculture demonstrating a shift from nearly complete dependence on dairy. Expansion of the nursery and greenhouse industry lead this change followed by diversification of livestock and increased vegetable production. As these industries grow, they will give a new base from which to extend economic development programming. Similarly, these industries offer new ways for young and part-time farmers to become involved in agriculture.

Tourism Linkages – The County has a strong tourism economy that seems to be growing steadily. To date the tourism market shows a seasonal bent toward winter sports such as skiing and snowmobiling. However, the summer tourism trade is also abundant and driven by regional lake access, horse trails, and proximity to State and National Parks. Fall and spring bring hunters to the area to pursue game and game birds. To date, Cattaraugus County agriculture has been modestly successful in matching the demands of tourists and sportsmen, with the needs of the agricultural producer. As the market grows over time, farmers will have more opportunities to turn tourist related activities into a revenue stream.

Industry Cooperation and Integration – The agricultural industry in Cattaraugus County and Western New York is becoming more integrated over time. This is occurring between sectors and business operations and is accompanied by a high degree of cooperation and coordination. This type of cooperation provides a springboard for regional development planning.

Transportation Infrastructure – Cattaraugus County has a solid, though not world-class, transportation infrastructure anchored by Interstate 86, Principal Arterials such as Route 219, and a solid rail base including one Class One Railroad operator. The presence of such an infrastructure is a necessary element for most manufacturing recruitment efforts.

Natural and Physical Assets – Approximately 15% of Cattaraugus’ soils are classified as Prime and Productive using USDA’s productivity index. These soils, which are most often found in the County’s widely dispersed bottomlands provides the basis for much of the County’s agricultural production. Beyond these high quality bottom lands, the County has varying ranges of soil types and slopes that support a wide range of agricultural uses such as pasturing cattle and the high value hardwoods (black cherry and maple) for which the region is renowned.

Weaknesses

As with any industry, region, or product, Cattaraugus County agriculture has weaknesses that must be addressed while planning for the industry's economic future.

Tax Structure – While tax structure is not purely a local issue, many farmers were concerned that the property tax structure puts an undue burden on landowners, even with a preferential tax system in place. The primary issue is the holding cost of land. Farmers face a relatively steady tax bill whether the industry is in an up or down cycle. When going through a protracted down cycle in pricing, as is often the case in livestock markets, it becomes difficult for farmers to justify holding a large land base. This puts poorer soils and crops with a longer turn, such as pasture land and forest land, at a particular disadvantage.

Other taxes that impact agribusiness competitiveness in New York include utility taxes, the forest inventory tax, and workers compensation. Most significant for Cattaraugus County is the potential impact of fully enforcing the forest products valuation, which may cause land owners who manage woodlots to lower their tax burden by reducing timber stands or the component of long life cycle hardwoods. The long term result could be devastating the wood product industry in New York.

Farm Transition - The interview process clearly pointed out that many farmers are concerned about whether a next generation of farmers will take their place. Based on the decline in acreage and the increasing average age of farmers, this seems to be a real problem. Where there is growth that facilitates farm transition, it is coming from trends in consolidation or shifts to non-traditional sectors such as nursery and greenhouse or vegetable production.

Within the plain sect community, there is a different concern for farm transition. Currently, this community has the need to expand its agricultural land base as a means to retain its younger generation, but has difficulty finding suitable real estate. This may eventually cause the community to move.

Development Patterns – It seems well understood that development pressures in the County are unbalanced with the tourist/recreation areas as well as the northern and eastern portions of the County receiving the highest pressures. Other areas of the County face different land use pressures, making a countywide approach to land conservation challenging. Simply put, what works for some towns, will not work for others.

Complicating the issue of land competition is the form of land ownership. Large tracts of land in the County are under the ownership and control of government entities and Non-Governmental Organizations (NGO's). While all of these lands are not unavailable to farm operators, many have limited utility such as the reservation lands where clear title is impossible to attain and leasehold improvements are difficult. A related issue for some towns is the fact that many of these lands are off of the tax rolls.

Market Access – While market access is generally solid, local markets are not as robust. Local consumers spend the smallest portion of their income on food products while spending only 71% of their income on food stuff. This presents practical limits to developing a strong local food

system, especially one based on high price point products such as “natural” and organic foods. This situation forces direct market farmers to adapt to the tourist trade or to find retail markets nearby urban centers such as Rochester and Buffalo. Looking beyond the retail opportunity, the area lacks good direct access to wholesale and manufacturing opportunities, specifically within the dairy sector.

Labor Availability and Cost – Collectively, local farms represent the sixth largest employment sector, however, there are signs that the farm labor force is weakening. This will be particularly troublesome for more labor intensive operations such as dairy, especially mid-size farms, and nursery and greenhouse operations. A modest transition to new labor pools, such as Hispanic labor, may alleviate some of this burden, however, uncertain immigration legislation may cause uncertainty to this labor pool.

Utilities – Access to affordable, high quality utilities is an imperative to anchoring and attracting a strong agricultural base. This is particularly true for the County’s two largest agricultural sectors of dairy and nursery and greenhouse. Each of these industries has relatively high energy requirements and, in the case of dairy, requires a consistently high quality to maintain herd health and milk production. Based on interview results, many regional farms feel at a disadvantage in terms of energy costs by paying regionally high costs for electric power. In addition, many farmers feel that they have “end of the line” power problems such as low voltage. Similarly, high speed data infrastructure is limited and considered non-competitive.

Land Competition – Overall growth rates in the County do not indicate strong competition for the land base. However, there are pockets of local competition throughout the County that have an impact on the future of agriculture due to the fact that the scattered pockets of productivity class I, II, and III soils are the most likely to be developed. This has strong implications for areas like Little Valley and the northern boarder with Erie County that offer affordable housing for Buffalo commuters. Even without development pressure, the limited inventory of Prime and Productive soils has caused farmers to bid up prices as they compete for land. Long-term, this will diminish the number of farmers able to operate at an efficient scale.

Land Fragmentation – Land fragmentation is closely related to both the dispersed nature of Prime and Productive soils as well as the level of land competition. Farm expansion is often done by leapfrogging neighbors and sometimes skipping entire valley’s to secure adequate acreages. This causes geographic fragmentation of operational farming units and stretches limited resources and infrastructure. Ultimately, this adds to fixed and operational costs.

Transportation Infrastructure – Despite the strong rail infrastructure and southern transportation backbone of Interstate 86, the remainder of the County is served predominately by rural interconnecting roads linking the County’s towns and villages. This road network is not supportive of large volumes of truck traffic and can make transporting agricultural equipment difficult. In addition, farmers complain of generally poor road maintenance. This makes broad based economic development a challenge and adds cost to farming operations.

Risk Management – At both the farm and industry levels, risk management is a challenge. At the industry level, local farms are highly dependent on the overall health of the dairy industry to

support healthy farm operations. There is very little diversification in the industry, for instance, even the local beef cattle industry is predicated on the dairy industry as its primary input supplier. As dairy contracts and expands, so does agriculture in Cattaraugus County. As an overall risk management tool, there should be an effort to encourage a higher level of diversification both within the dairy industry and outside of the dairy industry.

At the farm level, risk management issues take on many forms. First is related to insurance. Unless there is an off-farm employer providing benefits, many farms are not able to offer basic health and disability benefits. This is due in part to farm size relative to premiums as well as a poor understanding of the available insurance and risk management tools. Second, farms often are neither well diversified nor well hedged against market down-turns. Specifically, small and mid sized farms are often not hedged on feed or milk pricing and seem to have a limited understanding of the role of futures and options markets. Improved business planning is one way to improve this condition.

Soils – Cattaraugus County has a very limited availability of Prime and Productive soils. In fact, only 15% of locally prominent soils are rated as Prime and many of these are found in areas with the highest development pressure. Looking more broadly at Prime, Productive, and Soils of Statewide Importance, these types are highly dispersed through the various bottomland areas in the County and in northern areas of the County.

The challenge facing local farmers regarding soils is three fold. First, competition for Prime and Productive Soils (these soil types tend to be highly developable as well as very productive for agriculture) is high both among farmers and farm and non-farm land uses. This drives some locally intense land competition leading to high localized agricultural land values. Second, the dispersed nature of the high quality soil types causes crop production to be highly dispersed which affects costs and growth opportunities. Third, soil limitations combined with high dairy concentration make these soils highly dedicated to corn, grain, and forage production, limiting the amount of crop diversification possible.

Grain and Feed Marketing Facilities – Small farm size, farm dispersion and the regional center of the dairy and grain industries being outside of the County has created a situation whereby the primary grain and feed infrastructure is outside of the County. While the market remains somewhat competitive, access to this infrastructure is becoming more limited for both inputs and outputs. This is complicated by higher energy costs and long distribution routes. Custom services such as grain drying, crop services and harvesting are also challenged. The end result is a higher price point for local farmers and a higher level of coordination and planning.

Farmland Consolidation – Closely allied with several previous issues, farm consolidation and growth is causing locally high competitive pressures for the best farmland. In some cases, this pressure yields a patchwork of ownership that may expand many miles all supporting the same operations. As noted earlier, farm consolidation is also hindered by the large land holdings of non-farm operators such as the Seneca Nation, the State of New York, and the U.S. Government. Current trends in dairy dictate that consolidation is a necessary condition of survival for many farms and this situation will be a continuing problem for local farmers.

Woodlot Management – Interviews indicated that despite having a recognized high value timber resource, many landowners do not effectively manage timber resource for their maximum economic or ecological advantage. Resources are available to landowners to support both of these values and are promoted to some degree by numerous organizations. Yet, landowner participation is considered low. With better participation and outreach, landowners should better utilize forest planning techniques improving woodland habitat and ultimately harvest return which in some cases may exceed returns to their agricultural operations.

Neighbor Relations – Neighbor relations seem to be generally good across the County, however, significant potential exists for this to change. The factors leading this challenge are the locally increasing development pressures in areas such as northern Cattaraugus County, the Ellicottville area, and Salamanca as well as the increasing absentee land ownership (increasing at nearly 1.2 % annually) driven in part by vacation homes and recreational properties. In Maryland, the increasing dispersion of residences among farms is often referred to as “death by a thousand cuts” due to the myriad small problems that it produces such as complaints about farm operations, traffic problems, property incursions for unauthorized recreational uses, conflicting land management intentions, and a growing constituent base that does not understand the industrial nature of agriculture. Based on interviews, farmers are already beginning to feel the pressures of neighbors, especially when the farm is in animal production. As non-farm residences and non-farm land uses such as hunting and trail riding become more prevalent, this issue will become a quantifiable weakness.

Opportunities

The long-term success of the industry is dependent upon its ability to recognize the opportunities presented by changes in the business environment whether they are driven by local, regional or global forces. The opportunities facing most of Cattaraugus County's active agricultural operations are driven by regional market conditions, human resources, and transportation infrastructure as noted below.

Regional Business Attraction, Retention, and Expansion Planning – Few communities in the region, or indeed the United States, do an adequate job of actively retaining, expanding, or attracting agricultural and related businesses. Given Cattaraugus County's strong transportation system, access to key eastern and Midwestern markets, and a regionally strong agricultural sector, it is in a good position to target market for business retention, expansion, and attraction. The end result of such activity should enhance input and output infrastructure as well as targeting new market development opportunities in alternative energy and ethnic specialty meat products.

Industry Consolidation - While many people view industry consolidation as an absolute deterrent to small agricultural communities, it does in fact offer opportunity. As food processors and agribusinesses get larger, they often overlook increasingly larger niche opportunities such as the recent trend toward natural and local food marketing. Recent Roper and Hartman studies indicated that these market niches are rapidly growing and offer better price points than many gourmet and organic food products. Often these markets are best accessed by partnerships between grower groups and small, specialized marketing companies. Good examples can be found in the cheese industry where artisanal cheeses are most often represented by specialty brokers allowing farmers to concentrate on milk and cheese production. This market, in particular, is a good example of the opportunity present as many large processors shy away from the special production, handling and aging requirements of these products.

Beyond product marketing, food industry consolidation often offers localized, though often temporal, opportunities to serve a valuable input niche. At the production level, the use of cow-calf operations to supply large dairy and beef herds is one example. As well, dairy farmers local to a manufacturing plant may find themselves in a good negotiating position at contract time due to their ability to act as a balancing supplier of milk.

Ethnic Market Development – Ethnic markets for agricultural products and production processes are presenting new possibilities for crops and livestock on a regular basis. For Cattaraugus County, the most notable ethnic markets are Muslim (represented by H'Allal) and Hispanic. Each of these markets exists in generally large numbers throughout the region, and is highly concentrated within a day's drive in the Midwestern and Eastern United States and Canada. Fast growing Hispanic markets can be found within the fresh fruit and vegetable sector as well as in dairy, where fresh, raw milk cheeses are seeing large growth. Similarly, H'Allal offers an opportunity for dairy and meat products as well as other processed foods. Cattaraugus County is very well situated to exploit this market with the largest Muslim population in North America within a one-day drive.

Labor Force Development – Based on interviews, the region seems to have a solid workforce, especially for production, transportation, warehousing, and manufacturing jobs. However, the

work force is limited by factors such as immigration status, literacy, math proficiency, and advanced skills. Therefore, development of this labor force for agricultural and related jobs is likely to increase its productivity and improve business recruitment and retention. Work force development of agricultural and related labor should correspond with federal efforts to rectify the immigrant status of many workers in agriculture and related fields.

Venture Development - Western New York has excellent potential to build upon its agricultural industry by aggregating its resources and targeting high probability opportunities. Agricultural industry sectors are already well integrated across county lines and are increasingly integrating across commodity lines. The next logical step to foster this regional growth is to create a public-private partnership between growth-oriented agricultural sectors and economic development officials to leverage additional growth. Models such as the Golden Capital Network in California and the newly created Hudson Valley Agriculture Development Corporation provide useful models.

Recreation and Tourism Development – Regional tourism is vibrant and diverse and is already a sector that is somewhat linked to agriculture. Locally, the situation is largely the same with agriculture playing only a minor role in the expansion of year-round tourism (based on 2002 data approximately \$320,000 in output contribution). As has been demonstrated in areas like Lancaster County Pennsylvania, tourism can have much larger impacts on agriculture where it is properly planned and marketed. Regionally many of the assets are in place including a large Amish community with a strong network of craftsman shops and store fronts, a large equine community, and multi-season outdoor recreation venues. Packaged and marketed as a region with multiple options for destination agritourism (e.g., horse parks/trails, agriculturally related festivals, etc.) could dramatically increase the recreation and tourism value of agriculture.

Regional Land Use – Regional land use patterns have largely spared Cattaraugus County from expansive suburban development, however, the suburbanization of neighbors has an impact on local land use that may be a positive factor for agriculture. Specifically, the growth in non-resident land ownership, especially properties purchased for recreational uses, is creating a new class of land-owner with different land management objectives. From a jurisdictional stand point, this type of landowner is often preferable to a resident property owner, because they often pay more taxes than they consume in services. From an agricultural operations standpoint, this type of landownership and land use pattern may offer access to favorable lease terms, especially when the farmer plays an active role in advancing the landowners property management goals.

Leadership Development – Regionally, there is very strong agricultural leadership. However, this leadership is often internally focused within a county or an industry sector. Working within existing structures, leaders should be developed to focus on regional agricultural needs especially as it relates to attracting new agriculturally related industries such as processing and manufacturing capacity.

Public Education – As with leadership development above, the region is rich in public education programming from youth to adult focused programming. However, programs are often parochial in nature and focus on limited target audiences and markets. A greater value can be derived from these programs by working within a regional context,.

Regional Economic Development Support – The regional industrial real estate market lacks a significant speculative development and marketing partner. The public sector in other regions, such as Pennsylvania, has stepped into this role to create agriculture related business parks with pre-approved development sites. Because Western New York lacks such a partnership and because of its reputation as a difficult place to do business, agricultural development projects are being lost to regional competitors.

Regional Demographics – As noted previously, Cattaraugus County has proximate access to a large market area within a 750 mile radius. This market includes nearly 50% of the nation's consumers and includes high levels of diversity including large Hispanic and Middle Eastern populations. The Northeast alone accounts for nearly 54 million consumers who are ethnically diverse (75% white, 11% Hispanic, 11% Black and 5% Asian) and generally high food spenders at 114% of the national average (\$193 billion in food expenditures annually).

Alternative Energy Development - Key trends leading alternative energy market development include advances in biotechnology, bio-refining, food engineering, and energy. As these new market developments continue to unfold, it will be important to have the flexibility in land use and economic development policies to embrace those that are regionally viable. By example, to successfully embrace the bio-refining of green crop residues, it may be necessary to amend land use regulations to accommodate on-farm refining capacity. Maintaining solid relationships with the agriculture and technology sectors is a necessary precursor to successfully capture these opportunities. Access to the transportation industry and proximity to oil and gas infrastructure, especially refining, is important and are all strong factors for Cattaraugus County and the region.

Wind energy development is another important growth industry regionally and one that offers a strong development opportunity in Cattaraugus County. As with other energy development processes, communities wishing to support wind energy projects should be proactive in dealing with land use issues.

Threats

Threats represent those elements of the business environment that offer the greatest challenges to long-term survival of the agricultural industry. Many threats are beyond the control of the industry and frequently require additional resources.

Development Patterns/Pressure (sprawl without growth) – Unlike many areas in the Northeast, Cattaraugus County and the surrounding area are undergoing very modest growth. However, this does not mean that the land base is not being pressured. In fact, the growth that is occurring is more land consumptive than in previous decades, consisting primarily of large lot single-family residences and recreational properties. This has the practical effect of fracturing the land base and dispersing ownership. To the extent that this type of development takes place on agricultural lands, it may effectively change the land's use from agriculture to some other use or have one of the following impacts.

