

# AG FOCUS

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## *DiNapoli: Agricultural Activity Brings \$37.6 Billion Into New York's Economy*

Agriculture contributed \$37.6 billion to New York's economy in 2012, an increase of more than 22 percent from 2007, according to a report released today by State Comptroller Thomas P. DiNapoli. The state ranks in the top 10 nationwide for milk and other dairy production, as well as wine, apples, maple syrup and other products.

"New York's economy is still fueled by agricultural activity and the production of food," DiNapoli said. "Farms in New York are 98 percent family-owned, yet compete on a national level, diversifying our economy and keeping our local communities strong. It makes economic sense for the state to retain and promote our farms to feed our residents and preserve our land."

"Comptroller Tom DiNapoli's report calls attention to the significant economic impact agriculture has in New York state," said Dean Norton, president of the New York Farm Bureau. "This in-depth look highlights the dedication of farmers, the diversity of products and the unmistakable conclusion that agriculture is a cornerstone of our rural economy both upstate and on Long Island. New York Farm Bureau thanks the Comptroller for the report and his continued interest in our state's agricultural strength."

Milk is the state's largest commodity, with \$2.4 billion in sales, followed by grains, peas and beans at \$856 million, according to the U.S. Department of Agriculture's 2012 census. New York also ranked first nationwide in the production of yogurt, cottage cheese and sour cream, and was the second-largest wine producer in 2013, with 34 million gallons. The state also ranked second nationally in maple syrup production.



As of 2012, roughly 56,000 New Yorkers operated farms, with an additional 61,000 people hired as farm laborers. Both the total value of agricultural commodity sales and farm acreage increased from 2007 to 2012, while the number of New York farms and farmers declined modestly. With an average farmer's age of 55 years old - reflecting the national average - fewer younger adults are entering the farming profession. In 2012, more than half of New York farms had sales below \$10,000.

New York state has established a number of policy initiatives to promote its agricultural sector. They include:

- ◆ The Farmland Protection Program, which can pay 75 percent of purchase costs for conservation easements to municipalities;
- ◆ The New Farmers Grant Fund to encourage young people to take up farming with grants for equipment purchases, supplies or construction;
- ◆ The Fresh Connect and Fresh Fruit and Vegetable programs, which bring farm food to communities and fund school purchases of fresh produce; and
- ◆ The Food Metrics Law, which encourages state agencies to purchase food produced by New York farmers.

As farmers continue to address the challenges driven by factors at the local, national and even international levels, close attention to the most effective mix of state policies to support agriculture will remain essential.

For more details on agriculture in New York, visit the report at: [www.osc.state.ny.us/reports/importance\\_agriculture\\_ny.pdf](http://www.osc.state.ny.us/reports/importance_agriculture_ny.pdf)

# Farmers Cut Operating Costs with Clean Energy Projects

By Kathryn Hoenig & Tom Bregman

Farmers and agricultural businesses in Orange and Ulster County are finding that energy efficiency and renewable energy improvements can reduce energy costs and boost profitability. Energy costs are significant for agricultural operations in the Mid-Hudson Valley due to higher than average electricity rates and volatile primary fuel (oil and gas) costs. This is especially true in energy intensive agricultural operations like dairies, orchards, greenhouses, nurseries as well as food processing facilities.

Relief from high energy costs and increased profitability are possible for agricultural operations that have embraced clean energy improvements for their buildings. Clean energy projects can address both the supply and demand sides of a farm's energy equation. On the supply side, renewable energy systems, including solar (electric and hot water), wind, geothermal, biomass and biogas, generate usable energy on-site and reduce dependence on utilities. On the demand side, energy efficiency measures like LED or CFL lighting, boiler conversions, furnace upgrades, HVAC, pumps and chillers, lower total energy use.

Energy Improvement Corporation (EIC) ([www.energizeny.org/eic](http://www.energizeny.org/eic)) is a NY State local development corporation chartered to provide clean energy benefits to property owners within the boundaries of EIC's municipal members. EIC, in partnership with the New York State Energy Research and Development Authority (NYSERDA) and EIC's member municipalities, offer a number of programs that help farmers determine

which projects will best improve their energy performance and offer financing for their clean energy projects.

Alan and Barbara Glustoff, of 5 Spoke Creamery in Goshen, NY, have learned first hand how beneficial EIC's commercial and finance programs can be to their creamery's bottom line. "Financing our new solar PV system through Energize NY proved to be a cost effective and profitable solution to the high cost of energy needed to run our dairy farm operation," said Alan Glustoff. "Going through the Energize NY PACE Finance program was pretty simple and straightforward," added Barbara Glustoff.

Because Orange and Ulster counties are EIC members, agricultural businesses in these counties can take advantage of EIC staff expertise, tools and innovative Energize NY (PACE) Finance programs to make clean energy projects possible.

"Membership in Energy Improvement Corporation is an important part of our economic development and environmental conservation strategy. Their Energize NY Commercial and Finance programs can help farm owners reduce their energy costs through direct support and innovative financing of clean energy projects," said Steve Neuhaus, County Executive of Orange



*Agriculture and clean energy go together: 5 Spoke Creamery's herd grazing by the farm's PV ground-mounted solar system during construction.*

County. "I was proud to make Orange County the first county in our state to implement the Energize NY program."

Energize NY (PACE) Finance offers long-term, low-interest capital for up to 100% of the cost of comprehensive clean energy improvements. Energize NY financing is not dependent upon the credit worthiness of the borrower, but rather is based on the property's potential for energy savings. Financing is repaid through an annual charge on the farm property tax bill over the term of the financing. Because the financing is tied to the property, it need not be paid off upon the sale of the property, but rather remains with the property and the new owner until it is paid off.

There also are a number of tax and other financial incentives available for clean energy projects that make these projects extremely cost effective. When coupled with Energize NY Finance loans, these projects can pay for themselves very quickly and increase farm profitability.

For more information visit [www.energizeny.org](http://www.energizeny.org) or call 914-302-7300.