

# ***Town of Cobleskill***

## ***Schoharie County, New York***



# ***Agricultural and Farmland Protection Plan***

***Adopted August 8, 2011***

***Prepared with assistance of:***

***Shepstone Management Company  
Schoharie County Department of Planning & Development***

***Town of Cobleskill, Schoharie County, New York***  
***Agricultural and Farmland Protection Plan***

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**Foreword**

This *Agricultural and Farmland Protection Plan* is also intended to supplement and update, in part, the *Town of Cobleskill Comprehensive Plan*. It offers a concise description of the Cobleskill agricultural sector, establishes goals for developing and protecting it and lays out recommendations for achieving those objectives.

The Town represents the heart of Schoharie County and benefits from the presence within its borders of SUNY Cobleskill, a well respected educational institution that is an agricultural force in its own right. It includes several prosperous farms and many successful agricultural businesses, while also being connected to such urban markets as Binghamton and Albany via Route I-88. This document sets forth a strategy to build on those assets.

**Funded with assistance from:**

New York State Department of Agriculture and Markets

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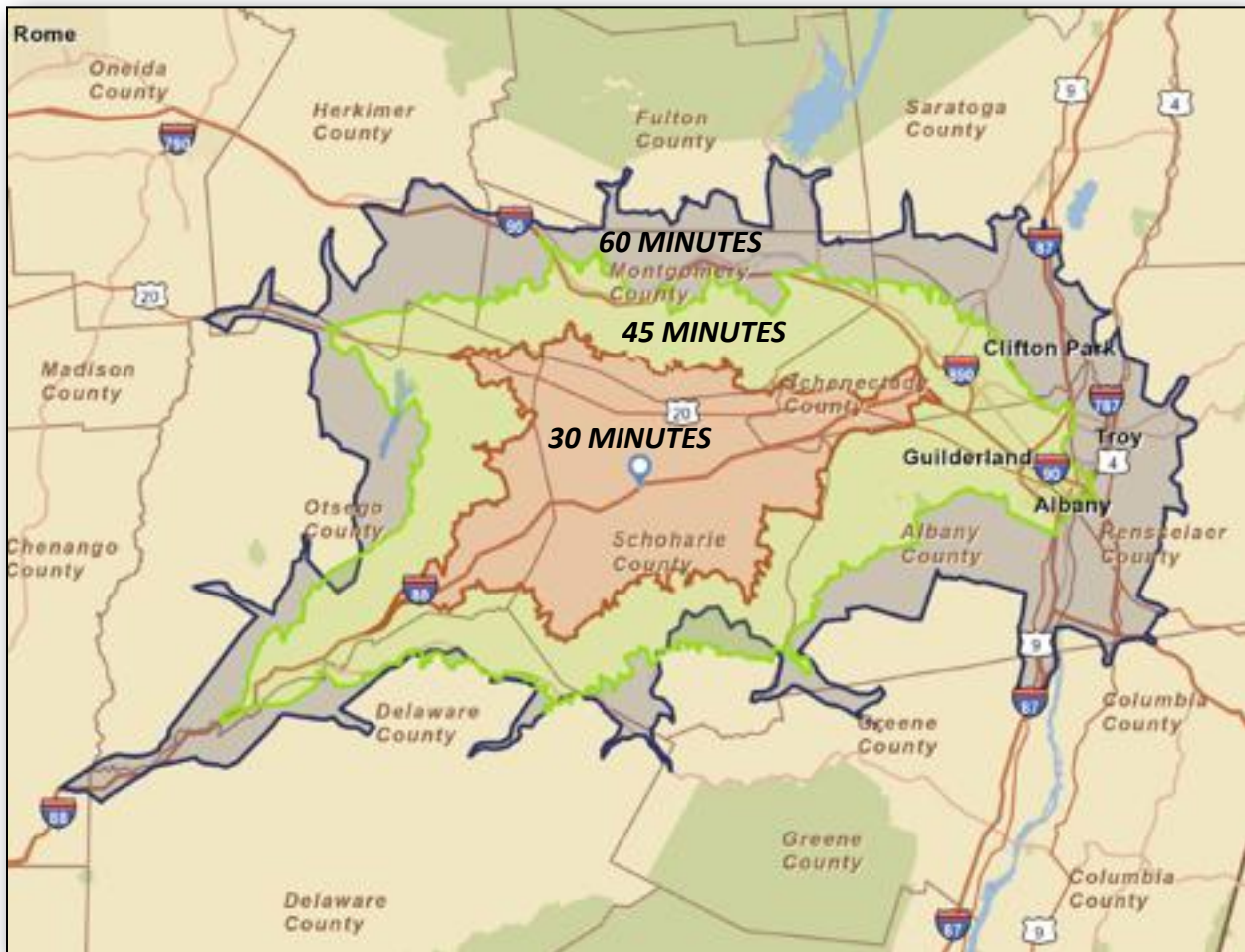
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# ***Town of Cobleskill, Schoharie County, New York Agricultural and Farmland Protection Plan***

## **1.0 Background Studies**

### **1.1 Regional Perspective**

The Town of Cobleskill is centered among a population of over 323,000 households within one hour driving time to whom local farm products can be marketed. The map below illustrates the extent of this market, which runs from west of Oneonta to east of Albany, connected by Route I-88. The New York State Thruway also bounds the market area on the east and north, providing good connections to other markets. While the area within 30 minutes driving time is limited to a little over 40,000 persons, another 15 minutes opens up access to a population of over 424,000 people and still another 15 minutes reaches 788,000 people combined.<sup>1</sup> This offers a good opportunity for agricultural producers geared to serving these markets but still greater potential exists for those able to reach farther, as there is a population of 11,041,276 persons within 125 miles (including parts of New York City metro area).



Overall, there is very little growth in the Cobleskill area, indicating the importance of farmers

<sup>1</sup> Source: ESRI estimates for 2009.

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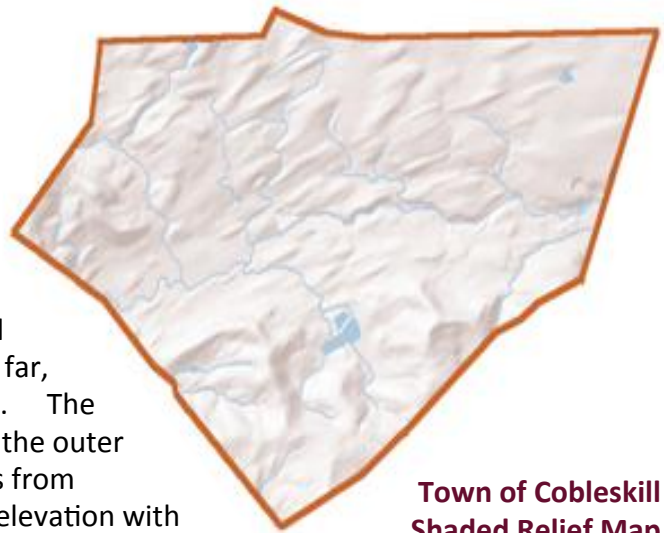
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adapting to new marketing techniques that give them access to the broader markets. It is projected the area within 30 minutes, for example, will gain just slightly more than 100 people over the next five years, but when the area is expanded to 60 minutes, there is a projected gain of over 26,000 persons. Therefore, Cobleskill, has the advantage of being located in a rural area where agriculture is practical, yet has access to growing markets.

### **1.2 Natural Features**

#### **1.2.1 Terrain**

The Town of Cobleskill is split by the Cobleskill Creek, which Routes 7 and I-88 generally parallel. The northern and lower elevation portion of the Town is generally characterized by rolling hills and plateau areas and is considered part of the Central Plain area of New York State. It includes, by far, the majority of farmland within the Town. The southern portion of the Town, by contrast, is the outer edge of the Allegheny Plateau, which extends from Kentucky to this point. It is an area of higher elevation with steeper grades that make farming less practical.



**Town of Cobleskill  
Shaded Relief Map**

#### **1.2.2 Geology**

Bedrock formations within the region of which the southern part of the Town is part began some 350 million years ago during the Upper or Late Devonian Period when the ancient Catskill Delta served as a sedimentary trap. The resulting Catskill Formation typically produces very good quality water in moderate supplies. which can be important to agriculture.

Although the *Town of Cobleskill Master Plan*, prepared four decades ago, indicates the bedrock shales found in this part of the Town “have not shown much promise as an economic resource” some of the Catskill Formation shale layers, particularly the Marcellus Shale, have become of great interest for natural gas production over the last few years. Large areas of the region are being leased for this purpose with drilling having begun in selected locations. The Town may experience some future exploration, drilling, pipeline development and other associated economic activity as a result of this natural resource. This could become a source of income and investment for agricultural operations, although there are few in this area of the Town.

The key geologic issue for the Town of Cobleskill, however, is the limestone found in the northern portion of the Town. Massive limestone formations lie beneath the northern part of Cobleskill and these are fractured and eroded, yielding, among other things, the caverns that have made the Town well-known to tourists. These areas of irregular limestone are known as “karst.” The karst aquifers of New York State are situated in a narrow band of carbonate rocks that extend from Ulster County northward, although not continuously. This band then turns



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southeast into Albany and Schoharie Counties following the Mohawk River Valley and eventually into Ontario, Canada.

The karst region (see map to right) is characterized by unusual natural features as caves, fissures, joints, sinkholes, depressions, springs (“resurgences”), sinking streams (“insurgences”). It is rich in biological, geological and historical resources and provides diverse outdoor recreational opportunities, scientific research resources and critical water reserves.



However, a unique feature of a karst aquifer is that water passes very quickly through solutional passages and does not purify itself in doing so. Therefore, a karst aquifer is vulnerable to pollution from agricultural as well as development uses of the land above the formations.

Water supplies from wells in karst topography may be unsafe, as the water may have run unimpeded from a sinkhole in a cattle pasture, through a cave and to the well, bypassing the normal filtering that occurs in a porous aquifer. Sinkholes have often been used as farmstead or community trash dumps. Overloaded or malfunctioning septic tanks in karst landscapes may dump raw sewage directly into underground channels. Sinkholes can develop gradually as surface openings enlarge, but quite often progressive erosion is unseen and the roof of an underground cavern suddenly collapses. Such events have swallowed homes, cattle, cars, and farm machinery.

Farming in karst areas must also take into account the lack of surface water. The soils may be fertile enough and rainfall may be adequate, but rainwater quickly moves through the crevices into the ground, sometimes leaving the surface soil parched between rains.

### **1.2.3 Soils**

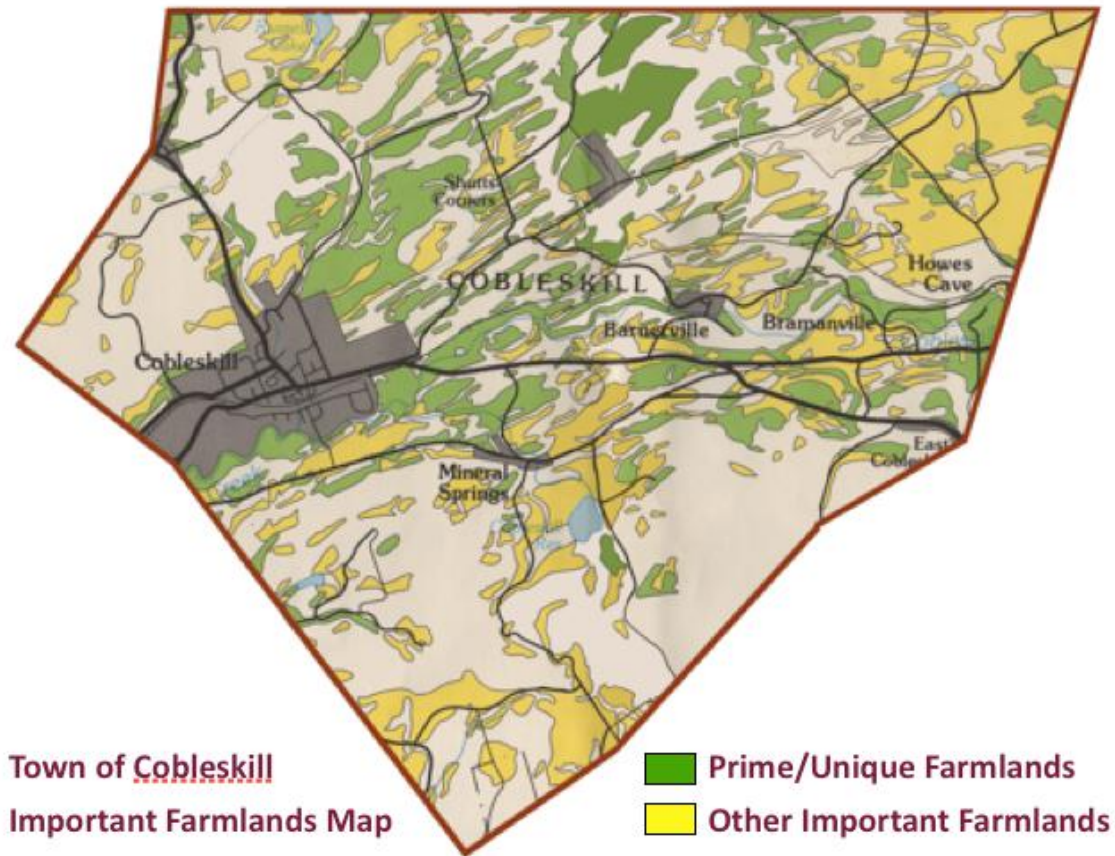
The *Soil Survey of Schoharie County* classifies soils according to their capabilities for agricultural use and a 1984 Important Farmlands Map designates various farmlands of prime or other Statewide importance. The map following is an excerpt and indicates the best farmland in the Town (green and yellow shaded areas) is to be found along and north of Routes 7 and I-88 and east of the Village of Cobleskill. This is largely a factor of the limestone strata.

Slopes are the primary limitation, however, and the more severe slope issues are found in the southern portion of the Town. Several soils limited by this condition are, nonetheless, quite usable for farming, particularly for rotational grazing. Many forage crops, in fact, are grown on soils that fall into lower land capability classifications for farming.

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Soils found within the productive northern portion of the Town include Mohawk and Honeoye Silt Loams, Mohawk and Lima Silt Loams, Illion and Appleton Silt Loams and Honeoye-Farmington Complex soils. Most are well-drained soils, with limestone bases and more than 80 inches of depth to the water table or other limiting factors.

Slopes tend to be slight to moderate. The Illion and Appleton soils, however, are exceptions with respect to drainage, being poorly drained.

Overall, the soils within the northern portion of the Town are very conducive to agriculture activities, and specifically to cropping.

The southern part of the Town is suited to grazing and pasture uses, with some areas of important farmland soils in the those sections where slopes are less of an issue. It is the limestone based soils, however, that offer the most potential.

### **1.3 Agricultural Economic and Land Base**

#### **1.4.1 Agricultural Land Base**

Agricultural land uses were made of 98 parcels in the Town of Cobleskill in 2009, as the following table illustrates:

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Town of Cobleskill 2009 Annual Assessment Roll Agricultural Parcels by Property Class			
Code	Class	Parcels	Market Value
105	Productive Agricultural Land	18	\$1,076,601
112	Dairy Products	17	\$3,562,517
113	Cattle, Calves and Hogs	6	\$1,087,762
120	Field Crops	56	\$5,494,422
129	Acquired Development Rights	1	\$99,301
<b>Total</b>		<b>98</b>	<b>\$11,320,604</b>
<b>Town %</b>		<b>4.1%</b>	<b>2.0%</b>

Source: NYS Office of Real Property Services

Field crops (wheat, hay, corn, oats, and other crops) account for the bulk of agricultural land uses in the Town. Some 56 parcels are used for this purpose and these represent a market value of \$5.5 million (assessed value divided by a State equalization rate of 0.715).

The next largest category is dairy farms, which are valued at \$3.5 million. Cattle and other similar livestock operations account for \$1.1 million of land, as does productive agricultural land, the latter consisting of land used as part of an operating farm, but which does not include a residence and cannot be specifically categorized as a separate agricultural use.

Interestingly, one parcel is really a deed for development rights that have been separated from a farm use via a conservation easement or a similar negative covenant on the land.

These parcel numbers closely track the *2007 Census of Agriculture* figures for the Cobleskill 12043 Zip Code, which indicated there were 55 farms with harvested cropland, 19 milk producers and 68 farm operations.

While the Cobleskill Zip Code area covers a somewhat different geography than the Town, it includes the bulk of the Town of Cobleskill's agricultural industry and, therefore, provides a reasonable basis for approximating the extent of the Town's farm economy.

Overall, the data indicates the Town possesses a major agricultural sector. Based on comparisons with both County real property tax and Agricultural Census data, the Town accounts for 12-13% of the Schoharie County agricultural land base and economy.

### **1.4.2 Agricultural Economy**

Data from the *2007 Census of Agriculture* indicates the following:



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2007 Census of Agriculture Data for Cobleskill Zip Code (12043)	
Category	Farms
Ag Land, Conservation & Wetlands Programs - Operations	6
Ag Land, Cropland (Excl Harvested & Pastured), Idle - Operations	13
Ag Land, Cropland, Harvested - Operations	55
Ag Land, Cropland, Harvested - Operations - With 1.0 To 49.9 Acres Area Harvested	14
Ag Land, Cropland, Harvested - Operations - With 50 To 499 Acres Area Harvested	40
Ag Land, Cropland, Harvested - Operations - With 500 Acres Or More Area Harvested	1
Ag Land, Cropland, Pastured Only - Operations	23
Ag Land, Farmsteads, Buildings, Animal Facilities, Ponds, Roads, Wasteland, Etc - Operations	53
Ag Land, Pastureland (Excl Cropland & Woodland Pastured) - Operations	43
Ag Land, Woodland - Operations	56
Farm Operations	68
Farm Operations - With 1.0 To 49.9 Acres Area Operated	14
Farm Operations - With 50 To 999 Acres Area Operated	54
Farm Operations, Tenure Full Owner	44
Farm Operations, Tenure Part Owner	24
Income, Farm-Related Totals - Operations With Receipts	37
Govt Payments, Federal - Operations With Receipts	30
Operators, Principal - On Operations With 200 Days Or More Days Worked Off Operation	20
Operators, Principal - On Operations With Primary Occupation = Farming	41
Commodity Totals - Operations With Sales	68
Commodity Totals - Operations With Sales - With Less Than 50,000 \$ Sales	48
Commodity Totals - Operations With Sales - With 50,000 To 249,999 \$ Sales	15
Commodity Totals - Operations With Sales - With 250,000 \$ Or More Sales	5
Commodity Totals, Direct To Consumers - Operations With Sales	10
Commodity Totals, Organic - Operations With Sales	7
Animal Totals, Incl Products - Operations With Sales	41
Animal Totals, Incl Products - Operations With Sales - With Less Than 50,000 \$ Sales	24
Animal Totals, Incl Products - Operations With Sales - With 50,000 To 249,999 \$ Sales	12
Animal Totals, Incl Products - Operations With Sales - With 250,000 \$ Or More Sales	5
Aquaculture Totals - Operations With Sales	1
Cattle, Incl Calves - Operations With Sales	36
Equine, Horses & Ponies - Operations With Sales	4
Equine, Horses, Ponies, Mules, Burros & Donkeys - Operations With Sales	6
Hogs - Operations With Sales	5
Milk, Incl Other Dairy Products - Operations With Sales	19
Poultry Totals, Incl Eggs - Operations With Sales	5
Sheep & Goats Totals, Incl Products - Operations With Sales	7
Specialty Animal Totals (Excl Equine) - Operations With Sales	1
Turkeys - Operations With Sales	1
Crop Totals - Operations With Sales	45
Crop Totals - Operations With Sales - With Less Than 50,000 \$ Sales	42
Crop Totals - Operations With Sales - With 50,000 To 249,999 \$ Sales	3
Barley - Operations With Area Harvested	2
Berry Totals - Operations	1
Corn, Grain - Operations With Area Harvested	2
Corn, Silage - Operations With Area Harvested	14
Cut Christmas Trees & Short Term Woody Crops - Operations With Sales	1
Field Crops, Other, Incl Hay - Operations With Sales	39
Forage, Hay & Haylage - Operations With Area Harvested	50
Forage, Hay & Haylage - Operations With Area Harvested - With 1.0 To 49.9 Acres Area Harvested	11
Forage, Hay & Haylage - Operations With Area Harvested - With 50 To 249 Acres Area Harvested	33
Forage, Hay & Haylage - Operations With Area Harvested - With 250 Acres Or More Area Harvested	6
Grains, Oilseeds, Dry Beans & Dry Peas - Operations With Sales	7
Horticulture Totals (Excl Cut Trees & Vegetable Seeds & Transplants) - Operations With Sales	3
Maple Syrup - Operations With Taps	3
Oats - Operations With Area Harvested	3
Vegetable Totals, Incl Seeds & Transplants, In The Open - Operations With Sales	4
Vegetable Totals, In The Open - Operations With Area In Production - With 0.1 To 14.9 Acres Area In Production	3
Vegetable Totals, In The Open - Operations With Area In Production - With 15.0 To 99.9 Acres Area In Production	1

Comparison of this data with similar information for the County provides a useful basis for determining what proportions of various agricultural activities take place in Cobleskill and, from this, making reasonable estimates of industry characteristics within the Town. The following table summarizes:

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### Cobleskill Area (Zip Code 12043) Agricultural Sector (Estimated from Census of Agriculture, 2007)

Data Item	Schoharie County Value	Zip Code % of Farms	Estimated Cobleskill Value
Ag Land, Conservation & Wetlands Programs - Acres	781	24%	187
Ag Land, Cropland - Acres	53,031	12%	6,219
Ag Land, Cropland, Harvested - Acres	44,961	12%	5,273
Ag Land, Cropland, Pastured Only - Acres	2,564	21%	536
Ag Land, Woodland - Acres	23,473	15%	3,534
Farm Operations - Acres	95,490	13%	12,368
Farm Operations, Tenure Full Owner - Acres	41,475	13%	5,464
Farm Operations, Tenure Part Owner - Acres	51,228	14%	7,190
Govt Payments, Federal - Receipts, Measured In \$	\$596,000	22%	\$130,511
Income, Farm-Related Totals - Receipts, Measured In \$	\$1,960,000	19%	\$362,600
Commodity Totals - Sales, Measured In \$	\$35,153,000	13%	\$4,553,150
Commodity Totals, Direct To Consumers - Sales, Measured In \$	\$2,120,000	10%	\$209,901
Commodity Totals, Organic - Sales, Measured In \$	\$272,000	35%	\$95,200
Animal Totals, Incl Products - Sales, Measured In \$	\$25,361,000	15%	\$3,781,095
Aquaculture Totals - Sales, Measured In \$	\$87,000	17%	\$14,500
Cattle, Incl Calves - Sales, Measured In \$	\$3,271,000	20%	\$661,551
Equine, Horses & Ponies - Sales, Measured In Head	115	13%	15
Equine, Horses, Ponies, Mules, Burros & Donkeys - Sales, Measured In \$	\$250,000	21%	\$53,571
Hogs - Sales, Measured In \$	\$136,000	11%	\$15,455
Milk, Incl Other Dairy Products - Sales, Measured In \$	\$21,287,000	21%	\$4,544,416
Poultry Totals, Incl Eggs - Sales, Measured In \$	\$112,000	7%	\$8,235
Sheep & Goats Totals, Incl Products - Sales, Measured In \$	\$125,000	13%	\$16,827
Specialty Animal Totals (Excl Equine) - Sales, Measured In \$	\$93,000	6%	\$5,471
Turkeys - Sales, Measured In Head	342	10%	34
Crop Totals - Sales, Measured In \$	\$9,793,000	13%	\$1,284,796
Barley - Acres Harvested	135	67%	90
Berry Totals - Acres	95	7%	6
Corn, Grain - Acres Harvested	3,611	6%	212
Corn, Grain - Production, Measured In Bu	544,357	6%	32,021
Cut Christmas Trees & Short Term Woody Crops - Sales, Measured In \$	\$40,000	8%	\$3,333
Cut Christmas Trees - Acres In Production	166	8%	14
Cut Christmas Trees - Harvested	920	8%	77
Field Crops, Other, Incl Hay - Sales, Measured In \$	\$3,567,000	14%	\$504,033
Forage, Hay & Haylage - Operations With Area Harvested	361	14%	50
Forage, Hay & Haylage - Production, Measured In Tons, Dry Basis	78,781	14%	10,911
Grains, Oilseeds, Dry Beans & Dry Peas - Sales, Measured In \$	\$2,144,000	12%	\$263,298
Horticulture Totals (Excl Cut Trees & Vegetable Seeds & Transplants) - Sales, Measured In \$	\$681,000	13%	\$88,826
Maple Syrup - Production, Measured In Gallons	4,625	12%	555
Oats - Production, Measured In Bu	21,952	17%	3,659
Vegetable Totals, In The Open - Acres Harvested	891	8%	74
Vegetable Totals, In The Open - Acres In Production	858	8%	72
Vegetable Totals, Incl Seeds & Transplants, In The Open - Sales, Measured In \$	\$2,620,000	8%	\$218,333

While the preceding estimates do not precisely coincide with the boundaries for the Town of Cobleskill and individual sector estimates do not necessarily sum to the estimates of totals, this data provides a good perspective on Cobleskill area agriculture, which represents an industry with roughly \$5 million of annual receipts from farm sales. Some of this is associated with SUNY-Cobleskill's farm operations (e.g., the aquaculture, dairy and equine operations), but



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there are some 60+ other farm operations, including berry, Christmas tree, grain, other horticultural, hog, poultry, sheep and turkey businesses.

Roughly two-thirds of Cobleskill farms are full-time operations, while the remainder are part-time activities for their owners. The typical farm operation produces annual receipts of approximately \$67,000, but there are an estimated 20 farms with receipts of \$50,000/year or more, five of which produced \$250,000/year of sales. The bulk of these larger farms (17 of 20) and all of those with \$250,000+/year of sales are livestock related operations and dairy clearly represents nearly all of it, although there are many other types of operations. Field crops dominate crops activity in a similar manner.

It is important to realize the *2007 Census of Agriculture* data doesn't measure all agricultural economic activity. It doesn't fully capture income related to equine facilities, for example, because it doesn't include boarding or training revenue but, rather, only sales of horses and ponies. There are a growing number of stables in the area. The *New York State Equine Survey 2005* indicates equine sales represent only 27% of equine related income.