The first impact comes from the nature of conflicting land uses. Agriculture, despite providing a pleasant and pastoral landscape, is a commercial and industrial land use that produces dust, odors, slow moving traffic, and other conditions that conflict with residential use. There are true economic costs associated with managing farm operations, especially livestock operations, in close proximity to rural residences. In addition to the direct costs associated with operational changes, there are additional social costs to this conflict that include neighbor infighting, nuisance suits, and crop damage.

The second impact from current land development pressure comes from the patchwork of development. As developed parcels leapfrog existing farms, they limit the expansion capability of existing operations while impacting successful intergenerational transfers. In addition, the patchwork of farms requires farmers to travel greater distances between parcels increasing both the time and expense of farming.

The third issue involves the quality of land resources being consumed by development. To put it simply, the best soils and topography for farming are the easiest lands to develop and generally the first to convert. This increases the proportion of marginal soils under cultivation and has the potential to limit the efficiency of county farms.

The fourth issue affected by land use patterns centers on the increase in land value. As a result of increased demand for land, farmers are sometimes forced to compete for land at higher prices than farm economics can comfortably support. This impacts both operational costs as well as farm transition pressures.

Regional Competitiveness - The agricultural products produced in Cattaraugus County and indeed all of New York are commodities that must compete in World markets. In this regard, Cattaraugus County has certain disadvantages such as the high cost of doing business in the area which is driven by relatively high land values, taxes, labor costs, and diminishing competitiveness of local input and output markets. As well, Cattaraugus County does not share the same productive assets (e.g., Prime and Productive soils) as its neighbors of Erie, Wyoming, and Livingston Counties and therefore has lower production efficiencies per unit of crop land.

This has the effect of forcing out marginal operations and accelerating the adoption of innovation and industry consolidation.

Diminished Capital Investment in Agriculture - In order for an industry to remain competitive, the industry must make capital investments in plant and equipment. Current economic conditions, combined with issues of impermanence, are slowing the rate at which these investments are being made especially on mid-size and small farms. This sends the signal that farms are planning to exit agricultural production over time and is indeed a national problem.

Market Concentration – Agricultural industries in all sectors have been consolidating under concentrated ownership. These changes, while occurring to some degree at the production level, are most prominent in post-harvest handling and processing. This concentration of market power is increasingly blamed for depressing markets and creating other unfavorable conditions for growers.

Commodity Price Fluctuations – Agricultural products such as dairy, beef, and small grains are commodities with worldwide markets and worldwide production and are therefore subject to significant price fluctuations as commodity markets cycle. Cattaraugus County is not immune to these cycles. Due to its heavy dependence on dairy, the impacts of these cycles may be amplified across the all agricultural sectors.

Cost of Doing Business – To some extent, the region’s agricultural infrastructure has been in decline for years, a condition fostered by the poor financial conditions which reduced investment in local infrastructure. At the same time, farmers began to use more “just-in-time” inventory methods and relied on common carriers to deliver supplies from lowest cost providers around the Country, opening regional suppliers to more national level competition and reducing local competitiveness.

Beyond infrastructure issues, the tax structure imposed on agricultural and forest landowners places an ever present burden on the regional industry irrelevant to the industry cycle. While this may not ultimately affect the long term costs borne by New York farms, it does have a significant cash flow impact or “cost” during depressed business cycles. The end result is a higher cost of doing business.

International Market Access – Cattaraugus County farms, especially in the dairy and horticultural sectors, are experiencing significantly higher international trade pressure. This change has milk selling as components rather than fluid that can largely be sourced anywhere in the world. Similarly, plant material from Canada puts significant price pressure on the Nursery and Greenhouse sector reducing demand for local products. This pressure is expected to increase based on current World Trade Organization negotiations that will eliminate agricultural subsidies providing for freer trade of goods and services.

Farm Consolidation – Nationally and regionally, farms are consolidating into increasingly larger production units. The dairy industry has been significantly impacted by this trend, which has affected all aspects of the industry such as input infrastructure, operating costs, land

requirements, capital requirements, and labor utilization. Cattaraugus County is not well suited to this type of farm consolidation due to its topography, soils, and infrastructure.

Extra-Regional Business Recruitment – Ohio and Pennsylvania have developed aggressive statewide policies for business recruitment that are effectively targeting food and agribusiness related companies. These programs are designed to fast track the relocation and development process and offer incentive packages tailored to certain manufacturing and distribution companies. Businesses looking to relocate to the region are often attracted to these programs even though they may prefer a location in New York. In order to counter balance this trend, communities in Western New York must be aggressively prepared to compete for appropriate opportunities.

State & Local Fiscal Conditions - Poor fiscal conditions will impact the development of local and regional agricultural development initiatives. Many government officials are currently considering cuts to existing programs, a condition that will likely be in place for the next 2 to 3 fiscal cycles as the costs of healthcare and unfunded mandates increase. In this environment, new initiatives must demonstrate a clear linkage to overarching economic development goals such as increasing tax base or employment in order to be given serious consideration.

Federal and State Regulatory and Policy Structure – Proposed federal and state immigrant labor policies remain unresolved, yet efforts to place greater punitive remedies on farmers and other businesses that knowingly (or unknowingly) employ undocumented labor are gaining in political popularity. If many of the proposed legislative changes are made, the costs of farming (especially dairy greenhouse, nursery, and vegetable) may rise to unsustainable levels. Such changes have the potential to be devastating to local agriculture.

In addition to the aforementioned proposed changes to immigrant labor regulations, there may be significant changes to federal program funding in both commodity and conservation programs. These changes would be based, in part, on federal fiscal conditions.

Introduction

This appendix is intended to introduce the reader to the demographic profile of Cattaraugus County and the surrounding 40-mile market area as defined in Appendix A. The project team hopes to illustrate trends within market areas as well as relationships among the market areas such as population rates, neighborhood profiles, employment characteristics, workforce characteristics, and the differentials in consumer spending patterns that can influence development planning. Included in this data are the results of the 2000 U.S. population census as well as 2005 and 2010 ESRI factor projections.

Data for this appendix was purchased on behalf of Cattaraugus County. This data was selected because it offers reliable projection methodologies available and is comparable across multiple jurisdictions. Other, demographic data such as that provided by the U.S. Census Bureau, is available, but does not offer the same predictive power. Due to the proprietary nature of this data, it is intended for the internal use of the County only.

Highlights

Following are highlights of Cattaraugus County's demographic data.

- Cattaraugus County is expected to lose population at a rate of -0.09% between 2005 and 2010, this is nearly double the 40-mile market area's expected decline of .04%.
- Cattaraugus County's population is aging rapidly as is the region.
- Housing units in Cattaraugus County and the region are expected to grow over the same time period by 1.4%, reflecting a higher number of second homes.
- Household income growth is not keeping pace with regional and national averages.
- Average home value is expected to rise faster than the regional average , representing a median household value of more than 167,000 by 2010.
- Based on Consumer Expenditure Data, Cattaraugus County has consumer food expenditure rates that significantly lag the region and nation.
- Cattaraugus County has very low population diversity, however, Native American and Hispanic populations are demonstrating growth.
- Educational attainment levels in Cattaraugus County exhibit generally low attainment beyond the secondary school level.
- Cattaraugus County has low commuter rate with 70% of workers commuting less than 25 minutes.
- Cattaraugus County's workforce is oriented toward blue-collar (29%) jobs with nearly 1% reporting agriculture related jobs and 10% manufacturing related employment.
- Cattaraugus County has high unemployment (7.0%), but leads the region which has 7.7% unemployment.
- Approximately 88% of the housing stock was constructed before 1990 with a median construction date of 1954. 15% of housing is classified as mobile housing.



Market Profile

County: 36009

Counties: 36003

Prepared by ACDS, LLC

Cattaraugus County,
NY

40-Mile Market Area

	2000 Total Population	83,955	1,439,528
	2000 Group Quarters	3,236	59,896
	2005 Total Population	83,590	1,436,542
	2010 Total Population	83,195	1,433,727
	2005 - 2010 Annual Rate	-0.09%	-0.04%
	2000 Households	32,023	565,201
	2000 Average Household Size	2.52	2.44
	2005 Households	32,390	571,851
	2005 Average Household Size	2.48	2.4
	2010 Households	32,531	575,083
	2010 Average Household Size	2.46	2.39
	2005 - 2010 Annual Rate	0.09%	0.11%
	2000 Families	21,662	368,454
	2000 Average Family Size	3.05	3.03
	2005 Families	21,681	368,444
	2005 Average Family Size	3.01	3
	2010 Families	21,523	365,604
	2010 Average Family Size	2.99	2.98
2005 - 2010 Annual Rate	-0.15%	-0.15%	
	2000 Housing Units	39,839	642,936
	Owner Occupied Housing Units	59.8%	59.8%
	Renter Occupied Housing Units	20.6%	28.1%
	Vacant Housing Units	19.6%	12.1%
	2005 Housing Units	40,894	658,013
	Owner Occupied Housing Units	60.2%	60.7%
	Renter Occupied Housing Units	19.0%	26.2%
	Vacant Housing Units	20.8%	13.1%
	2010 Housing Units	41,472	666,980
	Owner Occupied Housing Units	59.7%	60.4%
	Renter Occupied Housing Units	18.7%	25.8%
	Vacant Housing Units	21.6%	13.8%
	Median Household Income		
2000	\$33,340	\$37,203	
2005	\$37,209	\$42,743	
2010	\$41,282	\$48,643	
Median Home Value			
2000	\$58,997	\$81,245	
2005	\$124,864	\$129,481	
2010	\$167,434	\$176,022	
Per Capita Income			
2000	\$15,959	\$19,132	
2005	\$18,747	\$22,964	
2010	\$21,413	\$27,215	
Median Age			
2000	37.3	37.7	
2005	38.6	39.1	
2010	40.1	40.6	

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by total population. Detail may not sum to totals due to rounding.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2005 and 2010.



Market Profile

County: 36009

Counties: 36003

Prepared by ACDS, LLC

Cattaraugus County,
NY

40-Mile Market Area

**2000 Households by Income**

Household Income Base	32,055	565,230
< \$15,000	19.2%	18.5%
\$15,000 - \$24,999	17.5%	14.9%
\$25,000 - \$34,999	15.6%	13.6%
\$35,000 - \$49,999	18.8%	17.1%
\$50,000 - \$74,999	18.1%	18.9%
\$75,000 - \$99,999	6.3%	8.9%
\$100,000 - \$149,999	3.3%	5.5%
\$150,000 - \$199,999	0.6%	1.3%
\$200,000 +	0.6%	1.2%
Average Household Income	\$41,061	\$47,751

2005 Households by Income

Household Income Base	32,390	571,826
< \$15,000	16.2%	15.5%
\$15,000 - \$24,999	15.8%	13.3%
\$25,000 - \$34,999	14.7%	12.2%
\$35,000 - \$49,999	18.8%	16.6%
\$50,000 - \$74,999	18.6%	19.1%
\$75,000 - \$99,999	8.7%	10.8%
\$100,000 - \$149,999	5.4%	8.6%
\$150,000 - \$199,999	1.0%	2.0%
\$200,000 +	0.9%	1.9%
Average Household Income	\$46,966	\$56,202

2010 Households by Income

Household Income Base	32,531	575,058
< \$15,000	14.3%	13.5%
\$15,000 - \$24,999	14.7%	11.8%
\$25,000 - \$34,999	13.2%	10.8%
\$35,000 - \$49,999	17.9%	15.2%
\$50,000 - \$74,999	19.5%	19.1%
\$75,000 - \$99,999	9.6%	11.8%
\$100,000 - \$149,999	7.5%	11.3%
\$150,000 - \$199,999	1.7%	3.3%
\$200,000 +	1.6%	3.3%
Average Household Income	\$53,206	\$66,217

2000 Owner Occupied HUs by Value

Total	23,831	384,389
< \$50,000	38.3%	19.5%
\$50,000 - \$99,999	46.4%	50.2%
\$100,000 - \$149,999	10.4%	19.3%
\$150,000 - \$199,999	3.1%	6.4%
\$200,000 - \$299,999	1.2%	3.2%
\$300,000 - \$499,999	0.4%	1.0%
\$500,000 - \$999,999	0.1%	0.3%
\$1,000,000+	0.1%	0.1%
Average Home Value	\$69,293	\$93,388

2000 Specified Renter Occupied HUs by Contract Rent

Total	7,903	178,278
With Cash Rent	91.1%	95.0%
No Cash Rent	8.9%	5.0%
Median Rent	\$328	\$390
Average Rent	\$319	\$405

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest, dividends, net rents, pensions, SSI and welfare payments, child support and alimony. Specified Renter Occupied HUs exclude houses on 10+ acres. Average Rent excludes units paying no cash rent.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2005 and 2010.



Market Profile

County: 36009

Counties: 36003

Prepared by ACDS, LLC

Cattaraugus County,
NY

40-Mile Market Area



2000 Population by Age

Total	83,955	1,439,528
0 - 4	6.2%	6.0%
5 - 9	6.9%	6.9%
10 - 14	8.0%	7.2%
15 - 24	14.3%	13.5%
25 - 34	11.3%	12.3%
35 - 44	15.2%	15.7%
45 - 54	14.0%	13.7%
55 - 64	9.4%	9.2%
65 - 74	7.7%	7.9%
75 - 84	5.2%	5.7%
85+	1.8%	1.9%
18+	73.8%	75.6%

2005 Population by Age

Total	83,590	1,436,542
0 - 4	6.3%	6.0%
5 - 9	6.0%	5.8%
10 - 14	6.8%	6.8%
15 - 24	15.9%	14.9%
25 - 34	10.6%	11.1%
35 - 44	13.5%	14.2%
45 - 54	15.3%	15.0%
55 - 64	11.0%	10.6%
65 - 74	7.4%	7.2%
75 - 84	5.2%	6.0%
85+	2.0%	2.4%
18+	76.3%	77.2%

2010 Population by Age

Total	83,195	1,433,727
0 - 4	6.2%	5.9%
5 - 9	5.7%	5.4%
10 - 14	6.5%	6.3%
15 - 24	15.1%	15.0%
25 - 34	11.2%	11.2%
35 - 44	11.9%	12.5%
45 - 54	15.2%	15.3%
55 - 64	13.4%	12.7%
65 - 74	7.5%	7.4%
75 - 84	5.2%	5.7%
85+	2.2%	2.7%
18+	77.5%	78.4%

2000 Population by Sex

Males	49.0%	48.5%
Females	51.0%	51.5%

2005 Population by Sex

Males	49.1%	48.5%
Females	50.9%	51.5%

2010 Population by Sex

Males	49.1%	48.5%
Females	50.9%	51.5%

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2005 and 2010.



Market Profile

County: 36009

Counties: 36003

Prepared by ACDS, LLC

Cattaraugus County,
NY

40-Mile Market Area



2000 Population by Race/Ethnicity

Total	83,955	1,439,528
White Alone	94.6%	86.6%
Black Alone	1.1%	9.3%
American Indian Alone	2.6%	0.6%
Asian or Pacific Islander Alone	0.5%	1.1%
Some Other Race Alone	0.2%	1.2%
Two or More Races	1.0%	1.2%
Hispanic Origin	0.9%	2.9%
Diversity Index	12.0	28.5

2005 Population by Race/Ethnicity

Total	83,590	1,436,542
White Alone	93.5%	84.6%
Black Alone	1.5%	10.3%
American Indian Alone	2.8%	0.7%
Asian or Pacific Islander Alone	0.6%	1.5%
Some Other Race Alone	0.4%	1.5%
Two or More Races	1.3%	1.5%
Hispanic Origin	1.4%	3.6%
Diversity Index	14.8	32.3

2010 Population by Race/Ethnicity

Total	83,195	1,433,727
White Alone	92.6%	82.6%
Black Alone	1.7%	11.3%
American Indian Alone	3.0%	0.7%
Asian or Pacific Islander Alone	0.8%	1.9%
Some Other Race Alone	0.4%	1.8%
Two or More Races	1.5%	1.7%
Hispanic Origin	1.7%	4.3%
Diversity Index	17.0	36.1



2000 Population 3+ by School Enrollment

Total	80,881	1,389,538
Enrolled in Nursery/Preschool	1.4%	1.7%
Enrolled in Kindergarten	1.5%	1.4%
Enrolled in Grade 1-8	12.6%	12.1%
Enrolled in Grade 9-12	6.6%	6.0%
Enrolled in College	4.7%	5.6%
Enrolled in Grad/Prof School	0.6%	1.2%
Not Enrolled in School	72.5%	72.1%

2000 Population 25+ by Educational Attainment

Total	54,154	956,912
Less than 9th Grade	5.7%	5.2%
9th - 12th Grade, No Diploma	13.1%	12.4%
High School Graduate	41.2%	33.3%
Some College, No Degree	16.6%	18.3%
Associate Degree	8.5%	9.2%
Bachelor's Degree	8.3%	12.7%
Master's/Prof/Doctorate Degree	6.6%	8.9%

Data Note: Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2005 and 2010.



