

Fulton County, New York

Agricultural Development and Farmland Protection Plan

II - The Top Ten Contributions of Agriculture to Fulton County

Farming is much more than a starting point on the development scale. It represents a fundamental economic opportunity. It also pays cultural, environmental and social dividends for Fulton County. Consider the following:

1. FARMING REPRESENTS A \$51,858,000 BUSINESS INVESTMENT IN FULTON COUNTY.

Farming in Fulton County involves some 176 business locations, both large and small, that generated sales of \$9,625,000 in 1997. The New York State Department of Agriculture and Markets estimates that cash receipts in 1997 were \$8,659,000, increased to \$11,176,000 in 1998, and dropped back to \$10,913,000 in 1999. These variations reflect the volatility in milk pricing. According to the U.S. Census of Agriculture for 1997, the average farmer's investment in land, buildings and equipment used in these businesses was \$294,646. Demonstrating the importance of farming as an industry, this represented a total investment in the Fulton County economy of approximately \$51,858,000, the equivalent, from an economic development standpoint, of several major manufacturing facilities. Market values averaged \$232,450 for land and buildings and \$62,196 in machinery and equipment.

2. FARMING PROVIDES YEAR-ROUND BUSINESS FOR OTHER FULTON COUNTY ENTERPRISES.

Agriculture is much more than farming. Many non-agricultural businesses supply the needs of farmers. These include processors, vehicle and equipment dealers and other enterprises. Fulton County farmers, for example, own and must maintain and replace 130 mower/conditioners, 119 balers, 252 trucks, 449 tractors and numerous other pieces of farm equipment and machinery.

They also, according to the Census of Agriculture, annually purchase: \$332,000 of electricity; \$317,000 of petroleum products; \$679,000 in repairs and maintenance; \$599,000 of property taxes; \$546,000 of hired farm labor; \$568,000 of seed, fertilizer and chemicals; \$1,719,000 of feed; and approximately \$2,180,000 of other products and

Fulton County, New York

Agricultural Development and Farmland Protection Plan

services from Fulton County and other nearby enterprises, many of which would not be considered farm supply businesses (e.g. insurance and auto businesses).

3. INCOME FROM AGRICULTURE GOES FURTHER THAN OTHER SECTORS IN HELPING THE ECONOMY.

Agriculture produces much higher economic multipliers than any other sector of the Fulton County economy. A report entitled "Economic Multipliers and the New York State Economy," (Policy Issues in Rural Land Use, Cornell Cooperative Extension, December 1996) indicates dairy production, for example, enjoys a 2.29 income multiplier compared to 1.66 for construction, 1.48 for services, 1.41 for manufacturing and 1.40 for retail and wholesale trade. Crops produce a multiplier of 2.28 and nursery and wood products yield 1.78 times sales. Applying these multipliers indicates agriculture represents a total contribution to the economy of approximately \$22,000,000, not including forestry enterprises, many of which take place on farms and all of which are part of agriculture.

4. AGRICULTURAL OPPORTUNITIES CAN ACTUALLY INCREASE WITH DEVELOPMENT OF AN AREA.

While development can, obviously, create conflicts for farmers, the leading agricultural county in New York is Suffolk County. It is home to 1.3 million people and one of the most highly developed suburban environments in the nation, suggesting not only that farming and urbanization can co-exist, but also that the local demand for agricultural products increases with the latter and raises the value of farming as an economic enterprise.

The County has not been experiencing the same growth as the metropolitan areas (it gained only 1.6% in population between 1990 and 2000) but there has been some development outward from Johnstown, Gloversville, Amsterdam, Schenectady and Albany. The Town of Broadalbin, as an example, grew by 15.2% during the same period. Indeed, every town in the County other than Oppenheim gained population. This growth, combined with the presence of the urban centers, presents opportunities for diversification and specialization on which the County can also capitalize in its role as the "Gateway to the Adirondacks" for tourists. Farming will, therefore, become ever more important to the County as it continues to develop, whatever the pace. This is particularly true for small crop farmers that depend so much on direct marketing and the value of those cash receipts increased almost two-

Fulton County, New York

Agricultural Development and Farmland Protection Plan

thirds between 1987 and 1997.

5. FARMS PAY TAXES.

Fulton County farmers, as noted above, paid almost \$600,000 in property taxes in 1997. This is despite preferential assessments afforded by the Ag District Law. Other studies also demonstrate that farms are tax winners. A 1995 study of Tompkins County, as an example, found "agricultural .. uses should be recognized as beneficial because they do not demand a large amount of services and provide other benefits such as employment."

Data from the Costs of Community Services Study, Tompkins County by Cornell Cooperative Extension of Tompkins County, in fact, indicate agriculture typically produces \$1.00 in tax revenue for every 15¢ to 40¢ of town and school expenditures it generates, whereas residential development costs \$1.09 to \$1.56 per \$1.00 of taxes gathered. A similar analysis from the Schoharie County Agricultural Development and Farmland Protection Plan, 2000 indicated agriculture produced \$1.09 to \$2.06 in tax revenue for every \$1.00 of municipal and school costs created.