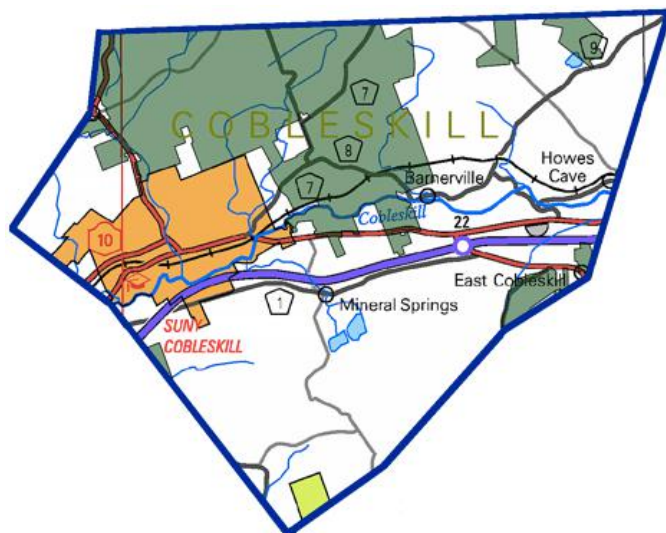
Moreover, it estimates Schoharie County had 1,800 equines versus the 1,100 identified in the *2007 Census of Agriculture*. The *Survey* estimates these animals had a value of over \$15 million and, assuming Cobleskill accounted for 13% (see tables above) this represents a Town equine inventory value of over \$2 million. This is evidence of growing new form of agriculture that may help to retain a good deal of Cobleskill's farmland.

The *2007 Census of Agriculture* is also limited to examining the direct farm impacts of agriculture and doesn't consider the economic contributions of other agri-businesses, such as the farm stores in the Town, farm services (e.g., veterinarians, forage harvesting services) or the sales to farmers of products ranging from insurance to tires. These indirect impacts can be quantified by applying a Cornell University estimated output multiplier of 1.95 for the agricultural sector in New York State, but they are particularly important to Cobleskill, where many such services are headquartered.

SUNY-Cobleskill may, in part, also be considered an agri-business, given its orientation toward the industry. Altogether, agriculture easily produces a \$10+ million economic impact on the Town of Cobleskill and accounts for a minimum of 6-8% of its total personal income.

#### **1.4.3 Agricultural District Land**

Schoharie County's agricultural districts include large portions of the Town of Cobleskill, most of which are located in the northwestern portion of the Town, as the map demonstrates.



**■ New York State Agricultural Districts**

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The New York State Agricultural District program affords farmers within the district several benefits, among which are preferential tax treatment (also available to qualified farm operations outside districts) and right-to-farm legal protections against nuisance lawsuits and discriminatory laws. There are also notice requirements regarding land use projects near farms. See the map of Cobleskill farms that follows.

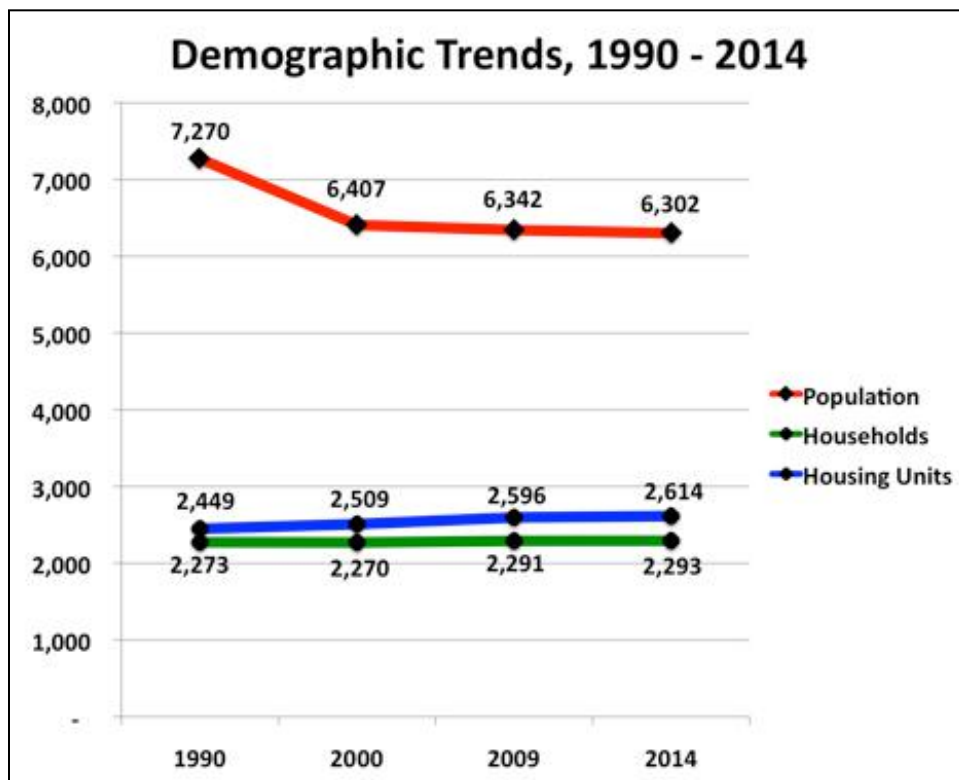
### **1.4 Growth and Development Trends**

#### **1.4.1 Population and Housing Trends**

The Town of Cobleskill's population has declined by an estimated 928 persons or 12.8% since 1990, based upon ESRI's 2009 population estimates. It projects it will decline by another 40 persons or 0.6% over the next five years (by 2014).

Some growth has been obscured by declining household sizes as the population has aged over the years. Notwithstanding this, the number of households has increased by only 18 or 0.8% since 1990 and is not expected to change significantly over the next five years.

Housing units, which include second homes, grew by an estimated 147 or 6% in the last 19 years and is projected to grow by 0.7% by 2014. Taken as a whole, the data indicates the area is clearing receiving no particular growth pressures, although there has been a very modest increase in housing units in recent years.





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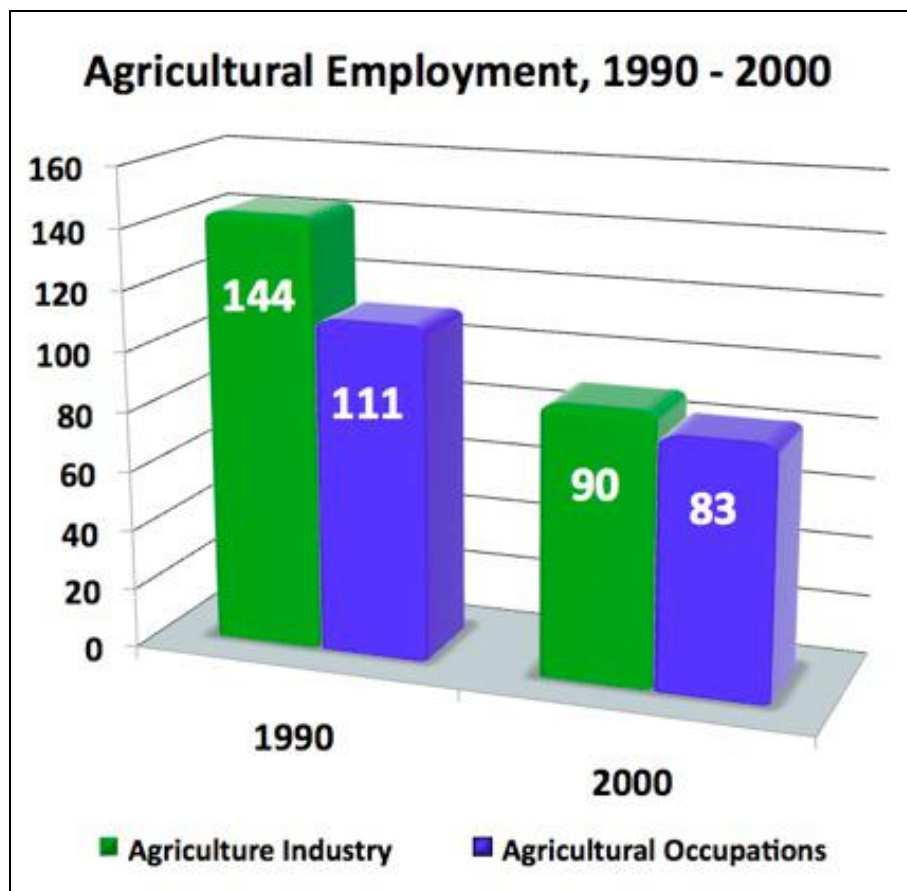
Sources: U.S. Census (1990 and 2000), ESRI (2009 estimates and 2014 projections)

### **1.4.2 Housing Development**

Housing units have grown slightly in number over the last several years, as noted in Section 1.4.1 preceding. Real property tax data confirms there is relatively little growth pressure, the number of residential parcels in 2009 (some 1,413 lots) having grown by only three or 0.2% over 2008. While this low number may reflect the current economic recession, it is consistent with Census data indicating an average of only 7.7 new dwelling units created per year since 1990.

### **1.4.3 Employment Trends**

Agricultural employment among Town of Cobleskill residents fell between 1990 and 2000 but appears to have since stabilized. Jobs within the industry dropped from 144 in 1990 to 90 in 2000, but were estimated at 91 in 2009 by ESRI. Agricultural occupations fell from 111 in 1990 to 83 in 2000. The latter included some 62 farmers and farm managers.



Source: U.S. Census (1990 and 2000)

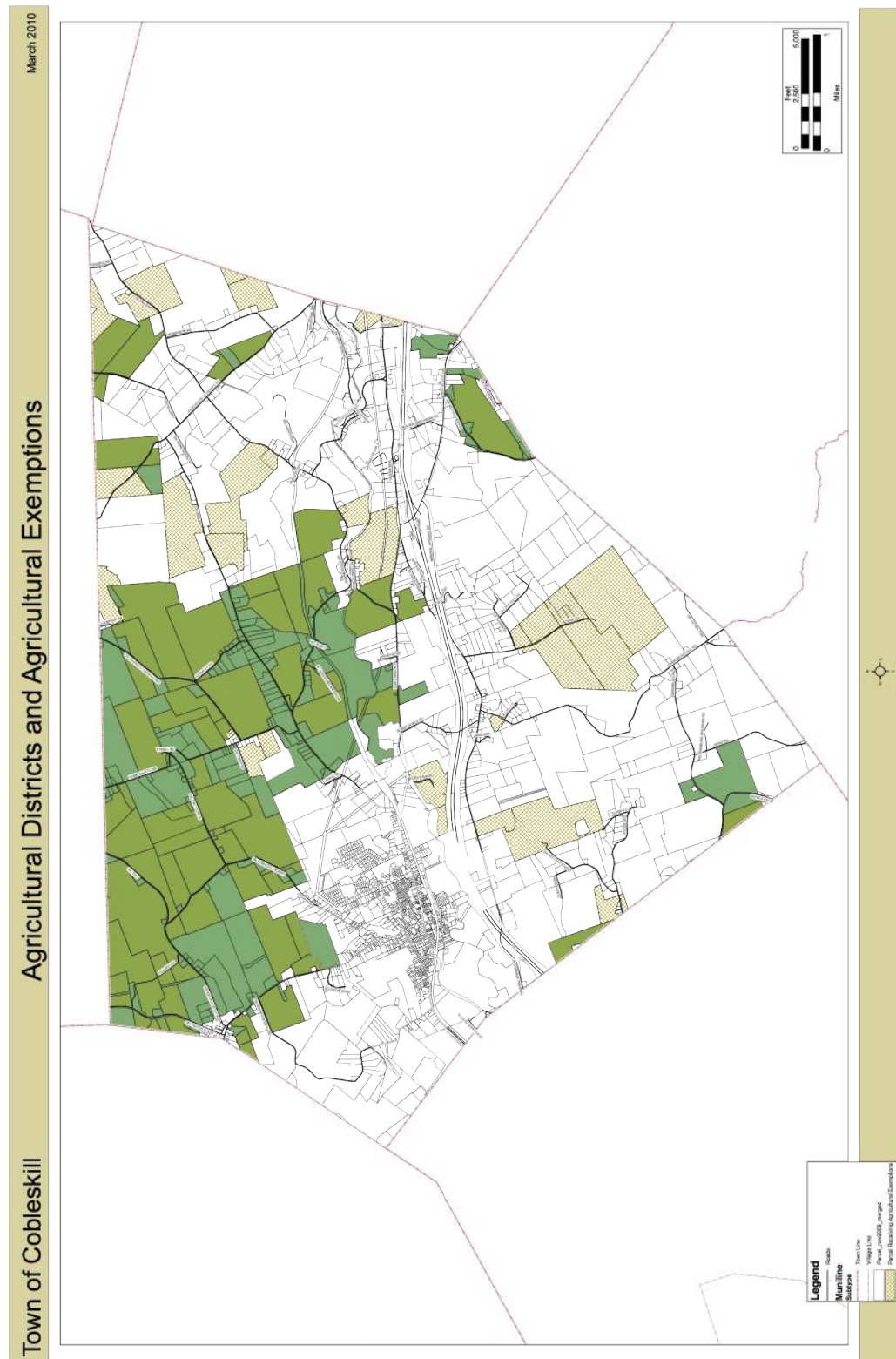
These numbers suggest the agriculture sector employs a little over 3% of Town residents. This number, while not especially large, does not include all industry related jobs. Owners of non-

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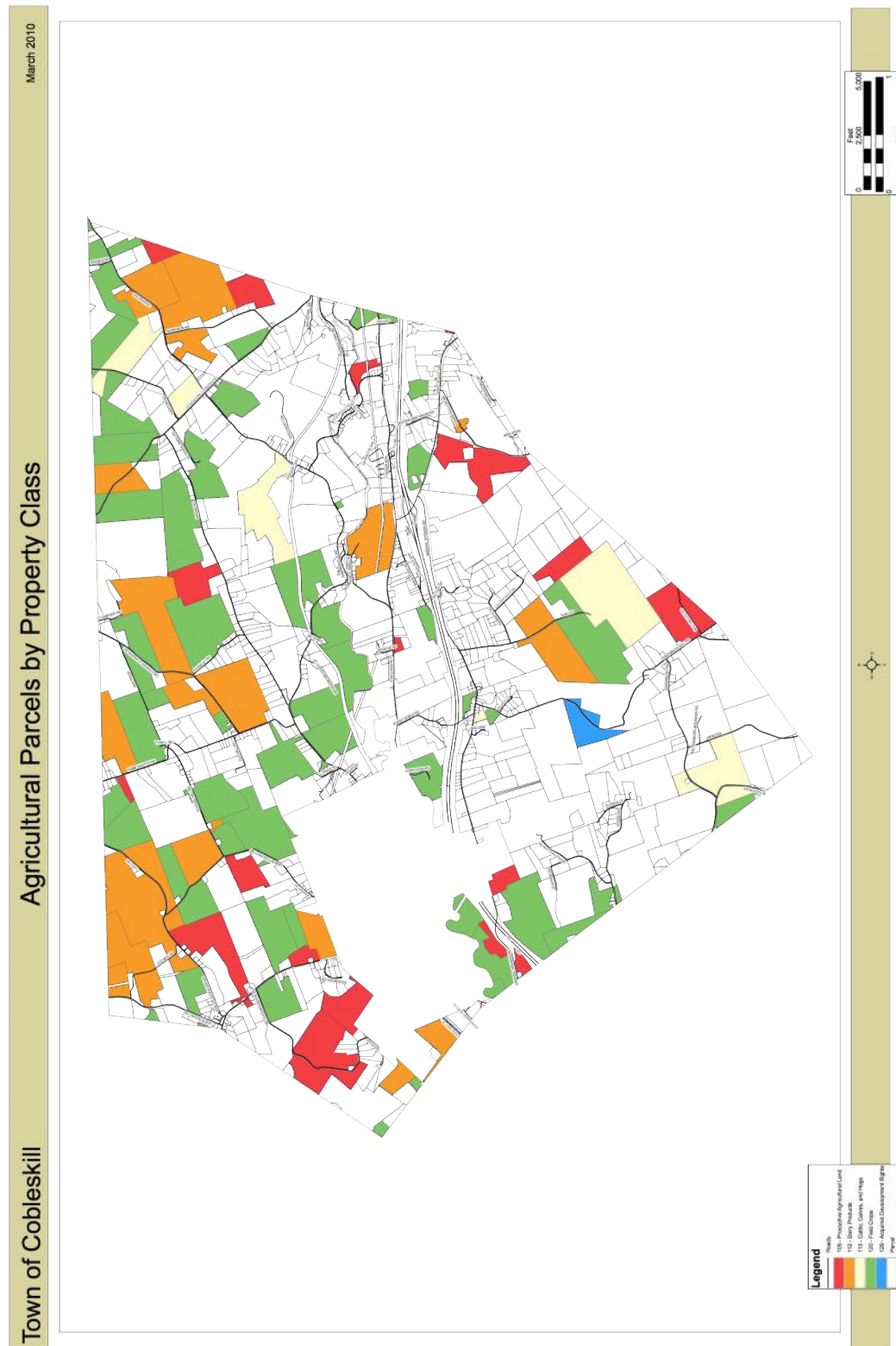
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employer enterprises, part-time employees and workers in agriculturally dependent enterprises, such as veterinary practices are all likely not to be classified as agricultural agricultural industry employees or agricultural occupations. Therefore, these are probably undercounted.

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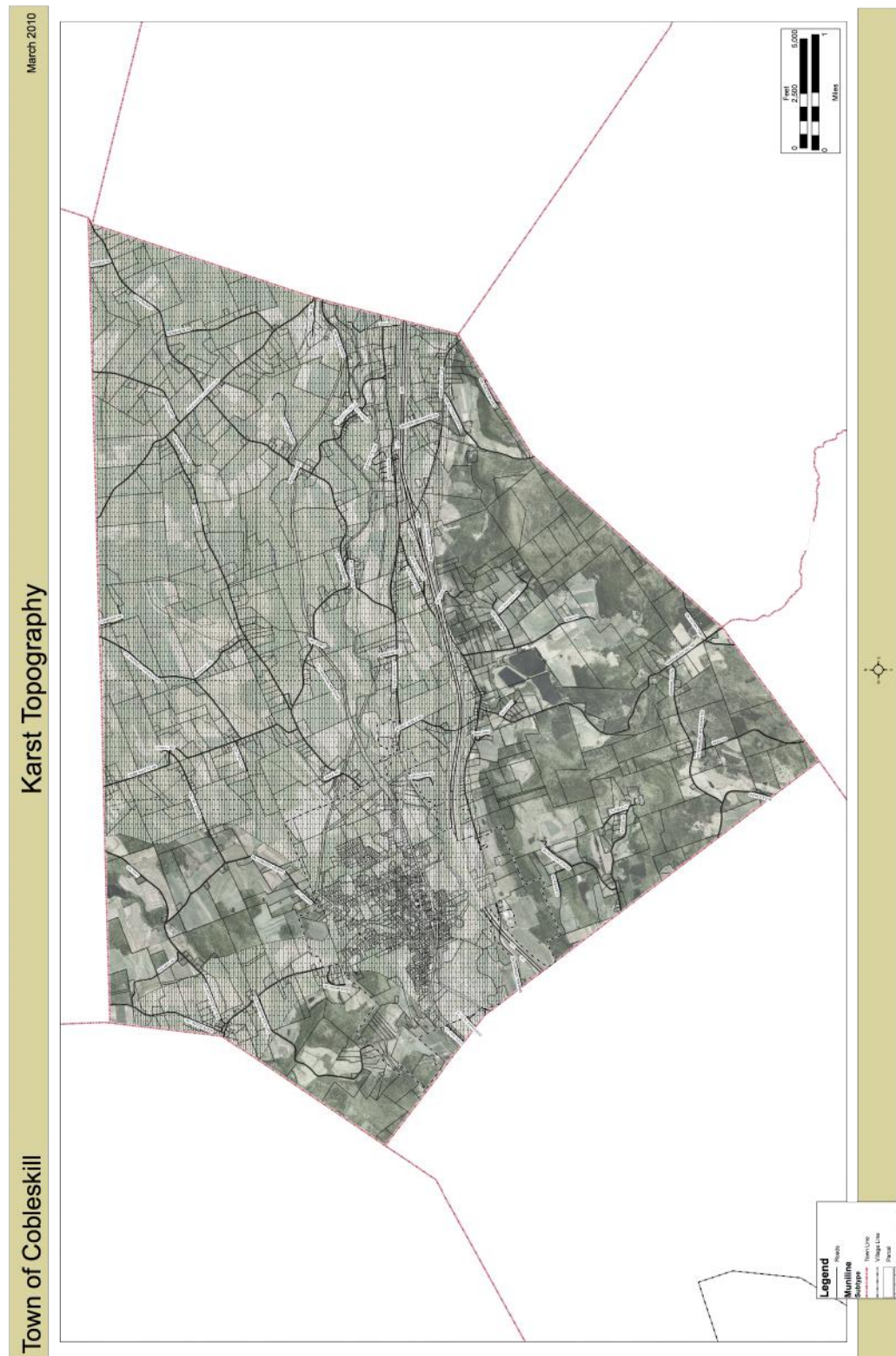


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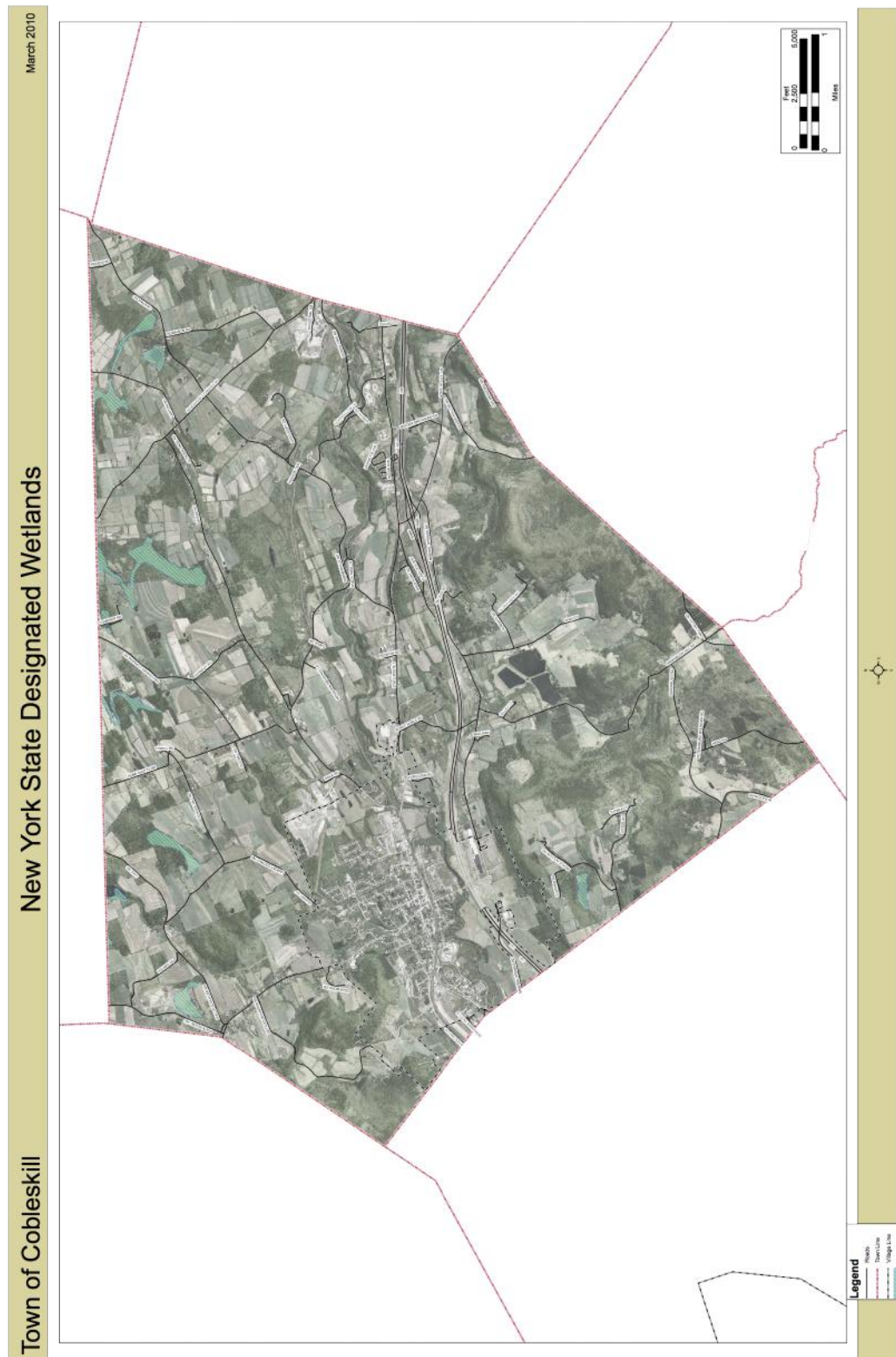
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## **2.0 Agricultural Goals**

These goals provide the basis from which to construct more detailed recommendations. They also offer criteria for evaluating future implementation of the recommendations set out in this Plan. Techniques used to develop agricultural goals for the Town of Cobleskill include meetings with town officials, discussions with individual producers, public meetings and an agricultural survey of residents. Survey forms and summaries may be found in Appendix E.

An analysis of basic agricultural industry strengths, weaknesses, opportunities and threats derived from this process is provided below, followed by a concise statement of measurable agricultural goals.

### **2.1 Agricultural Strengths**

- 2.1.1 Local farm stands, equine events and specialty producers attract agricultural tourism and offer potential for further growth.



- 2.1.2 The Town exhibits great scenic beauty that derives from its working farm landscapes and serves as an asset for both agricultural tourism and farmland protection.

- 2.1.3 Town of Cobleskill soils and topography support a diverse agricultural industry and



## ***Town of Cobleskill, Schoharie County, New York Agricultural and Farmland Protection Plan***

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present opportunities to continually pursue new opportunities.

- 2.1.4 The presence, within the Town, of SUNY-Cobleskill, an important agricultural college, serves to provide resources for agricultural development and brand the area as a farm area.

- 2.1.5 Cobleskill includes a number of agricultural support businesses that help to sustain the industry locally.



- 2.1.6 Proximity to Albany and good access via I-88 creates the potential to market niche products and attract agricultural tourism.