Market Profile

County: 36009

Counties: 36003

Prepared by ACDS, LLC

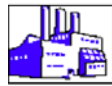
Cattaraugus County,
NY

40-Mile Market Area



2000 Population 15+ by Sex and Marital Status

Total	66,237	1,150,944
Females	51.9%	52.3%
Never Married	12.1%	13.1%
Married, not Separated	27.4%	26.3%
Married, Separated	1.4%	1.3%
Widowed	6.2%	6.7%
Divorced	4.8%	4.9%
Males	48.1%	47.7%
Never Married	13.5%	14.8%
Married, not Separated	27.3%	26.5%
Married, Separated	1.1%	1.0%
Widowed	1.6%	1.6%
Divorced	4.7%	3.9%



2000 Population 16+ by Employment Status

Total	64,739	1,130,316
In Labor Force	63.1%	62.1%
Civilian Employed	58.4%	57.6%
Civilian Unemployed	4.7%	4.4%
In Armed Forces	0.0%	0.1%
Not in Labor Force	36.9%	37.9%

2005 Civilian Population 16+ in Labor Force

Civilian Employed	93.0%	92.3%
Civilian Unemployed	7.0%	7.7%

2010 Civilian Population 16+ in Labor Force

Civilian Employed	93.6%	93.0%
Civilian Unemployed	6.4%	7.0%

2000 Females 16+ by Employment Status and Age of Children

Total	33,658	591,574
Own Children < 6 Only	6.8%	6.3%
Employed/in Armed Forces	4.4%	4.1%
Unemployed	0.3%	0.3%
Not in Labor Force	2.0%	1.9%
Own Children <6 and 6-17	5.2%	5.6%
Employed/in Armed Forces	3.1%	3.4%
Unemployed	0.2%	0.2%
Not in Labor Force	1.9%	2.0%
Own Children 6-17 Only	17.2%	16.7%
Employed/in Armed Forces	13.6%	12.8%
Unemployed	0.5%	0.5%
Not in Labor Force	3.1%	3.4%
No Own Children <18	70.8%	71.4%
Employed/in Armed Forces	32.9%	33.2%
Unemployed	2.4%	2.5%
Not in Labor Force	35.5%	35.8%

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2005 and 2010.



Market Profile

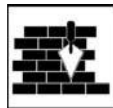
County: 36009

Counties: 36003

Prepared by ACDS, LLC

Cattaraugus County,
NY

40-Mile Market Area



2005 Employed Population 16+ by Industry

Total	40,589	667,459
Agriculture/Mining	2.9%	1.4%
Construction	6.3%	5.4%
Manufacturing	14.9%	12.7%
Wholesale Trade	3.5%	4.3%
Retail Trade	12.2%	11.8%
Transportation/Utilities	4.3%	4.4%
Information	1.4%	1.9%
Finance/Insurance/Real Estate	3.2%	5.4%
Services	46.9%	48.3%
Public Administration	4.4%	4.4%

2005 Employed Population 16+ by Occupation

Total	40,589	667,459
White Collar	51.1%	59.0%
Management/Business/Financial	9.3%	11.6%
Professional	20.0%	22.7%
Sales	10.0%	10.6%
Administrative Support	11.7%	14.1%
Services	20.2%	18.4%
Blue Collar	28.7%	22.6%
Farming/Forestry/Fishing	1.1%	0.6%
Construction/Extraction	5.5%	4.2%
Installation/Maintenance/Repair	4.2%	3.6%
Production	9.8%	7.8%
Transportation/Material Moving	8.1%	6.4%



2000 Workers 16+ by Means of Transportation to Work

Total	36,941	637,171
Drove Alone - Car, Truck, or Van	76.6%	79.7%
Carpooled - Car, Truck, or Van	12.6%	10.4%
Public Transportation	0.7%	3.0%
Walked	5.6%	3.8%
Other Means	1.0%	0.7%
Worked at Home	3.4%	2.6%

2000 Workers 16+ by Travel Time to Work

Total	36,941	637,171
Did not Work at Home	96.6%	97.4%
Less than 5 minutes	8.6%	4.7%
5 to 9 minutes	17.3%	13.2%
10 to 19 minutes	30.6%	33.2%
20 to 24 minutes	10.2%	15.8%
25 to 34 minutes	12.8%	17.4%
35 to 44 minutes	4.1%	4.8%
45 to 59 minutes	6.4%	4.3%
60 to 89 minutes	4.3%	2.4%
90 or more minutes	2.3%	1.6%
Worked at Home	3.4%	2.6%
Average Travel Time to Work (in min)	21.7	21.3

2000 Households by Vehicles Available

Total	32,023	565,201
None	9.7%	13.0%
1	37.1%	37.8%
2	39.2%	37.0%
3	10.8%	9.3%
4	2.5%	2.2%
5+	0.8%	0.7%
Average Number of Vehicles Available	1.6	1.5

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2005.



Market Profile

County: 36009

Counties: 36003

Prepared by ACDS, LLC

Cattaraugus County,
NY

40-Mile Market Area



2000 Households by Type

Total	32,023	565,201
Family Households	67.6%	65.2%
Married-couple Family	52.3%	48.8%
With Related Children	23.5%	21.6%
Other Family (No Spouse)	15.4%	16.4%
With Related Children	10.5%	10.4%
Nonfamily Households	32.4%	34.8%
Householder Living Alone	26.8%	29.2%
Householder Not Living Alone	5.5%	5.6%
Households with Related Children	34.0%	32.1%
Households with Persons 65+	26.6%	27.6%

2000 Households by Size

Total	32,023	565,201
1 Person Household	26.8%	29.2%
2 Person Household	34.0%	32.9%
3 Person Household	15.8%	15.7%
4 Person Household	13.4%	13.4%
5 Person Household	6.5%	6.0%
6 Person Household	2.3%	1.9%
7+ Person Household	1.2%	0.9%

2000 Households by Year Householder Moved In

Total	32,023	565,201
Moved in 1999 to March 2000	13.9%	15.3%
Moved in 1995 to 1998	23.0%	23.3%
Moved in 1990 to 1994	15.9%	15.6%
Moved in 1980 to 1989	18.7%	17.6%
Moved in 1970 to 1979	11.7%	11.9%
Moved in 1969 or Earlier	16.8%	16.3%
Median Year Householder Moved In	1991	1991



2000 Housing Units by Units in Structure

Total	39,839	642,936
1, Detached	65.3%	60.1%
1, Attached	1.8%	2.5%
2	7.5%	16.9%
3 or 4	4.3%	6.0%
5 to 9	2.4%	3.9%
10 to 19	1.1%	1.9%
20+	1.5%	3.4%
Mobile Home	14.9%	5.1%
Other	1.2%	0.2%

2000 Housing Units by Year Structure Built

Total	39,839	642,936
1999 to March 2000	1.4%	0.9%
1995 to 1998	4.7%	3.1%
1990 to 1994	6.2%	4.0%
1980 to 1989	11.0%	7.3%
1970 to 1979	12.7%	11.1%
1969 or Earlier	64.1%	73.7%
Median Year Structure Built	1954	1952

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing.



Market Profile

Prepared by ACDS, LLC

County: 36009 Counties: 36003
 Cattaraugus County, 40-Mile Market Area
 NY

Top 3 Tapestry Segments

1.	Rooted Rural	Rustbelt Retirees
2.	Salt of the Earth	Cozy and Comfortable
3.	Great Expectations	Rustbelt Traditions



2005 Consumer Spending shows the amount spent on a variety of goods and services by households that reside in the market area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue.

Apparel & Services: Total \$	\$41,490,761	\$915,613,368
Average Spent	\$1,280.97	\$1,601.14
Spending Potential Index	49	61
Computers & Accessories: Total \$	\$5,293,100	\$116,005,706
Average Spent	\$163.42	\$202.86
Spending Potential Index	66	82
Education: Total \$	\$23,170,535	\$535,266,966
Average Spent	\$715.36	\$936.03
Spending Potential Index	65	86
Entertainment/Recreation: Total \$	\$73,225,725	\$1,516,061,065
Average Spent	\$2,260.75	\$2,651.15
Spending Potential Index	71	83
Food at Home: Total \$	\$111,704,565	\$2,281,747,920
Average Spent	\$3,448.74	\$3,990.11
Spending Potential Index	73	84
Food Away from Home: Total \$	\$71,765,173	\$1,533,876,497
Average Spent	\$2,215.66	\$2,682.30
Spending Potential Index	69	83
Health Care: Total \$	\$91,247,680	\$1,781,113,344
Average Spent	\$2,817.16	\$3,114.65
Spending Potential Index	79	88
HH Furnishings & Equipment: Total \$	\$40,880,984	\$869,470,457
Average Spent	\$1,262.15	\$1,520.45
Spending Potential Index	59	71
Investments: Total \$	\$67,447,418	\$1,932,246,526
Average Spent	\$2,082.35	\$3,378.93
Spending Potential Index	46	75
Retail Goods: Total \$	\$579,378,075	\$11,557,125,512
Average Spent	\$17,887.56	\$20,210.03
Spending Potential Index	71	80
Shelter: Total \$	\$282,839,805	\$6,374,023,159
Average Spent	\$8,732.32	\$11,146.30
Spending Potential Index	63	81
TV/Video/Sound Equipment: Total \$	\$23,908,604	\$506,511,540
Average Spent	\$738.15	\$885.74
Spending Potential Index	70	84
Travel: Total \$	\$37,790,642	\$827,680,147
Average Spent	\$1,166.74	\$1,447.37
Spending Potential Index	67	84
Vehicle Maintenance & Repairs: Total \$	\$23,480,680	\$483,797,045
Average Spent	\$724.94	\$846.02
Spending Potential Index	70	82

Data Note: The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

Source: Expenditure data are derived from the 2001, 2002 and 2003 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI forecasts for 2005 and 2010.

Implications for the Cattaraugus County Agricultural and Farmland Protection Plan

Cattaraugus County is best described as a transitioning rural county. Overall, the County is losing population base, however, some communities, like Ellicottville, are experiencing growth. The greatest external demographic influences are proximity to employment opportunities in Buffalo and the recreational opportunities afforded in the Enchanted Mountains region. The resulting development affects the northern portions of the County's most significantly and will likely be heightened by improvements to Route 219. The southern and western portions of the County demonstrate very little change in housing stock, population growth, wealth, homeownership, and other demographic features.

Because of the above-mentioned uneven pressures, the impact on agriculture in terms of conversion pressure is felt more strongly in the northeastern portions of the County with easy access to the Buffalo area.

Several demographic and market factors are significant:

- Growth is slow and not, in most places in the County, a significant threat to farmland transition.
- Where growth pressure is highest, high quality farmland is transitioning first.
- Housing value increases lead the region and are led by growth in vacation and second homes. As with growth pressure, increases in value are not uniform across the County.
- Shrinking population and rising housing unit numbers contributes to sprawl without the benefit of affiliated growth. Conversely, such housing places fewer demands on community services.
- The employment base is geared toward blue-collar professions such as manufacturing which may offer a competitive advantage in attracting food-manufacturing companies.
- The projected aging of the population when combined with declining household size indicates a likely shift in the food market as the population moves to a fixed income base and makes smaller average food purchases. These trends will likely keep the food market depressed.
- Slow growth in high-income households and ethnic diversity do not indicate strong opportunity for specialty retail and direct marketing opportunities.
- Lagging household and per capita income, indicate that Cattaraugus County's households may have less disposable income for non-essential food and recreation items, making outside consumers of these products an important market segment.

Overall, demographic and market research indicates that growth pressure threatens a discrete area in the County that is defined by its commuting distance to metropolitan Buffalo and the County's tourist attractions. Outside of this, the economic development

challenges for agriculture focus on developing a more competitive industrial base that suits workforce conditions and supports the needs and interests of local agriculture.

Introduction

This appendix is intended to introduce the reader to the consumer expenditure profiles for Cattaraugus County and surrounding market area residents including counties located within 40-mile market. In addition to the 40-mile market, the project team also collected consumer expenditure data for a 200-mile radius market area for comparative purposes. The data is used to demonstrate the level of spending for food and related goods purchased by consumers within a specific market. In addition, the data demonstrates total expenditures made by type and indexes these expenditures to national average levels of expenditure. While indexing to national averages is instructive of the relative cost of living in a community, it can be misleading due to other local market conditions.

Data for this appendix was purchased from ESRI on behalf of Cattaraugus County. This data is based on federal surveys of consumer expenditures conducted by the United States Department of Labor. Due to the proprietary nature of this data, it is intended for the internal use of the County only.

Highlights

Following are highlights of Cattaraugus County’s consumer expenditure data.

Table D.1: Summary Consumer Expenditure Data			
Expenditure Type	Cattaraugus County	40-Mile Market	200-Market
Percent of Household Income			
Food			
Food At Home	15.22%	15.61%	15.46%
<i>Bakery and Cereal Prod.</i>	9.27%	9.34%	9.26%
<i>Meat, Poultry, Seafood, Eggs</i>	1.36%	1.38%	1.36%
<i>Dairy Products</i>	2.47%	2.46%	2.44%
<i>Fruits and Vegetables</i>	1.01%	1.01%	1.01%
<i>Snacks and Other Foods</i>	1.55%	1.61%	1.59%
Food Away From Home	2.88%	2.88%	2.86%
Apparel			
All Apparel	3.44%	3.75%	3.68%
Transportation			
Vehicle Purchase (Net)	11.74%	10.98%	11.08%
Fuel, Maint., Repair	5.63%	5.46%	5.48%
Home			
Mortgage Pymts & Basics	13.72%	14.89%	14.80%
Maintenance & Remodel Svcs.	3.09%	3.35%	3.32%
Maint. & Remodel Matrl.	0.72%	0.69%	0.70%
Utilities, Fuel, Pub. Svcs.	8.15%	8.19%	8.12%
Percent of National Average			
Food	71%	84%	88%
Food At Home	73%	84%	88%
<i>Bakery and Cereal Prod.</i>	72%	84%	88%
<i>Meat, Poultry, Seafood, Eggs</i>	74%	84%	88%
<i>Dairy Products</i>	73%	84%	88%
<i>Fruits and Vegetables</i>	70%	83%	87%
<i>Snacks and Other Foods</i>	73%	84%	88%
Food Away From Home	69%	83%	87%

Implications for a Cattaraugus County Agriculture and Farmland Protection Plan

Based on consumer expenditure data, it is obvious that consumers in Cattaraugus County benefit from a lower cost of living especially for food products. Because of this, local residents pay a smaller portion of their household income for these and other necessity items such as apparel, transportation, and home items than regional counterparts.

Based on regional price differentials, local agricultural producers may find better price points for retail products in nearby metropolitan markets rather than at home in Cattaraugus County. However, none of these markets seem robust or even offer above average retail opportunities.

In short form, local producers may find it more lucrative to seek markets closer to the metropolitan core of the East Coast or Midwest, where price points are dramatically higher than in the region.



Retail Goods and Services Expenditures

Prepared by ACDS, LLC

County: 36009 Cattaraugus County, NY

Top Tapestry Segments:		Demographic Summary		2005	2010
Rooted Rural	18.8%	Population		83,590	83,195
Salt of the Earth	17.8%	Households		32,390	32,531
Great Expectations	7.9%	Families		21,681	21,523
Rustbelt Retirees	7.4%	Median Age		38.6	40.1
Home Town	6.3%	Median Household Income		\$37,209	\$41,282

	Spending Potential Index	Average Amount Spent	Total
Apparel and Services	49	\$1,280.97	\$41,490,761
Men's	52	\$258.46	\$8,371,487
Women's	46	\$410.72	\$13,303,064
Children's	59	\$255.16	\$8,264,564
Footwear	27	\$131.15	\$4,247,984
Watches & Jewelry	61	\$110.80	\$3,588,769
Apparel Products and Services (1)	81	\$114.69	\$3,714,893
Computer			
Computers and Hardware for Home Use	66	\$143.74	\$4,655,766
Software and Accessories for Home Use	65	\$19.68	\$637,334
Entertainment & Recreation	71	\$2,260.75	\$73,225,725
Fees and Admissions	62	\$362.89	\$11,753,944
Membership Fees for Clubs (2)	64	\$101.55	\$3,289,181
Fees for Participant Sports, excl. Trips	63	\$69.63	\$2,255,260
Admission to Movie/Theatre/Opera/Ballet	60	\$85.56	\$2,771,137
Admission to Sporting Events, excl. Trips	62	\$34.42	\$1,114,902
Fees for Recreational Lessons	58	\$71.73	\$2,323,464
TV/Video/Sound Equipment	70	\$738.15	\$23,908,604
Community Antenna or Cable Television	74	\$427.92	\$13,860,369
Color Televisions	65	\$79.37	\$2,570,688
VCRs, Video Cameras, and DVD Players	68	\$26.16	\$847,366
Video Cassettes and DVDs	69	\$34.36	\$1,112,909
Video Game Hardware and Software	66	\$22.86	\$740,431
Satellite Dishes	73	\$1.55	\$50,366
Rental of Video Cassettes and DVDs	66	\$39.57	\$1,281,514
Sound Equipment (3)	63	\$102.52	\$3,320,473
Rental and Repair of TV/Sound Equipment	67	\$3.84	\$124,488
Pets	84	\$338.31	\$10,957,862
Toys and Games	72	\$135.98	\$4,404,299
Recreational Vehicles and Fees (4)	82	\$325.14	\$10,531,150
Sports/Recreation/Exercise Equipment (5)	55	\$120.96	\$3,918,044
Photo Equipment and Supplies (6)	69	\$93.82	\$3,038,854
Reading (7)	69	\$145.51	\$4,712,968
Food	71	\$5,664.39	\$183,469,738
Food at Home	73	\$3,448.74	\$111,704,565
Bakery and Cereal Products	72	\$504.21	\$16,331,227
Meat, Poultry, Fish, and Eggs	74	\$920.82	\$29,825,311
Dairy Products	73	\$375.96	\$12,177,316
Fruit and Vegetables	70	\$577.10	\$18,692,158
Snacks and Other Food at Home (8)	73	\$1,070.66	\$34,678,553
Food Away from Home	69	\$2,215.66	\$71,765,173
Alcoholic Beverages	66	\$369.26	\$11,960,445
Nonalcoholic Beverages at Home	74	\$302.52	\$9,798,634



