

**ST. LAWRENCE COUNTY  
AGRICULTURAL AND FARMLAND PROTECTION BOARD**

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**APPROVED MEETING MINUTES**

Thursday, November 4, 2010, 7:30 PM

County Courthouse, Room 226, 48 Court Street, Canton, New York

**I. Call to Order**

**A. Roll Call and Determination of a Quorum.** Andrews called the meeting to order at 7:35 PM. **Members present:** Bob Andrews, David Coffey, Alex MacKinnon, Dan Martin, Steve McKnight, Jane Powers and Allyn Tubbs. **Members absent:** Clive Chambers, David Fisher, Jon Greenwood, and Keith Zimmerman. **Staff present:** Dawn Howard and Matilda Larson. **Others present:** Kevin Acres and Mark Akins, newly elected county legislators; Patrick Kelly, Deputy CEO of St. Lawrence County IDA.

Andrews informed those in attendance that only five members were present, and six members were needed for a quorum. Andrews said items requiring action would not be taken until another member arrived. Andrews introduced himself and asked everyone in attendance to introduce themselves. Martin arrived during the introductions at 7:39 pm and a quorum was established.

**B. Adoption of the Agenda.** The meeting agenda was unanimously adopted.

**C. Approval of the Minutes.** The June 3, 2010 meeting minutes were unanimously approved. (McKnight/Martin)

**II. Presentation**

**Creation of Local Development Corporations.** Before Kelly's presentation began, Larson provided an overview of the focus group meetings held throughout St. Lawrence County in winter 2010. Larson reviewed a summary of the priorities determined by focus group participants. Larson explained a similar presentation was delivered to the Ag Board in June. At that meeting, County Legislator Fred Morrill recommended the Ag Board contact the IDA to examine the possibility of creating a local development corporation to invest in ag related projects.

Kelly said LDCs can be set up for specific purposes, and said Jefferson County established an ag development corporation that operates with a \$180,000 annual budget

that is funded by Jefferson County. Kelly explained it costs \$5,000 to \$6,000 to create an LDC, and is subject to state requirements such as an annual audit and board member training. An annual audit will cost \$3,000 to \$4,000 per year, and is known as a carrying cost. Kelly said the Ag Board will need to find the funds to establish and maintain an LDC, and will need to evaluate if an LDC is the best vehicle to implement the ag industry's priorities. Kelly suggested the Ag Board consider other actions the IDA can take without having to establish an LDC. Kelly said the ag priorities identified by focus group participants are compatible with activities that are currently being implemented by the IDA. Within the last 30 years, Kelly said the IDA has invested in 29 agri-business projects, half of which occurred within the last five years. Some of those businesses include North Lawrence Dairy, Curran Renewable Energy, and Honeydew Acres.

Tubbs arrived at 7:57 pm

Kelly explained the IDA does not provide farm loans as they don't have the expertise in farm lending, and identified other resources in the county that serve in this capacity. Kelly added the priority to promote buying locally serves as a County Chamber of Commerce and IDA partnership opportunity.

Acres asked what kinds of projects the Jefferson Ag Development Corporation have been involved with that demonstrate a return on investment. Andrews mentioned a Jefferson County farmer who received a loan from the Ag Development Corporation, and said their IDA is working closely with Jefferson County's Ag and Farmland Protection Board. Andrews said the IDA in Herkimer County has a close working relationship with their RC&D, and said St. Lawrence County has the largest dairy industry in the state, yet there is little interaction between the ag community and the IDA office. If the IDA has invested in 29 ag-related projects, Andrews said few people realize this.

Andrews added that Tom Liberty at Tri-Town Meat Packing is attempting to expand his business, and slaughtering facilities in the North Country are limited. Andrews said a public kitchen for value-added processing has been identified as a need, and Burns Trucking hauls 30 tractor trailers of milk daily to Massachusetts and Buffalo. Andrews said all milk produced in the county is being exported, and other raw material that is produced in the county does not stay. Andrews said logs are processed in Vermont and Massachusetts, and the Ag Board and IDA need to start working together to address these situations. Kelly said with the exception of Burns Brothers, the IDA has been involved with all of the projects Andrews listed. Kelly said the IDA is interested in playing a part in developing more value-added processing in the county, and have been in private discussions with companies that are interested in those types of projects.

Andrews said farmers don't know how to access the IDA's services, and asked how a farmer should approach the IDA for assistance. Kelly replied the IDA responds to walk-ins, phone calls, advertises its services in local newspapers, and attends these types of meetings. Kelly added a robust referral system is also in place; the IDA partners with other resources in the county such as the Small Business Development Center, private

lending institutions and with chambers of commerce. Powers said focus group participants felt the IDA deals only with large businesses, and asked Kelly if the IDA would be willing to send a representative to the Ag and Farmland Protection Board's quarterly meetings. Kelly said absolutely.