### **2.2 Agricultural Weaknesses**

- 2.2.1 The area lacks substantial dairy and vegetable processing capacity.
- 2.2.2 The marketing expertise required to sell products outside the County does not exist among the majority of local farmers.
- 2.2.3 Cobleskill is fairly removed from the largest metro markets (e.g. New York City) where the best opportunities exist for direct marketing.
- 2.2.4 The area lacks a substantial year-round population and is somewhat remote from the second-home areas in the southern part of the County, which has far better access via Route 30 to the Schoharie Valley area.
- 2.2.5 Farm pricing compared to costs of doing business in an area that only supports smaller farms makes commodity production largely infeasible.

### **2.3 Agricultural Opportunities**

- 2.3.1 Schoharie County's already significant tourism industry provides a base from which to promote additional agricultural tourism.
- 2.3.2 The County's program of Industrial Development Agency financing and tax incentives can serve to develop additional processing operations.
- 2.3.3 The County's promotion of farm trails, which is being expanded, provides a foundation for development of additional attractions that have the potential to expand the base of customers.
- 2.3.4 Marketing of the region's natural features offers similar opportunities to sell more farm

## ***Town of Cobleskill, Schoharie County, New York Agricultural and Farmland Protection Plan***

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products and increase agricultural tourism.

- 2.3.5 The County's Agricultural Economic Development Specialist is linked to the County tourism promotion program and provides a resource for development of new enterprises.

### **2.4 Agricultural Threats**

- 2.4.1 Land use regulations could make the Town unfriendly to agricultural enterprises.
- 2.4.2 Failure to manage growth and control sprawl could lead to loss of valuable farmland and increased farm and residential conflicts regarding farming practices.
- 2.4.3 Misinformed animal rights advocates also threaten to interfere with standard farm practices and create obstacles to larger farm operations.
- 2.4.4 The area's small dairies are especially threatened by declining margins in that industry and the increasing pressure to achieve economies of scale.
- 2.4.5 New York State's already high tax rates threaten to make upstate areas such as Cobleskill more inhospitable to new business.

### **2.5 Goals for Agricultural and Farmland Protection**

- 2.3.1 Increase, if possible, the total market value of agricultural products sold annually in current dollars, along with net cash returns after production expenses.
- 2.3.2 Maintain existing prime harvested cropland, while encouraging the conversion of lower value cropland to grazing use, which can produce higher profits if done intensively.
- 2.3.3 Adopt and maintain local right to farm legislation.
- 2.3.4 Consider agricultural zoning protections in the Town Zoning Law.
- 2.3.5 Increase farm stand visitation and other agricultural tourism visits.
- 2.3.6 Attract additional agribusinesses to Cobleskill while maintaining the core businesses that now exist.
- 2.3.7 Increase the share of agricultural products direct marketed to consumers at higher margins.
- 2.3.8 Reduce the impacts of government regulation on small farmers by encouraging market driven solutions to agricultural profitability challenges.



## ***Town of Cobleskill, Schoharie County, New York Agricultural and Farmland Protection Plan***

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- 2.3.9 Increase the availability of marketing expertise to all farmers.
- 2.3.10 Identify and protect prime farmland through innovative measures such as simplified transfers of development rights (TDR) and leased development rights (LDR) programs.
- 2.3.11 Control sprawl that consumes and/or threatens farmland by implementing smart growth policies that strengthen the Village and preserve the most valuable farm land in the form of working farms.



# ***Town of Cobleskill, Schoharie County, New York***

## ***Agricultural and Farmland Protection Plan***

### **3.0 Plans**

#### **3.1 Agricultural Economic Development**

##### **3.1.1 Agricultural Development Potential**

The Town of Cobleskill offers significant potential for further agricultural economic development, as the preceding sections indicate. Among the prospects are additional agricultural tourism, agricultural processing, commercial farm trails and marketing of the region's natural features to sell more farm products. The Town's limestone caves offer a major tourist attraction that draw thousands of visitors to the area who can be targeted as a market. Likewise, SUNY-Cobleskill enjoys an excellent reputation as an agricultural school and can also be employed as a valuable feature in marketing agricultural products and services.

Market data summarized in Section 1.0 of this *Agricultural and Farmland Protection Plan* includes some basic indicators of demand Cobleskill farmers may be able to satisfy. The following tables provide further insights:

<b>Cobleskill Market Area Food at Home Spending</b>				
<b>Food at Home Category</b>	<b>0-30 Minutes</b>	<b>30-45 Minutes</b>	<b>45-60 Minutes</b>	<b>Total Spending</b>
Bakery and Cereal Products	\$8,331,407	\$91,786,942	\$92,134,529	\$192,252,878
Meat, Poultry, Fish and Eggs	\$14,377,352	\$159,955,695	\$160,476,664	\$334,809,711
Dairy Products	\$7,003,490	\$76,250,784	\$76,726,155	\$159,980,429
Fruit and Vegetables	\$10,234,265	\$116,975,432	\$117,205,924	\$244,415,621
Snacks and Other Food at Home	\$21,388,170	\$235,294,228	\$237,135,938	\$493,818,336
<b>Total</b>	<b>\$61,334,684</b>	<b>\$680,263,081</b>	<b>\$683,679,210</b>	<b>\$1,425,276,975</b>

Source: ESRI - Business Information Solutions

This data indicates there is a \$1.4 billion market for food products used at home within 60 minutes of Cobleskill. This is a huge opportunity and it's worth noting the greatest opportunities are with fruit and vegetables and snack items. Schoharie County already has a reputation for excellent fruit and vegetables. Therefore, there is a base to build upon for Cobleskill area producers with the proper business planning and marketing. Secondly, the amount of money spent on snack items suggests creative marketing emphasizing impulse purchase items may be the way to go.

There is also a considerable market, within 60 minutes of Cobleskill, for agricultural tourism and



## ***Town of Cobleskill, Schoharie County, New York*** ***Agricultural and Farmland Protection Plan***

related activities. There is an estimated \$194 million of travel expenditures in this area and much of it is spent on outdoor pursuits frequently associated with farm properties, as the following table illustrates.

<b>Cobleskill Market Area Entertainment Fee Expenditures</b>				
<b>Category</b>	<b>0-30 Minutes</b>	<b>30-45 Minutes</b>	<b>45-60 Minutes</b>	<b>Total Spending</b>
Travel Expenditures	\$7,535,119	\$92,449,923	\$93,667,180	\$193,652,222
Average Per Household	\$478	\$596	\$630	\$606
Participated in Fishing	5,812	41,196	40,757	87,765
Participate in Horseback Riding	1,290	8,694	7,903	17,887
Participated in Target Shooting	1,620	12,225	11,192	25,037
Visited Zoo in Last 12 Months	3,441	40,371	37,614	81,426
Note: Participation estimates reflect the number of market area adults participating				
Source: ESRI - Business Information Solutions				

Each of these opportunities includes a tourism component that builds upon the area's natural comparative advantages, which include geology, history and location. Capitalizing on these will demand a marketing strategy that pulls them together into a salable narrative. The County's agricultural economic development and tourism programs both operate under the auspices of the Schoharie County Planning and Development Agency. Therefore, blending elements of both into an effective overall strategy should not be difficult.

The key parts of the recommended strategy are outlined below in Section 3.1.2.

### **3.1.2 Recommendations**

The following recommendations are offered for the agricultural economic development of the Town of Cobleskill:

#### **A. Agricultural Business Planning**

The Town of Cobleskill Town Board should facilitate the availability of business planning assistance for local farmers interested in pursuing new agricultural ventures, particularly those of a niche character apt to draw the interests of visitors to the area, by distributing the [Agricultural Business Planning Guide](#) (Appendix A) and [Sample Business Plan](#) (Appendix B) provided in this plan.

## ***Town of Cobleskill, Schoharie County, New York Agricultural and Farmland Protection Plan***

### **B. Town Website**

Promotion of the Town for agricultural tourism and other economic development purposes can be encouraged through enhancement the Town website. The site is now carried on Schoharie County's network but doesn't directly promote private businesses or visitation to the area. More direct promotion is needed and a comprehensive Town website should be developed. The [Town of Clifton Park website](#) (see page below) offers a good example.

The Town website should include more information on tourism offerings, agricultural buying opportunities and special attractions such as local farm stands. It could also offer self-guided tours of the area and even promote business real estate offerings in the manner of many downtown business improvement districts. An interactive agricultural map would also be useful.



### **C. Agricultural Marketing Initiative**

The Town should work with Schoharie County Planning and Development to establish a mini-grant program for marketing assistance to individual farmers, particularly those engaged in niche enterprises with growth potential. Successful small farms have diversified or specialized in niche businesses where margins are higher and prices less subject to the wide swings typical of commodities. The

## ***Town of Cobleskill, Schoharie County, New York***

### ***Agricultural and Farmland Protection Plan***

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key such a strategy is effective marketing. A mini-grant program to finance marketing of new ventures could potentially be funded through USDA Rural Development.

A corollary effort should be made to develop an effective buy-local campaign that assists Cobleskill farmers in marketing their goods to local food stores and institutions such as schools and SUNY-Cobleskill. The marketing initiative should include negotiations with these entities to utilize local products and jointly promote local market outlets for locally produced agricultural goods.

#### **D. Agricultural Promotion Initiative**

A common signage program to complement the website recommended above would be useful and also enhance use of the marketing brochure now employed. The Town should consider sponsoring a design competition for a sign logo. The signs should be of the “wayfinder” types used to mark wine trails, scenic byways and similar attractions such as SUNY Cobleskill agricultural facilities and the Schoharie County Sunshine Fair grounds.



#### **E. Natural Resource Development**

Timber, wind and other natural resources present opportunities for ancillary farm income. The Town offers high-quality hardwoods that provide a potential source of income for owners of open space. The income opportunities also extends to wood processing ventures. The Town should consider a Right-to-Practice Forestry Law to protect the rights of farm and forest landowners to woodland resources, similar to Right-to-Farm laws enacted by many towns.

There is also limited potential for wind energy development, natural gas exploration and other mineral resource development the Town should be prepared to accommodate. These are potential sources of revenue to help sustain farm operations and, by providing additional equity, recapitalize the businesses.

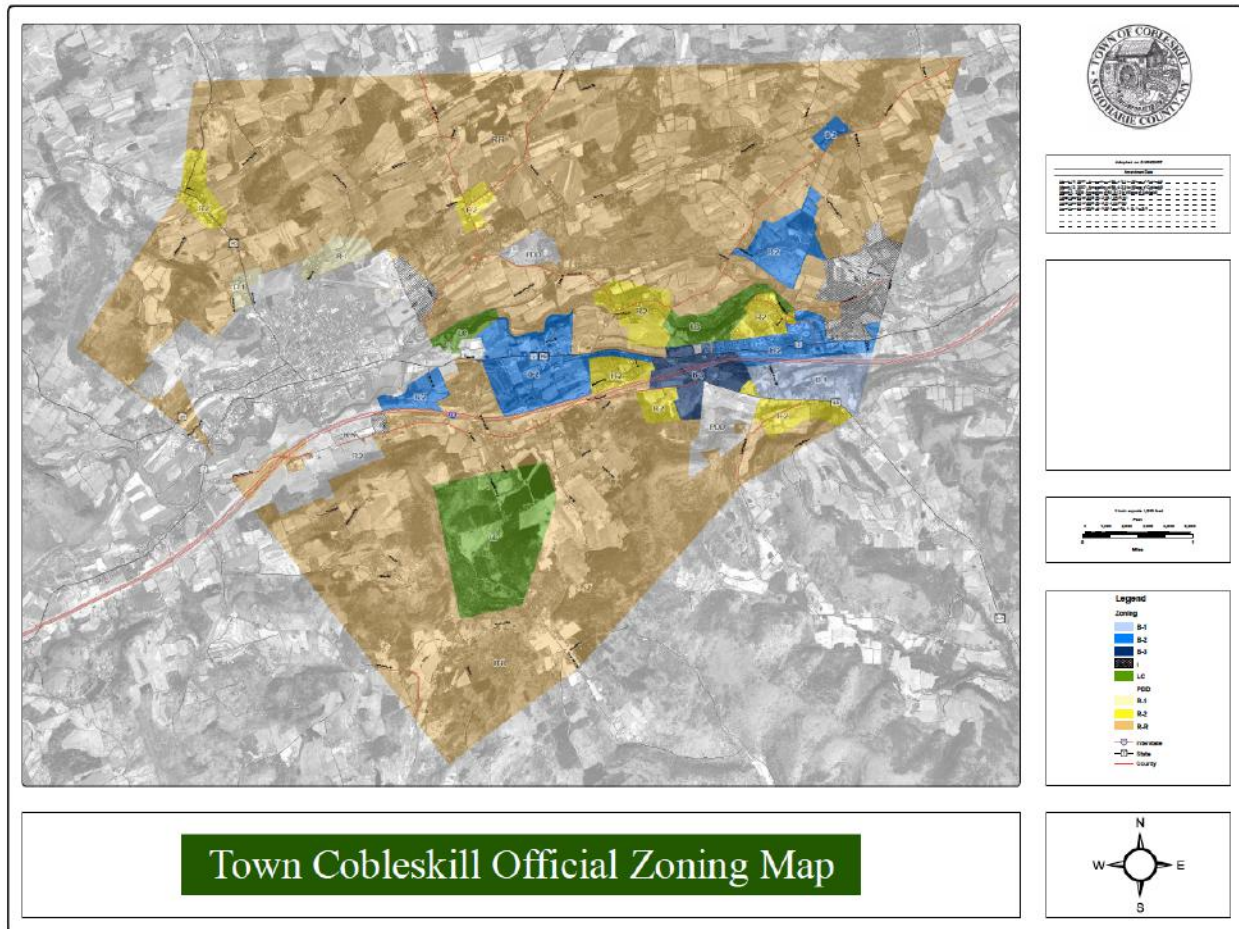
## **3.2 Farmland Protection**

### **3.2.1 Audit of Existing Measures**

The Town of Cobleskill’s existing farmland protection measures are found in its Zoning Law. This law, established in 1983 and amended several times since, includes an Agricultural and Rural Residence (RR) District that encompasses the bulk of the Town’s land area (depicted in beige color on zoning map below). This district permits agriculture and related uses as Principal Permitted Uses. The law also includes numerous supplementary regulations addressing uses

## ***Town of Cobleskill, Schoharie County, New York Agricultural and Farmland Protection Plan***

that are either associated with agriculture or could have an impact on agricultural and farmland protection.



Because the Town of Cobleskill Zoning Law is the primary tool the Town employs to regulate land uses, a thorough audit of the law was made in conjunction with this study and considerable time was spent developing recommended amendments that will serve enhance agricultural development and farmland protection within Cobleskill. The results of these efforts are found in Appendix C, [\*Agricultural Zoning Audit\*](#) and Appendix D, [\*Recommended Zoning Provisions for Consideration\*](#).

Additional farmland protection measures are also recommended. Major recommendations as a whole are outlined below in Section 3.2.2.

### **3.2.2 Recommendations**

#### **A. Zoning Update**

Recommendations for updating its Zoning Law to render it more agriculturally friendly and ensure the full range of agricultural development possibilities are



## ***Town of Cobleskill, Schoharie County, New York***

### ***Agricultural and Farmland Protection Plan***

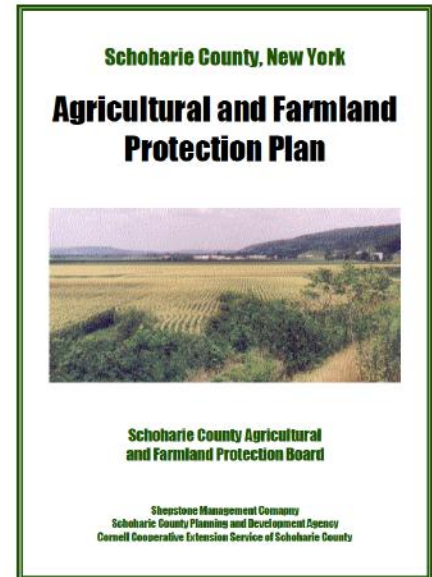
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accommodated by the regulations are available to the Town. (see [Appendix C](#) and [Appendix D](#) for specific recommendations and suggested revisions). Any update might also include incentives for farmland preservation, ensure the code complies with New York State Town Law as well as the Agriculture and Markets Law and be revised as necessary to achieve efficient and effective administration.

#### **B. Ag District Promotion**

The Town should cooperate with the Schoharie County Agriculture and Farmland Protection Board in conducting outreach to farmland owners to understand the benefits of Agricultural District protections and file the needed paperwork to be part of such districts. Extensive portions of the Town are already included as previously presented maps indicate.

Nonetheless, there are numerous agricultural, farm and forest properties in the eastern and southern portions of the Town that would benefit by inclusion in an Agricultural District. Several of these properties already receive agricultural real property tax exemption, as the maps illustrate. While being in an Agricultural District is not necessary for such tax exemptions, it does provide certain right to farm protections and recognition for other purposes. It would also provide a concrete foundation for similar protections enacted in the form of a local Right to Farm Law, a recommendation of the *Schoharie County Agricultural and Farmland Protection Plan* that is incorporated herein by reference.



#### **C. Agricultural Assessments**

The Town should develop a database of the latest information on agricultural real property assessments to ensure all farm properties are valued at their agricultural value, especially all farm buildings and improvements, which can easily be valued improperly. Where the assessed value of active farmland is too low compared to buildings, the farmer gains little from agricultural assessment programs. Correcting this imbalance, where it exists, will help increase farm viability through tax reduction. It will raise the amount of the chargeback for conversion of farmland from its agricultural use, by placing more of a farmer's tax savings on the land.

The Town should ensure landowners are charged for the conversion of farmland from agricultural use, by applying conversion payment formula established

## ***Town of Cobleskill, Schoharie County, New York Agricultural and Farmland Protection Plan***

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under the New York State Agriculture and Markets Law. Such conversion charges should be structured to apply to new property owners or users who might take a property out of agricultural use, thereby encouraging sales for continued agricultural use.

The Schoharie County Office of Real Property Services could potentially provide assistance in these efforts.

### **D. Leased Development Rights (LDR)**

The Town and County should, together, explore the creation of a leased development rights (LDR) program to encourage farmers to keep lands in active agricultural production and to keep land from being developed without requiring it to be part of a permanent protection program. The Town could exercise authority under § 247 of the NYS General Municipal Law to acquire conservation easements on farmland and other open spaces, paying for those easements with preferential tax treatment.

The Town of Perinton in Monroe County has such a program. Landowners apply for the program and the decision to accept or reject the application is made on the basis of benefit to the Town. The owners are also required to principally and actively use the property for "bona fide agricultural production" for the term of the easement. Easements can be cancelled through a similar application but penalties apply. The proportion of pre-easement property value remaining subject to taxation varies depending on the length of the easement, ranging from 40% for 5 year easements (the minimum length accepted) to 10% for agreements of 15 years or more.



This program has existed since the 1970's. A total of 81 farming easements (62% of all open space acquired under the program) were in effect as of 2000 with some 3,034 acres of farmland protected. This represented 13.% of the Town land area. Perinton, however, is, at over 46,000 persons, larger than many rural counties. The key to the success of this program (rated "fabulous" by the assessor's office) is that it lowers the assessed value well below agricultural value and renders agricultural assessment meaningless. There have been very few cancellations by farmers. This means that it should work just as well in areas where there is a small differential in agricultural and development value. It is also politically appealing due to the flexibility offered to both farmer and municipality. The difficulty with it, of course, is in paying for the lost taxes in communities where there is not a large non-farm base to carry the load. Cobleskill does have such a tax base, so it could work well in the Town.

### **E. Transfer of Density Rights and Other Farm Incentives/Disincentives**

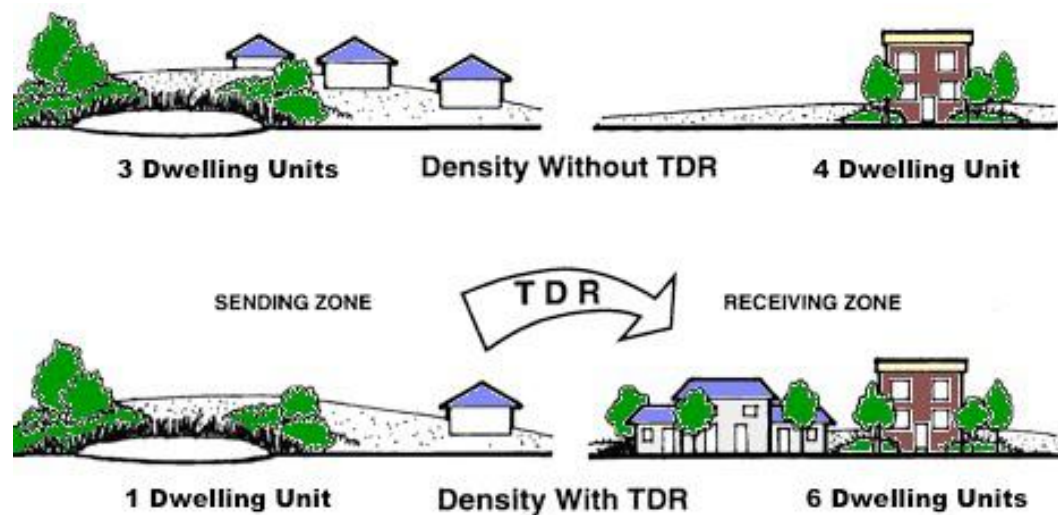
## ***Town of Cobleskill, Schoharie County, New York Agricultural and Farmland Protection Plan***

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Transfer of density rights (TDR) might be incorporated in any Zoning Law update as a technique for shifting development from agricultural and rural areas to hamlet areas. This could entail a very simple form of TDR that takes place at the time of development approval on a private transfer basis.

The Town of Eden in Erie County, as an example, adopted such provisions in 1977 as part of its Zoning Law. These allow transfers of residential density into three districts where more intense development is allowed, from three other conservation and agricultural districts where agriculture uses predominate. A combination of conservation easements and optional density permits are used to effectuate the transactions.

The provisions are written in a fairly straight-forward simple manner and require developers to secure optional density permits at the time they apply for subdivision approval. The application must include a conservation easement that gets recorded by the Town before granting the density permit and final plat approval. The law spells out densities that may be transferred.



Nationwide there are many jurisdictions with TDR provisions in place but only 56% have protected any farmland, largely due to their complexity. Eden's program has appealing simplicity and the densities that are allowed to be transferred are twice what a developer can achieve by simply subdividing the farmland.

Such incentives are essential and may require even higher densities compared to what is allowed on the farmland. TDR also requires both demand and supply sides but that would appear to exist on Cobleskill, if for no other reason than the presence of SUNY-Cobleskill. Therefore, a [recommended TDR section](#) for the Town of Cobleskill Zoning Law is included in [Appendix D](#) for consideration.

Conservation subdivision techniques can also be employed to effectuate what is,

## ***Town of Cobleskill, Schoharie County, New York Agricultural and Farmland Protection Plan***

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in practicality, TDR within the confines of a large parcel. Density is shifted, through clustering, to one part of the property so as to enable the preservation of farming on the best agricultural land, using lesser quality land for development. There are numerous examples of this (see illustration below) and it, too, might be worked into a future update of the Town Zoning Law.



It is critical that all such efforts produce no impediments to the economic development of the Town. This is to say that all regulations and incentive programs should be at least neutral with respect to density and be “customer-friendly” from the perspective of landowners and others desiring to invest in Cobleskill.

It is equally important that other Town policies not create disincentives for agriculture or development. Recent cases in other towns have illustrated some of the potential problems that can result from failure to consider impacts on farming.

An illustrative case is provided by a recent incident in the Town of Niskayuna, in Schenectady County, where the Town created a large drainage ditch to direct its own stormwater onto a neighboring property so as to connect with a wetland, thereby partly destroying and reducing access to a forested area that contributed value to the property. Such poorly thought out policies cannot only dramatically interfere with farming, but also create new or expand existing wetlands that reduce the value of farmland for farming while also eliminating its value as farm equity.

### **3.3 Action Plan**



## ***Town of Cobleskill, Schoharie County, New York*** ***Agricultural and Farmland Protection Plan***

The foregoing recommendations have been summarized and prioritized, with implementation responsibilities designated, in the table following:

<b>Agriculture and Farmland Protection Plan – Action Plan</b>		
<b>Action Description</b>	<b>Responsible Parties</b>	<b>Priority</b>
<b>Zoning Law Update</b> – Update Town Zoning Law to render it more agriculturally friendly and ensure the full range of agricultural development possibilities are accommodated by the regulations.	Town Board, Town Planning Board	High Priority (2011-2012)
<b>Transfer of Density Rights (TDR)</b> – Incorporate TDR provisions in the Zoning Law as a technique for shifting development from agricultural and rural areas to hamlet areas, using a very simple form of TDR that takes place at the time of development approval on a private transfer basis.	Town Board, Town Planning Board	High Priority (2011-2012)
<b>Town Website</b> – Promote Town for agricultural tourism and other economic development purposes through a comprehensive Town website, including more information on tourism offerings, agricultural buying opportunities and special attractions such as local farm stands.	Town Board, Schoharie County Planning & Development	High Priority (2011-2012)
<b>Leased Development Rights (LDR)</b> – Explore the creation of a LDR program to encourage farmers to keep lands in active agricultural production without requiring it to be part of a permanent protection program, exercising authority under § 247 of the NYS General Municipal Law to acquire conservation easements on farmland and other open spaces, paying for those easements with preferential tax treatment.	Town Board, Schoharie County Real Property Services	Medium Priority (2013-2014)
<b>Agricultural Marketing Initiative</b> – Establish a mini-grant program for marketing assistance to individual farmers in the area, particularly those farmers engaged in niche enterprises with growth potential.	Schoharie County Planning & Development	Medium Priority (2013-2014)
<b>Agricultural Promotion Initiative</b> – Develop a common signage program to complement the website and also enhance use of the marketing brochure now employed, using “wayfinder” signs such as used to mark wine trails, scenic byways and similar attractions.	Town Board, Schoharie County Planning & Development	Lower Priority (2015-2016)
<b>Agricultural Assessment</b> – Develop a database of the latest information on agricultural real property assessments to ensure all farm properties are valued at their agricultural value, especially all farm buildings and improvements, which can easily be valued improperly.	Town Board, Schoharie County Real Property Services	Lower Priority (2015-2016)
<b>Agricultural Business Planning</b> – Facilitate the availability of business planning assistance for local farmers interested in pursuing new agricultural ventures by distributing the Agricultural Business Planning Guide and Sample Business Plan.	Town Board, Schoharie County Planning & Development	On-going
<b>Natural Resources Development</b> – Encourage development of timber, wind and other natural resources offering opportunities for ancillary farm income, including wood processing ventures encouraged through adoption of a Right-to-Practice Forestry Law.	Town Board, Schoharie County Planning & Development	On-going
<b>Agricultural District Promotion</b> – Work with the Schoharie County Agriculture and Farmland Protection Board to reach out to farmland owners to understand the benefits of Agricultural District protections and file the needed paperwork to be part of such districts.	Town Board, Schoharie County Ag & Farmland Protection Board	On-going

***Town of Cobleskill, Schoharie County, New York***  
***Agricultural and Farmland Protection Plan***

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## **4.0 Appendices**

- A - [Agricultural Business Planning Guide](#)**
- B - [Sample Business Plan - Cheese Production](#)**
- C - [Agricultural Zoning Audit](#)**
- D - [Recommended Zoning Provisions for Consideration](#)**

# **APPENDIX A**

## **Agricultural Business Planning Guide**

# Town of Cobleskill Schoharie County, New York



## Business Planning Handbook for New Farm and Agricultural Entrepreneurs

*A step by step guide for providing the information  
required to obtain financing for new farm businesses.*



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# Business Planning Handbook for New Farm and Agricultural Entrepreneurs

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## **Foreword**

Business planning is necessary for successfully operating any enterprise. It has, from a practical standpoint, become a prerequisite for obtaining financing for business startups. This is no less true for agricultural ventures than it is for other businesses in today's lending environment.