Retail Goods and Services Expenditures

Prepared by ACDS, LLC

County: 36009 Cattaraugus County, NY

	Spending Potential Index	Average Amount Spent	Total
Financial			
Investments	46	\$2,082.35	\$67,447,418
Vehicle Loans	78	\$4,464.36	\$144,600,477
Health			
Nonprescription Drugs	77	\$84.33	\$2,731,496
Prescription Drugs	86	\$471.60	\$15,275,180
Eyeglasses and Contact Lenses	74	\$61.23	\$1,983,237
Home			
Mortgage Payment and Basics (9)	65	\$5,106.53	\$165,400,580
Maintenance and Remodeling Services	67	\$1,148.33	\$37,194,485
Maintenance and Remodeling Materials (10)	77	\$269.27	\$8,721,585
Utilities, Fuel, and Public Services	74	\$3,033.93	\$98,268,965
Household Furnishings and Equipment			
Household Textiles (11)	66	\$84.82	\$2,747,233
Furniture	66	\$395.14	\$12,798,616
Floor Coverings	58	\$47.48	\$1,538,012
Major Appliances (12)	72	\$198.47	\$6,428,411
Housewares (13)	57	\$56.20	\$1,820,382
Small Appliances	72	\$26.03	\$843,098
Luggage	60	\$5.95	\$192,714
Telephones and Accessories	27	\$14.55	\$471,123
Household Operations			
Child Care	59	\$236.34	\$7,655,198
Lawn and Garden (14)	80	\$336.17	\$10,888,551
Moving/Storage/Freight Express	59	\$29.53	\$956,560
Housekeeping Supplies (15)	74	\$535.26	\$17,337,040
Insurance			
Owners and Renters Insurance	77	\$327.23	\$10,598,986
Vehicle Insurance	72	\$962.26	\$31,167,649
Life/Other Insurance	76	\$478.48	\$15,498,108
Health Insurance	80	\$1,396.77	\$45,241,486
Personal Care Products (16)	70	\$305.20	\$9,885,357
School Books and Supplies (17)	70	\$79.20	\$2,565,276
Smoking Products	82	\$393.63	\$12,749,595
Transportation			
Vehicle Purchases (Net Outlay) (18)	77	\$4,367.71	\$141,470,278
Gasoline and Motor Oil	77	\$1,370.51	\$44,390,949
Vehicle Maintenance and Repairs	70	\$724.94	\$23,480,680
Travel			
Airline Fares	62	\$235.28	\$7,620,643
Lodging on Trips	69	\$263.18	\$8,524,449
Auto/Truck/Van Rental on Trips	61	\$26.50	\$858,321
Food and Drink on Trips	69	\$306.25	\$9,919,328

Data Note: The Spending Potential Index (SPI) is household-based, and represents the amount spent for a product or service relative to a national average of 100. Detail may not sum to totals due to rounding.

Source: Expenditure data are derived from the 2001, 2002 and 2003 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI forecasts for 2005 and 2010.

40-Mile Market Area Consumer Expenditures

Retail Goods and Services
Expenditures

Prepared by ACDS, LLC

Cattaraugus County 40-Mile Market Area

Top Tapestry Segments:		Demographic Summary		2005	2010
Rustbelt Retirees	13.6%	Population		1,436,542	1,433,727
Cozy and Comfortable	11.0%	Households		571,851	575,083
Rustbelt Traditions	7.3%	Families		368,444	365,604
Salt of the Earth	6.5%	Median Age		39.1	40.6
Great Expectations	4.9%	Median Household Income		\$42,743	\$48,643

	Spending Potential Index	Average Amount Spent	Total
Apparel and Services	61	\$1,601.14	\$915,613,368
Men's	65	\$322.13	\$184,207,660
Women's	57	\$514.73	\$294,348,961
Children's	70	\$301.86	\$172,620,832
Footwear	33	\$160.25	\$91,639,606
Watches & Jewelry	81	\$146.61	\$83,839,903
Apparel Products and Services (1)	109	\$155.56	\$88,956,406
Computer			
Computers and Hardware for Home Use	82	\$178.13	\$101,863,149
Software and Accessories for Home Use	81	\$24.73	\$14,142,557
Entertainment & Recreation	83	\$2,651.15	\$1,516,061,065
Fees and Admissions	82	\$484.70	\$277,177,398
Membership Fees for Clubs (2)	84	\$133.33	\$76,244,444
Fees for Participant Sports, excl. Trips	83	\$90.69	\$51,861,523
Admission to Movie/Theatre/Opera/Ballet	81	\$116.26	\$66,483,638
Admission to Sporting Events, excl. Trips	82	\$45.24	\$25,870,009
Fees for Recreational Lessons	81	\$99.18	\$56,717,784
TV/Video/Sound Equipment	84	\$885.74	\$506,511,540
Community Antenna or Cable Television	87	\$501.89	\$287,005,248
Color Televisions	82	\$99.80	\$57,070,941
VCRs, Video Cameras, and DVD Players	82	\$31.73	\$18,145,706
Video Cassettes and DVDs	81	\$40.75	\$23,303,246
Video Game Hardware and Software	82	\$28.41	\$16,246,852
Satellite Dishes	76	\$1.62	\$928,287
Rental of Video Cassettes and DVDs	81	\$48.62	\$27,804,424
Sound Equipment (3)	79	\$127.93	\$73,159,227
Rental and Repair of TV/Sound Equipment	86	\$4.98	\$2,847,609
Pets	92	\$369.06	\$211,048,781
Toys and Games	84	\$159.87	\$91,423,349
Recreational Vehicles and Fees (4)	81	\$318.08	\$181,894,574
Sports/Recreation/Exercise Equipment (5)	63	\$136.57	\$78,095,812
Photo Equipment and Supplies (6)	84	\$114.75	\$65,620,593
Reading (7)	86	\$182.37	\$104,289,018
Food	84	\$6,672.41	\$3,815,624,417
Food at Home	84	\$3,990.11	\$2,281,747,920
Bakery and Cereal Products	84	\$587.92	\$336,205,234
Meat, Poultry, Fish, and Eggs	84	\$1,051.14	\$601,094,789
Dairy Products	84	\$433.62	\$247,966,993
Fruit and Vegetables	83	\$687.68	\$393,248,566
Snacks and Other Food at Home (8)	84	\$1,229.75	\$703,232,338
Food Away from Home	83	\$2,682.30	\$1,533,876,497
Alcoholic Beverages	84	\$465.70	\$266,312,221
Nonalcoholic Beverages at Home	84	\$342.17	\$195,669,840



Retail Goods and Services Expenditures

Prepared by ACDS, LLC

Counties: 36003 Allegany County, NY, 36009 Cattaraugus County, NY, et. al.

	Spending Potential Index	Average Amount Spent	Total
Financial			
Investments	75	\$3,378.93	\$1,932,246,526
Vehicle Loans	82	\$4,716.69	\$2,697,244,295
Health			
Nonprescription Drugs	87	\$95.90	\$54,839,620
Prescription Drugs	91	\$499.22	\$285,477,967
Eyeglasses and Contact Lenses	86	\$71.74	\$41,023,135
Home			
Mortgage Payment and Basics (9)	81	\$6,365.75	\$3,640,260,979
Maintenance and Remodeling Services	83	\$1,430.16	\$817,841,114
Maintenance and Remodeling Materials (10)	84	\$296.14	\$169,346,042
Utilities, Fuel, and Public Services	86	\$3,501.03	\$2,002,069,392
Household Furnishings and Equipment			
Household Textiles (11)	82	\$105.51	\$60,338,351
Furniture	81	\$486.41	\$278,153,774
Floor Coverings	80	\$65.23	\$37,303,841
Major Appliances (12)	82	\$226.13	\$129,312,683
Housewares (13)	67	\$66.07	\$37,784,852
Small Appliances	85	\$30.53	\$17,457,192
Luggage	82	\$8.12	\$4,640,890
Telephones and Accessories	34	\$18.27	\$10,445,204
Household Operations			
Child Care	79	\$317.65	\$181,649,384
Lawn and Garden (14)	86	\$358.91	\$205,244,140
Moving/Storage/Freight Express	77	\$38.73	\$22,148,007
Housekeeping Supplies (15)	85	\$619.61	\$354,322,927
Insurance			
Owners and Renters Insurance	86	\$366.29	\$209,464,590
Vehicle Insurance	84	\$1,110.93	\$635,286,653
Life/Other Insurance	87	\$543.08	\$310,559,699
Health Insurance	88	\$1,536.26	\$878,510,741
Personal Care Products (16)	83	\$361.92	\$206,962,084
School Books and Supplies (17)	85	\$96.03	\$54,914,179
Smoking Products	89	\$425.37	\$243,246,287
Transportation			
Vehicle Purchases (Net Outlay) (18)	83	\$4,694.92	\$2,684,793,081
Gasoline and Motor Oil	83	\$1,489.34	\$851,683,181
Vehicle Maintenance and Repairs	82	\$846.02	\$483,797,045
Travel			
Airline Fares	82	\$311.70	\$178,246,810
Lodging on Trips	85	\$325.06	\$185,885,042
Auto/Truck/Van Rental on Trips	81	\$35.59	\$20,349,645
Food and Drink on Trips	84	\$371.78	\$212,601,482

Data Note: The Spending Potential Index (SPI) is household-based, and represents the amount spent for a product or service relative to a national average of 100. Detail may not sum to totals due to rounding.

Source: Expenditure data are derived from the 2001, 2002 and 2003 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI forecasts for 2005 and 2010.

200-Mile Market Consumer Expenditures



200-Mile Market Area

Retail Goods and Services Expenditures

Prepared by ACDS, LLC

Site Type: Radius Radius: 200.0 miles

Top Tapestry Segments:	Demographic Summary	2005	2010
Rustbelt Retirees	10.8%	Population 13,111,677	13,275,842
Salt of the Earth	9.8%	Households 5,196,189	5,303,029
Cozy and Comfortable	7.2%	Families 3,420,588	3,430,516
Rustbelt Traditions	5.9%	Median Age 39.6	41.0
Green Acres	5.0%	Median Household Income \$45,186	\$52,557

	Spending Potential Index	Average Amount Spent	Total
Apparel and Services	63	\$1,664.00	\$8,646,447,248
Men's	67	\$335.61	\$1,743,909,598
Women's	59	\$534.25	\$2,776,055,039
Children's	73	\$315.72	\$1,640,522,551
Footwear	35	\$166.97	\$867,614,083
Watches & Jewelry	84	\$151.90	\$789,285,936
Apparel Products and Services (1)	112	\$159.55	\$829,060,041
Computer			
Computers and Hardware for Home Use	86	\$186.77	\$970,499,404
Software and Accessories for Home Use	85	\$25.88	\$134,476,418
Entertainment & Recreation	87	\$2,791.92	\$14,507,328,759
Fees and Admissions	85	\$502.31	\$2,610,086,633
Membership Fees for Clubs (2)	88	\$138.40	\$719,174,659
Fees for Participant Sports, excl. Trips	86	\$94.33	\$490,150,908
Admission to Movie/Theatre/Opera/Ballet	84	\$120.07	\$623,884,270
Admission to Sporting Events, excl. Trips	85	\$46.96	\$244,003,243
Fees for Recreational Lessons	84	\$102.55	\$532,873,553
TV/Video/Sound Equipment	88	\$924.97	\$4,806,338,633
Community Antenna or Cable Television	90	\$523.99	\$2,722,756,598
Color Televisions	85	\$103.88	\$539,795,897
VCRs, Video Cameras, and DVD Players	86	\$33.24	\$172,746,632
Video Cassettes and DVDs	86	\$42.86	\$222,696,717
Video Game Hardware and Software	86	\$29.59	\$153,762,202
Satellite Dishes	83	\$1.76	\$9,160,417
Rental of Video Cassettes and DVDs	85	\$50.83	\$264,126,240
Sound Equipment (3)	82	\$133.69	\$694,693,883
Rental and Repair of TV/Sound Equipment	89	\$5.12	\$26,600,047
Pets	98	\$393.11	\$2,042,696,017
Toys and Games	89	\$167.60	\$870,898,862
Recreational Vehicles and Fees (4)	88	\$348.68	\$1,811,794,499
Sports/Recreation/Exercise Equipment (5)	67	\$145.50	\$756,024,850
Photo Equipment and Supplies (6)	88	\$120.16	\$624,348,565
Reading (7)	90	\$189.59	\$985,140,700
Food	88	\$6,985.45	\$36,297,714,051
Food at Home	88	\$4,183.83	\$21,739,968,995
Bakery and Cereal Products	88	\$615.40	\$3,197,721,693
Meat, Poultry, Fish, and Eggs	88	\$1,102.95	\$5,731,128,862
Dairy Products	88	\$455.31	\$2,365,899,858
Fruit and Vegetables	87	\$718.36	\$3,732,731,213
Snacks and Other Food at Home (8)	88	\$1,291.81	\$6,712,487,369
Food Away from Home	87	\$2,801.62	\$14,557,745,056
Alcoholic Beverages	87	\$483.11	\$2,510,356,667
Nonalcoholic Beverages at Home	88	\$360.19	\$1,871,633,859



200-Mile Market Area

Retail Goods and Services Expenditures

Prepared by ACDS, LLC

Site Type:	Radius	Radius:	200.0 miles
	Spending Potential Index	Average Amount Spent	Total
Financial			
Investments	77	\$3,462.50	\$17,991,781,832
Vehicle Loans	88	\$5,052.84	\$26,255,520,792
Health			
Nonprescription Drugs	92	\$100.70	\$523,250,699
Prescription Drugs	96	\$528.61	\$2,746,769,786
Eyeglasses and Contact Lenses	91	\$75.32	\$391,385,711
Home			
Mortgage Payment and Basics (9)	85	\$6,688.96	\$34,757,123,736
Maintenance and Remodeling Services	87	\$1,499.34	\$7,790,858,535
Maintenance and Remodeling Materials (10)	90	\$315.95	\$1,641,744,359
Utilities, Fuel, and Public Services	90	\$3,668.00	\$19,059,633,518
Household Furnishings and Equipment			
Household Textiles (11)	86	\$110.28	\$573,040,950
Furniture	85	\$509.16	\$2,645,706,468
Floor Coverings	83	\$67.62	\$351,344,580
Major Appliances (12)	87	\$239.60	\$1,245,014,165
Housewares (13)	70	\$69.64	\$361,869,976
Small Appliances	89	\$32.09	\$166,759,119
Luggage	85	\$8.39	\$43,574,431
Telephones and Accessories	35	\$19.01	\$98,763,328
Household Operations			
Child Care	82	\$328.36	\$1,706,201,550
Lawn and Garden (14)	91	\$383.07	\$1,990,529,046
Moving/Storage/Freight Express	80	\$40.28	\$209,279,696
Housekeeping Supplies (15)	89	\$650.73	\$3,381,305,270
Insurance			
Owners and Renters Insurance	91	\$387.87	\$2,015,470,457
Vehicle Insurance	88	\$1,168.76	\$6,073,115,065
Life/Other Insurance	92	\$572.91	\$2,976,933,755
Health Insurance	93	\$1,623.04	\$8,433,645,671
Personal Care Products (16)	87	\$378.97	\$1,969,175,310
School Books and Supplies (17)	89	\$101.15	\$525,615,587
Smoking Products	93	\$447.50	\$2,325,302,790
Transportation			
Vehicle Purchases (Net Outlay) (18)	88	\$5,007.34	\$26,019,069,718
Gasoline and Motor Oil	88	\$1,582.39	\$8,222,386,880
Vehicle Maintenance and Repairs	86	\$891.92	\$4,634,609,018
Travel			
Airline Fares	85	\$323.38	\$1,680,360,457
Lodging on Trips	89	\$339.96	\$1,766,521,005
Auto/Truck/Van Rental on Trips	84	\$36.92	\$191,860,351
Food and Drink on Trips	88	\$390.18	\$2,027,438,290

Data Note: The Spending Potential Index (SPI) is household-based, and represents the amount spent for a product or service relative to a national average of 100. Detail may not sum to totals due to rounding.

Source: Expenditure data are derived from the 2001, 2002 and 2003 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI forecasts for 2005 and 2010.