Peck said the IDA should have greater visibility now that it has more autonomy through its contract with the County. Peck said that while the IDA's current board composition doesn't include a member from the ag community, the Ag Board should see greater cooperation with the IDA. MacKinnon said by contract, investments in agriculture is a responsibility of the IDA, and will be a part of evaluation when the three year contract is up for renewal. MacKinnon said lending institutions are available for ag financing, technical support is provided by Cooperative Extension, and the IDA can get involved in marketing and value-added processing initiatives. Kelly said tonight's presentation is focusing on how to strengthen the Ag Board's relationship with the IDA, rather than creating an LDC to implement ag priorities.

Martin said an orderly marketing mechanism is needed with value-added processing in the county. If a field of produce can't be processed, then it has very little access to a market. Presently the county's farming industry does a poor job of making a product available in the form a consumer wants to buy it in. Martin said we have wheat, but not flour; we have milk, but not cheese. Martin asked if there are elements the industry lost that we would want to keep? Martin said while government support is good, it could be a band aid. When banks lend money to farmers, it is often because farmers are in too much debt, and they need the loan to purchase next year's inputs, rather than to make a profit on a good that is sold. Farmers need to provide a product that is wanted by the consumer. There's a need to simplify regulations to make this happen while providing safe food. Facilities much be within reach of a farm, but if there are too many unknown regulations, it increases the cost of production. Martin said we can do without the high costs of inputs; providing a product doesn't have to be that difficult.

Acres reviewed businesses that are no longer in operation in the county, and said they were older facilities, and a large volume of output is needed to support production. Microbusinesses can't satisfy the volume requirement due to regulations in place. A wholesale market can be lined up, but there must be steady supply, which doesn't match the growing season. Acres said nothing is more efficient than an owner-operator business with small markets. Andrews added more grain and storage facilities are being established in the county.

MacKinnon said it was a good time to examine a resolution passed by the Board of Legislators, and to discuss a recent *Watertown Times* article regarding Walmart's desire to buy more local foods. MacKinnon said the resolution speaks to establishing a processing facility with kill floor to process different meats; a processing/packaging component for vegetables; and a loading area for shipping. The local market for this type of facility would be central New York, or the Northeast US. If contract purchasing were established with local producers, MacKinnon explained the supply of goods wouldn't

fluctuate like it does in the open market. MacKinnon encouraged Kelly to call Walmart, and said the IDA has the capacity to bond for a regional value-added processing facility. The operation of the facility would be financed through the private sector to ensure its profitability.

Acres asked Kelly if Tri-Town has sought help from the IDA, and said they are looking at making energy efficiency improvements, and are seeking financing for expansion. Kelly said he was not comfortable talking about specific interactions he's had with companies. Kelly said the IDA looked at vegetable production, and a large private partner like Walmart, is needed to make it work, but the devil is in the details. Martin said Garden Share's feasibility study found that having a market wasn't the problem; the problem was input availability. Martin said we need to examine what we can do better than our competitors elsewhere.

Acres said the county must also work to keep what we already have. Coffe said he sells freezer beef that is slaughtered at Tri-Town, and consumers are interested in purchasing local foods. If the current processing capacity in the county is lost, the county's economy will be hurt. Coffe said producers must schedule meat processing way in advance. Martin added managing beef sales is a nightmare, as existing processing facilities do not have the capacity to readily accept new orders. Martin asked after satisfying state and federal regulations for two years to start a business, is food any safer? MacKinnon responded that regulations are a fact of life we have to deal with, due to the political consequences of food borne illnesses. MacKinnon said we must learn to work with the bureaucratic process.

Andrews said the county is seeing a change in its population, including the expansion of Ft. Drum. The point is, Andrews said, the idea of a creating value-added processing center in the county is good. The county has a large land mass, and is experiencing ag diversification. Andrews said the Ag Board desires a close working relationship with IDA. Kelly said the IDA would like to make the Ag Board a good advocate.

Coffey said he wanted to respond to MacKinnon's suggestion for contract pricing rather than relying on open market pricing. Coffey said with the GYPSA rule, there is no incentive for producers to make a better value-added product when price setting is in place. MacKinnon said he used contract pricing as an example to develop a steady flow of supply. Martin asked if the proposed facility would allow small farmers to process their goods and sell the final product back at their farms. MacKinnon said there are no rules on how the facility will be developed. A comment was made that there is a need to increase end sales, both for export and to the local market. Akins, Martin and Coffey said farmers are able to engage in direct sales to consumers after meat is processed at Tri Town.

### **III. Reports**

**A. Survey Results from August 20<sup>th</sup> Ag Tour.** Larson reviewed feedback received from Ag Tour participants. MacKinnon said after the tour was held, he asked Chandra Coffey in the County Administrator's office to speak with a person in Washington DC who wrote the subsidy eligibility requirements. MacKinnon reported that as a result of the Ag Tour, Chandra's efforts helped amend the regulations which went into effect last week. Curran Renewable Energy is now eligible for federal biomass subsidy. MacKinnon said the Ag Tour had an influence on federal policy, and will encourage all other County legislators to attend future tours.