The essentials of business planning include extensive research, realistic financial analysis and basic organization. This *Business Planning Handbook for New Farm and Agricultural Entrepreneurs* is intended to assist with each of these elements using a straightforward step-by-step approach. This does not mean it is simple. Preparing a solid business plan for even a small farm enterprise can take 3-6 months and typically requires professional assistance. This *Handbook* will guide prospective entrepreneurs in assembling the information such advisors will require.



The purposes of business planning include answering certain basic questions that any banker or investor might ask, including the following:

- How much money is needed to set up the business?
- Where will the startup funds come from to set up the business?
- Will it generate a cash flow that will pay off debts?
- Will it make money and generate a reasonable return on investment?
- What is the general market for the product or service to be offered?
- Who might be specifically interested in these products or services?
- How will products and services be marketed?
- Who will lead the enterprise?
- Who are the experts supporting the business?
- What are the mission and goals of the principals?

Following the advice and instructions in this *Handbook* should help any prospective agricultural entrepreneur answer these questions and evaluate their business proposal with confidence. It has been developed for the Town of Cobleskill with the assistance of Shepstone Management Company (<http://www.shepstone.net>). It is based on several different models used by banks and other lenders.

# Business Planning Handbook for New Farm and Agricultural Entrepreneurs

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## 1.0 Financial Feasibility Analysis - Can It Work?

### 1.1 Business Description, Mission Statement and Business Goals

The very first step in developing a realistic business plan is to draft a an accurate and concise description of the business you're considering. This is especially the case for agricultural and farm businesses, because farmers often view their enterprise as a lifestyle as much as a business. Defining it from the start as a profit center and laying out the elements of that business are, therefore, the first steps toward realism in business planning.



Moreover, lenders typically know little about agriculture and what they do know may be negative if it has been shaped by popular culture. The general public has only the vaguest understanding of agriculture as an industry, so you should assume that you'll have to explain everything (even to the professional advisors you use to analyze and help plan the business).

Start by describing your business idea in a few paragraphs that explain what it entails, where it will be located and the key features of the operation. Consider sharing success stories from other areas, especially if what you propose is new for the area. Tell your reader why this business makes sense for your area.

Also, develop a customer-driven mission statement that concisely (in a sentence or two) summarizes why you are pursuing this venture (e.g. "to create a profitable agricultural tourism attraction that will appeal to visitors from the Albany urban area"). Think about the mission statement as an overall goal for your business that will define your success.

Finally, develop a set of measurable goals for the business. These might include, for example, generating a positive cash flow within two years of business establishment and a long-term rate of return of at least 10% on equity invested. Focusing on these goals at the outset should help you to understand what you need from the business and later evaluate whether putting energy into it is justified.

### 1.2 Analysis of Market and Competition

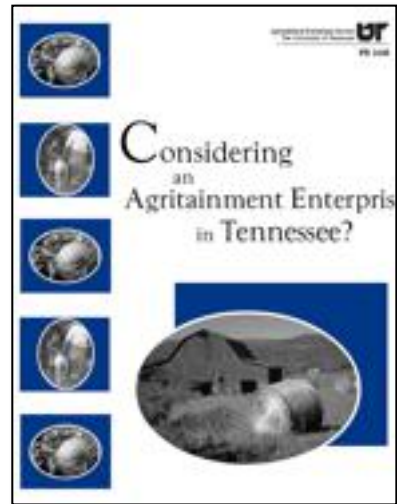
Evaluating business potential is often largely a matter of studying market feasibility. Before you know whether you can make a business work, you need to know if there's even a market for the product or service you propose to offer. Traditionally, farmers have been "price-takers" and not "price-makers." Marketing can be a foreign concept if you're used to shipping your product off-farm at unknown prices and waiting until the milk check comes to learn what you made. Most new agricultural and farm businesses, however, demand a thorough understanding of markets and deliberate strategies for tapping those markets.

**Consider the following as you evaluate your market:**

1. What specific products and services will you offer and how much of each (by percentages) do you hope to sell?

## Business Planning Handbook for New Farm and Agricultural Entrepreneurs

2. How will your product fit into the market in terms of quality, price, convenience, customer service, guarantees, credit options and location in relation to customers? Where will you position your business on the scale for each to create a market niche?
3. What are the trends within your industry? Research them by checking out industry groups (e.g. the [New York State Vegetable Growers Association](#)) for data, contacting the [Cornell Cooperative Extension of Schoharie County](#) and browsing the Internet. The University of Tennessee, as an example, offers an excellent [guide for planning agritainment ventures](#). It is available from their web site. A great deal of other data is also available from this free resource.



4. Identify your target market in terms of age, gender, income, education and similar characteristics if your prospective customers are individuals. If those customers are other businesses, identify your target market by type, size, special requirements and similar factors.

You'll also need to consider the market areas to which you can reasonably expect to sell products or services. Typically, this is done by identifying primary, secondary and fringe markets. The primary market area is that region from which a business can expect to generate 60-70% of its customers. The secondary area usually represents another 20-30% of the customer base. The fringe market accounts for the remainder.

The number of customers will, of course increase with distance but the ability to capture them will decrease due to competition and inconvenience of travel. The boundaries of these market areas depend on whether the proposed business is a destination as compared to relying upon passby traffic or convenient access. These can be defined by distance, drive times or other criteria. They will vary greatly depending on the type of business. A small farm market may attract customers within 5 minutes driving time while an agricultural tourism attraction might attract visitors from an hour away.

Cobleskill Market Area Entertainment Fee Expenditures				
Category	0-30 Minutes	30-45 Minutes	45-60 Minutes	Total Spending
Travel Expenditures	\$7,535,119	\$92,449,923	\$93,667,180	\$193,652,222
Average Per Household	\$478	\$596	\$630	\$606
Participated in Fishing	5,812	41,196	40,757	87,765
Participate in Horseback Riding	1,290	8,694	7,903	17,887
Participated in Target Shooting	1,620	12,225	11,192	25,037
Visited Zoo in Last 12 Months	3,441	40,371	37,614	81,426
Note: Participation estimates reflect the number of market area adults participating				
Source: ESRI - Business Information Solutions				



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Professional help with market analysis is a good idea. Experience in evaluating other markets will be useful in assessing your own. Once you've identified the appropriate market areas, you will need to collect demographic and other market data that will enable you project sales.

Several sources of data are available, including Erie County and other regional planning and development agencies. Private data research firms such as Claritas and ESRI Business Information Solutions can provide you and your professional advisors with market profiles, growth projections and estimates of consumer spending on items such as food and entertainment.



These projections, by market area, should form the basis of the projected revenues used in your financial analysis.

5. Identify the competition for your business within the market areas you identified. Most businesses have both primary and secondary competition. If you propose to establish a nursery and greenhouse operation, for example, another such enterprise in the vicinity would represent a primary competitor, while a Wal-Mart with a nursery operation 10-15 miles away might be considered a secondary competitor.

Secondary competitors need to be listed and briefly described along with explanations of why they are considered secondary.

Primary competitors need to be discussed in detail, addressing the specific strengths and weaknesses of each, their market niches, current status and future prospects. Try to obtain some idea of the volume of business each does currently. More importantly, compare them to your own proposal in terms of pricing, convenience, level of service, quality of product and other key characteristics that define your own niche.

6. Develop a specific marketing plan for your enterprise once you've determined that it is feasible. First, study how your industry typically markets itself. Does it utilize direct marketing concepts, cooperatives, distributors, purveyors, sales representatives or other techniques? Does Internet marketing play a roll? How do profit margins compare among these approaches? Where is the growth?

Outline a marketing plan for your business that will most effectively and efficiently reach your customers. Depending on your needs, include signage, a website, grand opening plans, an advertising campaign and a customer relations program. Consider developing a direct mailing list from customer check payments or by purchasing a list from one of several such providers. Direct mail is often a very most-effective means of reaching customers for small businesses.

A public relations campaign, however, is the most cost-effective way to develop a brand and acquaint a market with a new product or service. It can work very well with agri-businesses because they often make for human interest news stories, particularly if they

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are family-based enterprises. Public events, news releases and interviews are forms of free advertising that should be maximized but they will demand major investments of time and energy and may require professional help.

Plan to spend as much as 2-4% of revenues on marketing, with the heaviest expenditures the first year. However, be careful to stay within the marketing budget. You'll need to target existing customers but also continually attract new ones. Divide your marketing effort between these two objectives.

You may also, for purposes of demonstrating market feasibility, need to document sales potential with letters of intent or interest and contracts. Once you've reached the point you are comfortable in projecting sales, you need to consider some additional factors. These include the seasonality of your business, its anticipated growth rate during the earlier years and the extent to which the business will be able to penetrate and capture the market available to it.

You should lay out projected sales month by month for at least the first three years, building in seasonal fluctuations and a modest amount of growth consistent with a new enterprise and the expansion of the market itself, if any. You should consult with your professionals regarding business capture rates, but it is rare for any new business to secure more than 5-10% of the available market, because many of your prospective customers will already be purchasing the product or service elsewhere and have to be sold on the value you offer.

### 1.3 Startup Costs

Business startup costs must be identified. These one-time costs may or may not require debt financing. Likewise, some may be capitalized for accounting purposes while other are written off for tax reasons. Some represent hard costs for equipment and buildings while others constitute soft costs associated with business organization. Their distinguishing characteristic for business planning is that they are of a non-recurring nature.

A list of common start up costs is included below. It is not meant to be an exhaustive list. You should consult with your financial advisers to be sure that you have not missed anything important. This is a common mistake of many small businesses. Failure to anticipate and fund all startup costs can put a new business so far behind from the beginning that it never catches up, stealing from monthly cash flow those funds that are required for on-going expenses.

The adjoining checklist is one you may want to use to develop your own analysis of costs. Documentation, with quotes or sourced references, will be needed for each cost if you intend to submit your proposal to a bank or other lending institution for loan financing.

Typical Business Startup Costs	
Type of Expense	Estimated Cost
Renovations	_____
Equipment and fixtures (include delivery and installation)	_____
Signs	_____
Supplies and Services Needed Before or at Opening	_____
Licenses/Permits	_____
Lease/Mortgage Points	_____
Telephone/Utility Deposits	_____
Insurance Down Payment	_____
Legal/Professional Fees	_____
Initial Inventory	_____
Advertising for Opening	_____
Other (specify)	_____
<b>Total Startup Costs</b>	_____

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## 1.4 Projected Income and Expenses

You'll need to develop detailed estimates of your income and expenses on a month by month basis. Documenting the assumptions that go into your projections is also important for enabling readers of your plan to evaluate its reasonableness.

Income projections need to come directly from your marketing analysis. Expense projections should specifically include the following considerations:

1. Purchases of materials or inventory for resale or use in the manufacturing process
2. Payroll and associated overhead expenses (including paid vacation and leave time; health, workers' compensation and unemployment insurance; and Social Security taxes)
3. Contracted services (subcontracted services)
4. Advertising and marketing (website, yellow pages, paid ads, public relations, etc.)
5. Insurance (liability, building and equipment insurance, etc.)
6. Accounting, legal and other professional services
7. Building and/or equipment maintenance and repair
8. Supplies used in business (not for resale)
9. Real estate taxes (school, village, county and town)
10. Business phone, fax and Internet
11. Travel expenses (mileage, conference expenses, other travel, etc.)
12. Rent or mortgage payments
13. Utilities (water, lights, heat, etc.)
14. Freight and/or shipping fees
15. Equipment leases

Help in estimating expenses is often available from industry associations, [Cornell Cooperative Extension](#), other agencies and lenders. Firms such as the [Risk Management Association](#) publish annual financial statement studies for various categories and sizes of businesses. Their data will tell you how the expected financial performance and ratios for your business compare with industry experience.

Sample financial statements are often also available from other sources that a thorough



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Internet search will help to uncover. It is useful in this regard to know the [NAIC \(North American Industrial Classification\)](#) code for your business, as much of this data is published by such codes.

You will need to incorporate your data into a Pro Forma Income and Expense Statement at some point. You should consult with your accountant to assist with this.

### 1.5 Sources and Uses of Funds and Collateral

A prospective lender is likely to ask you for a Sources and Uses of Funds and Collateral Statement as part of your loan application. You will also need to incorporate borrowing assumptions into your cash flow analysis. The following outline offers some guidance for this purpose:

**Sources of Funding:** List all the lenders whom you plan to approach along with the amount you plan to request and the anticipated terms. Start with your own equity contribution.

**Uses for Funding:** List your major categories of startup expenses and identify where support for these estimates may be found in your Business Plan.

**Collateral:** List the assets and/or property you plan to use to secure your loans. Document the value of business assets with exhibits such as property appraisals and equipment pricing.

### 1.6 Cash Flow Projections

The most critical element of any feasibility study or business plan is the cash flow analysis. It doesn't matter whether a business makes money if it doesn't generate a positive cash flow sufficient to make mortgage payments.

You will probably want to secure professional help in developing your cash flow statement but you should fully understand it and be actively involved in its preparation. It's a good idea to do your own simple cash flow analysis before you go to your

accountant or other professionals for help. You may want to approach it on an annual basis and use their assistance to convert the data to a monthly format, for example (which will yield somewhat different results due to the cost of borrowing money).

Cash flow analysis is best done using a spreadsheet computer program such as Excel. This makes it easy to evaluate the impact of changes in assumptions over several months or years of projections. The analysis should project cash flows for a minimum of 3 years. Start by developing financial assumptions and then create formulas for monthly income and expenses.

Remember that cash flow analysis looks at cash income and outlays, rather than earnings or factors such as depreciation. You'll need to think about how much of your income, if any, will





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come from sales on credit and how fast your customers will pay. A sample cash flow analysis and associated income statement for an agricultural business follows to illustrate how it's done.

Fixed-Plant Slaughter and Processing Facility										
Cash Flow Analysis at 100 Beef, 60 Hogs & 20 Lambs Per Week Volume in 5th Year										
FISCAL YEAR	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	1	2	3	4	5	6	7	8	9	10
VOLUME AS % OF BASE	33.3%	60.0%	75.0%	90.0%	100.0%	105.0%	110.0%	115.0%	117.5%	120.0%
Beef per year	1,733	3,120	3,900	4,680	5,200	5,460	5,720	5,980	6,110	6,240
Hogs per year	1,040	1,872	2,340	2,808	3,120	3,276	3,432	3,588	3,666	3,744
Lambs/goats per year	347	624	780	936	1,040	1,092	1,144	1,196	1,222	1,248
<b>REVENUE</b>										
Beef slaughter/processing	\$632,667	\$1,138,800	\$1,423,500	\$1,708,200	\$1,898,000	\$1,992,900	\$2,087,800	\$2,182,700	\$2,230,150	\$2,277,600
Hog slaughter/processing	\$151,103	\$271,986	\$339,983	\$407,979	\$453,310	\$475,976	\$498,641	\$521,307	\$532,639	\$543,972
Lamb/goat slaughter processing	\$21,147	\$38,064	\$47,580	\$57,096	\$63,440	\$66,612	\$69,784	\$72,956	\$74,542	\$76,128
Drop	\$83,586	\$150,454	\$188,068	\$225,681	\$250,757	\$263,295	\$275,833	\$288,371	\$294,639	\$300,908
<b>TOTAL REVENUE</b>	<b>\$888,502</b>	<b>\$1,599,304</b>	<b>\$1,999,130</b>	<b>\$2,398,956</b>	<b>\$2,665,507</b>	<b>\$2,798,782</b>	<b>\$2,932,058</b>	<b>\$3,065,333</b>	<b>\$3,131,971</b>	<b>\$3,198,608</b>
<b>OPERATING EXPENSES</b>										
Salary & Wage Expense	\$524,670	\$860,874	\$1,052,704	\$1,244,826	\$1,375,261	\$1,444,024	\$1,513,126	\$1,582,582	\$1,621,415	\$1,660,640
Supplies	\$80,400	\$131,220	\$160,245	\$189,317	\$209,079	\$219,533	\$230,042	\$240,608	\$246,554	\$252,564
Utilities	\$114,000	\$119,700	\$125,685	\$131,969	\$138,568	\$145,496	\$152,771	\$160,409	\$168,430	\$176,851
Rendering	\$182,000	\$191,100	\$200,655	\$210,688	\$221,222	\$232,283	\$243,897	\$256,092	\$268,897	\$282,342
Office & Administrative	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000
Maintenance	\$30,000	\$31,500	\$33,075	\$34,729	\$36,465	\$38,288	\$40,203	\$42,213	\$44,324	\$46,540
Transportation	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
Contingency	\$113,762	\$153,978	\$177,709	\$201,560	\$218,423	\$228,304	\$238,324	\$248,489	\$255,249	\$262,170
<b>TOTAL OPERATING EXPENSES</b>	<b>\$1,252,831</b>	<b>\$1,696,372</b>	<b>\$1,958,073</b>	<b>\$2,221,089</b>	<b>\$2,407,018</b>	<b>\$2,515,929</b>	<b>\$2,626,362</b>	<b>\$2,738,394</b>	<b>\$2,812,869</b>	<b>\$2,889,107</b>
<b>OPERATING MARGIN (CASH)</b>	<b>(\$364,329)</b>	<b>(\$97,068)</b>	<b>\$41,057</b>	<b>\$177,867</b>	<b>\$258,489</b>	<b>\$282,853</b>	<b>\$305,695</b>	<b>\$326,939</b>	<b>\$319,102</b>	<b>\$309,502</b>
Working capital loan proceeds	\$380,000	\$140,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Working capital loan repayments	\$0	\$0	\$10,000	\$150,000	\$250,000	\$110,000	\$0	\$0	\$0	\$0
Working capital loan balance	\$380,000	\$520,000	\$510,000	\$360,000	\$110,000	\$0	\$0	\$0	\$0	\$0
Working capital loan interest	\$13,300	\$36,400	\$35,700	\$25,200	\$7,700	\$0	\$0	\$0	\$0	\$0
<b>CASH FLOW</b>	<b>\$2,371</b>	<b>\$6,532</b>	<b>(\$4,643)</b>	<b>\$2,667</b>	<b>\$789</b>	<b>\$172,853</b>	<b>\$305,695</b>	<b>\$326,939</b>	<b>\$319,102</b>	<b>\$309,502</b>
<b>CUMULATIVE CASH</b>	<b>\$2,371</b>	<b>\$8,904</b>	<b>\$4,261</b>	<b>\$6,928</b>	<b>\$7,717</b>	<b>\$180,570</b>	<b>\$486,265</b>	<b>\$813,205</b>	<b>\$1,132,306</b>	<b>\$1,441,808</b>

Cash Flow Assumptions	
Land costs/acre	\$100,000
Building cost per square foot	\$150
Building size (square feet)	5,000
Loan interest rate	7.0%
Loan term (months)	180
Man-hours to process custom beef	10.0
Man-hours to process hogs	4.0
Man-hours to process lambs, etc.	2.0
Hogs processed per year	5,200
Lambs/goats processed per year	3,120
Manager's salary (annual)	\$50,000
Average cost of plant labor (per hour)	\$12.50
Bookkeeper	\$25,000
Beef slaughter/rendering charge	\$35.00
Hog slaughter/rendering charge	\$30.00
Lamb/other slaughter/rendering charge	\$20.00
Beef fabrication charge (per lb.)	\$0.450
Hog fabrication charge (per lb.)	\$0.475
Lamb fabrication charge (per lb.)	\$0.500
Extra charge for beef patties (per lb.)	\$0.25
Extra charge for sausage/smoking (per lb.)	\$0.50
Extra charge for lamb extras (per lb.)	\$0.50
Drop income (per beef)	\$45.37
Drop income (per hog)	\$3.93
Drop income (per lamb)	\$2.50
Carcass size (beef)	650
Beef live weight (other)	1,150
Carcass size (hogs)	155
Carcass size (lambs)	67
Ground beef per head	150
Sausage and smoking per hog	50
Lamb extras per head	15
Supply/packaging costs - beef	\$30.00
Supply/packaging costs - hogs	\$7.50
Supply/packaging costs - lamb	\$4.00
Maintenance/heat costs (monthly)	\$2,500
Chemical costs (monthly)	\$1,000
Other processing supplies (monthly)	\$500
Sewer/water utilities (monthly)	\$2,000
Electric utilities (monthly)	\$7,500
Rendering costs (weekly)	\$3,500
Other supplies (monthly)	\$500
Health insurance % of payroll	20.0%
Workers com. insurance % of payroll	20.0%
Other insurance costs (monthly)	\$6,000
Payroll/misc. taxes %	8.5%
Contingency %	10.0%
Office/telephone costs (monthly)	\$500
Transportation costs (weekly)	\$2,500
USDA overtime rate	\$43.64
USDA overtime hours per week	2.0

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Meat Packing Facility Cash Flow Analysis Monthly - Year 1 (New Facility, All Beef)												
YEAR MONTH VOLUME AS % OF BASE	1 75.0%	1 76.3%	1 77.5%	1 78.8%	1 80.0%	1 81.3%	1 82.5%	1 83.8%	1 85.0%	1 86.3%	1 87.5%	1 88.8%
Beef cows per month	469	477	484	492	500	508	516	523	531	539	547	555
Calves per month	1,138	1,156	1,175	1,194	1,213	1,232	1,251	1,270	1,289	1,308	1,327	1,346
<b>REVENUE</b>												
Beef slaughter/processing (custom)	\$12,656	\$12,867	\$13,078	\$13,289	\$13,500	\$13,711	\$13,922	\$14,133	\$14,344	\$14,555	\$14,766	\$14,977
Beef patty charges (custom)	\$1,172	\$1,191	\$1,211	\$1,230	\$1,250	\$1,270	\$1,289	\$1,309	\$1,328	\$1,348	\$1,367	\$1,387
Beef slaughter/processing(carass)	\$55,131	\$56,049	\$56,968	\$57,887	\$58,806	\$59,725	\$60,644	\$61,563	\$62,481	\$63,400	\$64,319	\$65,238
Beef slaughter/processing(fabricated)	\$126,678	\$128,789	\$130,901	\$133,012	\$135,123	\$137,234	\$139,346	\$141,457	\$143,568	\$145,680	\$147,791	\$149,902
Calf slaughter	\$13,650	\$13,878	\$14,105	\$14,333	\$14,560	\$14,788	\$15,015	\$15,243	\$15,470	\$15,698	\$15,925	\$16,153
Drop (calves)	\$12,513	\$12,721	\$12,930	\$13,138	\$13,347	\$13,555	\$13,764	\$13,972	\$14,181	\$14,389	\$14,598	\$14,806
Drop (cows)	\$21,094	\$21,445	\$21,797	\$22,148	\$22,500	\$22,852	\$23,203	\$23,555	\$23,906	\$24,258	\$24,609	\$24,961
<b>SUB-TOTAL</b>	\$242,893	\$246,941	\$250,989	\$255,038	\$259,086	\$263,134	\$267,182	\$271,230	\$275,279	\$279,327	\$283,375	\$287,423
Cost of Goods (cattle purchases)	\$153,141	\$155,693	\$158,245	\$160,798	\$163,350	\$165,902	\$168,455	\$171,007	\$173,559	\$176,112	\$178,664	\$181,216
<b>TOTAL GROSS MARGIN</b>	\$89,752	\$91,248	\$92,744	\$94,240	\$95,736	\$97,232	\$98,728	\$100,223	\$101,719	\$103,215	\$104,711	\$106,207
<b>OPERATING EXPENSES</b>												
Manager's salary	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583	\$4,583
Bookkeeper's salary	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083
Plant labor (custom)	\$5,156	\$5,242	\$5,328	\$5,414	\$5,500	\$5,586	\$5,672	\$5,758	\$5,844	\$5,930	\$6,016	\$6,102
Plant labor (carcasses)	\$3,867	\$3,932	\$3,996	\$4,061	\$4,125	\$4,189	\$4,254	\$4,318	\$4,383	\$4,447	\$4,512	\$4,576
Plant labor (fabricated)	\$15,469	\$15,727	\$15,984	\$16,242	\$16,500	\$16,758	\$17,016	\$17,273	\$17,531	\$17,789	\$18,047	\$18,305
Plant labor (calves)	\$4,170	\$4,240	\$4,309	\$4,379	\$4,448	\$4,518	\$4,587	\$4,657	\$4,726	\$4,796	\$4,865	\$4,935
Supplies (packaging)	\$4,219	\$4,289	\$4,359	\$4,430	\$4,500	\$4,570	\$4,641	\$4,711	\$4,781	\$4,852	\$4,922	\$4,992
Supplies (chemical)	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600
Supplies (other)	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Utilities (sewer/water)	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400
Utilities (electric)	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Rendering	\$8,667	\$8,667	\$8,667	\$8,667	\$8,667	\$8,667	\$8,667	\$8,667	\$8,667	\$8,667	\$8,667	\$8,667
Payroll tax	\$3,003	\$3,044	\$3,084	\$3,125	\$3,165	\$3,206	\$3,247	\$3,287	\$3,328	\$3,368	\$3,409	\$3,450
Insurance (health)	\$5,299	\$5,371	\$5,443	\$5,514	\$5,586	\$5,658	\$5,729	\$5,801	\$5,873	\$5,944	\$6,016	\$6,088
Insurance (W/C)	\$6,183	\$6,266	\$6,350	\$6,433	\$6,517	\$6,601	\$6,684	\$6,768	\$6,851	\$6,935	\$7,019	\$7,102
Insurance (other)	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Office/telephone expense	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Maintenance/ heat expense	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Transportation costs	\$8,667	\$8,667	\$8,667	\$8,667	\$8,667	\$8,667	\$8,667	\$8,667	\$8,667	\$8,667	\$8,667	\$8,667
Lease of facility	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333	\$4,333
Contingency	\$4,620	\$4,657	\$4,694	\$4,732	\$4,769	\$4,806	\$4,843	\$4,880	\$4,918	\$4,955	\$4,992	\$5,029
<b>TOTAL OPERATING EXPENSES</b>	\$97,020	\$97,801	\$98,582	\$99,363	\$100,144	\$100,925	\$101,706	\$102,487	\$103,268	\$104,049	\$104,830	\$105,612
<b>OPERATING MARGIN (CASH)</b>	(\$7,267)	(\$6,553)	(\$5,838)	(\$5,123)	(\$4,408)	(\$3,693)	(\$2,979)	(\$2,264)	(\$1,549)	(\$834)	(\$119)	\$595
<b>DEVELOPMENT COSTS</b>												
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site work	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building construction costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equipment costs	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing/organizational costs	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contingency	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL DEVELOPMENT COSTS</b>	\$65,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>FINANCING &amp; EQUITY</b>												
Equity in land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash equity contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EQUITY</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Working capital loan proceeds	\$10,000	\$10,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$0	\$5,000	\$0	\$5,000	\$0
Working capital loan repayments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Working capital loan balance	\$10,000	\$20,000	\$25,000	\$30,000	\$25,000	\$30,000	\$35,000	\$35,000	\$40,000	\$40,000	\$45,000	\$45,000
Working capital loan interest	\$58	\$117	\$146	\$175	\$146	\$175	\$204	\$204	\$233	\$233	\$263	\$263
Loan proceeds	\$65,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Amortization	\$981	\$981	\$981	\$981	\$981	\$981	\$981	\$981	\$981	\$981	\$981	\$981
<b>TOTAL DEBT SERVICE</b>	\$1,039	\$1,098	\$1,127	\$1,156	\$1,127	\$1,156	\$1,185	\$1,185	\$1,214	\$1,214	\$1,244	\$1,244
<b>CASH FLOW</b>	\$1,693	\$2,350	(\$1,965)	(\$1,279)	(\$535)	\$151	\$836	(\$3,449)	\$2,237	(\$2,049)	\$3,637	(\$648)
<b>CUMULATIVE CASH</b>	\$1,693	\$4,043	\$2,078	\$799	\$3,508	\$3,659	\$4,495	\$1,046	\$3,282	\$1,234	\$4,871	\$4,223