Table Definitions



Retail Goods and Services Expenditures

Prepared by ACDS, LLC

- (1) **Apparel Products and Services** includes material for making clothes, sewing patterns and notions, shoe repair and other shoe services, apparel laundry and dry cleaning, alteration, repair and tailoring of apparel, clothing rental and storage, and watch and jewelry repair.
- (2) **Membership Fees for Clubs** includes membership fees for social, recreational, and civic clubs.
- (3) **Sound Equipment** includes sound components and systems, CDs, tapes, records, needles, tape recorders, radios, musical instruments and accessories, and rental and repair of musical instruments.
- (4) **Recreational Vehicles & Fees** includes docking and landing fees for boats and planes, purchase and rental of RVs or boats, and camp fees.
- (5) **Sports/Recreation/Exercise Equipment** includes exercise equipment and gear, game tables, bicycles, camping equipment, hunting and fishing equipment, winter sports equipment, water sports equipment, other sports equipment, and rental/repair of sports/recreation/exercise equipment.
- (6) **Photo Equipment and Supplies** includes film, film processing, photographic equipment, rental and repair of photo equipment, and photographer fees.
- (7) **Reading** includes newspapers, newspaper subscriptions, magazines, magazine subscriptions, and books.
- (8) **Snacks and Other Food at Home** includes candy, chewing gum, sugar, artificial sweeteners, jam, jelly, preserves, margarine, fat, oil, salad dressing, nondairy cream and milk, peanut butter, frozen prepared food, potato chips, nuts, salt, spices, seasonings, olives, pickles, relishes, sauces, gravy, other condiments, soup, prepared salad, prepared dessert, baby food, miscellaneous prepared food, and nonalcoholic beverages.
- (9) **Mortgage Payment and Basics** includes mortgage interest, mortgage principal, property taxes, homeowners insurance, and ground rent.
- (10) **Maintenance and Remodeling Materials** includes supplies/tools/equipment for painting and wallpapering, plumbing supplies and equipment, electrical/heating/AC supplies, materials for hard surface flooring, materials for roofing/gutters, materials for plaster/panel/siding, materials for patio/fence/brick work, landscaping materials, insulation materials, and materials to finish a basement, for owned homes.
- (11) **Household Textiles** includes bathroom linens, bedroom linens, kitchen linens, dining room linens, other linens, curtains, draperies, slipcovers, decorative pillows, and materials for slipcovers and curtains.
- (12) **Major Appliances** includes dishwashers, disposals, refrigerators, freezers, washers, dryers, stoves, ovens, microwaves, window air conditioners, electric floor cleaning equipment, sewing machines, and miscellaneous appliances.
- (13) **Housewares** includes plastic dinnerware, china, flatware, glassware, serving pieces, nonelectric cookware, and tableware.
- (14) **Lawn and Garden** includes lawn and garden supplies, equipment and care service, indoor plants, fresh flowers, and repair/rental of lawn and garden equipment.
- (15) **Housekeeping Supplies** includes soaps and laundry detergents, cleaning products, toilet tissue, paper towels, napkins, paper/plastic/foil products, stationery, giftwrapping supplies, postage, and delivery services.
- (16) **Personal Care Products** includes hair care products, nonelectric articles for hair, wigs, hairpieces, oral hygiene products, shaving needs, perfume, cosmetics, skincare, bath products, nail products, deodorant, feminine hygiene products, and personal care appliances.
- (17) **School Books and Supplies** includes books and supplies for college, elementary school, high school, and preschool.
- (18) **Vehicle Purchases (Net Outlay)** includes net outlay for new and used cars, trucks, vans, motorcycles, and motor scooters.

Introduction

This appendix is designed to introduce the reader to the current state of agriculture in Cattaraugus County. If farmers in Cattaraugus County are to successfully develop a marketing program, then that program must be designed with an eye toward the realities of regional and local agriculture. Specific to this analysis, the project team has focused on both production specifics as well as grower and farmers characteristics.

Generally, the data in this section is drawn from the 2002 U.S. Agricultural Census. Time series comparisons using 2002 Census data were not possible beyond comparisons to the year of 1997 due to changes in the 2002 Census. These changes included wide ranging amendments to Census definitions, such as the definition of a farm, as well as new sampling and adjustment methodologies. Because of this, the data is occasionally supplemented by U.S. Bureau of Economic Analysis (BEA) time series data. It is also important to note that many data points for Cattaraugus County can not be reported due to the small number of farms in certain production types.

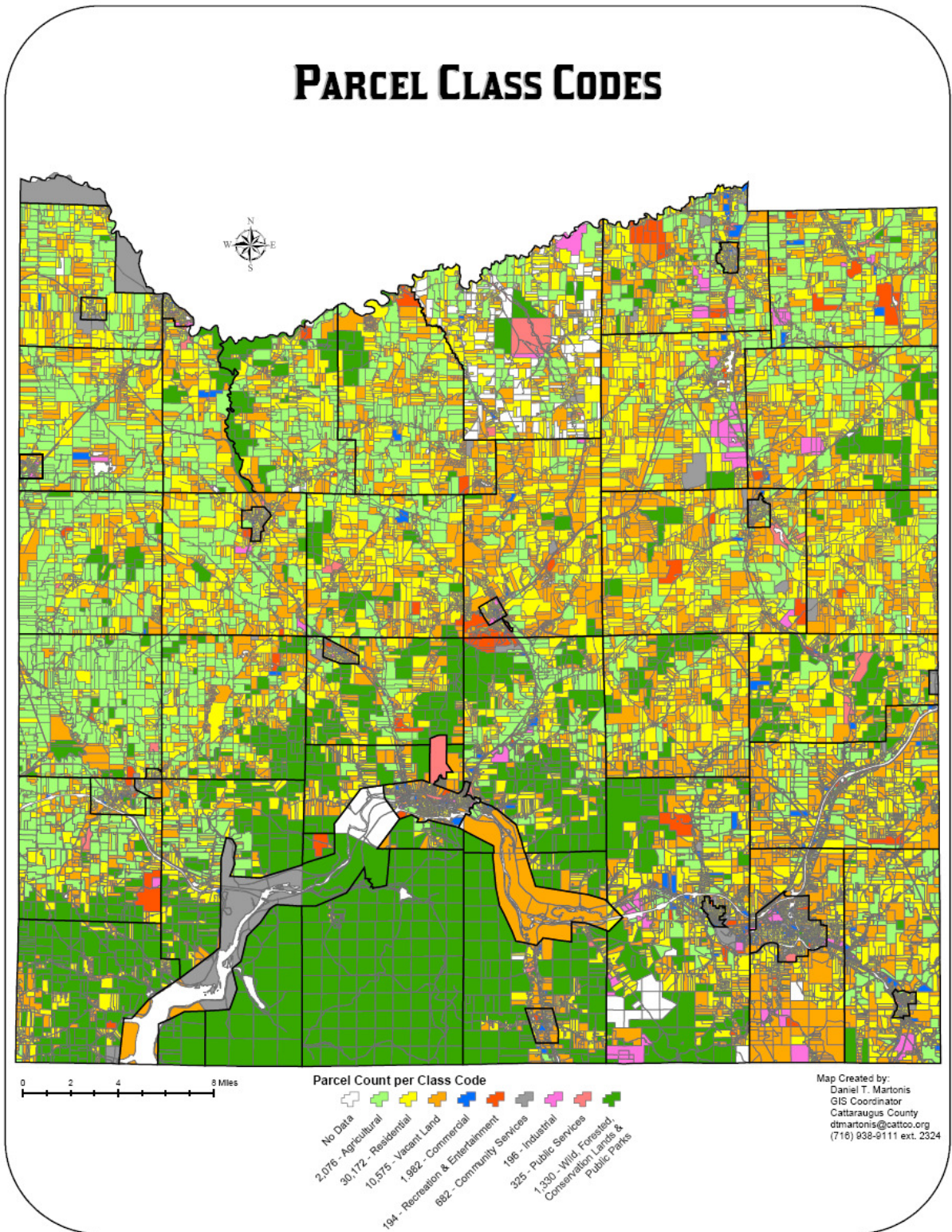
Highlights

Tabular highlights of the 2002 Census of Agriculture for both Cattaraugus County and the 40-mile market area can be found on page F-3. Other key highlights include:

- Cattaraugus County has 1,157 farms operating on 201,913 acres, which is a decrease of 31 farms and decrease of 14,000 acres since 1997.
- Agriculture is the largest economic land use.
- Disposition of agricultural land is changing with cropland decreasing as a percentage of farmland in favor of pasture lands.
- Agricultural marketing rose 4.5% from 1997, rising to \$58,352,000. Direct market sales fell to less than 1% of total sales.
- Dairy and cattle sales account for 73% of sales.
- Thirty percent of Cattaraugus County's farms have sales of less than \$1,000.
- Fifty-four percent of Cattaraugus County's farms operate with negative cash flow.
- Only 54% of county farms are operated by full-time farmers.
- Cattaraugus County's average farm operators' age is in excess of 54, but the fastest growing group of farmers is over 55.
- Nearly 24% of farm operators are considered beginning farmers under USDA's definition of 10 or fewer years of experience.
- Cattaraugus County relies heavily on the broader region for both agricultural input and output markets.
- Equestrian operations are becoming important to the agricultural economy.

Land-Use

As is evidenced in the map below, agriculture is highly dispersed throughout the County.



Agriculture Highlights

	40-mile County Highlights Summary Data						Farm Highlights						Cattaraugus County Highlights Summary Data					
	2002			1997			2002			1997			2002			1997		
	Data	Units	Percent Change	Data	Units	Percent Change	Data	Units	Percent Change	Data	Units	Percent Change	Data	Units	Percent Change			
Farms	7,722	Farms	-3.78%	8,025	Farms	-3.78%	1,157	Farms	-0.14%	1,188	Farms	-0.14%	1,188	Farms	-2.61%			
Land in Farms	1,438,666	Acres	-0.14%	1,440,666	Acres	-0.14%	201,913	Acres	3.78%	215,692	Acres	3.78%	215,692	Acres	-6.39%			
Average Farm Size	186	Acres	3.78%	180	Acres	3.78%	175	Acres	21.91%	182	Acres	21.91%	182	Acres	-4.11%			
Estimated Value of Land and Buildings	\$ 1,989,587	(\$1,000's)	-0.59%	\$ 1,631,958	(\$1,000's)	-0.59%	\$ 253,116	(\$1,000's)	2.81%	\$ 211,541	(\$1,000's)	2.81%	\$ 211,541	(\$1,000's)	19.66%			
Total Cropland	878,175	Acres	2.81%	883,399	Acres	2.81%	108,279	Acres	-22.78%	115,879	Acres	-22.78%	115,879	Acres	-6.56%			
Harvested Cropland	678,741	Acres	5.33%	660,160	Acres	5.33%	77,030	Acres	1.35%	79,042	Acres	1.35%	79,042	Acres	-2.55%			
Cropland Used for Pasture	98,070	Acres	3.24%	127,005	Acres	3.24%	16,313	Acres	3.24%	21,884	Acres	3.24%	21,884	Acres	-25.46%			
Other Cropland	101,364	Acres	5.67%	96,234	Acres	5.67%	14,936	Acres	10.61%	14,953	Acres	10.61%	14,953	Acres	-0.11%			
Woodland	339,515	Acres	2.54%	344,161	Acres	2.54%	60,385	Acres	2.54%	62,039	Acres	2.54%	62,039	Acres	-2.67%			
Pastured	43,719	Acres	5.67%	42,349	Acres	5.67%	8,745	Acres	19.14%	7,340	Acres	19.14%	7,340	Acres	19.14%			
Other Woodland	295,796	Acres	5.67%	301,182	Acres	5.67%	51,640	Acres	5.67%	54,669	Acres	5.67%	54,669	Acres	-5.54%			
Pastureland and Rangeland	99,386	Acres	8.44%	94,056	Acres	8.44%	18,066	Acres	17.709	17,709	Acres	17.709	17,709	Acres	2.02%			
Pastureland	241,175	Acres	16.53%	263,410	Acres	16.53%	43,124	Acres	16.53%	46,933	Acres	16.53%	46,933	Acres	-8.12%			
Total Farm Sales	\$ 603,957	(\$1,000's)	34.07%	\$ 518,293	(\$1,000's)	34.07%	\$ 58,352	(\$1,000's)	11.030	\$ 55,922	(\$1,000's)	11.030	\$ 55,922	(\$1,000's)	4.35%			
Crops Including Nursery and Greenhouse	175,327	(\$1,000's)	10.61%	130,774	(\$1,000's)	10.61%	15,670	(\$1,000's)	44.892	44,892	(\$1,000's)	44.892	44,892	(\$1,000's)	-4.92%			
Livestock and Poultry	428,630	(\$1,000's)	2.54%	387,520	(\$1,000's)	2.54%	42,682	(\$1,000's)	478	478	(\$1,000's)	478	478	(\$1,000's)	-17.30%			
Direct to Consumer (Human Consumption)	5,608	(\$1,000's)		5,469	(\$1,000's)													
Net Cash Income							45.89%	Percent of Farms										
Positive Cashflow	43.50%	Percent of Farms					54.11%	Percent of Farms										
Negative Cashflow	55.97%	Percent of Farms																
Principal Occupation																		
Farming	4,457		12.55%	3,960		12.55%	628		582		7.90%	582		7.90%				
Other	3,265		-19.68%	4,065		-19.68%	529		606		-12.71%	606		-12.71%				
Age of Operator																		
Under 55	4,211		-8.73%	4,614		-8.73%	638		712		-10.39%	712		-10.39%				
55 and Over	3,472		1.79%	3,411		1.79%	519		476		9.03%	476		9.03%				
Gender of Operator																		
Male	6,749	Farms	-6.00%	7,180	Farms	-6.00%	1,034	Farms	1.073	Farms	1.073	Farms	1,073	Farms	-3.63%			
Female	973	Farms	15.15%	845	Farms	15.15%	123	Farms	115	Farms	115	Farms	115	Farms	6.96%			
Land Tenure																		
Full Owner	5,382	Farms	0.28%	5,367	Farms	0.28%	817	Farms	792	Farms	3.16%	792	Farms	3.16%				
Full Owner	652,276	Acres	5.89%	616,004	Acres	5.89%	102,760	Acres	107,668	Acres	-4.56%	107,668	Acres	-4.56%				
Part Owner	2,079	Farms	-7.68%	2,252	Farms	-7.68%	308	Farms	344	Farms	-10.47%	344	Farms	-10.47%				
Part Owner	703,695	Acres	-7.38%	759,768	Acres	-7.38%	93,585	Acres	101,352	Acres	-7.66%	101,352	Acres	-7.66%				
Tenant	261	Farms	-35.71%	406	Farms	-35.71%	32	Farms	52	Farms	-38.46%	52	Farms	-38.46%				
Tenant	42,892	Acres	-33.90%	64,894	Acres	-33.90%	5,568	Acres	6,672	Acres	-16.55%	6,672	Acres	-16.55%				
Years on Present Farm																		
9 or less	1,867		-0.64%	1,879		-0.64%	277		270		2.59%	270		2.59%				
10 or more	5,855		17.22%	4,995		17.22%	880		695		26.62%	695		26.62%				

Farm Production Trends

Following is a brief discussion of production trends by sector.

Meat, Poultry, and Aquaculture

Dairy and livestock have historically been important to this region. Dairy production remains the key sector directly creating more than 50% of the agricultural output and accounting for more than 50% of the livestock industry. However, the dairy industry is in a slow decline, in part related to the localized conditions that make large scale dairy expansion difficult. However, beef inventory is rising to take advantage of good pasturing opportunities in the region.

Livestock	Livestock Production											
	40-mile Market						Cattaraugus County					
	2002		1997		Change		2002		1997		Change	
Farms	Inventory	Farms	Inventory	Farms	Inventory	Farms	Inventory	Farms	Inventory	Farms	Inventory	
CATTLE AND CALVES	1,625	17,898	1,520	15,979	6.91%	12.01%	250	2,482	241	2,043	3.73%	21.49%
COWS AND HEIFERS - BEEF	1,396	147,250	1,800	148,062	-22.44%	-0.55%	267	16,705	365	20,154	-26.85%	-17.11%
COWS AND HEIFERS - DAIRY	408	12,279	NA	NA			60	515	NA	NA		
CATTLE ON FEED	2,896	154,490	NA	NA			499	16,088	NA	NA		
OTHER CATTLE	1,247	\$ 351,320	1,648	\$ 322,302	-24.33%	9.00%	240	\$ 36,486	346	\$ 37,834	-30.64%	-3.56%
DAIRY PRODUCTS	359	7,985	482	10,950	-25.52%	-27.08%	59	509	122	1,345	-51.64%	-62.16%
HOGS AND PIGS (underreported due to disclosure)	351	11,884	327	13,024	7.34%	-8.75%	58	946	47	1,236	23.40%	-23.46%
SHEEP AND LAMBS (underreported due to disclosure)	280	2,548					33	163				
MEAT GOATS (underreported due to disclosure)												

Poultry has never been a significant industry sector in the region and poultry numbers continue to decline. Based on interviews, poultry is maintained for personal consumption and direct market sales.

Poultry Type	Poultry Production											
	40-mile Market						Cattaraugus County					
	2002		1997		Change		2002		1997		Change	
Farms	Inventory	Farms	Inventory	Farms	Inventory	Farms	Inventory	Farms	Inventory	Farms	Inventory	
ALL POULTRY	632	767			-17.60%		109		163		-33.13%	
LAYERS* (underreported due to disclosure)	495	10,120	540	9,304	-8.33%	8.77%	83	2,242	127	3,108	-34.65%	-27.86%
BROILERS AND MEAT TYPE CHICKENS* (underreported due to disclosure)	143	10,180	157	3,794	-8.92%	168.32%	25	800	37	1,405	-32.43%	-43.06%
TURKEYS* (underreported due to disclosure)	95	1,067	132	2,903	-28.03%	-63.24%	11	181	23	171	-52.17%	5.85%

Cattaraugus County is a minor player in the aquaculture industry with most activity in fee fishing and pond aquaculture. Because of the small number of operations regionally and the limited data collection capacity, it is impossible to accurately track the industry. However, the 2002 Agricultural Census is now addressing this issue.

Aquaculture Production		
Aquaculture Type	40-Mile Market	Farms with Aquaculture Sold
		Cattaraugus County
CATFISH	2	
TROUT	15	1
OTHER FOOD FISH (See Text)	4	
BAITFISH (See Text)	11	
CRUSTACEANS (See Text)	3	
ORNAMENTAL FISH (See Text)	2	
SPORT OR GAME FISH (See Text)	22	5
OTHER AQUACULTURE PRODUCTS (See Text)	1	1

Nursery and Greenhouse

As a production alternative to more traditional field crops, nursery and greenhouse production has made modest gains in the market area. Exclusive of Christmas Trees, approximately 4% of the County’s farms raise nursery and greenhouse products. Regionally, these operations are small producing on average 9 acres of open production and 1,000 square feet under cover. Cattaraugus County nursery and greenhouse operations tend to be small with an average 5,300 square feet under protection. Leading production sectors include floriculture, bedding plants, and nursery stock.