These results are consistent with those of a number of other similar studies by American Farmland Trust, Cornell Cooperative Extension, and Commonwealth Research Group, Inc. of communities in Dutchess and Oneida Counties in New York and various other Connecticut and New England areas.

6. FARMS CREATE RURAL CHARACTER AND ATTRACT TOURISM.

Farms contribute to Fulton County's largely rural character and protect open spaces essential to the quality of life for both permanent and seasonal residents. Surveys of rural residents and second-home dwellers (Fulton County has over 3,600 such dwellings) indicate the primary reasons people live in such areas have to do with their appreciation of the natural resources and open spaces offered.

The anecdotal evidence is perhaps even stronger and local tourism brochures provide examples. They include references not only to the County's recreational opportunities but also its "beautiful farmland," "open skies," "fresh air" and "rustic country atmosphere." They also speak of the "bountiful selection of local products" throughout the County as an

Fulton County, New York

Agricultural Development and Farmland Protection Plan

attractive feature for visitors. The "I Love New York Harvest Tour In Fulton and Montgomery Counties" map/brochure is perhaps the best example of this.

These facets are directly created by working farm landscapes in many instances. They help support some 24 lodging facilities offered throughout the County. There is, indeed, a direct relationship between farming and the attractiveness of Fulton County as a place to both live and visit.

7. SUCCESSFUL FARMING LIMITS SUBURBAN SPRAWL.

Preserving farming as an economic use of land discourages expensive suburban sprawl, steering development toward hamlets and villages with existing services. "Gasoline taxes and other user fees only cover about 70% of the direct cash costs of building and maintaining the nation's road system," according to a April 27, 1998 article on sprawl entitled "Who Pays for Sprawl?," in U.S. News and World Report. Hook-up fees for sewer systems within areas of sprawl often cover less than half the real costs of those extensions. These differences are attributable to the high costs of servicing development spread out along highways and the deficits must be made up by all taxpayers.

8. FARMS AND FORESTS PRESERVE NATURAL ENVIRONMENTS.

Farms and forests provide working self-sustaining landscapes which preserve and enhance environmental quality. Use of New York City watershed lands in the West-of-Hudson region of New York State (including nearby Schoharie County) for largely farm and forestry uses have, for example, allowed Federal water drinking quality criteria for filtration avoidance to be met. The suburbanized Croton and other East-of-Hudson area watersheds, by contrast, cannot meet these same standards and demand extraordinarily expensive filtering processes to produce potable drinking water.

Forest land, which is a part of nearly every farm, "may reduce sediment, nutrient and other pollutant loadings by as much as 85% by minimizing soil erosion and filtering watershed runoff" according to a Watershed Agricultural Council publication. A recent study of land use and water quality along 100 Wisconsin streams also found that "watershed with more than 20% of land in urban use had very poor biological diversity," according to an American Farmland Trust article in [Land Works Connection](#).

Fulton County, New York

Agricultural Development and Farmland Protection Plan

9. FARMS AND FORESTS SUPPORT WILDLIFE AND SPORT HUNTING.

Farms support wildlife such as deer, turkeys and small-game and thereby sustain hunting as a source of tourism to the area. The New York State Department of Environmental Conservation reports that the 1997 white-tail deer harvest was, in fact, some 685 deer with the largest takes being in Johnstown, Oppenheim and Ephratah, respectively. The 1996 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation estimated that \$154,450,000 in retail sales and \$575,535,000 in total economic output was generated for New York State as a result of deer hunting. This equals \$712 and \$2,654, respectively, for each deer harvested, yielding a \$1,818,000 deer hunting economy for Fulton County.

10. FARMLAND IS AN INVALUABLE RESOURCE FOR FUTURE GENERATIONS.

Farmland is a valuable future resource for the County in providing for a healthy and plentiful local supply of food products and generating new sources of farm income. Urban residents of the County, as well as visitors, are seeking locally grown fresh fruits, vegetables and flowers, both organic and non-organic. The presence of three operating farmers markets in Montgomery and Fulton Counties (two in Amsterdam and one in Gloversville) combined with the large increases in sales of these products demonstrate the importance of this activity (sales of fruits and vegetables increased by 167% between 1987 and 1997).

Likewise, the County's base of both small and mid-sized farms provides a foundation for exploring of new opportunities for added-value ventures and development of still more niche businesses. These resources offer tremendous economic potential for the future. Once again, Suffolk County provides an illustration. Its agricultural economy has been reinvented several times with urbanization but today yields well over \$167,000,000 in annual sales. Its lead as New York's most valuable agricultural producer is lengthening because of the shift to these higher valued products (nursery products, cut flowers and wine).