**MEAT PACKING FACILITY  
PRO FORMA FINANCIAL STATEMENTS**

<b>INCOME AND EXPENSES:</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>INCOME</b>			
Slaughter/processing (custom)	\$2,741,655	\$3,153,253	\$3,343,006
Drop (sales of byproducts)	\$440,242	\$506,334	\$536,804
<b>SUB-TOTAL</b>	<b>\$3,181,897</b>	<b>\$3,659,587</b>	<b>\$3,879,810</b>
Cost of Goods Sold (cattle purchases)	\$2,006,142	\$2,307,319	\$2,446,166
<b>GROSS INCOME</b>	<b>\$1,190,755</b>	<b>\$1,352,268</b>	<b>\$1,433,643</b>
<b>EXPENSES</b>			
Salaries and wages	\$496,971	\$551,312	\$576,365
Employee fringes, insurances and taxes	\$203,758	\$226,038	\$236,310
Rendering expense	\$104,000	\$104,000	\$104,000
Transportation costs	\$104,000	\$104,000	\$104,000
Materials and supplies	\$64,866	\$73,162	\$76,988
Utility expense	\$64,800	\$64,800	\$64,800
Insurance (general)	\$60,000	\$60,000	\$60,000
Maintenance/ heat expense	\$60,000	\$60,000	\$60,000
Lease expense (existing facility)	\$40,000	\$52,000	\$52,000
Office and other operating expenses	\$31,320	\$31,320	\$31,320
<b>SUB-TOTAL</b>	<b>\$1,229,714</b>	<b>\$1,326,633</b>	<b>\$1,365,782</b>
Interest	\$18,147	\$16,618	\$8,505
Depreciation	\$7,600	\$9,250	\$9,250
<b>TOTAL EXPENSES</b>	<b>\$1,255,462</b>	<b>\$1,352,501</b>	<b>\$1,383,537</b>
<b>NET INCOME BEFORE TAXES</b>	<b>(\$64,707)</b>	<b>(\$233)</b>	<b>\$50,107</b>

## Business Planning Handbook for New Farm and Agricultural Entrepreneurs

<b>ASSETS AND LIABILITIES:</b>	<b>Beginning FY 2004</b>	<b>Beginning FY 2005</b>	<b>Beginning FY 2006</b>	<b>Ending FY 2006</b>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash on hand	\$324,000	\$237,637	\$214,219	\$139,527
Accounts receivable	\$0	\$50,000	\$56,000	\$60,000
<b>TOTAL CURRENT ASSETS</b>	<b>\$324,000</b>	<b>\$287,637</b>	<b>\$270,219</b>	<b>\$199,527</b>
<b>FIXED ASSETS (DEPRECIATED VALUE)</b>				
Equipment	\$66,000	\$59,400	\$52,800	\$46,200
Organization expenses	\$10,000	\$9,000	\$8,000	\$7,000
<b>TOTAL FIXED ASSETS</b>	<b>\$76,000</b>	<b>\$68,400</b>	<b>\$60,800</b>	<b>\$53,200</b>
<b>TOTAL ASSETS</b>	<b>\$400,000</b>	<b>\$356,037</b>	<b>\$331,019</b>	<b>\$252,727</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$0	\$50,000	\$56,000	\$60,000
Short-term debt	\$100,000	\$100,000	\$100,000	\$0
Current portion of long-term debt	\$29,256	\$30,786	\$32,398	\$34,099
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$129,256</b>	<b>\$180,786</b>	<b>\$188,398</b>	<b>\$94,099</b>
<b>LONG-TERM LIABILITIES</b>				
Non-current portion of long-term debt	\$210,744	\$179,959	\$147,560	\$113,461
<b>TOTAL LIABILITIES</b>	<b>\$340,000</b>	<b>\$360,744</b>	<b>\$335,959</b>	<b>\$207,560</b>
Equity	\$60,000	\$60,000	\$60,000	\$60,000
Retained earnings	\$0	(\$64,707)	(\$64,939)	(\$14,833)
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$400,000</b>	<b>\$356,037</b>	<b>\$331,019</b>	<b>\$252,727</b>

NOTE: Accounts payable and receivable based on average 15 day turnaround that is not reflected in cash flow figures based on full month periods. Therefore, the numbers do not correlate precisely.



### 2.0 Developing the Business Plan - Will It Work?

The following sections deal with additional information that you will need for completing your loan application and assembling the written Business Plan for your proposed enterprise.

#### 2.1 Credit Report

A personal credit report is likely to be required by your lenders. You should obtain one on yourself and other principals at the outset to evaluate whether there are any possible stumbling blocks for you. You can do so from the Internet or by working with your financial advisors. Review this report with your advisors to address any problems immediately.


#### 2.2 Personal Financial Statement

A completed and signed personal financial statement will be needed for everyone who will own 20% or more of the business and anyone else who will be cosigning for loans. If anyone filling out a Personal Financial Statement is married and has joint assets listed, then their spouse needs to sign the personal financial statement also.

Sample forms for this purpose from the [Small Business Administration](#) follow. They provide an excellent format for reporting even if you have no intentions of using SBA financing.



# Business Planning Handbook for New Farm and Agricultural Entrepreneurs

	<b>PERSONAL FINANCIAL STATEMENT</b>	OMB APPROVAL NO. 3245-0188 EXPIRATION DATE: 3/31/2008			
U.S. SMALL BUSINESS ADMINISTRATION		As of _____, _____			
Complete this form for: (1) each proprietor, or (2) each limited partner who owns 20% or more interest and each general partner, or (3) each stockholder owning 20% or more of voting stock, or (4) any person or entity providing a guaranty on the loan.					
Name _____		Business Phone _____			
Residence Address _____		Residence Phone _____			
City, State, & Zip Code _____					
Business Name of Applicant/Borrower _____					
<b>ASSETS</b>	(Omit Cents)	<b>LIABILITIES</b>			
(Omit Cents)		(Omit Cents)			
Cash on hand & in Banks .....	\$ _____	Accounts Payable .....			
Savings Accounts .....	\$ _____	Notes Payable to Banks and Others .....			
IRA or Other Retirement Account .....	\$ _____	(Describe in Section 2)			
Accounts & Notes Receivable .....	\$ _____	Installment Account (Auto) .....			
Life Insurance-Cash Surrender Value Only .....	\$ _____	Mo. Payments \$ _____			
(Complete Section 8)		Installment Account (Other) .....			
Stocks and Bonds .....	\$ _____	Mo. Payments \$ _____			
(Describe in Section 3)		Loan on Life Insurance .....			
Real Estate .....	\$ _____	Mortgages on Real Estate .....			
(Describe in Section 4)		(Describe in Section 4)			
Automobile-Present Value .....	\$ _____	Unpaid Taxes .....			
Other Personal Property .....	\$ _____	(Describe in Section 6)			
(Describe in Section 5)		Other Liabilities .....			
Other Assets .....	\$ _____	(Describe in Section 7)			
(Describe in Section 5)		Total Liabilities .....			
Total .....	\$ _____	Net Worth .....			
		Total .....			
<b>Section 1. Source of Income</b>		<b>Contingent Liabilities</b>			
Salary .....	\$ _____	As Endorser or Co-Maker .....			
Net Investment Income .....	\$ _____	Legal Claims & Judgments .....			
Real Estate Income .....	\$ _____	Provision for Federal Income Tax .....			
Other Income (Describe below)* .....	\$ _____	Other Special Debt .....			
Description of Other Income in Section 1.					
*Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.					
Section 2. Notes Payable to Banks and Others. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)					
Name and Address of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

## Business Planning Handbook for New Farm and Agricultural Entrepreneurs

Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed).					
Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value
Section 4. Real Estate Owned. (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)					
	Property A	Property B	Property C		
Type of Property					
Address					
Date Purchased					
Original Cost					
Present Market Value					
Name & Address of Mortgage Holder					
Mortgage Account Number					
Mortgage Balance					
Amount of Payment per Month/year					
Status of Mortgage					
Section 5. Other Personal Property and Other Assets. (Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and if delinquent, describe delinquency.)					
Section 6. Unpaid Taxes. (Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)					
Section 7. Other Liabilities. (Describe in detail.)					
Section 8. Life Insurance Held. (Give face amount and cash surrender value of policies - name of insurance company and beneficiaries)					
I authorize SBA/Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).					
Signature:		Date:		Social Security Number:	
Signature:		Date:		Social Security Number:	
PLEASE NOTE: The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, D.C. 20416, and Clearance Officer, Paper Reduction Project (3245-0188), Office of Management and Budget, Washington, D.C. 20503. PLEASE DO NOT SEND FORMS TO OMB.					

## Business Planning Handbook for New Farm and Agricultural Entrepreneurs

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### 2.3 Tax Returns

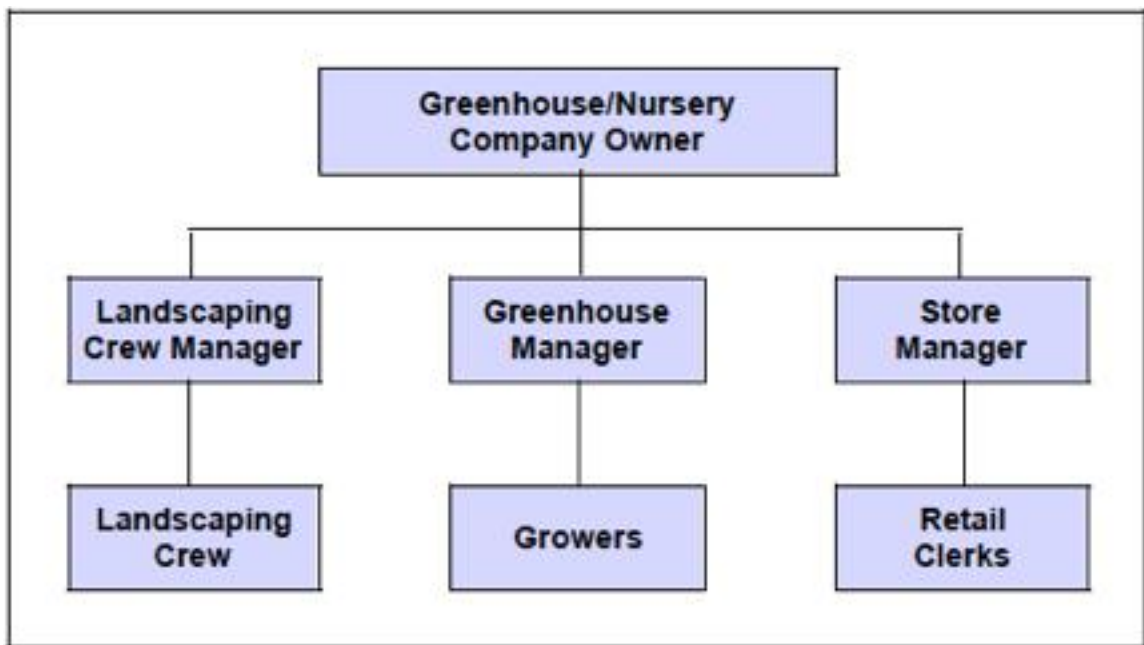
Personal and business Federal tax returns for the last 3 years will be needed for everyone who filled out a Personal Financial Statement.

### 2.4 Management Personnel

Resumes or biographies are needed for all management personnel. These should include work experience with dates, education, professional affiliations and anything else that will demonstrate that the experience and/or training needed to run this business are present. Also, describe the labor force required as a whole.

### 2.5 Organizational Chart

If your business will involve several employees, prepare an organizational chart to illustrate how it will be managed. A sample chart for a nursery/greenhouse business is provided below:



The importance of the chart is that it illustrates who are the important managers if the proposed new business is to succeed. In this case, the three department are critical.

### 2.6 Other Information Required

You will need to provide a variety of additional information, depending on the nature of your business. The following are examples:

1. Name of proposed business.
2. Legal status of the business. Will it be incorporated? If so, when will this be filed? If the paperwork has already been filed, include a copy.
3. Names and percentages of ownership for all owners.



## Business Planning Handbook for New Farm and Agricultural Entrepreneurs

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4. A copy of deed or lease agreement. Also, address zoning and environmental review requirements related to the location and proposal.
5. Provide a floor and/or site plan if relevant.
6. Identify the hours and days your business will be open. What holidays will you be closed? Is your business seasonal?
7. List all permits or licenses needed for your business. Attach copies if they are in place. If they are not yet in place, explain plans for taking care of them.
8. Provide the name, address and phone number of your accountant and attorney.
9. Provide your insurance agent's name, agency, address and phone number and list the types of insurance you will have.
10. Identify your key suppliers and their terms.
11. Provide a proposed date to open your business.
12. Assemble background materials that explain your industry.



### 2.7 Organizing the Business Plan

Once you've collected all the foregoing data and identified a prospective lender (work with you financial advisor on this or consult the Schoharie County's Economic Development office you are ready to put it all together into a written Business Plan. The Plan should be concise. It should

also be tailored to your particular business and the size of the enterprise you propose. One model does not fit all. The key is to understand the fundamentals of your business and to be able to communicate these to others. The following provides a possible outline for such a plan.

### ***Table of Contents for a Business Plan***

#### ***1.0 Executive Summary***

#### ***2.0 Business Description, Mission Statement and Business Goals***

##### *2.1 Description of Business*

##### *2.2 Business Mission Statement*

##### *2.3 Business Goals*

#### ***3.0 Marketing Plan***

##### *3.1 Market Area Analysis and Competition*

##### *3.2 Business Marketing Plan*

#### ***4.0 Management Plan***

#### ***5.0 Financial Plan***

##### *5.1 Sales Forecast, Income and Expenses*

##### *5.2 Capital Requirements and Financing Proposal*

##### *5.3 Cash Flow Analysis*

#### ***6.0 Appendices***

##### *A. Pro Forma Income and Expense Statements*

##### *B. Pro Forma Balance Sheets*

##### *C. Cash Flow Projections*

##### *D. Other Attachments (these might include tax returns, contracts, loan documents, equipment lists, resumes, industry articles, etc.).*

## Business Planning Handbook for New Farm and Agricultural Entrepreneurs

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It is important in drafting your plan to avoid the following common mistakes:

- Mistake #1:** Assuming the reader knows all about your business.
- Mistake #2:** Using technical jargon that no one else understands.
- Mistake #3:** Repeating yourself over and over again.
- Mistake #4:** Assuming a large industry market will impress lenders.
- Mistake #5:** Declaring that everyone is your target market.
- Mistake #6:** Stating you do not have any competition.
- Mistake #7:** Forgetting to explain how you will manage your business.
- Mistake #8:** Not tying the different parts of the plan together.
- Mistake #9:** Failing to break out and document project funding.
- Mistake #10:** Including unsubstantiated numbers that don't add up.
- Mistake #11:** Applying a large business model to a small business.
- Mistake #12:** Assuming that, if you open, they will come.



**APPENDIX B**

**Sample Business Plan -**

**Cheese Production**



# ***Cobleskill On-Farm Dairy Processing Plant***

## **Feasibility Analysis & Business Plan**



Prepared for:

**Town of Cobleskill**

**July 2010**

*Shepstone Management Company, Inc.  
100 Fourth Street, Honesdale, PA 18431*

# ***Cobleskill On-Farm Dairy Processing Plant***

## **Feasibility Analysis & Business Plan**

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### **Table of Contents**

#### **1.0 Project Scope and Vision**

[1.1 Background Brief](#)

[1.2 Project Overview](#)

[1.3 Dairy Industry Trends and Implications](#)

#### **2.0 Market Analysis**

[2.1 Definition of Markets](#)

[2.2 Market Structure and Demand Estimates by Product](#)

[2.2.1 Fluid Milk Products](#)

[2.2.2 Specialty and Other Than Fluid Products](#)

[2.3 Potential Competitive Advantages](#)

[2.3.1 Cobleskill/Schoharie Brand](#)

[2.3.2 Capacity to Produce Higher Quality Milk](#)

[2.3.3 Access to Northeast Markets](#)

#### **3.0 Economics of Dairy Processing**

#### **4.0 Potential Effective Demand and Required Investment**

**Note:** An additional section with cash flow projections and pro-forma financials will also be required (see Agricultural Business Planning Guide for examples) but this will depend on the amount of equity involved and financing terms, which must be tailored to the individual. Likewise, the plan should include background on the individuals involved and their capabilities.

# ***Cobleskill On-Farm Dairy Processing Plant***

## **Feasibility Analysis & Business Plan**

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### **1.0 Project Scope and Vision**

#### **1.1 Background Brief**

This study examines the feasibility of establishing additional on-farm dairy processing capacity in the Town of Cobleskill, Schoharie County, New York. Such a facility would process and market local milk in the form of one or more of several value added products. This study identifies the financial and other requirements of any entity undertaking such a project within the market areas identified. It not only addresses the overall feasibility of such facility, but also recommends a business structure for the entity that will be needed to operate it and market the finished goods. Included are analyses of the following;



- a) trends in the regional dairy industry that are affecting dairy farm viability in Schoharie County and the market area as a whole;
- b) demand for and supply of milk and other dairy products in the Schoharie County market area; and
- c) production and operating costs associated with production of local dairy products.

#### **1.2 Project Overview**

One potential means of securing a higher milk price is through development of local on-farm dairy processing capacity that would allow higher quality fluid milk or a premium ice cream, cheese or yogurt product to be marketed to a discriminating metro area customer base. Farms that are successful at producing and marketing a high quality cheese product can easily see the equivalent of milk prices in the \$20 to \$30 per hundred range (depending on the cheese product produced).



On the other hand there is a prolonged learning curve, which can take some time to perfect. It takes some on-farm cheese producers over two years before they are able to deliver consistent product to market at quantities that made an on-farm processing facility financially feasible. Thus, in the short term, the development of a premium quality alternative fluid dairy product can be a solution that offers farms the higher revenue needed for the development and marketing of other products while financing and construction of a larger dedicated processing facility is pursued.

# ***Cobleskill On-Farm Dairy Processing Plant***

## **Feasibility Analysis & Business Plan**

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There have been successes. [Hudson Valley Fresh](#), [Ronnybrook](#) and others throughout the State of New York, are producing premium cheese and fluid products at higher end prices. The Hudson Valley Fresh model features select farms operating at maximum quality level standards, pooling milk that is marketed as environmentally friendly, antibiotic free and hormone free. It is sold through retail locations that highlight all natural food selections, such as Adams Fairacre Farms, Beacon Natural Market, Whole Foods and now larger grocers such as Hannaford's and Stop and Shop. Hudson Valley Fresh guarantees \$21 per hundred pounds to its member farms that operate clean, efficient aesthetically pleasing facilities.



Hudson Valley Fresh, in return, arranges for bottling, marketing and managing the uniquely branded product. Dr. Sam Simon, the founder, states that the group markets 250,000 lbs. or approximately 30,000 gallons of member milk monthly, growing at a rate of 25% per year. Simon estimates that 60% is sold through Hudson Valley markets and 40% in the greater New York metro area. Careful attention has been placed on quality and logistics to continue steady growth and further open distribution channels.

Other niche producers such as [Adirondack Creamery](#), [Maple Hill Creamery](#) and [Battenkill Valley Creamery](#), are yet other examples of entities producing a premium ice cream, cheese or fluid product sold at higher per unit prices. What is most significant as a comparative analysis is that these creameries market their goods to the New York metro market from over 150 miles away as local products. The question, therefore, is if one or more Town of Cobleskill producers can replicate the Hudson Valley Fresh model with a local on-farm farm processing facility, bottling and distributing milk on a small scale, with the potential of expanding later.

There are many factors that continue to significantly influence the Schoharie County dairy industry. What strategy is ultimately chosen will depend on factors such as alternative demand channels, supply, milk quality, operational adjustments, succession planning and various other unforeseen variables that impact the industry. Diversification, as in any other industry, will work to help protect local farms from large price swings in any one product area, as frequently experienced today. The challenge, therefore, is to concentrate on those areas that promise easiest implementation, while providing a better return for local farms.

### **1.3 Dairy Industry Trends and Implications**

Dairy industry trends can be summarized in a single word - consolidation. Farms are steadily getting larger and more efficient. Experience within the dairy processing sector is identical. Indeed, these trends reinforce each other. They are, moreover, driven by similar trends in retailing. Larger retailers such as Wal-Mart demand larger and more reliable processors to supply their distribution systems. These processors, in turn, need

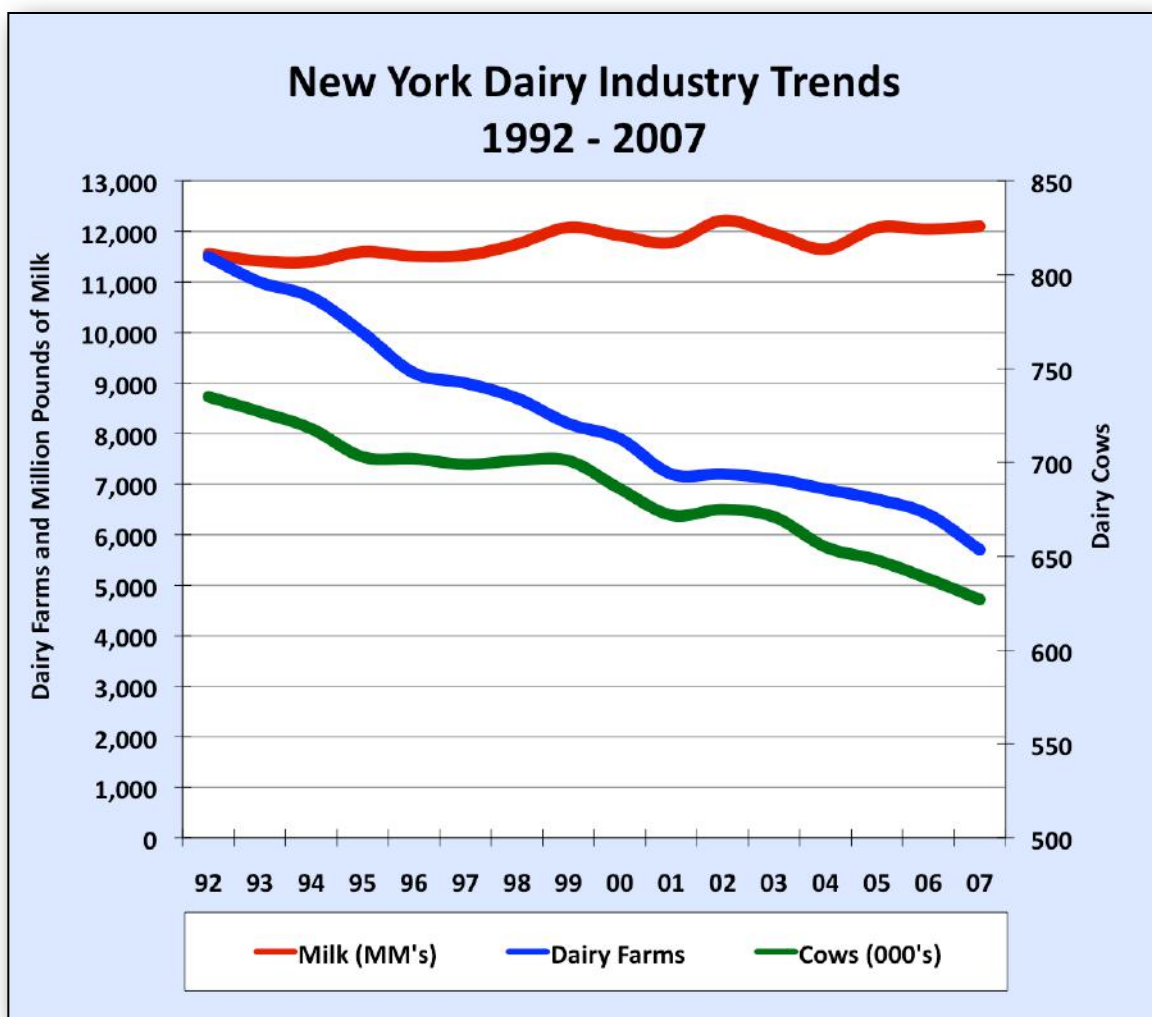


# Cobleskill On-Farm Dairy Processing Plant

## Feasibility Analysis & Business Plan

larger and more reliable sources of raw product to ensure capacity to supply customers. Relentless competition to offer the lowest price has driven every sector of the dairy commodity industry toward ever larger operations that offer economies of scale.