Greenhouse-Nursery Type	2002 Greenhouse and Nursery Production					
	40-mile Market			Cattaraugus County		
	Farms	Sq. ft. under glass or protection	Acres in the open	Farms	Sq. ft. under glass or protection	Acres in the open
NURSERY, GREENHOUSE, FLORICULTURE, ETC - TOTAL	339	3,707,272	3092	49	259490	(D)
NURSERY, FLORICULTURE, FV SEED CROPS, ETC, IRRIGATED IN THE OPEN	74	-	315	11	(X)	(D)
FLORICULTURE CROPS - TOTAL	211	512,115	138	29	(D)	13
BEDDING/GARDEN PLANTS	185	1,738,695	106	18	98174	7
CUT FLOWERS AND CUT FLORIST GREENS	25	-	16	8	0	4
FOLIAGE PLANTS	18	3,914	-	-	-	-
POTTED FLOWERING PLANTS	71	994,716	-	9	(D)	2
AQUATIC PLANTS	7	-	-	-	-	-
FLOWER SEEDS, BULBS, CORMS, RHIZOMES, AND TUBERS - DRY	6	-	-	-	-	-
GREENHOUSE VEGETABLES	12	3,175	-	1	(D)	(X)
NURSERY STOCK	139	-	481	18	(D)	(D)
SOD HARVESTED	1	-	-	-	-	-
VEGETABLE SEEDS	8	-	-	2	-	(D)
OTHER NURSERY AND GREENHOUSE CROPS	5	-	-	2	-	(D)
CUT CHRISTMAS TREES	316	-	-	50	-	(D)

Vegetables and Fruits

In Cattaraugus County, open field production of vegetables consists mostly of fresh market production, while the region is split between process and fresh market. Within the region, production is concentrated within a few vegetable types led by sweet corn, peas, beans, and pumpkins. Vegetable production in the County is too small to quantify.

Vegetable (by type)	Vegetable Production					
	40-mile Market			Cattaraugus County		
	Harvested Farms	Fresh Market	Harvested Acres	Harvested Farms	Fresh Market	Harvested Acres
VEGETABLES HARVESTED FOR SALE	72	21428	11930	3	462	(D)
ASPARAGUS	359	0	42	0	4	-
GREEN LIMA BEANS	29	0	0	0	0	-
SNAP BEANS	1	0	0	0	0	-
BEEFS	74	15	3657	12	1	(D)
BROCCOLI	24	5	298	1	0	(D)
BRUSSELS SPROUTS	13	0	4	4	1	-
CHINESE CABBAGE	2	0	0	2	0	(D)
HEAD CABBAGE	4	0	0	0	0	-
CANTALOUPS	23	1	82	3	3	-
CARROTS	17	0	33	0	0	-
CAULIFLOWER	9	0	1	0	0	-
CHICORY	16	0	12	4	0	(Z)
COLLARDS	2	0	0	0	0	-
CUCUMBERS AND PICKLES	3	0	0	0	0	-
EGGPLANT	39	0	74	4	1	-
GARLIC	4	0	14	0	0	-
HERBS, FRESH CUT	15	0	11	4	0	(Z)
KALE	5	0	7	0	0	-
LETTUCE, ALL	6	0	5	0	0	-
LETTUCE, HEAD	21	0	65	0	6	2
LETTUCE, LEAF	4	0	0	2	0	(D)
LETTUCE, ROMAINE	13	0	41	4	0	(D)
MUSTARD GREENS	6	0	0	0	0	-
DRY ONIONS	2	0	0	0	0	-
GREEN ONIONS	22	1	9	3	2	-
PEAS, CHINESE (SUGAR & SNOW)	5	0	2	0	0	-
PEAS, GREEN (EXCLUDING SOUTHERN)	1	0	0	0	0	-
PEPPERS, BELL	45	29	3580	4	1	-
PEPPERS, CHILE (ALL PEPPERS - EXCL BELL)	88	3	182	12	21	(D)
PUMPKINS	35	2	13	6	2	-
RADISHES	166	13	486	27	63	(D)
RHUBARB	5	0	2	0	0	-
SPINACH	10	0	5	0	0	-
SQUASH	8	0	10	0	0	-
SWEET CORN	135	7	257	4	18	17
TOMATOES	203	34	6982	4501	21	196
TURNIPS	129	3	214	14	13	-
TURNIP GREENS	3	1	0	0	0	(D)
VEGETABLES, MIXED	2	0	0	0	0	-
VEGETABLES, OTHER	4	0	0	2	0	(D)
WATERMELONS	15	0	37	0	1	(D)
	6	0	3	0	0	-

As is evidenced in the following table, fruit and berry production in the region is varied, and consists mostly of small producers. The influence of the Great Lakes Region on grape production is also apparent with more than 90% of the fruit and nut acreage represented by grapes. Cattaraugus County has very little production of any fruits or nuts and production is dominated by small producers. Notable local production can be found in grapes and berries.

Berry farms at the local and regional level represent very modest production levels and are likely driven by direct, fresh market demands.

	Fruit Production					
	40-mile Market			Cattaraugus County		
	Farms	Bearing Acres	Fruit & Nut Farms	Farms	Bearing Acres	Fruit & Nut Farms
Fruits, Nuts, and Berries (by type)						
APPLES	175	336		24	50	
APRICOTS	4	(D)				
CHERRIES, SWEET	47	112	4		2	
CHERRIES, TART	23	1	2		(D)	
GRAPES	674	20,603	25		357	
NECTARINES	5	(D)				
PEACHES, ALL	49	34	2		(D)	
PEARS, ALL	41	8	3		1	
PERSIMMONS	3	(Z)				
PECANS	2	(D)				
PLUMS AND PRUNES	22	3				
HAZELNUTS (FILBERTS)	2	(D)	1		(D)	
WALNUTS (ENGLISH)	3	(D)				
OTHER FRUITS AND NUTS	20	(D)	8		(D)	
BERRIES, ALL	213	456	41		119	

D = not reported due to potential to disclose individual operation characteristics.

Agricultural Support Industries

Agriculture does not exist in a vacuum. It requires both input and output industries to survive, the following analysis uses data from I-Market and Implan to assess the conditions of these support industries. Additional detail on the farm support sectors including sales, employment and firm numbers can be found on the following tables. *Note: The following tables rely on survey data that is known to be inaccurate at the firm level and should be used to assess trends only.*

Over the last six-years, the number of local service providers and primary market outlets declined while the region has seen considerable growth across all input and output sectors. Notably, much growth is related to the dairy and livestock sectors and this growth is occurring in neighboring counties. The net result has meant little in terms of market change to farmers, except that local farmers must travel farther for services and to reach markets. In summary, input and marketing options are plentiful and varied.

SIC Code and Description	Cattaraugus County Agribusiness Summary													
	Second Quarter 2000						Second Quarter 2006						Percent Change 2000 to 2006	
	Estimates			Estimates			Estimates			Estimates			Firms	Sales
	Firms	Employment	(Millions)	Firms	Employment	(Millions)	Firms	Employment	(Millions)	Firms	Employment	(Millions)	Employment	Sales
711 Soil preparation services	1	2	0.1	1	2	0.1	1	2	0.1	1	2	0.1	0%	0%
721 Crop planting and protection				1	3	0.1								
723 Crop preparation services for market	2	19	N/A										-100%	
741 Veterinary services for livestock	2	8	0.3	1	2	0.1	1	2	0.1	1	2	0.1	-50%	-75%
742 Veterinary services, specialties	9	51	1.5	8	44	1.7	8	44	1.7	8	44	1.7	-11%	13%
751 Livestock services, except veterinary	3	9	0.4	3	12	0.4	3	12	0.4	3	12	0.4	0%	0%
752 Animal specialty services	11	17	1.1	17	20	1.6	17	20	1.6	17	20	1.6	55%	18%
2011 Meat packing plants	1	6	0.3	1	6	1	1	6	1	1	6	1	0%	233%
2015 Poultry slaughtering and processing	1	1	0.1										-100%	-100%
2024 Ice cream and frozen deserts				1	9	0.5	1	9	0.5					
2041 Flour and other grain mill products	1	32	2.5	1	25	4	1	25	4	1	25	4	0%	60%
2048 Prepared feeds, nec	1	3	5.4										-100%	-100%
2099 Food preparations, nec	1	N/A	N/A	1	1	0.1	1	1	0.1	1	1	0.1	0%	
5083 Farm and garden machinery	4	16	0.5	2	6	0.8	2	6	0.8	2	6	0.8	-50%	60%
5153 Grain and field beans	1	2	0.9										-100%	-100%
5154 Livestock	4	60	9.4	3	27	4	3	27	4	3	27	4	-25%	-55%
5159 Farm-product raw materials, nec	1	2	0.2	2	2	1.2	2	2	1.2	2	2	1.2	100%	200%
5191 Farm supplies	5	24	6.1	2	14	2.6	2	14	2.6	2	14	2.6	-60%	-57%
Total	48	252	28.8	44	177	18.2	44	177	18.2	44	177	18.2	-8%	-30%

Source: Dunn and Bradstreet MarketPlace

40-Mile Region Agribusiness Summary											
SIC Code and Description	Second Quarter 2000				Second Quarter 2006				Percent Change 2000 to 2006		
	Firms	Employment	Sales (Millions)	Estimates	Firms	Employment	Sales (Millions)	Estimates	Firms	Employment	Sales (Millions)
711	Soil preparation services	8	43	2.1	14	84	6.8		75%	95%	224%
721	Crop planting and protection	6	35	2.5	10	88	3.6		67%	151%	44%
722	Crop harvesting	5	13	0.7	14	54	4.9		180%	315%	600%
723	Crop preparation services for market	8	62	11.5	11	117	15.5		38%	89%	35%
741	Veterinary services for livestock	7	62	2.5	8	49	2.1		14%	-21%	-16%
742	Veterinary services, specialties	164	1,312	40.3	264	2,329	67.9		61%	78%	68%
751	Livestock services, except veterinary	20	62	3.4	18	118	19.4		-10%	90%	471%
752	Animal specialty services	159	338	15.5	366	1,026	35.8		130%	204%	131%
761	Farm labor contractors				2	5	0.7				
762	Farm management services	6	39	2.2	14	130	6		133%	233%	173%
2011	Meat packing plants	9	150	51.8	12	240	161		33%	60%	211%
2013	Sausages and other prepared meats	10	726	171.3	15	1,087	225.3		50%	50%	32%
2015	Poultry slaughtering and processing	4	17	0.9	4	317	171.3		0%	1765%	18933%
2022	Cheese; natural and processed	5	566	797.6	7	621	838.6		40%	10%	5%
2023	Dry, condensed and evaporated dairy products	1	240	N/A	7	213	1.6		600%	-11%	
2024	Ice cream and frozen deserts	7	608	111.7	11	650	155.8		57%	7%	39%
2026	Fluid milk	6	539	50.3	9	895	388.1		50%	66%	672%
2032	Canned specialties	1	1	0.1	4	13	0.8		300%	1200%	700%
2033	Canned fruits and specialties	12	1,457	1,311.90	23	2,946	2,372.40		92%	102%	81%
2034	Dried and dehydrated fruits, vegetables and soup mixes	1	5	N/A	2	249	32.5		100%	4880%	
2035	Pickles, sauces, and salad dressings	8	62	4.3	8	397	1.7		0%	540%	-60%
2037	Frozen fruits and vegetables				4	346	4.1				
2038	Frozen specialties, nec	3	779	51	4	732	2.4		33%	-6%	-95%
2041	Flour and other grain mill products	5	393	3.2	5	172	4.7		0%	-56%	47%
2043	Cereal breakfast foods				1	3	0.3				
2045	Prepared flour mixes and doughs	1	41	3.5	1	45	5		0%	10%	43%
2046	Wet corn milling				1	7	N/A				
2047	Dog and cat food	4	272	0.4	5	305	0.5		25%	12%	25%
2048	Prepared feeds, nec	5	71	8.2	6	129	7.9		20%	82%	-4%
2077	Animal and marine fats and oils				2	42	N/A				
2091	Canned and cured fish and seafoods				2	4	0.1				
2092	Fresh or frozen packaged fish				2	31	N/A				
2096	Potato chips and similar snacks	1	1	0.1	4	87	N/A		300%	8600%	
2098	Macaroni and spaghetti				2	5	0.3				
2099	Food preparations, nec	29	254	22.2	30	422	61.9		3%	66%	179%
5083	Farm and garden machinery	39	165	10.6	53	239	29		36%	45%	174%
5153	Grain and field beans	16	103	98.8	17	93	47.9		6%	-10%	-52%
5154	Livestock	9	91	16.9	13	57	12.5		44%	-37%	-26%
5159	Farm-product raw materials, nec	4	11	2.1	10	23	3.9		150%	109%	86%
5191	Farm supplies	54	389	72.9	66	485	125.3		22%	25%	72%
	Total	617	8907	2870.5	1051	14855	4817.6		70%	67%	68%

Source: Dunn and Bradstreet MarketPlace

Quantifying the economic impact of Cattaraugus County’s agricultural sector is an important tool for allocating investment resources, whether from the public or private sector. There are two common methods for measuring the economic impact of any sector of the economy. The first is directly measuring a sector’s economic value of output, employment, proprietors’ income, etc. However, this only measures the direct value of a sector’s importance. Since economic output does not happen in a vacuum, analysts often use multipliers as a secondary measure. Multipliers measure how goods, services, and labor from an economy are used to produce other outputs (sometimes referred to as upstream effects).

Multipliers are most often used to assess the degree to which an industry is linked to other sectors within a local economy by measuring what are known as backward linkages. In layman’s terms, backward linkages are a measure of how an industry’s sales, employment, value-added, and a host of other factors stimulate sales, employment, etc. from the industries and sectors from which they purchase. For instance, in the dairy industry, backward linkages would include where the dairy farm makes expenditures on fuel, feed, insurance, dairy equipment, veterinary services,

Industry Code	Sector Name	Agribusiness Related Multipliers (2002)			Value-Added
		Output	Employment	Value-Added	
1	Oilseed farming	1.248416	1.062325	1.329140	
2	Grain farming	1.220894	1.043808	1.311917	
3	Vegetable and melon farming	1.230226	1.099980	1.207797	
4	Tree nut farming	1.271190	1.123777	1.292708	
5	Fruit farming	1.265675	1.077195	1.275135	
6	Greenhouse and nursery production	1.300079	1.041384	1.224981	
10	All other crop farming	1.243052	1.148119	1.278694	
11	Cattle ranching and farming	1.722462	1.498773	4.216758	
12	Poultry and egg production	1.222326	1.355876	1.356580	
13	Animal production, except cattle and poultry	1.428410	1.099103	2.281206	
14	Logging	1.338808	1.327695	1.604441	
18	Agriculture and forestry support activities	1.568375	1.061201	1.593058	
19	Oil and gas extraction	1.284225	1.063196	1.309961	
24	Stone mining and quarrying	1.306034	1.223495	1.310879	
25	Sand, gravel, clay, and refractory mining	1.321929	1.106235	1.285950	
27	Drilling oil and gas wells	1.345254	1.237799	1.373585	
28	Support activities for oil and gas operations	1.406521	1.062258	1.333573	
30	Power generation and supply	1.272373	2.278072	1.220203	
36	New farm housing units and additions and alle	1.497818	1.731678	2.124022	
42	Maintenance and repair of farm and nonfarm re	1.490139	1.472893	1.786740	
47	Other animal food manufacturing	1.268910	1.951983	2.860328	
60	Frozen food manufacturing	1.444398	1.527133	2.270309	
64	Cheese manufacturing	2.135262	7.804773	5.072401	
67	Animal, except poultry, slaughtering	2.196493	7.773705	5.859401	
73	Bread and bakery product, except frozen, manu	1.321113	1.170055	1.339062	
75	Mixes and dough made from purchased flour	1.258637	1.380435	1.430517	
101	Textile bag and canvas mills	1.327234	1.094913	1.622587	
109	Leather and hide tanning and finishing	1.688576	2.065404	2.394451	
111	Other leather product manufacturing	1.310594	1.031399	1.219489	
112	Sawmills	1.573235	1.549978	1.871783	
118	Cut stock, resawing lumber, and planing	1.798747	2.153413	2.758353	
120	Wood container and pallet manufacturing	1.691202	1.215489	1.756385	
123	Miscellaneous wood product manufacturing	1.596944	1.460529	1.782835	
126	Paperboard container manufacturing	1.281391	1.255091	1.582076	
135	All other converted paper product manufacturi	1.322612	1.321864	1.737731	
262	Sawmill and woodworking machinery	1.394389	1.291550	1.793076	
267	Food product machinery manufacturing	1.461358	1.310195	1.577369	
362	Wood kitchen cabinet and countertop manufactu	1.546144	1.200306	1.672249	
364	Nonupholstered wood household furniture manu	1.548193	1.332975	1.888686	
369	Custom architectural woodwork and millwork	1.488701	1.727120	2.630480	
370	Office furniture, except wood, manufacturing	1.384318	1.424779	1.725180	
371	Showcases, partitions, shelving, and lockers	1.400322	1.187106	1.528653	
397	Scenic and sightseeing transportation and sup	1.487658	1.182597	1.814965	
449	Veterinary services	1.418494	1.114365	1.616656	
456	Travel arrangement and reservation services	1.464840	1.202503	1.818251	

Source: Implan 2002

utilities, and so forth. Multipliers for sales, or output, will measure how many times that a dollar of output on the dairy farm circulates through the local economy. In this case, a multiplier of 1 is simply a measure of the output of the dairy farm. It measures no other effect on the economy. Whereas, a multiplier of 2 would indicate that a dollar of sales on the farm created an additional dollar of sales in the community. A multiplier of two would be considered a relatively strong multiplier because each dollar of output on the farm is stimulating another dollar of output elsewhere. *Note: As industries become more reliant global sourcing and outsourcing, the trend over the last decade or so has been to lower multipliers.*

For the purposes of this study, the project team wanted to explore the level of integration and backward linkages, of the various agricultural and related sectors in Cattaraugus County. The project team felt that a multiplier of 1.5 or higher for output and employment would indicate a relatively strong correlation between industries and therefore developing the upstream marketing for these industries would have a significant trickle down effect on the economy. Reviewing the chart on the prior page, several industries provide strong backward linkages. Not surprisingly, these industries tend to focus on dairy and cattle as well as forest products. In all, ten industries exceed the 1.5 threshold for output and nine exceed the 1.5 threshold for employment. Value Added multipliers met the threshold within twenty-eight sectors; indicating the strong rental arrangements in industry.