Martin asked to be excused and left the meeting at 9:08 pm

Coffey suggested that if the Ag Board works with the IDA on priorities, trees could be chipped to reclaim former agricultural land, and would be a win-win for all involved.

**B. Board of Legislators Report.** Andrews said after Dan Girard resigned as the County legislative representative to the Ag Board, Alex MacKinnon has been appointed to serve in this seat through the end of the year.

**C. BOL Resolution No. 360-2010.** MacKinnon credited Dan Girard for introducing the resolution to examine the creation of a value-added processing facility in the county. Kelly said the resolution references a plan that was developed for a facility elsewhere in the United States, and asked if a copy of the plan was available. MacKinnon said he would forward a copy of it to Kelly.

**D. Northeast SARE Ag Plastics Recycling Grant.** Larson reviewed Buchanan's timeline to finalize the project by the end of this year. Howard said the ag plastics baler arrived and is now in the possession of the Soil and Water District, and will be shared with Franklin County.

**E. Soil and Water Conservation District.** Howard reviewed the history and purpose of the SWCD for the newly elected county legislators, and said the SWCD was originally created to serve the ag community, but now provides assistance to residents in the county's population centers. Howard said a technician of seven years recently left, and they will conduct a search to fill the position. The SWCD has \$800,000 in grant funding to implement on four farms, and must meet a December 6<sup>th</sup> deadline. Howard said in response to the Ag Board's memo to the DEC regarding the County's nuisance bear population, the Region 6 Fish and Wildlife Management Bureau, the Black River St. Lawrence RC&D Council, and the St. Lawrence County Farm Bureau passed resolutions to amend existing regulations to better manage nuisance animals.

A logging safety training session has been scheduled for December 11<sup>th</sup>, and the RC&D's algae biofuel pilot project is underway. The Black River RC&D is examining a tire recycling project for chipping. Acres asked what type of projects will be implemented

with the grant money. Howard replied CAFO compliant barnyards. The Soil and Water Conservation District has a contract on the Black Lake project until 2013, and want to achieve 100% containment. Howard said the proposed amendments to current CAFO regulations will treat all farms as CAFOs. For regulations to protect the Chesapeake Bay, New York farms will be asked to achieve a higher level of standard which already exceeds regulations that are currently in place in Pennsylvania and Maryland.

- F. 2010 Ag District Review.** Larson announced the Annual Ag District review report was submitted to the State Department of Ag and Markets, and the County should receive certification during the first half of November.

#### **IV. Other Items**

##### **A. Correspondence.**

- i. **Regional Meeting with Chenango County.** Larson reported Chenango County contacted the Planning Office to examine the possibility of conducting a regional meeting to discuss agricultural issues. Larson said she informed Chenango County the Ag Board voluntarily eliminated its budget to send a message to the County Board of Legislators to cut costs rather than raise taxes. If a board member was interested in participating in a regional meeting, it would happen at their own expense. MacKinnon noted property owners will see a tax increase of less than 2% under the County's proposed 2011 budget.
- ii. **Written correspondence from Don Hassig.** Larson reported Don Hassig submitted information requesting the Ag Board to pass a resolution supporting the amendment of current DEC regulations which allow property owners to create private landfills on their land. Hassig also submitted information announcing an upcoming panel discussion on November 9<sup>th</sup> at Canton Central School concerning Persistent Organic Pollutants (POPs). Larson said both pieces of correspondence would be made part of the Ag Boards public meeting record.
- iii. **Letter to Patti Richie.** At Andrews' suggestion, the Ag Board unanimously supported sending newly elected State Senator Pattie Richie a congratulatory letter with an offer to establish an open line of communication with the Ag Board and advise her on agricultural issues.

- B. 2011 Meeting Schedule.** Larson reviewed the existing meeting dates for Cooperative Extension, County Planning Board, Environmental Management Council, and the Soil and Water Conservation District. By process of elimination, Larson explained the Ag Board's quarterly meeting dates would have to occur during the first week of any month. With the exception of holding a June meeting to review annual requests to add properties to Ag Districts 1 and 2, Larson said the Ag Board could schedule meeting dates for any month of the year. The Board unanimously agreed to schedule the 2011 meeting dates

for Thursdays, February 3<sup>rd</sup>; June 2<sup>nd</sup>; September 1<sup>st</sup>; and November 3<sup>rd</sup>, beginning at 7:30 pm in Room 226 of the County Courthouse.

**C. Next Meeting.** The next Ag and Farmland Protection Board meeting will be on Thursday, February 3, 2011 at 7:30 pm in Room 226 of the County Courthouse in Canton.

Kelly said that at a recent RVRDA public hearing, the IDA received a suggestion to examine investing in ultra high temperature milk processing, and requested feedback from persons in attendance. Acres noted that exporting the product to areas without refrigeration would be problematic. A suggestion was made to also examine high filtration milk products.

**V. Adjournment**

The meeting adjourned at 9:55 pm. (McKnight/Tubbs)

Respectfully submitted,

Matilda Larson