Dairy farm sizes, in cows per farm, are increasing rapidly. California's dairy industry has exploded. Trends within New York include declining farm and cow numbers, but slowly growing milk production (up 8% from 1992 to 2007). Larger farms and higher production per cow account for this. There were 5,700 New York dairy farmers shipping milk and producing an average of 5,817 pounds of milk per day in 2007. A mere five years earlier there were 7,200 farmers averaging only 4,649 pounds per farm.



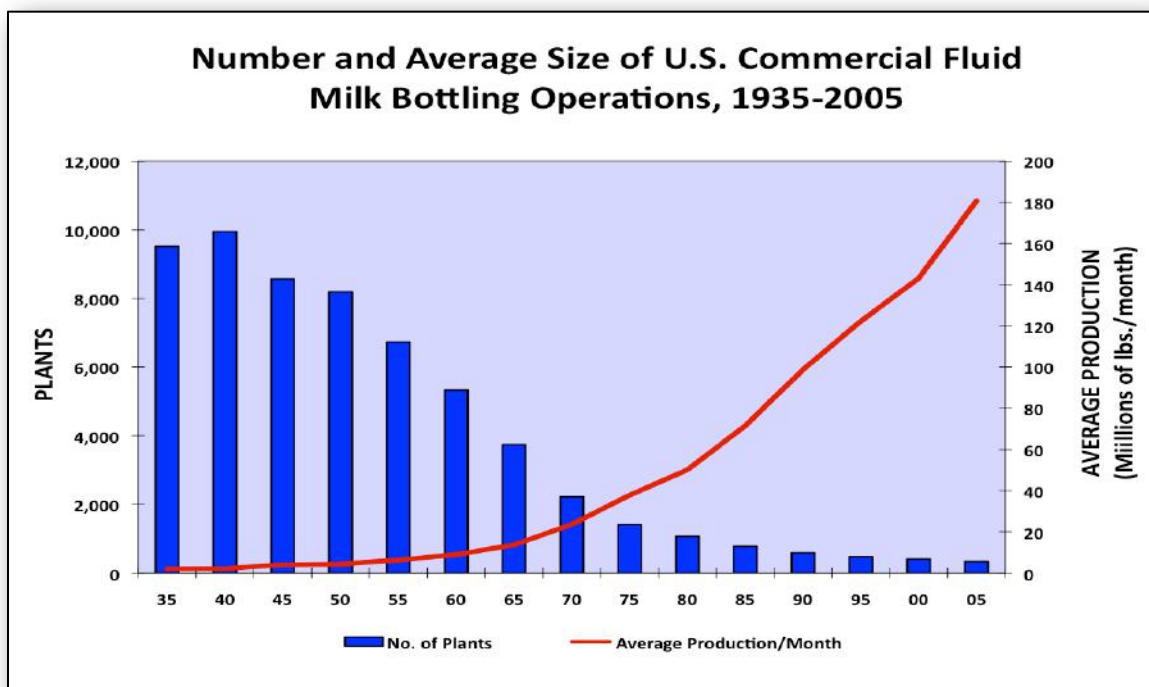
New York was the nation's third largest milk producer in 2007, the same position it held in 1975. This demonstrates farm consolidation, rather than farm decline is the principal factor affecting farming trends, although there are shifts of production to Western New York and other prime milk-producing areas within the State. Western states such as California, with a 76% increase in the value of milk and dairy products marketed off farms between 2002 and 2007, are capturing more of the industry's growth. New York

# Cobleskill On-Farm Dairy Processing Plant

## Feasibility Analysis & Business Plan

State's market share was 7.2% in 2007 as compared to 7.7% in 2002.

These trends are also reflected in dairy processing, in particular in the fluid milk processing sector, where consolidation has been relentless. The number of processing plants has been dropping steadily since 1940. The average plant size has increased on an even steeper curve as the following chart demonstrates.



Industry consolidation has led to some very large mergers that, combined with the demand for higher margins, will push some companies to drop unprofitable lines and concentrate on selected products. This has opened up new opportunities in niche lines of business for smaller operators, much like what has happened in the grocery business, the printing business and any number of others. However, to take advantage of these opportunities, smaller operators also have to differentiate their products by quality, convenience and other factors offering value to consumers.

A Town of Cobleskill niche facility could exploit its geographic position to sell natural and organic products, for instance, and also use Schoharie County branding to market to metro area populations who are already favorably inclined toward the area from visiting experiences. Its proximity to both a large milkshed and the largest metropolitan market in the U.S. with one of the highest incomes, offers some significant comparative advantages. *Ben & Jerry's Ice Cream* and *Stonyfield Farm*, of course, are the ultimate models for such an endeavor. *Hudson Valley Fresh* is building on similar concepts.

[Hudson Valley Fresh](#) is a not-for-profit dairy cooperative formed in 2004 and dedicated to preserving the agricultural heritage of the Hudson River Valley and promoting it as one of the premier food regions of the United States. Currently, its main business is

# ***Cobleskill On-Farm Dairy Processing Plant***

## **Feasibility Analysis & Business Plan**

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producing premium quality dairy products – whole, skim, low-fat and chocolate milk along with half and half, heavy cream and sour cream. It also markets other Hudson Valley food products via its website. It emphasizes sustainable agriculture and the fact it preserves 5,000 acres of open land with a mission to “secure living wages for our farmers and their families.” Members include farmers from Dutchess and Columbia Counties, selling dairy, cheese, beef and pork. Its premium quality milk is sold in the Mid-Hudson Valley, Long Island, and New York City and Connecticut. The cooperative makes a point to extol the fact its farms have won awards for the quality of their products like the National Dairy Quality Award and NYS Environmental Stewardship Award.

This demonstrates there is room in the consolidating dairy industry for smaller and on-farm processors able to carve out niche markets based on a combination of quality and unique features. Ice cream, "natural" and organic products and other specialties are all potential profit centers on which to build such businesses. It is also clear that cultivation of attractive images for the products and the companies making them are key elements of success.

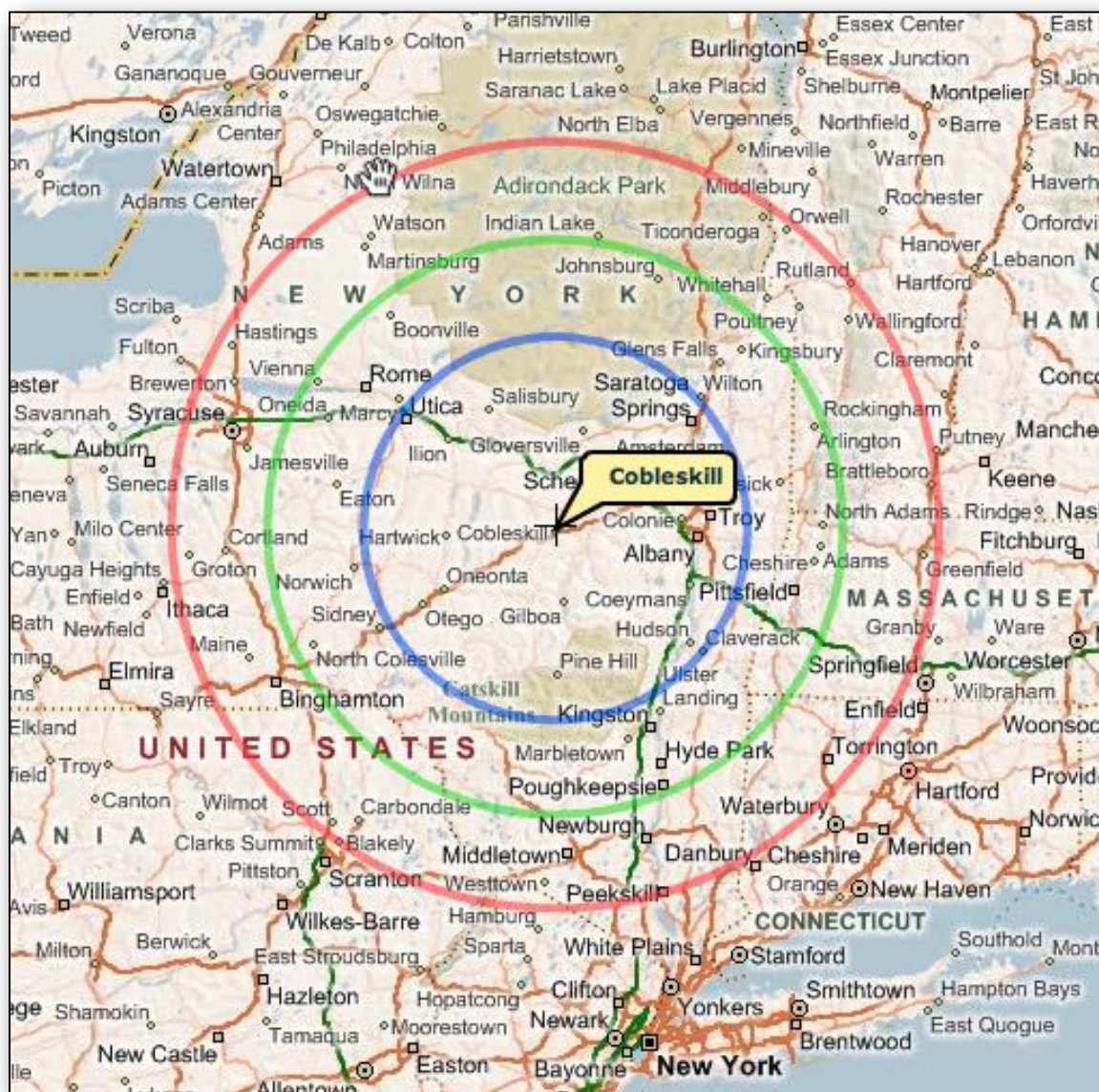
# Cobleskill On-Farm Dairy Processing Plant

## Feasibility Analysis & Business Plan

### 2.0 Market Analysis

#### 2.1 Definition of Markets

A regional dairy processor can be expected to market products within roughly a three-hour drive or  $100 \pm$  miles. This allows time for daily deliveries. The following map illustrates market areas of 50 (blue), 75 (green) and 100 (red) mile for a facility that might be located in Cobleskill.



The three overlapping market areas represent, respectively, populations of 1.25 million, 2.19 million and 4.25 million persons, respectively. Retail expenditures on dairy

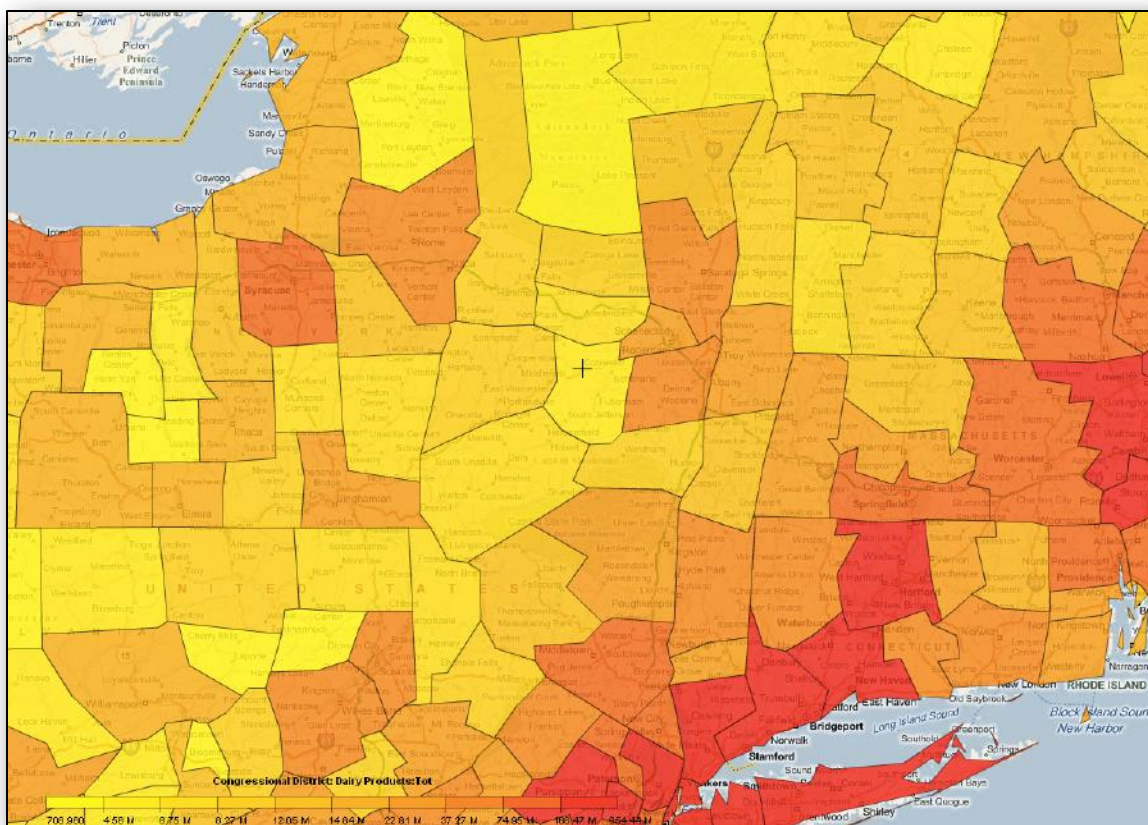


# Cobleskill On-Farm Dairy Processing Plant

## Feasibility Analysis & Business Plan

products are estimated at \$243 million for 2010 for those households within 50 miles. This number grows to \$ 413 million at 75 miles and \$840 million at 100 miles - a very large market to which to sell products.

The distribution of spending on dairy products within the market as a whole is illustrated by the following map. It depicts spending by county based on deciles (dividing the total number of counties involved into ten groups by total dairy spending per county, each group being an equal number). The coolest colors (yellows) exhibit the least spending while the hotter colors (bright reds) indicate the most spending. This reveals the best part of the market, unsurprisingly, consists of the Albany and New York City metro areas.



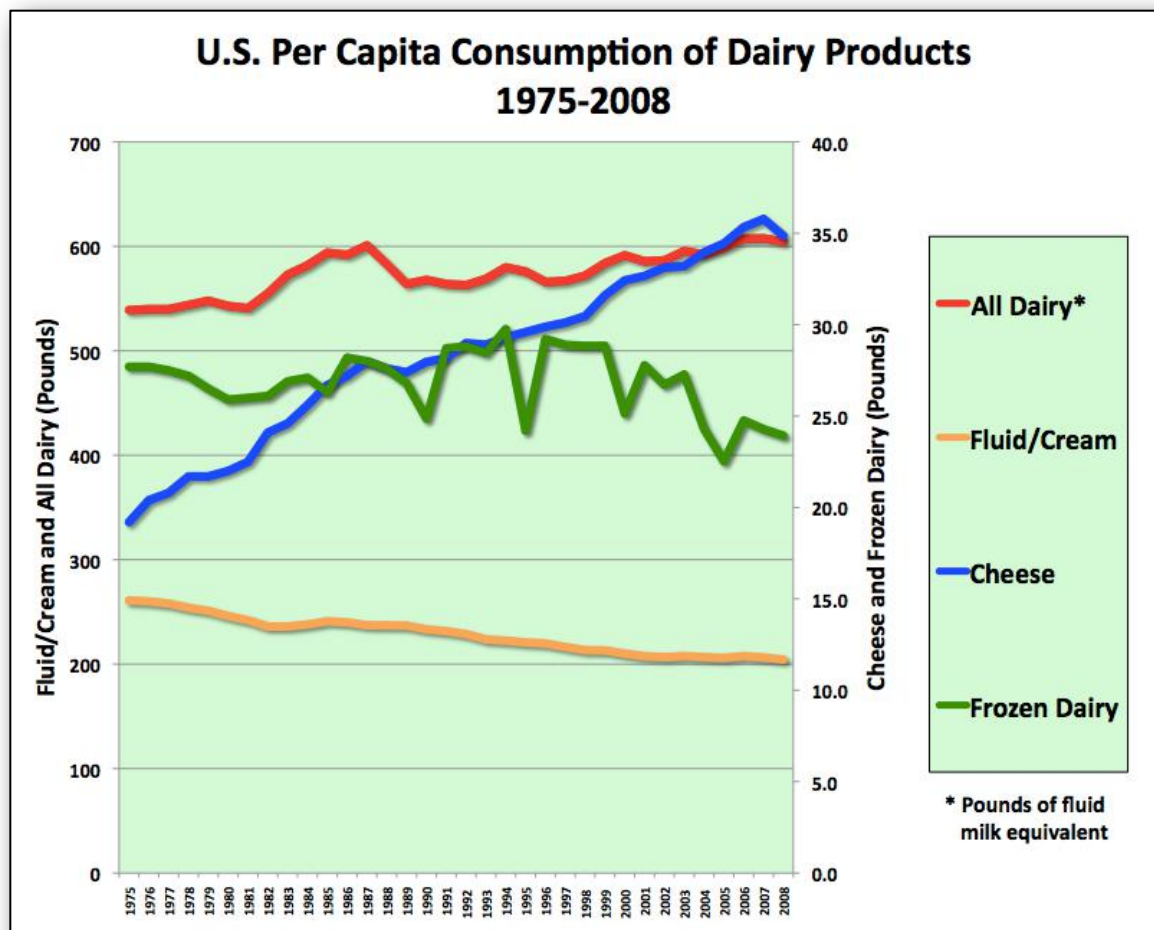
Fluid milk and cream consumption have slowly declined over the years on a per capita basis and now average an estimated 204 lbs. per year. Nevertheless, per capita consumption of all dairy products combined and measured in fluid milk equivalents has steadily risen and is now at 604 lbs. per year per capita.

This increase has been driven entirely by cheese consumption, as the chart appearing on the following page illustrates. American Cheese consumption has risen from 8.4 lbs. per person per year in 1975 to an estimated 13.0 lbs. per person per year in 2008, an increase of 55%. Other cheeses (not including cottage cheeses) grew from 6.1 lbs. in 1975 to 19.4 lbs. in 2008 (USDA estimate), an increase of 219%.

# Cobleskill On-Farm Dairy Processing Plant

## Feasibility Analysis & Business Plan

Nothing could be more revealing as to how to market dairy products. Cheese comes in a multitude of varieties and sizes. Much of it is considered artisanal in nature and it is able to be packaged with other products such as wine. Milk tends to be a generic product and is marketed as such, whereas cheese is invariably marketed on a brand name specialized basis. There are, of course, also opportunities to market other dairy products, including fluid milk, in this fashion but all too little of it has been done.



## 2.2 Market Structure and Demand Estimates by Product

### 2.2.1 Fluid Milk Products

A good analysis of the current fluid milk market is offered by the Beverage Marketing Corporation, which summarizes the current situation as follows:

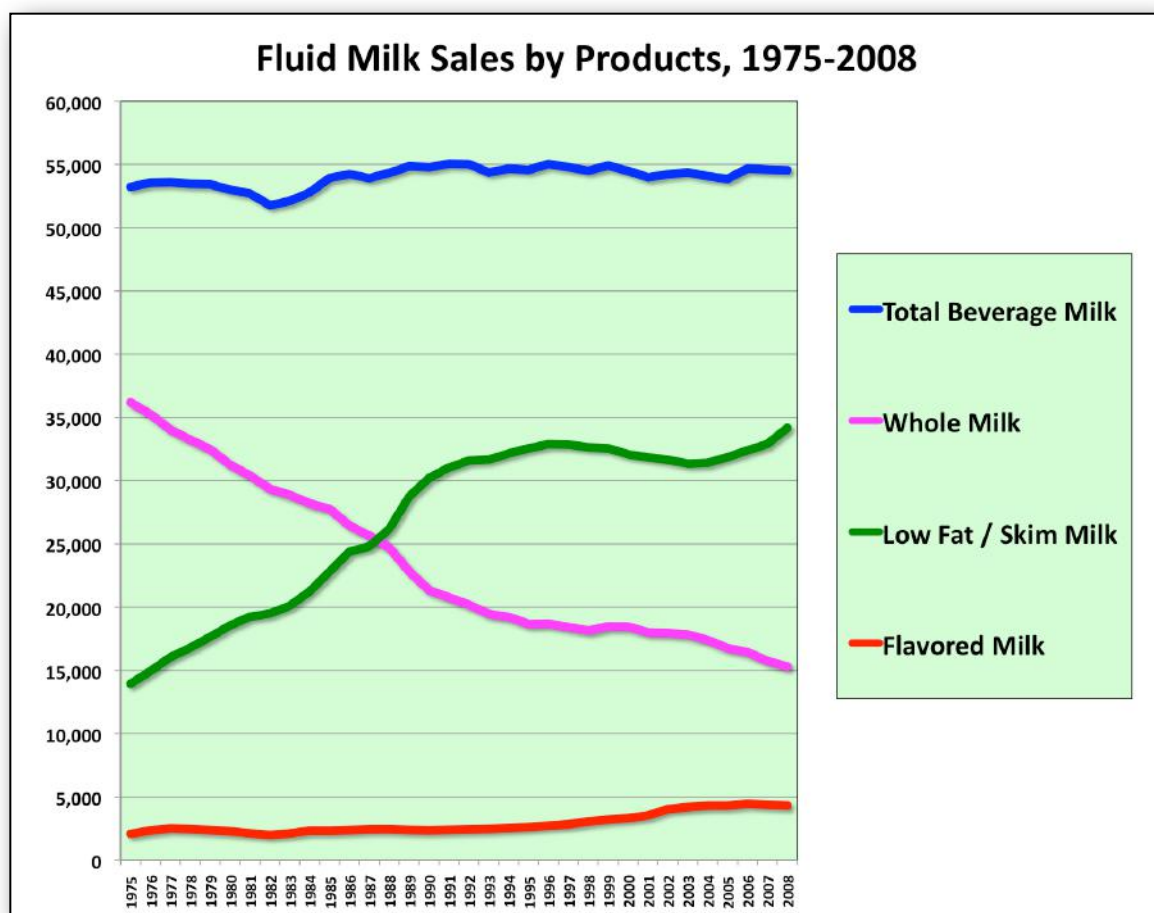
*The U.S. fluid milk industry weathered an especially challenging year in 2007. It essentially maintained its volume level from the year before despite double-digit price increases that took milk pricing to unprecedented levels. However, the amount each*

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person consumed continued to decrease.... The minimal 0.1% decline in fluid milk volume might be viewed as an unexpectedly solid performance. Milk volume was practically flat in 2007, losing 6.3 million gallons of the 6.3 billion gallon total....Even with 2007's relative stability in overall milk volume, the amount U.S. residents consume declined. Per capita milk consumption exceeded 25 gallons in 1992... and by 2007, the figure had fallen to less than 21 gallons per person.

The “Milk Chug” and similar single-serve milk packages as well as flavored milks have helped to slow the decline in fluid milk sales and even produce sales gains in some markets (as much as 269% in selected pint markets when introduced by Dean Foods in 1998). Growth in fluid milk sales can only take place by employing such techniques to reach new customers and change consumption habits, by grabbing market share away from others or by increasing the size of the geographic market served.



The above chart illustrates how the fluid milk market has evolved over the last 30+ years. Whole milk sales have declined precipitously, while low fat (skim, 1% and 2%) sales have increased by a nearly identical amount. The 2% growth in total fluid milk beverage sales is explained by a doubling of flavored milk sales, which has come from “other flavored milk.” Flavored whole milk sales have been declining recently. These trends demonstrate the power of packaging, niche marketing and the appeal of healthy

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lifestyle products, which may include hormone-free, organic and “natural” items.

It is also important, for reasons of production efficiency, that the selection of products processed be minimized and the business emphasis eventually be on higher margin fluid as well as non-fluid products. Focusing fluid processing on low-fat items that generate excess cream will allow the later production of items such as ice cream.

### **2.2.2 Specialty and Other Than Fluid Products**

There are three categories of specialty and other than fluid milk products that a Cobleskill On-Farm Dairy Processing Plant should consider processing. These are ice cream, yogurt and cheese. Cheese is also important in the long term as a backup method of balancing supply and demand by creating a longer shelf-life outlet for milk purchased.