Cattaraugus County's input-output results indicate that the economy is specialized within industry sectors related to animal based agriculture and forest products. These relationships are well developed, but may offer some opportunity for further leverage.

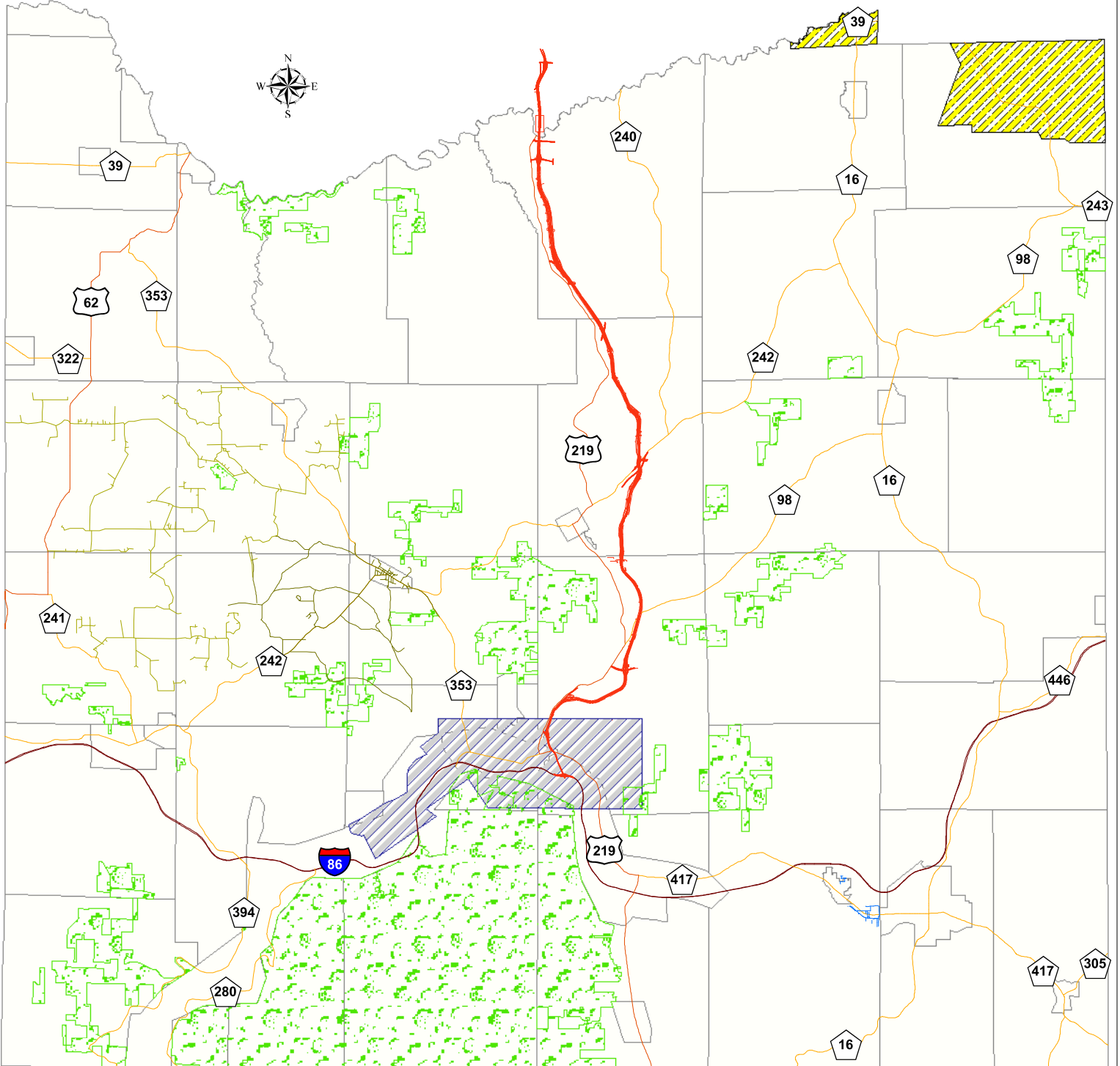
Implications for the Cattaraugus County Agricultural and Farmland Protection Plan

Agriculture in Cattaraugus County is declining, but remains a key element in the County economy. Looking to the region, agriculture is growing in strength, led, in part, by the growth of the dairy and vegetable sectors to the north. Traditional farming based on livestock remains the economic mainstay of agriculture. High value agriculture such as nursery and greenhouse as well as small “farmettes” are rising in prominence, but do not dominate the production scenery. Implications for the Agriculture and Farmland Protection Plan include:











- Local agriculture is highly influenced by the health of the regional dairy industry. The same can be said for the production services and input industries. Therefore, the health of dairy strongly influences the health of the agricultural industry.
- While not as predominant, the growth of the Nursery and Greenhouse and Vegetable sectors indicates that agricultural transition is successfully underway.
- Growth in part-time and beginning farmers is modest, but evident in the statistics. Growth in this segment generally indicates the need for additional business development and marketing support due to time limitations and limited experience of farmers.
- The equine industry, while hard to quantify, does seem to offer an economic development opportunity though most activity is centered on Erie County.
- There has been some growth in meat goats and lambs on small operations indicating an opportunity to develop ethnic product markets for H’Alal products.
- Cattaraugus County relies on the broader region for agricultural services and supply.
- Service and supply industries are geared to support livestock and field crop operations. Specialty firms supporting equestrian oriented farms and nursery and greenhouse operations are also growing in importance regionally and may support operations in Cattaraugus County.
- While input and output industries seem strong, concerted development efforts can support further development of these sectors and enhance backward linkages.

The agricultural industry remains just that, an industry in Cattaraugus County. Current conditions show that the industry is in slow decline, but well supported by a vibrant regional agricultural economy. Furthermore, the industry is well integrated within a broader economy and provides a significant source of employment and proprietors’ income. However, these conditions could change rapidly, especially with changes in the dairy markets and should be managed to reduce this risk. Directed economic development support is one means to approach this issue and to keep the region’s rural economy balanced.

PARTIAL INFRASTRUCTURE & STATE RECREATION LANDS

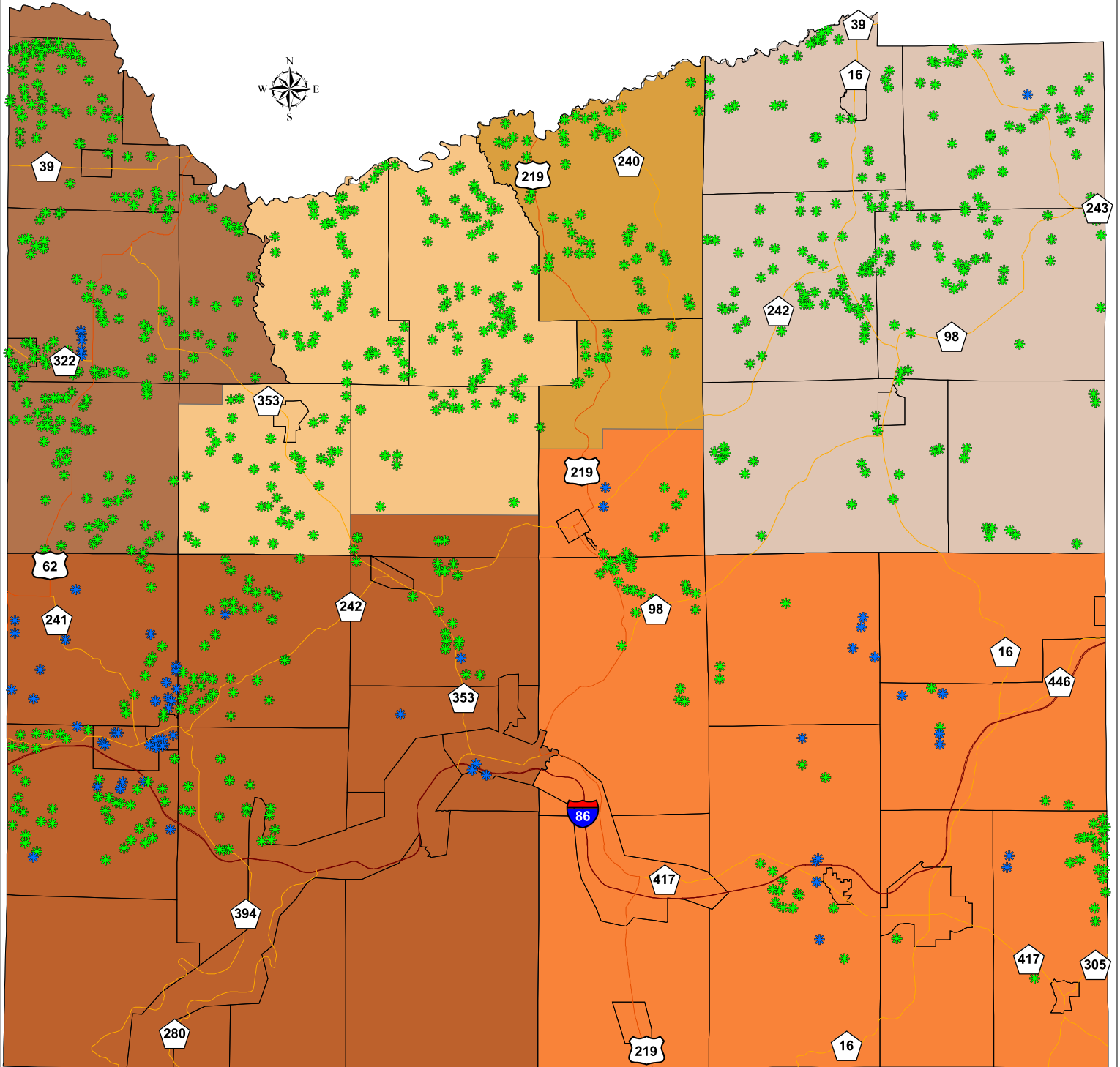


Legend

-  I-86
-  State Roads
-  US Roads
-  Proposed 219
-  Allegany Town Water Lines
-  Steuben Power Lines
-  Little Valley Municipal Electric
-  Salamanca Electric Utility Boundaries
-  Arcade Electric Boundaries
-  State Recreation Lands

Map Created by:
 Daniel T. Martonis
 GIS Coordinator
 Cattaraugus County
 dtmartonis@cattco.org
 (716) 938-9111 ext. 2324
 May '06

AGRICULTURAL DISTRICT BOUNDARIES & PARCEL POINTS WITH AN AG EXEMPTION



0 2 4 8 Miles

Legend

Agricultural Districts

Ashford Meadows	Farmersville - Freebom	Northwest
South Branch	Southeast & Central	Southwest

Parcel Center Points

Exemptions Codes

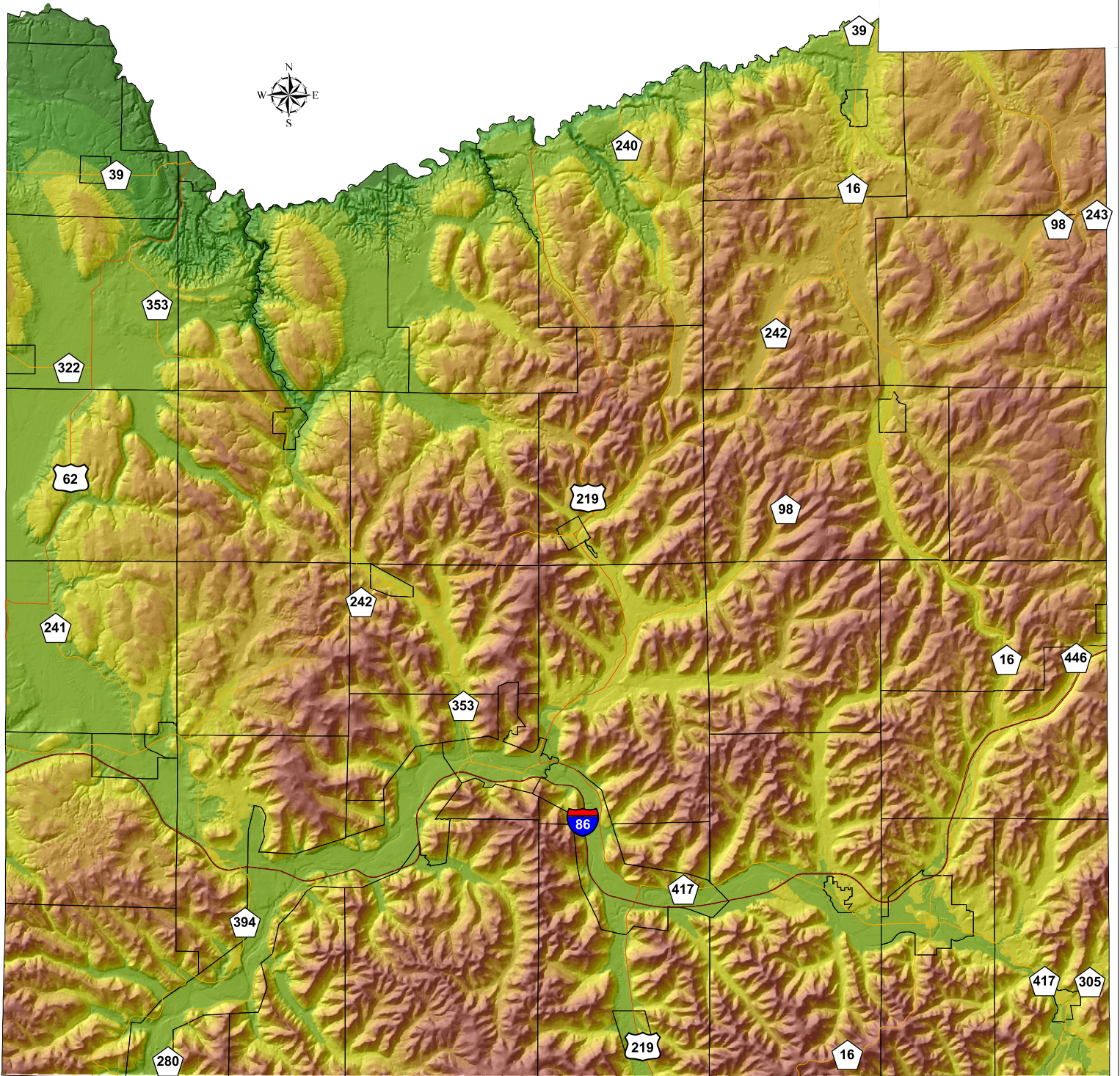
- 41720 - Inside District
- 41730 - Outside District

Roads

- I-86
- State Roads
- US Roads

Map Created by:
Daniel T. Martonis
GIS Coordinator
Cattaraugus County
dtmartonis@cattco.org
(716) 938-9111 ext. 2324
May '06

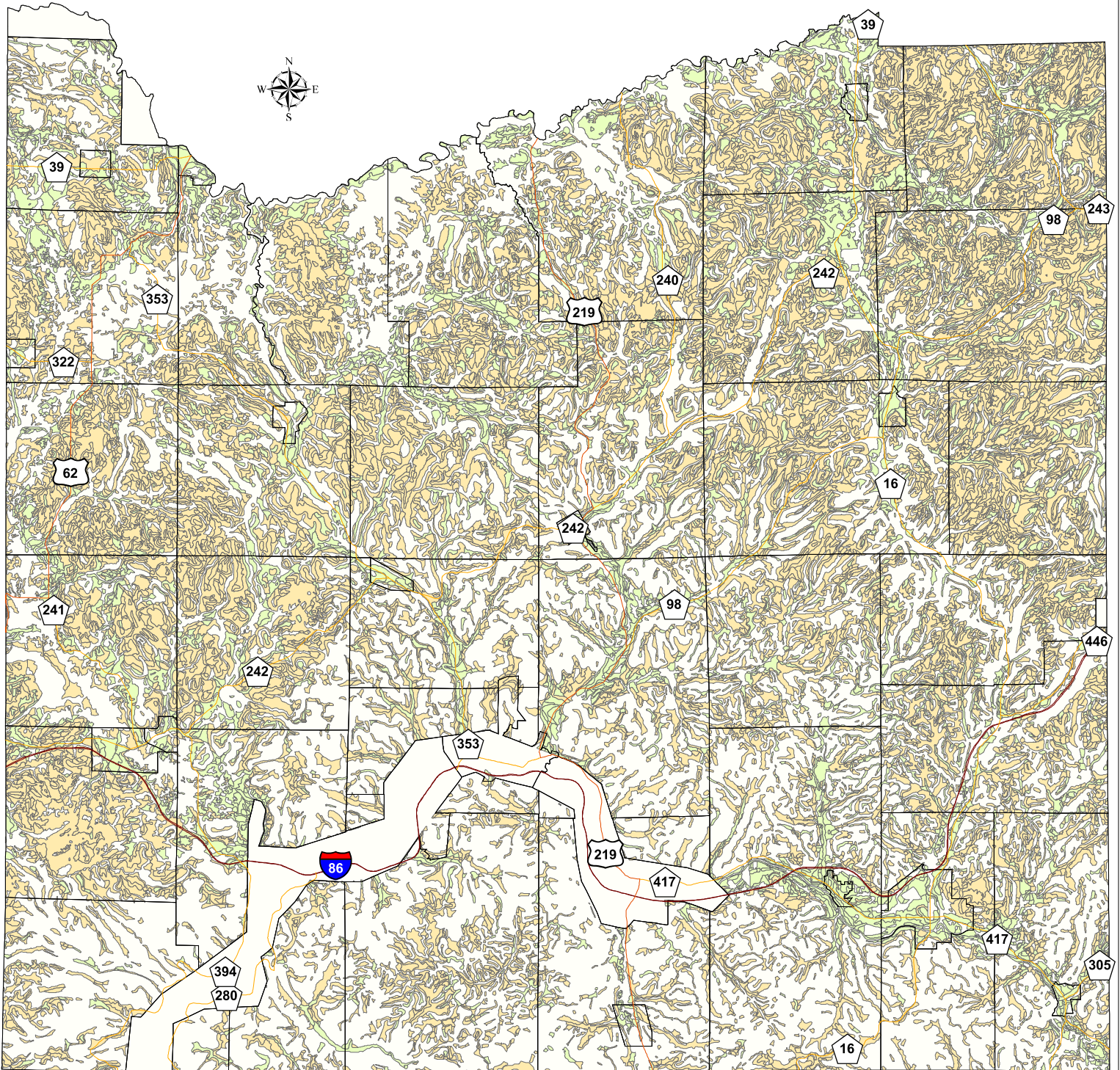
CATTARAUGUS COUNTY 3D ELEVATIONS



Map Created by:
Daniel T. Martonis
GIS Coordinator
Cattaraugus County
dtmartonis@catco.org
(716) 938-9111 ext. 2324
May '06