Ice cream and frozen dessert consumption in the U.S. declined from 28.7 lbs. on a per capita basis in 1975 to 24.0 lbs. in 2008. This is partly due to the U.S. already being the largest consumer of this product per capita in the world by a wide margin. Ice cream is a mature industry in the U.S., but growth is being experienced in convenience store sales. [Convenience Store Decisions](#) indicated the following in 2008:

*Frozen novelties will enjoy the biggest growth in the matured ice cream market, though only two out of five consumers purchased novelty ice cream last year ... the entire frozen market will grow 15% by 2012 through all retail channels, with 10.2% of that growth coming from frozen novelties alone... A plethora of innovative new products has always been the key to drive excitement in the ice cream market, which experiences dramatic popularity shifts within the category. Though there are a variety of new tastes available today, including exotic fruit flavors like kiwi and mango, vanilla and chocolate remain consumers' top two choices. And though the number of ice cream trucks, parlors and stands are dwindling, ice cream sales are as high as ever, with 80% of all ice cream being sold in convenience stores and supermarkets... With 60% of total category sales, ice cream dominated the market in 2007, though sales were 3.9% lower than in 2002. Sales of frozen novelties grew 7.2% during the same period, with bite-sized, 100-calorie and personal-sized products attracting more consumers.*

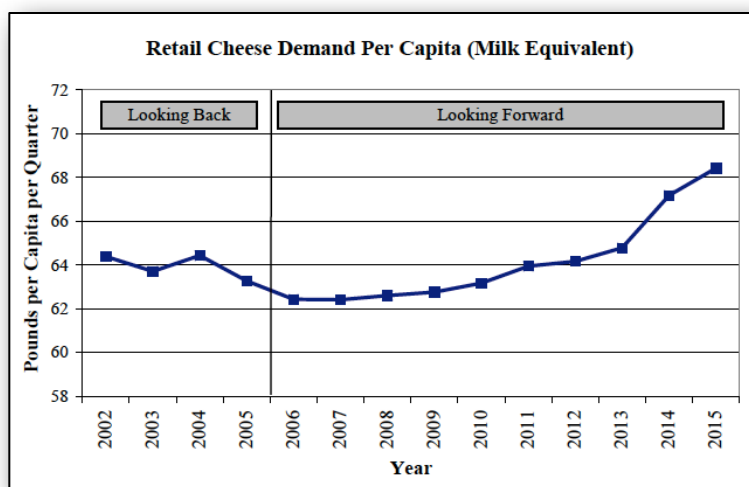
*As the market grows, two contradictory consumer taste trends are appearing. The first is that consumers are beginning to seek out ice cream treats with fewer calories and less fat. The second is that higher-fat, super-premium treats are hitting the marketplace in a big way as well ... new reduced-fat, fat-free, low-carb and even lactose-free ice cream products are also hitting retailers' shelves. Products reflecting this trend include Kemp's 100-calorie Minis, Unilever's Breyer's 100-calorie Ice Cream Cups and 60-calorie Dove Bar miniatures... Despite a growing emphasis on more healthful eating, one thing Americans are definitely not willing to do is sacrifice flavor when making better food choices ... Gains in the ice cream and frozen novelty category have been influenced in*



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*part by population growth and inflation, but also by consumers' desires for more gourmet—and therefore less healthful and more expensive—ice cream products.*



*In the gourmet trend, superpremium ice creams and frozen novelties—which have a much higher butterfat content but are favored more by those with gourmet tastes—are expanding market reach through the c-store channel as well... For example, LaSalle Brands recently announced a major expansion of distribution of its best-selling packaged super-premium ice creams as well as the launch of a new line of super-premium ice cream novelty products priced at just 99 cents... Industry growth at the retail level signals a major shift in consumer retail preferences... Supermarket ice cream and frozen novelty sales are stagnating, while convenience store sales are moving forward.*

*Although ice cream accounted for 59.2% (or \$13.8 billion) of all U.S. frozen dessert sales in 2007, ice cream's place at the dessert table dropped 0.3 percentage points from 2006. Sales likely went to frozen yogurt. Frozen yogurt's 4.1% annual growth rate from 2003 to 2007 is the highest of all frozen desserts categories...*

*... nine out of every 10 people ate ice cream in the past year, but fewer than two in five bought sherbet or frozen yogurt. Nonetheless, frozen yogurt, a hot sales trend during the 1980s and early 90s, appears to be making a strong comeback in California, which is often ahead of industry trends. 2007 sales there were up 12%. Unlike 20 years ago, manufacturers are aiming for younger consumers who want not merely a frozen dessert but a taste experience that's new to them... Frozen yogurt is back to its roots as an acidic treat, rather than a substance pretending to be ice cream.*

Cheese demand, reviewed earlier (also see chart above), is expected to continue to grow, based on a [2006 report by Cornell University](#). This report indicates the following:

*Growth in retail cheese demand per capita is expected to roughly continue through the forecast period. In fact, relative to recent average annual growth rates of around 0.5%, the next ten years are expected to show an average annual growth rate of 0.8%.*

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*Stronger growth trends are due largely to the assumed strong growth in the spending for food away from home and in the size of Hispanic and Asian populations.*

### 2.3 Potential Competitive Advantages

#### 2.3.1 Cobleskill/Schoharie Brand

A Cobleskill/Schoharie brand could be valuable, the nearby Schoharie Valley having a strong agricultural image and cultural heritage and the college campus being well-known as an agricultural school. Such brand image assets could be deployed separately or together to create a dairy brand comparable to [\*Hudson Valley Fresh\*](#). The importance of branding is demonstrated by this example and several others discussed earlier. The brand must also, however, be associated with quality, good taste and packaging that reinforces these aspects.



#### 2.3.2 Capacity to Produce Higher Quality Dairy Products

The Cobleskill area offer a relatively cool but temperate climate extremely well suited to the production of grasses. These forages and the opportunities for grazing that they present offer the potential to also produce higher quality good tasting milk. The greatest value of this asset, however, may be in the ability to promote quality milk in the same manner that *Ben & Jerry's* and *Stonyfield Farm* have capitalized on Vermont's idyllic farm image. This can be an excellent marketing tool made all the more valuable by the reality of the greater quality milk that farmers are able to produce in the region.

#### 2.3.3 Access to Northeast Markets

The Northeast U.S. is one of the largest and wealthiest market areas in the world. The population within a 50 mile radius of Schoharie County has 515,000 households. Moreover, this market area has an estimated median household income of \$52,600 and per capita income of \$26,700. These households spend \$2.17 billion annually on food at home, \$242.5 million of which is spent on dairy products. This is an excellent market.

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### 3.0 Economics of Dairy Processing

Consolidation trends within the dairy industry were examined in earlier sections. There have also been some studies of how this has affected the economics of milk processing, including a 2003 analysis by the Kansas Department of Commerce entitled [Value-Added Dairy Processing Feasibility Report](#). Excerpts from that insightful report follow:

*... there is a wide range in the costs and profitability between individual firms within the industry. An accepted profitability level within the industry is a number equal to 1% of the value of the Assets. Of course, that number varies dramatically based on size and on market penetration in particular markets.*

*The industry ranges from extremely large, low-cost processors to small, specialty cheese makers—from capital-intensive, low-margin production to time and labor intensive, high margin products. The smaller specialty processors have generally developed a particular marketing niche through packaging, taste preference, or some other type of product differentiation that allows the processor to receive significantly larger gross margins than the large processors. Large processors work on the principle of large volume and tighter margins. The large volume decreases their fixed costs per unit of production and provides them their competitive advantage.*

*Volume is so critical that large processors have moved away from developing their own label and are much more interested in packaging under other private labels for marketing firms that do not have processing facilities. In addition, the large processors involved in fluid milk processing have begun to utilize their production lines for products other than milk. In order to lower their production costs per unit, they have become involved in the bottling of water, fruit juice concentrates and sports drinks.*



*Wholesale and farm prices are not perfectly correlated. Retailers do not like to move retail milk prices up and down; therefore, retail prices lag wholesale price moves. The farm price might move 50 cents to \$1 per cwt during a month, while the wholesale and retail price may remain unchanged during that same month. But over time, prices will adjust so the correlation between the two is relatively high.*

*Data from Cornell University studies of the cheese and fluid milk processing industries documents the tremendous economies of scale in dairy processing. Costs drop sharply as volume of processing increases. Consequently, there is wide range of costs. Smaller operations, as a rule, have much higher per unit costs. Therefore, smaller processors must find market opportunities that provide substantially larger gross margins. The cost of raw milk will be approximately equal for any operation. To the extent milk prices vary, the larger operations will benefit from volume discounts or lower priced freight.*

# Cobleskill On-Farm Dairy Processing Plant

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Another study by Cornell University, published in late 2006, and entitled [Financial Performance and Other Characteristics of On-Farm Dairy Processing Enterprises in New York, Vermont and Wisconsin](#), provides further data specific to on-farm enterprises, finding:

- *Value-added dairy processing is not a panacea for struggling dairy farms or those interested in making a living from agricultural production and marketing ...for current dairy producers considering a transition to value-added activities, it appears that a financially successful farm business is a prerequisite.*
- *Operating a business in which both the milk production and the milk processing businesses are profitable appears to be a challenge ... specialization in one or the other of the enterprises (e.g., focusing on processing with purchased milk) is an appropriate production strategy if both enterprises are not essential to the marketing of the product.*
- *Individuals entering into processing from a dairy farm background tended to have relatively low costs of milk production but high processing and marketing costs. Those entering into milk production and processing at the same time from a non-farm background tended to have relatively low processing and marketing costs but high milk production costs.*
- *There seems to be a strong learning effect for value-added processors. Those with more years experience in the business demonstrated more profitable businesses.*
- *Many of the processors in this study had invested more in plant and equipment than could be supported by product sales.*
- *Processing should be scaled to operate the processing equipment somewhat intensively. Some operations were processing for several hours a day, but only a few days a week.*
- *On average, regardless of the product produced (bottled milk, yogurt, ice cream or cheese), value-added processors need to receive about \$100 per hundredweight of milk used to cover milk production and processing costs. Using approximate milk-to-product conversions, this is about \$10 per pound of cheese or \$8.60 per gallon of fluid milk.*
- *Selling finished product for \$100 per hundredweight of milk used is well above retail prices for most commercial products. This implies that value-added processors should not consider producing and competing against low cost commodity products. Selling the "farm story" with the product is an important part of marketing value-added dairy. There is also a segment consumers who are looking for new and unusual taste experiences. Grass fed milk and(or) well-made, unusual products have a better chance of commanding the higher price in a market niche.*



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Given these important cautions, the proposed on-farm dairy processing facility is tailored to the financial, physical and operational capacity of the farm on which it will be located. It is focused on cheese production at the outset because this is where the best opportunities exist and the operation can be relatively small from an investment perspective. Excess investment and high overhead costs are avoided.

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## 4.0 Potential Effective Demand and Required Investments

Demand estimates must be adjusted for competition and the startup period of operation when the market is being developed. There is little to no effective competition within the Cobleskill area for specialty cheeses. The American Cheese Society includes no members from within the market area (although a number of other areas of New York State, including the Cooperstown and Albany areas are represented by specialty cheese processors). Consequently, there are no effective demand adjustments required as a result of competition.

The startup period for any new business is likely to be 2-3 years and a value added agricultural processor is no exception. It is not unusual for new operations to require as much as 3 years to reach a viable level of sales and another 2 years to iron out marketing and distribution arrangements in which producers could have confidence. A 5 year startup period for this dairy processing operation is also to be expected. A reasonable projection of projected sales over this period, based on the experience of similar enterprises, is as follows:

Year 1 - 40% or 60,000 lbs.  
Year 2 - 60% or 90,000 lbs.  
Year 3 - 80% or 120,000 lbs.  
Year 4 - 90% or 135,000 lbs.  
Year 5 - 100% or 150,000 lbs.

These projections assume an operation of sufficient scale to serve the entire market. There are various companies with experience in the farmstead cheese business who can supply the equipment and expertise to help launch the business. The Pladot company, an Israeli manufacturer of mini-dairy processing equipment, for example, previously spoke at a agricultural economic development conference sponsored by the Schoharie County Agricultural and Farmland Protection Board and has since helped to create several new such operations in the U.S. The company's website at [www.pladot.co.il/frame.htm?aa=mini\\_dairies.htm](http://www.pladot.co.il/frame.htm?aa=mini_dairies.htm) details its activities and projects.

Smaller farmstead cheese projects are being established with used equipment through the efforts of Vermont cheesemaker, Peter Dixon. He has written a small publication on "The Business of Farmstead Cheese, Yogurt and Bottled Milk Products" and is available as a consultant. He also provides a useful website at [www.dairyfoodsconsulting.com](http://www.dairyfoodsconsulting.com). Finally, [www.cowsoutside.com](http://www.cowsoutside.com), sponsored by cheesemaker Jonathan White offers additional resources for planning and equipping a cheese operation. There are a number of examples of successful small cheese plants listed as members on the excellent website of the American Cheese Society ([www.cheesesociety.org](http://www.cheesesociety.org)).

A good example of a moderate size producer is the the Old Europe Cheese Company (Reny Picot Brand Specialty Cheeses). It, too, has a website at [www.oldeuropecheese.com](http://www.oldeuropecheese.com). The South Mountain Creamery in Maryland is an excellent good example of a smaller cheese producer ([www.southmountaincreamery.com](http://www.southmountaincreamery.com)).

The optimum size of a specialty cheese processing operation in Schoharie County would be one that can operate initially on a smaller scale of 100,000 to 150,000 pounds per year and then later expand on a modular basis. Pladot's facilities will actually accommodate up to 20,000

pounds per day of milk processing capacity and could fit this range of needs. The total investment required for such a facility is in the range of \$350,000 to \$500,000 with land included, depending on the extent to which used equipment is substituted for new. A [Nebraska study](#), published in 2002, suggested a plant processing 4,000 pounds of raw milk per day would require an investment of approximately \$210,000, based on data supplied by [Ullmers Dairy Equipment, Inc.](#) Adjusted for inflation and increases in construction costs, one can assume current equipment costs are approximately \$275,000 for a plant built with used equipment, which is proposed in this instance. A breakdown follows:

<b>Equipment/Item - Used</b>	<b>Cost</b>
500 gallon cheese vat & agitator– reconditioned	\$19,500
Accessories, including paddles, forkers, knives	\$4,160
Batch pasteurizer	\$18,200
Press - single row - reconditioned	\$2,860
Cheese hoops, 10 x 40lb (used) + 20 x 20lb (new)	\$3,250
Single/double vacuum packaging chamber	\$3,900
Set scales/printer	\$3,900
1,000 gallon refrigerated storage tank	\$3,250
Westfalia raw milk cream/whey separator	\$15,600
Whey & cream holding tanks	\$1,950
Cheese cutters	\$1,950
Air compressor and refrigeration compressors	\$3,900
Lab equipment/supplies	\$1,560
Boiler – 30 hp w/feedwater pump - used	\$9,750
<b>Sub-total:</b>	<b>\$93,730</b>
Additional miscellaneous equipment (15%)	\$14,060
<b>Total Equipment Cost:</b>	<b>\$107,790</b>
<b>Building Cost</b>	
Piping, pumps, valves, electrical supplies (20%)	\$18,980
Equipment installation - labor (15%)	\$14,300
Utilities, mechanical, electrical – labor (15%)	\$14,300
Building construction/remodeling w/HVAC	
1,800 sq.ft. required (\$75/sq/ft)	\$135,000
<b>Total Building Cost:</b>	<b>\$164,580</b>
<b>Total Project Cost:</b>	<b>\$272,370</b>

# **APPENDIX C**

## **Agricultural Zoning Audit**



# Agricultural Zoning Audit

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The *Town of Cobleskill Zoning Law* and *Subdivision Regulations* were audited with respect to their implications for agricultural development and farmland protection. The following are observations regarding these laws (numbers refer to relevant section numbers. Recommended revisions for possible consideration can be found in [Appendix D](#).

## **Zoning Law**

### **4.21 Planned Development District**

This section, which provides a valuable tool for agricultural development and protection as open space within planned developments, includes an unnecessarily complicated procedure that treats each new project as a zoning law amendment, discouraging the use of the technique. It also fails to cover SEQRA requirements and does not adequately define open space so as to ensure working landscapes such as farms can be included.

It is recommended this provision be amended to allow for simple Town Board approval as part of a Special Use process particular to this use with other revisions to address the deficiencies identified.

### **4.3 Special Conditions and Special Permits**

This section, and several others related to it, use different terminology little of which is in accord with *New York State Town Law*. This makes the whole discretionary permit process very confusing. Moreover, the designation of roles for both the Planning Board and Zoning Board of Appeals adds to that confusion. Because a rural community zoning law must allow for flexibility to deal with new uses in its large undeveloped areas, the handling of these uses often demands such a discretionary review process. It can, therefore, have major impacts on agricultural activities if not constructed properly.

It is recommended this section be revised, along with others, to consolidate all such permit procedures in one place, using consistent terms from the *Town Law* and providing for site plan review as part of the Special Use process.

### **4.41 General Provisions - Farm Labor Housing**

The second paragraph of Sub-section 3 allows for the placement of up to two mobile homes on a R-R District lot for housing of agricultural employees, provided the lot is at least 10 acres in size. This provision may conflict with Section 305-a of the *Agriculture and Markets Law*.

The Department of Agriculture and Markets [\*Guidelines for Review of Local Laws Affecting Farm Worker Housing\*](#) indicate:

“... requiring a minimum lot size exceeding 10,000 to 15,000 square feet may be unreasonably restrictive. ... Presumably, minimum lot size requirements are adopted to prevent over concentration of residences and to assure an adequate area to install a properly engineered well and waste disposal system. Farm worker housing should be allowed to be sited on the same lot as other agricultural use structures subject to the provision of adequate water and sewage disposal facilities and meeting minimum setbacks between structures. ... the Department has not considered the need to undergo site plan review, where more than two mobile homes are sited on the same farm complex, unreasonable. However, conditions placed upon the issuance of a permit

## Agricultural Zoning Audit

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and/or the cost and time involved to complete site plan review requirements may be unreasonable.”

It is recommended this paragraph be revised to simply require site plan review of farm labor housing, where more than two dwelling units of such housing are to be provided, regardless of the zoning district, provided there is a minimum of 10,000 square feet of lot area per dwelling unit.

### **4.41 General Provisions - Height Exceptions**

Sub-section 6 dealing with height exceptions should be made broader with respect to agricultural uses and reworded slightly to read better.

It is recommended this paragraph be revised to make it clear commercial horse facilities and other commercial but nonconventional agricultural structures are exempted from height restrictions.

### **4.41 General Provisions - Temporary Vendors**

Sub-section 10.a dealing with temporary vendors appears to prevent the location of farm stands in parking lots and yards, which are obvious places to locate them.

It is recommended this paragraph be revised to allow the location of temporary farm stands in both parking and yards.

### **4.41 General Provisions - Activity Standards**

Sub-section 11 dealing with “activity standards for noisome and injurious substances, conditions and operations” is awkwardly introduced and titled with insufficient protections for agricultural uses.

It is recommended the title and introductory paragraph be revised to clarify agricultural protections and cross-reference right-to-farm statutes.

### **4.431 General Provisions - Signs**

Sub-section 2 indicates freestanding signs larger than eight (8) square feet require site development plan approval, which conflicts with a 24 square feet permit exemption for farm product signs in Section 4.433. Sub-section 16 establishes requirements for “non-compliance signs” which are, by ordinary definition, not permitted.

It is recommended a cross-reference to Section 4.433 be added in Sub-section 2 to eliminate any confusion and Sub-section 16 be deleted, as it has no obvious purpose and most signs already require a site plan. Moreover, Sub-section 1.c of Section 4.432 prohibits off-premises signs this Sub-section is supposed to permit. The Town may also want to delete that sub-section if it does intend to permit such signs, as is probably the case.

### **4.432 District Provisions - Signs**

Sub-section 2.d refers to a sub-section that would be deleted under these recommendations. Therefore, it, too, should be deleted.

## Agricultural Zoning Audit

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Table 1 *Size Standards For Signs By District*, establishes a maximum of 20 square feet in sign area (10 square feet or a mere 2' X 5' per sign) for free standing pole signs in RR Districts. This is inadequate for many agricultural enterprises that might locate in RR Districts. A winery, riding stable or farm lodging facility, all appropriate in a RR District, could each easily demand larger signs than this. A 48 square feet standard (24 square feet per side), which is half the commercial standard, is appropriate.

Likewise, the limitation on wall signs in the RR District is too restrictive and would effectively prohibit classic barn signs. It is recommended the wall sign area standard be revised to a simple 10%, as the existing formula is incomprehensible.

Finally, the table is difficult to use. It is not clear, for example, whether the standards for the number of signs applies to all signs or just wall signs. There is also an asterisk for which there is no explanation.

### **4.462 Quarries, Stripping of Topsoil and Sand and/or Gravel Pits**

Sub-sections 2 and 3 do not appear to comply with the pre-emption provisions of New York State law regarding mining. It is recommended these sections be replaced by new sub-sections addressing those mines outside New York State DEC jurisdiction and allowing these activities subject to Site Plan Review.

### **4.481 Mobile Homes**

Sub-section 3 conflicts with Section 305-a of the *Agriculture and Markets Law*, as noted earlier with respect to Section 4.41. The revisions proposed for that Section make Sub-section 3 of Section 4.481 redundant. They should be deleted.

### **4.55 Temporary Storage Units**

Sub-sections 8, 9 and 10 are redundant with other enforcement provisions of the Zoning Law and do not belong here. They should be deleted.

### **5.1 Non-conforming Uses, Buildings and Structures**

Sub-section 3 limiting changes of non-conforming uses to conforming uses is unrealistic and should be revised to allow other non-conforming uses, provided they are of no greater intensity of use.

### **5.2 Temporary Uses and Structures**

The second and third paragraphs of this section are redundant with Section 4.41 (10) and should be deleted, as they also do not relate to the general purpose of this section.

### **6.4 Planning Board**

Section 271 (11) of the New York State Town Law provides that "a town board may, if an agricultural district ... exists wholly or partly within the boundaries of such town, include on the planning board one or more members each of whom derives ten thousand dollars or more

## Agricultural Zoning Audit

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annual gross income from agricultural pursuits in said town.” The Town should provide for such an agricultural member by adding language to Section 6.4 for this purpose.

### **6.52 General Procedures**

Sub-section 4.b of Section 6.52 relating to special exceptions is improper, as the Planning Board administers Special Uses in the Town of Cobleskill. It should be deleted.

### **6.54 Special Exceptions**

Section 6.54 Special Exceptions is improper, as the Planning Board administers Special Uses in the Town of Cobleskill. It should be deleted.

## **7 Amendments**

This article is unnecessary, as it duplicates the Town Law, which, if and when, changed would have to be followed regardless of these provisions. This Article 7 Amendments can only cause conflict and confusion and, therefore, should be deleted. However, Section 7.7 Lots in Different Districts, which doesn’t deal with amendments should be preserved as a new Sub-section 6 of Section 3 Interpretation of District Boundaries.

## **APPENDIX A - DEFINITIONS**

The definition of AGRICULTURE/FARM/FARMING is not in line with that of the New York State Department of Agriculture and Markets. It should be revised to reference the State definition.

Definitions of AGRICULTURAL PROCESSING, AGRICULTURAL RETAIL SALES and AGRICULTURAL TOURISM ENTERPRISES are needed to more accurately specify the scope of agricultural activities that are permitted.

A definition of OPEN SPACE is needed as the term is used several times in the zoning ordinance. This definition needs to specifically include agricultural land.

## **APPENDIX B - SITE DEVELOPMENT PLANS**

APPENDIX B is redundant with the proposed revised version of Section 4.3 and should be revised to make it clear Section 4.3 controls and APPENDIX B merely serves to provide additional guidance. Also, sub-sections 4, 5 and 6 should be deleted.

## **APPENDIX C - SUMMARY OF ZONING DISTRICT REQUIREMENTS**

APPENDIX C is difficult to follow and needs streamlining as well as more attention to agricultural uses. A revised and updated format that addresses these issues is recommended.



# **APPENDIX D**

## **Recommended Zoning Provisions for Consideration**

## **Recommended Zoning Provisions for Consideration (for review and discussion only)**

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BE IT ENACTED BY THE TOWN OF COBLESKILL, SCHOHARIE COUNTY, NEW YORK, THAT THE TOWN OF COBLESKILL ZONING LAW BE AMENDED AS FOLLOWS:

1. Section 4.21 – Planned Development District shall be retitled and revised as follows:

### **Section 4.21 – Planned Unit Development**

#### **Section 4.211 – Purposes**

Planned unit developments may, with approval of the Town of Cobleskill Town Board, be permitted in any zoning district for the following purposes:

1. Offering choices in types of housing, lot sizes and community facilities available to residents.
2. Creating more usable open space and recreation areas including active farmland, other working landscapes and natural areas.
3. Conveniently locating businesses and services with respect to neighborhoods and the Village of Cobleskill.
4. Developing commerce, industry and tourism in planned units compatible with other uses.
5. Facilitating development that allows an orderly transition from rural to urban uses.
6. Providing for the efficient use of land and the placement of utilities and streets in ways that lower development costs and impacts.
7. Encouraging innovation not possible under strict application of subdivision and zoning regulations.
8. Promoting traditional neighborhood and mixed-use development patterns.

#### **Section 4.212 – Procedures**

1. The Town Board, shall be authorized, at its sole discretion, to designate a property for Planned Unit Development use following a public hearing and within 62 days of receiving a report from the Town of Cobleskill Planning Board recommending the same. This report shall be based upon review, by the Planning Board, of a Sketch Plan application. The Sketch Plan application shall be completed to such detail as provided in the *Town of Cobleskill Subdivision Regulations*.
2. The Town Board shall, in making its determination, assess whether the proposed Planned Unit Development would be consistent with; (1) the sound development, safety, health and welfare of the surrounding neighborhood, and (2) the purposes of this section.
3. Any designation of a property for Planned Unit Development use by the Town Board shall be conditioned upon Planning Board approval of a detailed site plan complying with the requirements of the *Town of Cobleskill Subdivision Regulations* or Section 4.3 hereof, as the case may be. Town Board designation of a property for Planned Unit Development use shall only serve to authorize a full application and shall not be construed as an approval to proceed with development or serve to vest any rights in such development with the applicant. Such authority shall remain with the Planning Board, which shall act as Lead Agency for purposes of SEQRA

## Recommended Zoning Provisions (for review and discussion only)

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compliance.

### Section 4.213 – General Requirements

1. The following standards shall apply to all Planned Unit Developments:

Planned Unit Development Standards	
Criteria	Standard
Zoning Districts Where Permitted	All Districts
Minimum Development Tract Size	2.0 Acres
Maximum Dwelling Units Per Acre	2.0
Minimum Open Space	30%
Maximum Lot Coverage	25%
Building Setbacks Applicable to Tract Exterior*	50 Feet
Maximum Height	50 Feet
* Building setbacks and yards for individual lots or sites within the Planned Unit Development shall be determined by the Planning Board at the time of project review and approval.	

2. Planned Unit Developments shall, with the exception of individual lot and yard requirements, which may be modified by the Planning Board, comply with all other provisions of this Law, including, but not limited to, the permitted uses, parking, landscaping and commercial and industrial performance standards applicable to the underlying zoning district. No separate Special Use or Site Plan Review procedures shall be applied to permitted uses, all such uses to be reviewed and approved in conjunction with Planned Unit Development approval. Interior signs directed only to on-site individuals shall, however, be exempt from sign standards.
3. The land proposed for a Planned Unit Development may be owned, leased or controlled either by an individual, business entity or by a group of individuals or business entities. Planned Unit Development applications shall be filed by the owner or jointly by all owners of the property included in the application. In the case of multiple ownership, the approved plan shall be binding on all owners.
4. A management plan and covenants and restrictions for the Planned Unit Development to ensure long-term maintenance of properties and improvements, address hours of operation and deal with other matters potentially having an impact on adjoining properties, shall be submitted for review and approval by the Town Board at the time the Planned Unit Development is proposed.
5. The Planning Board shall ensure land designated as open space within any Planned Unit

## **Recommended Zoning Provisions for Consideration (for review and discussion only)**

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Development shall be preserved in such uses. Productive use of such space for agricultural and such other natural resource purposes as may be approved by the Planning Board, shall always be permitted and encouraged, regardless of the current use made of such space. No less than 50% of such open space shall consist of land suited for active agricultural or recreational use, as shall be determined by the Planning Board so as to ensure open space is not merely land otherwise undevelopable.