CATTARAUGUS COUNTY

SOIL TYPES



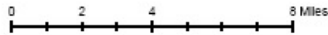
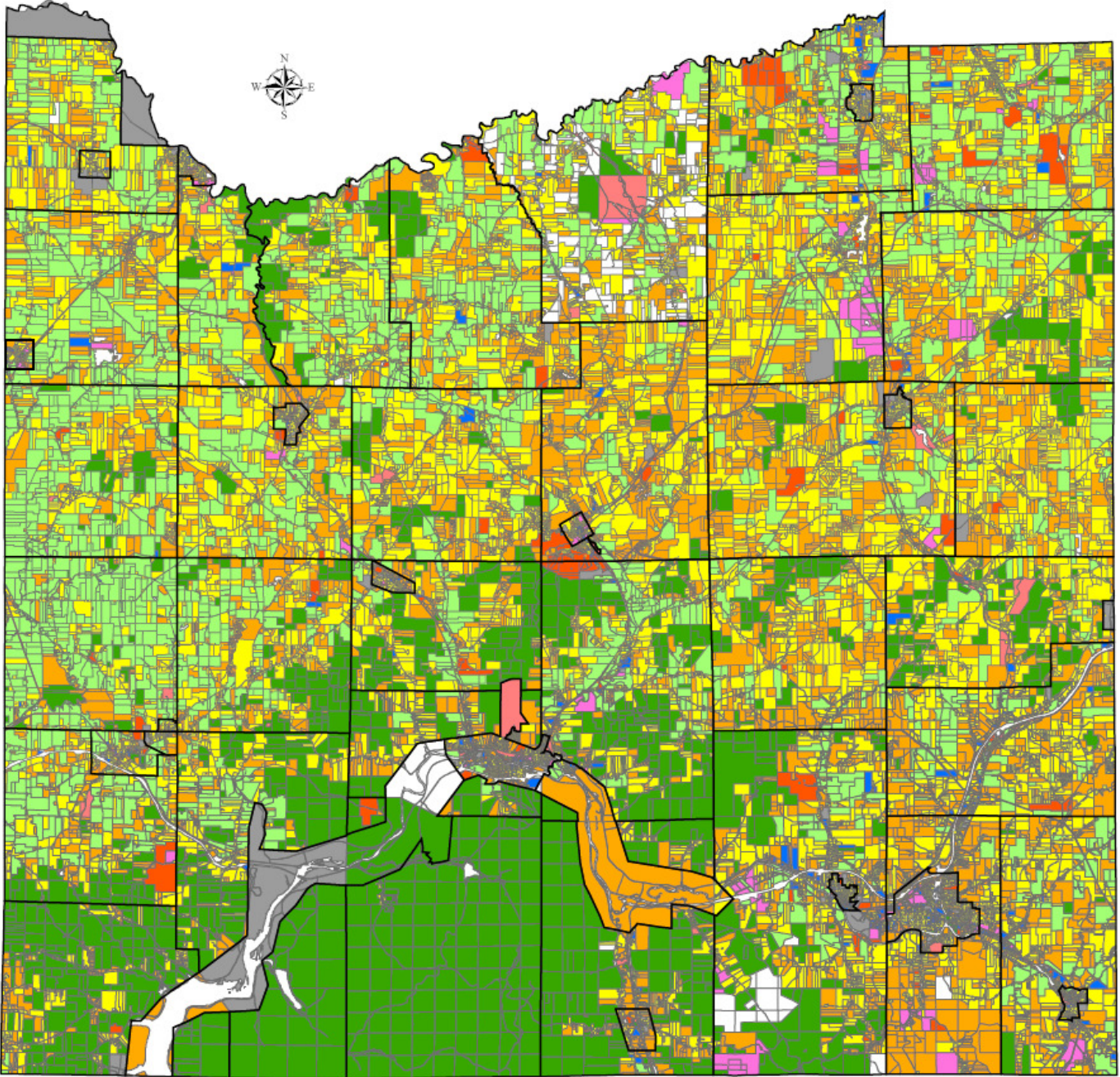
0 2 4 8 Miles

Legend




	I-86		All areas are prime farmland
	State Roads		Farmland of statewide importance
	US Roads		

Map Created by:
 Daniel T. Martonis
 GIS Coordinator
 Cattaraugus County
 dtmartonis@cattco.org
 (716) 938-9111 ext. 2324
 May '06

PARCEL CLASS CODES

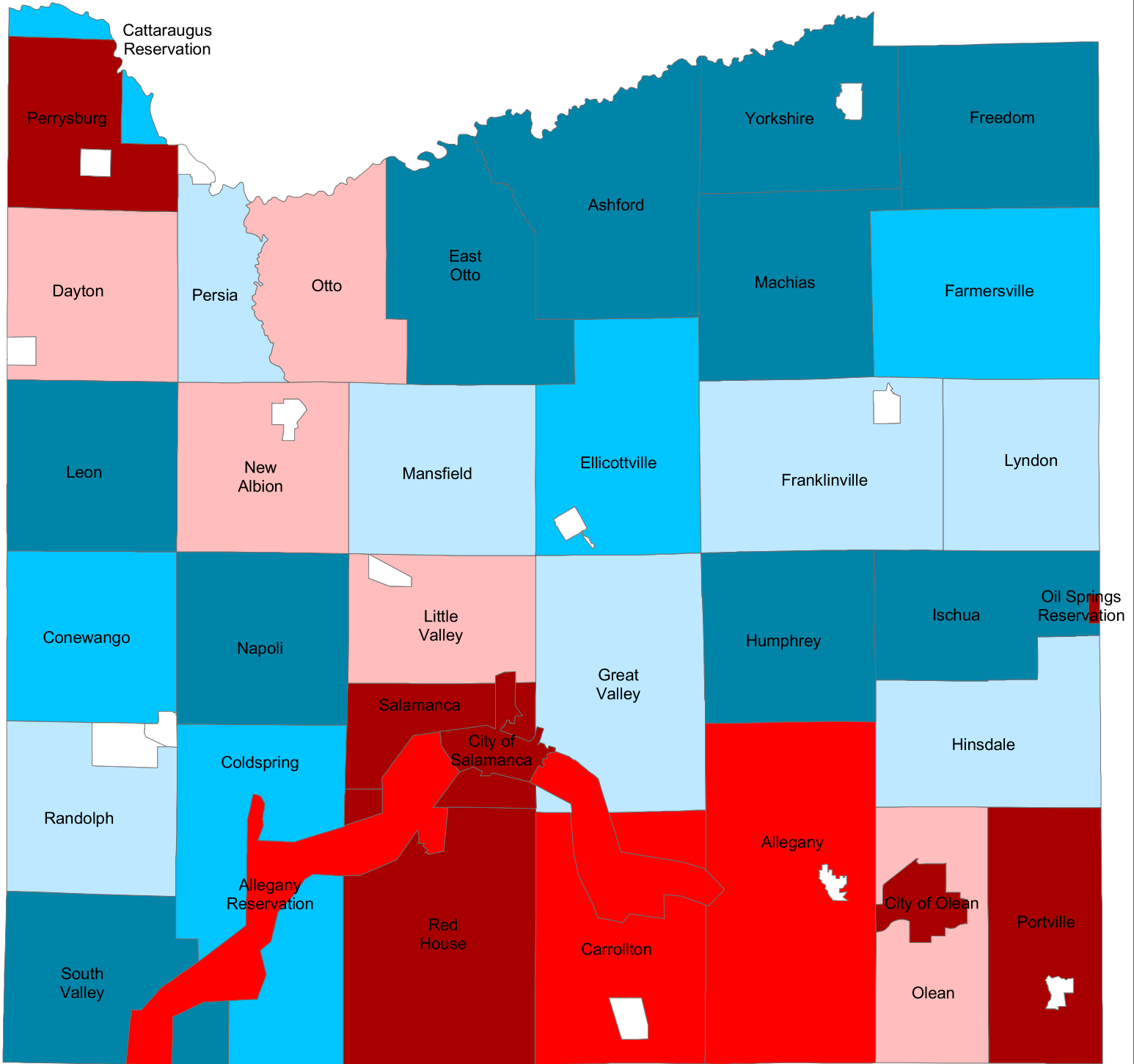


Parcel Count per Class Code

-  No Data
-  2,076 - Agricultural
-  30,172 - Residential
-  10,575 - Vacant Land
-  1,982 - Commercial
-  194 - Recreation & Entertainment
-  682 - Community Services
-  196 - Public Services
-  325 - Industrial
-  1,330 - Wild, Forested Conservation Lands & Public Parks

Map Created by:
 Daniel T. Martonis
 GIS Coordinator
 Cattaraugus County
 dtmartonis@cattco.org
 (716) 938-0111 ext. 2324

Census Population Change 1980 through 2000 Per Town/City/Reservation



Population Change from 1980 - 2000

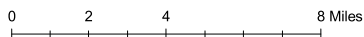
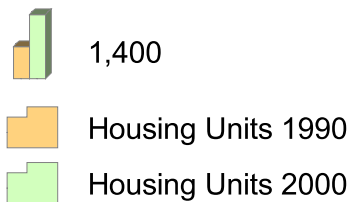
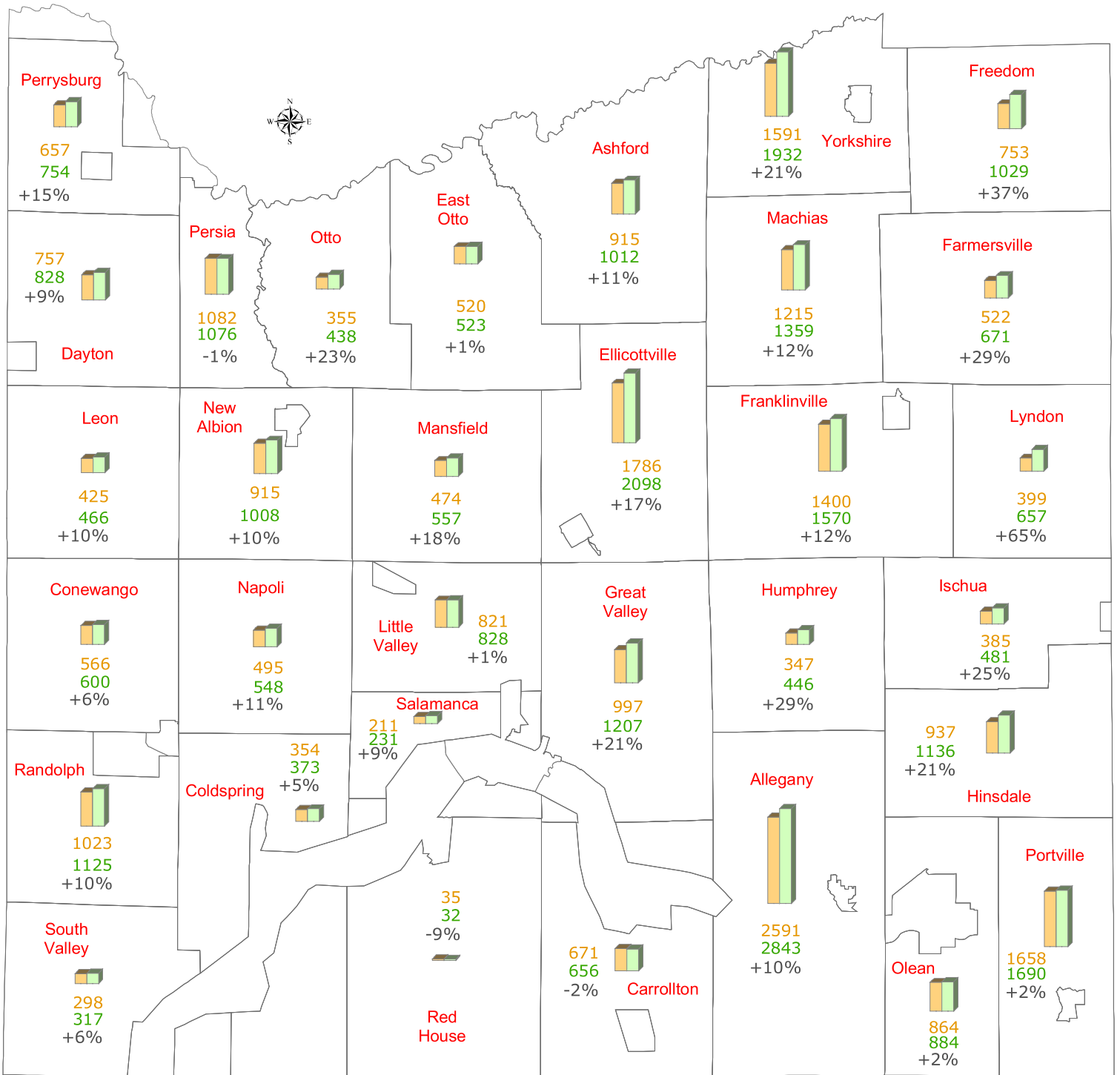
- 11% or Greater Decrease
- 6% - 10% Decrease
- 1% - 5% Decrease
- 1% - 5% Increase
- 6% - 10% Increase
- 11% or Greater Increase

0 2 4 8 Miles



Map Created by:
Daniel T. Martonis
GIS Coordinator
Cattaraugus County
dtmaronis@catco.org
(716) 938-9111 ext. 2324

1990, 2000 Census of Housing Units



Map Created by:
 Daniel T. Martonis
 GIS Coordinator
 Cattaraugus County
 dtmartonis@catco.org
 (716) 938-9111 ext. 2324

% = Percentage Change from 1990 to 2000

CATTARAUGUS COUNTY, NEW YORK
Prioritizing Agricultural Land

Objectives:

- ❖ To assist in ranking projects for agricultural and farmland protection programs, such as a Purchase of Development Rights program;
- ❖ To provide information for the county and towns to identify important farmland and to use in land planning efforts.

Ranking Formula:

Farm Characteristics

1. Soil Quality (40 points)
Using the Department of Agriculture and Markets soil group classification, rate the soils for agricultural productivity. Priority will be given to soils of prime and statewide importance as well as unique soils.
2. Size of Application (15 points)
Priority will be given to parcels with a greater quantity of tillable acres.

Location Factors

3. Proximity to Other Farm Parcels (10 points)
An active farming area provides a setting that is more supportive of farming and farm practices. Emphasis will be given to farms that are located near other actively farmed parcels.
4. Within an Agricultural District (5 points)
Agricultural districts can strengthen farming by providing important incentives and protections for farms. Priority is given to projects located within an agricultural district.

Development Pressure

5. Public Road Frontage (15 points)
Priority is given to projects with significant road frontage.
6. Proximity to Water and/or Sewer (10 points)
Priority is given to projects that are closer to public water and sewer lines with the highest priority given to parcels that have water or sewer lines at road frontage.

7. Proximity to Route 219 Interchanges (10 points)
Priority is given to projects that are adjacent to or very close to a current or proposed Route 219 interchange.

8. Area Facing Significant Housing Development Pressure (10 points)
Priority will be given to projects that are near new housing developments or have significant scattered lot residential development pressure.

Environmental Benefits

9. Buffers Significant Public Natural Resource (15 points)
Priority is given to projects that are adjacent to, or buffer, a significant or unique public natural resource.

For the New York State Farmland Protection Program purchase of development rights grants, the project must also meet the following criteria:

Prospects for Succession as a Farm

10. Level of Farm Management Demonstrated by Current Owner (15 points)
This factor gives great emphasis to owners who demonstrate a high level of farm management success.

11. Level of Farm Investments (10 points)
Farm operations that have made extensive agricultural operation investments (such as in barns, tile drainage, manure storage, or other soil and water conservation measures) will be easier to keep in agriculture than farms where substantial investments are needed to update the business.