2. Section 4.3 – Special Conditions and Special Permits shall be retitled and revised as follows:

### **Section 4.3 – Special Uses and Site Plan Review**

The Town of Cobleskill Planning Board is authorized, under Sections 274-a and 274-b of the *New York State Town Law*, to review and approve, approve with modifications or disapprove Special Uses and site plans connected therewith. Site Plan Review shall be required for all Special Use permits and such other uses as the Town Board may designate by local law. The following procedures shall apply:

#### **Section 4.31 – Sketch Plan**

An applicant for a Special Use permit and/or Site Plan Review may submit a sketch plan for review by the Planning Board. The Planning Board may also require such a sketch plan. Such sketch plan should provide locations and dimensions of the proposed use in relation to the property boundaries and adjacent uses. It should also indicate all accesses and improvements existing and proposed and any site features or environmental constraints that could have a bearing on the project including the general topography and existing ground cover. Aerial photography may also be required.

Should a sketch plan involve a one-time additions of less than 10% and 200 square feet in floor area or an accessory use or structure otherwise complying with this Zoning Law, the Code Enforcement Officer may review and approve the site plan on its own during the building permit process. If these thresholds are exceeded, however, the sketch plan shall be referred to the Planning Board. If referred to the Planning Board, this sketch plan shall be used as a basis for advising the applicant regarding information required on the site plan for purposes of a public hearing. The Planning Board shall give no approval or disapproval regarding a sketch plan but may use it to schedule a public hearing, determine if any provisions of this section should be waived or initiate review under SEQRA.

#### **Section 4.32 – Application and Site Plan Required**

The Planning Board shall be under no obligation to schedule a public hearing or take any action with respect to a Special Use or Site Plan Review permit application until formal application has been made on forms provided by the Board and a detailed site plan providing the following information has been submitted:

1. The location of existing watercourses, wooded areas, rights-of-way, roads, structures and other significant man-made or natural features.
2. The location, use and floor or ground area of each proposed building or structure.
3. The location of proposed landscaping and ground cover, including planting plans.
4. The location, dimensions and capacity of any proposed roads, off-street parking areas or loading berths, including typical cross-sections for all paving or regrading involved.
5. The location and design of proposed entrances and exits to public rights-of-way, including traffic

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- signals, channelizations or acceleration/deceleration lanes.
6. The location, dimensions and capacity of any proposed sewage, stormwater control, water or other utility systems.
  7. The location and identification of proposed open spaces, parks or other recreation areas.
  8. The location and design of buffer areas and screening measures.
  9. The location of trails, walkways or other areas proposed for pedestrian use.
  10. The locations of all signs existing and proposed, including a visual depiction of the latter.
  10. Lighting plans and details.
  11. A completed SEQRA Environmental Assessment.
  12. Topography of the site, including any grading plans where significant land disturbance is proposed.
  13. The Storm Water Pollution Prevention Plan (SWPPP) if required. Such plan shall follow the *New York State Stormwater Management Design Manual*.
  14. An analysis of karst limitations and identification of measures to be taken to address these.
  18. Any other information required by the Planning Board that is clearly necessary to ascertain compliance with the provisions of this law.

### **Section 4.33 – Waivers**

The Town of Cobleskill Planning Board shall, pursuant to Section 274-a(5) of the *Town Law*, have the right to waive, when reasonable, upon written request of the applicant, any of the procedural or submittal requirements of this article for the approval, approval with modifications or disapproval of Special Use permits and site plans submitted for approval. Such waiver and the reasons therefor shall be recorded in the minutes of the Planning Board. This waiver authority may be exercised in the event any such requirements are found not to be requisite in the interest of the public health, safety, or general welfare or are not applicable to a particular site plan. Any such waiver shall be subject to the following conditions:

1. No waiver shall result in allowing a use not permitted within the applicable Zoning District.
2. No waiver shall be given with respect to standards outside the scope of this article which would otherwise require a variance from the Zoning Board of Appeals.
3. Waivers shall be limited to cases where a full application would generate unnecessary data for deciding the matter at hand, due to the scope or nature of the project.
4. An applicant for site plan approval who desires a waiver of certain application requirements shall submit a preliminary site plan as provided above. The Planning Board shall review the preliminary site plan, advise the applicant as to potential concerns and determine if any additional site plan information is required. The Planning Board shall consider such site plan as adequate when, in its judgment, the information submitted is sufficient to make a determination



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of compliance with these standards.

5. The Town of Cobleskill Planning Board, following the required public hearing on an application, shall be permitted to modify the standards of this law to the extent of 10% of the stated criteria where the circumstances otherwise meet the tests for an area variance as set forth herein. Such modifications shall also be permitted for the purposes of increasing the energy efficiency of proposed buildings and uses through better design.
6. Nothing herein shall authorize the Planning Board to waive State Environmental Quality Review requirements.

### **Section 4.34 – Hearing, Review and Decision**

The Planning Board shall, within 62 days from the day the Board deems an application for a Special Use permit or Site Plan Review to be complete, fix a time for a public hearing. It shall give public notice of such hearing at least five (5) days prior to it in a newspaper of general circulation in the Town and decide upon the application within 62 days after such hearing. It shall not, however, grant approval before a decision has been made with respect to environmental impacts pursuant to SEQRA. The decision of the Planning Board shall be filed in the office of the Town Clerk and a copy thereof mailed to the applicant within five (5) business days after such decision is rendered.

The Planning Board shall be authorized, in conjunction with any Site Plan Review, to require the modification of said site plan to protect the health, safety and welfare of the public and secure harmonious development that protects the character of the neighborhood. The Planning Board shall have the authority to impose such reasonable conditions and restrictions as are directly related to and incidental the proposed application. Upon approval of said Special Use and/or site plan, any such conditions shall be met prior to the actual issuance of permits by the Town. These conditions may include requirements of the applicant to provide parkland or to provide fees in lieu thereof pursuant to Section 274-a(6) of the New York State Town Law for new lots and residential units of any kind.

The Planning Board is authorized to refer Special Use permit applications and site plans to other agencies, groups or professionals employed or used by the Town for review and comment and to charge the applicant fees for any reasonable expenses connected therewith.

### **Section 4.35 – Effect of Site Plan and Special Use Approval**

The site plan and/or Special Use permit as approved by the Planning Board shall be binding upon the applicant. Any changes from the approved plan, except as provided herein, shall require resubmission and reapproval by the Planning Board. The site plan shall remain effective, as an authorization to establish the use, for a maximum of one year from the date of approval unless the Planning Board shall have granted an extension in writing and provided the applicant has diligently pursued the implementation of the plans. Absent such an extension the Special Use shall be deemed expired.

### **Section 4.36 – Renewal of Permits**

The Planning Board may require, at the time it is initially granted, that any Special Use approval be renewed periodically. Such renewal may be withheld upon a determination the conditions attached to any previous approval have not been met. A period of 62 days shall be granted the applicant in such cases to make remedies. Should the applicant fail to make such remedies, the Special Use approval shall be revoked and the use immediately discontinued.

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### **Section 4.37 – Review Criteria**

The Planning Board, in acting upon a Special Use and/or Site Plan Review application, shall employ the following review criteria:

1. Whether the proposed use or site plan will have a detrimental or positive impact on adjacent properties or the health, safety and welfare of Town residents. Conservation features, aesthetics, landscaping, traffic flow and parking shall be reviewed to ensure the safety of the public.
  2. If the proposed use or site plan is one judged to present detrimental impacts, whether an approval could be conditioned by measures such as buffering or limiting of hours of operation to eliminate or substantially reduce those impacts.
  3. Whether, in the case of Special Uses, the project will have a positive or negative effect on the environment, the economy or housing availability.
  4. Whether, in the case of Special Uses, granting of approval will cause an economic burden on community facilities or services, including but not limited to highways, sewage treatment facilities, water supplies and firefighting capabilities. The applicant shall be responsible for providing such improvements or additional services as may be required to adequately serve the proposed use. Approval shall be so conditioned.
  5. Whether the use will have a detrimental or positive impact on agriculture/farm/farming uses as defined herein, including consistency with the Town of Cobleskill Right to Farm Law and other agricultural use protections afforded under New York State law.
3. The second paragraph of Sub-section 3 of Section 4.41 General Provisions shall be revised to read as follows:
- Farm labor housing, including manufactured homes, shall be permitted as an accessory use in connection with any ongoing farm operation in a New York State Agricultural District, provided a minimum lot area of 10,000 square feet per dwelling unit is provided. No more than two such units shall be permitted. An exception may, however, be granted for additional dwelling units subject to Site Plan Review hereunder. Farm labor housing shall not be maintained or continued in operation on other than an ongoing farm operation and shall be immediately removed in the event it is unused for three years as part of an ongoing farm operation.
4. Sub-section 6 of Section 4.41 General Provisions shall be revised to read as follows:
- Height Exceptions – Nothing herein contained shall be interpreted to limit or restrict the height of church spires, cupolas and domes not intended for human occupancy, public utility structures, monuments, radio towers, windmills, water tanks, elevator bulkheads, chimneys, flag poles, stage towers or buildings and structures connected with an ongoing agriculture/farm/farming operation as defined herein (including but not limited to beef, dairy or horse barns, bunk silos, machinery sheds, commodity sheds and the like).
5. Sub-section 10.a of Section 4.41 General Provisions shall be revised to read as follows:
- Except as may otherwise be permitted by this law, it shall be unlawful to conduct any temporary outdoor sales from the right-of-way of any roadway, yard or parking lot, provided that temporary farm stands may be located in front yards or commercial parking lots.
6. Sub-section 11 of Section 4.41 General Provisions shall be revised to read as follows:

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Performance Standards – The following performance standards shall apply to non-residential uses in all districts, excepting all sound agricultural and forestry practices including, but not limited to, animal husbandry and crop production, which shall be exempt and subject to protections provided under Town and New York State right-to-farm statutes.

7. Sub-section 2 of Section 4.431 General Provisions shall be revised to read as follows:

Free standing signs larger than eight (8) square feet, except for certain farm product and other signs exempted from permit requirements under Section 4.433 hereof, shall require submission of a site plan demonstrating compliance with yard requirements and other development standards applicable to accessory structures.

7. Sub-section 16 of Section 4.431 General Provisions shall be deleted.

8. Table 1 *Size Standards For Signs By District* (Section 4.432) and notes (1) to (4) following, shall be replaced with the following new table:

Table 1 - Size Standards for Signs by District								
District	RR	R1	R2	B1	B2	B3	I	LC
<b>Free Standing Pole Signs:</b>								
Height (maximum feet)	10	10	10	20	22	20	20	10
Area (max square feet)	48	20	20	96	96	96	96	20
<b>Awning Sign:</b>								
Letter size (maximum inches)	6	6	6	8	8	8	12	10
Height above sidewalk (minimum feet)	8	8	8	8	8	8	8	8
<b>Projecting Signs:</b>								
Above grade clearance sidewalk (minimum feet)	8	8	8	8	8	8	8	8
Above grade clearance driveway (minimum feet)	13	13	13	13	13	13	13	13
Area per sign face) (max square feet)	24	10	10	24	24	24	24	10
<b>Wall or Building Sign:</b>								
Area (percent of wall area)	NA	NA	10%	10%	10%	10%	10%	10%
<b>All Signs:</b>								
Maximum Signs Permitted Per Premise	1	1	1	1	4	4	4	1
<b>Notes:</b>								
(a) Multiple enterprises on land in common ownership are considered one commercial premise with each business allowed one additional sign per building.								
(b) PDD sign standards shall be established with approval by Town Board. Such signs shall relate to use authorized in PDD.								
(c) Sign Bonuses:								
– 10% off fee if sign is in a landscaped planter 2 times the area of the sign.								
– 15% off fee if a conforming sign replaces a non-conforming sign.								
(d) Maximum signs permitted per premise limitations shall not apply to unregulated signs or signs not requiring permits.								

9. Sub-section 1.c of Section 4.432 District Provisions shall be revised to read as follows:

Off-premises signs and billboards are prohibited, except for directional signs related to Town of Cobleskill enterprises, which shall be subject to Site Plan Review.

10. Sub-section 2.d of Section 4.432 District Provisions shall be revised to read as follows:

Off-premises signs and billboards are prohibited, except for directional signs related to Town of Cobleskill enterprises, which shall be subject to Site Plan Review.

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11. Sub-sections 2 and 3 of Section 4.462 Quarries, Stripping of Topsoil and Sand and/or Gravel Pits shall be replaced by new sub-section 2, 3 and 4 reading as follows:
2. All excavation for the purposes of soil mining or mineral extraction, such as gravel pits, quarrying or any subsoil removal, shall be classified using the following criteria:
    - a. Excavations subject to NYSDEC Mined Land Reclamation Law jurisdiction.
    - b. Excavations exempt from NYSDEC Mined Land Reclamation Law jurisdiction.
  3. Excavations subject to NYSDEC Mined Land Reclamation Law (MLRL) permit shall be allowed only upon Site Plan Review approval subject to § 4.3 of this law and the following provisions.
    - a. The suspension or revocation of any permit issued by the NYSDEC shall also suspend or revoke the Planning Board's Site Plan Review approval.
    - b. Renewals for NYSDEC permits shall not require a renewal of Site Plan Review approval by the Town Planning Board. However, changes of the use that are considered modifications of the NYSDEC permit shall require Site Plan Review. A public hearing shall be held.
    - c. The Planning Board may, in granting Site Plan Review approval, attach conditions specified in the New York State Mined Land Reclamation Law.
    - d. Upon receipt of notice to the Town from NYSDEC of a completed application for a Mined Land Reclamation permit, such notice shall be referred to the Town Planning Board. The Planning Board shall conduct public hearing(s), either concurrent with or separate from its Site Plan Review approval proceedings, to make determinations and recommendations to NYSDEC, for incorporation in such mining permit, with regard to:
      - (1) Appropriate setbacks from property boundaries and public rights-of-way;
      - (2) Fabricated or natural barriers designed to restrict access if needed, and, if affirmative the type, length, height and location thereof;
      - (3) Dust control;
      - (4) Hours of operation; and
      - (5) Whether mining is prohibited at the location.
  4. Excavation exempt from NYSDEC Mined Land Reclamation Law permit requirements and shall also be permitted as accessory uses in all zoning districts (except R-1 and R-2 Districts) subject to Site Plan Review. Notwithstanding this, property owners may utilize gravel, stone quarrying or subsoil excavation on their own property for fill or leveling or for other not-for-sale purposes without need of a permit or Site Plan Review. Mining-related excavation subject to Site Plan Review under this subsection shall be permitted subject to periodic inspection by the Code Enforcement Officer (minimum of bi-annually) and the following provisions:
    - a. The volume of activity shall not exceed NYSDEC Mined Land Reclamation Law permit requirements and may be conditioned upon a specified volume of excavation annually.

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- b. All excavations hereunder shall require a 50 feet setback from property lines.
  - c. No commercial rock crushing or processes other than dry screening shall be permitted.
  - d. All site plans shall incorporate stormwater management planning and final reclamation, including seeding, consistent with NYS-DEC requirements.
  - e. The subject activity shall not create any conditions which are injurious or hazardous to the public. The Planning Board may also reasonably restrict the hours of operation to address noise and related issues and subject this to annual review.
  - f. The proposed activity shall be such that it will not be detrimental to the character of the surrounding neighborhood.
  - g. Topsoil removal for other than commercial processing purposes shall be prohibited.
12. Sub-section 3 of Section 4.481 Mobile Homes shall be deleted and replaced by "Reserved."
13. Sub-sections 8, 9 and 10 of Section 4.55 Temporary Storage Units shall be deleted.
14. Add new Section 4.56 Transfer of Density Rights reading as follows:

### **Section 4.56 – Transfers of Density Rights (TDR)**

- 1. Purposes. This section is intended to:
  - a. encourage the permanent preservation of important farmland and environmentally sensitive areas;
  - b. direct growth to locations where central sewage disposal services are available; and
  - c. provide a voluntary method for landowners to be compensated by the free market to preserve their land.
- 2. Special definitions.
  - a. SENDING PROPERTY -- A lot(s) or portion of a lot that is restricted by a conservation easement or farmland preservation easement as a condition of approval of a higher density on the "Receiving Property" than would otherwise be permitted.
  - b. RECEIVING PROPERTY -- A lot(s) that is approved to permit a higher density than would otherwise be permitted as a condition of the restriction of development on the Sending Property through a Conservation Easement.
- 3. Applicability.
  - a. Owners of Sending and Receiving Properties may voluntarily commit to transfer residential density rights under this Zoning Law. Although the transfer of density rights shall only officially occur at the time of final approval of a subdivision or site plan, the process shall be initiated during the preliminary planning process. The approval of a preliminary plan



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shall then be conditioned upon compliance with this Section. As part of a preliminary and final plan application, the applicant shall present a draft Conservation Easement on the "Sending Property" and a written, signed and notarized agreement by the owner of the "Sending Property" acknowledging and agreeing to the application.

- b. The Conservation Easement shall be drafted so that it is binding if the "Receiving Property" is granted Final Plan approval. The Conservation Easement shall be recorded in the County Clerk's office at the same time as, or prior to, the Final Plan for the Receiving Property. If a Final Plan is recorded in phases, then the Conservation Easement may be recorded in corresponding phases.
  - c. The form of the Conservation Easement shall be acceptable to the Town Board based upon review by the Town Attorney and Planning Board. The term "Conservation Easement" shall include, but not be limited to, an Agricultural Conservation Easement. In the case of agricultural land, the standard language for an Agricultural Conservation Easement used by the Schoharie County Agricultural and farmland Protection Board may be utilized. The easement shall limit the development of the Sending Property to agricultural and open space uses and associated accessory activities and any residual residential density not transferred to the Receiving Property.
  - d. A Sending Property shall be within the R-R Agricultural Rural Residence or L-C Land Conservation Districts. A Sending Property shall have a minimum lot area of 10 acres.
  - e. A Receiving Property shall be within the R-R Agricultural Rural Residence, R-1 Residence (Low Density) or R-2 Residence (Medium Density) Districts.
  - f. Once a Conservation Easement is established it shall be binding upon all current and future owners of the Sending Property. The applicant for the Receiving Property is responsible to negotiate with, and pay compensation to, the owner of the Sending Property for the Conservation Easement. Such transaction shall occur privately, and the value shall be determined by the private market. The Town shall be under no obligation to pay the owner of the Sending Property.
  - g. The right to develop a Sending Property may also be purchased by or donated to an established incorporated nonprofit conservancy organization whose mission includes preservation of agricultural land or natural features. A permanent Conservation Easement shall, in such case, be established on the Sending Property at the time of such purchase or donation. The right to develop such dwelling units may be held for a maximum of five years, before being used on a Receiving Property(ies).
4. Determination of density.

The following standards shall apply to the determination of density and application of density standards:

- a. Yield Plans shall be presented by the applicant. One Yield Plan shall be presented for the Receiving Property and one for the Sending Property. Such Yield Plans shall be a level of detail typically found in a sketch plan, including potential lots and roads, steep slopes, 100 year floodplains and suspected wetlands. Such Yield Plans shall estimate the number of new dwelling units that could be lawfully constructed on each property under Town regulations without any transfer of development rights. Detailed percolation tests are not

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required on all potential lots but deep pit soil testing may be required in areas of suspected marginal soil types for subsurface sewage disposal.

- b. Such Yield Plans shall be reviewed by the Town Planning Board, with advice by the Town Engineer, to determine whether each represents a reasonably accurate estimate of the number of dwelling units possible on each site, both physically and legally. If such estimates are determined to not be accurate, the applicant shall be required by the Planning Board to revise such Yield Plan.
- c. Based upon the Yield Plans, permission to develop a number of dwelling units may be transferred from the Sending Property to the Receiving Property. The potential to develop some or all of the dwelling units may be transferred from the Sending Property, depending upon the amount of land affected by the permanent Conservation Easement.
- d. If, for example, the Yield Plan determines that 10 new dwelling units would be allowed under current zoning on the Sending Property, and the Sending Property will be preserved by a Conservation Easement, then the right to develop 10 additional dwelling units shall be transferred to the Receiving Property. The development of the Receiving Property shall still comply with all other requirements of this Zoning Law, except for the maximum density, which shall be regulated by this Section.
- e. The Receiving Property shall be permitted to include the increased total number of dwelling units above the number that would otherwise be permitted, as approved by the Town Planning Board based upon the Yield Plan, provided that density shall not be increased by more than 100% under any circumstance (including any other incentives). Yard requirements may also be reduced, but in no instance to less than 20 feet for the front yard and 10 feet for the side and rear yards, except in instances where zero-lot line development is proposed with compensating yards on the opposite side or multi-family dwellings are involved. Minimum lot width requirements shall be waived.
- d. To receive a transfer of density rights, all lots of less than one acre on the Receiving Property shall be served by a central or community sewage system.
- e. Transfer of density rights shall not be used to increase the density of a manufactured home park.

Once a conservation easement is established under a transfer of density rights, it shall be permanent, regardless of whether the Receiving Property is developed. The approval to develop the Receiving Property in a higher density shall be treated in the same manner as any other Final Subdivision or site plan approval. The Planning Board may extend time limits to complete the development of the Receiving Property in response to a written request.

As part of a transfer of density rights, the development of the Receiving Property shall comply with all Town of Cobleskill zoning requirements, except for provisions specifically modified by this section.

15. Sub-section 3 of Section 5.1 Non-conforming Uses, Buildings and Structures shall be revised to read as follows:

- 3. Changes and additions.

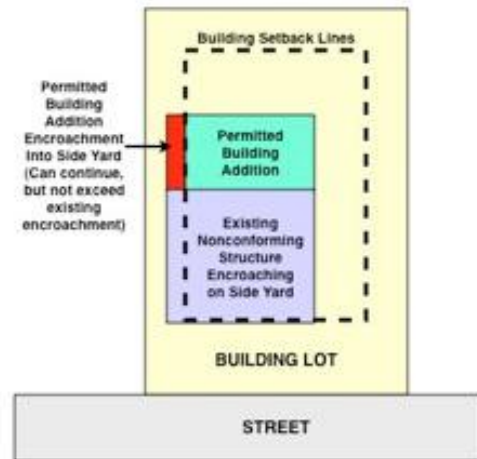
Excepting for activities provided for above and accessory uses, all changes and additions to non-

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conforming uses shall be considered Special Uses, and permits for alterations, changes in use or additions shall be granted only after a determination by the Planning Board that the following conditions have been, or will be, satisfied.

- a. There shall be no expansion in the amount of land.
- b. Where the non-conforming activity is one which necessarily results in the storage of large quantities of material, supplies or products outside (such as a lumberyard), the Planning Board may require dense evergreen screening sufficient to shield all such materials from the view of adjacent landowners and/or the traveling public.
- c. No addition, change or expansion of a non-conforming use shall further violate setback and/or height regulations of the district in which it is located (see illustration). Moreover, no change of use shall be to one of a more intensive classification (e.g. one with more employees, more traffic, more parking or more off-site impacts). A non-conforming retail enterprise could be converted to a barber shop, for example, but not to an industrial use.
- d. There shall be no increase in the amount of storm water runoff for the site over what was existing as of the date of the enactment of this law. A Professional Engineer or other appropriate professional may be relied upon to recommend appropriate measures to control storm water runoff. Such measures shall be attached as conditions of approval by the Planning Board.
- e. In no case will a change, addition or extension of a non-conforming use be allowed that would result in a traffic increase that would decrease the Level of Service for the highway, the diversion of traffic closer to a nearby residence or a reduction of any of the parking and unloading requirements of this law where additional parking or loading would otherwise be required due to the change, addition or expansion. If the total number of parking spaces for the site is to be increased more than 25% over those available as of the date of this law, the Planning Board may require vegetative screening of the parking area from nearby residential areas.
- f. The use may only be expanded or extended onto another property of record if; that property is immediately adjacent to the lot on which the original structure or use was located as of the effective date of this law or amendments hereto and the use is not one which has been altogether prohibited as a new use under this law.
- g. Should the use proposed for expansion or extension be one which is specifically prohibited as a new use in the Town or is determined by the Planning Board to be one similar to such a use or of such a nature as to impose health, safety or welfare concerns which cannot be satisfied by the imposition of the conditions permitted under this law, the requested expansion or extension shall be denied.



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16. The second and third paragraphs of Section 5.2 Temporary Uses and Structures shall be deleted.
17. Add a new Sub-section 2 Agricultural Member to Section 6.4 Planning Board as follows:
2.     Agricultural Member
- Pursuant to Section 271 (11) of the New York State Town Law, the Town Board shall, if such individuals are available and deemed qualified for such service, include on the Planning Board one or more members deriving \$10,000 or more annual gross income from agricultural pursuits.
18. Sub-section 4.b (Special Exceptions) of Section 6.52 General Procedures shall be deleted and replaced by "Reserved."
19. Section 6.52 Special Exceptions shall be deleted and replaced by "Reserved."
20. Article 7 Amendments shall be deleted and replaced by "Reserved," except that Section 7.7 Lot in Different Districts shall become a new Sub-section 6 of Section 3 Interpretation of District Boundaries, as follows:
6.     If a lot is divided by a zoning district boundary, one of the following conditions shall apply:
- a.     The respective district regulations shall apply to each portion of the lot so divided, or
- b.     The regulations of the more restricted district may be applied to the entire lot, or
- c.     The Board of Appeals may establish requirements within the intent of this Law, which represent a compromise between the requirements of the districts involved, and which are approximately proportional to the area of the lot that lies within each different district. In no case shall such requirements be less restrictive than the regulations in the least restrictive district.
21. Sub-section 4 of Section 4.482, Sub-section 7.g of Section 4.54, Subsection 4 of Section 6.31 and Sub-section 1.a of Appendix B shall all be revised to read as follows:
- Fees shall be submitted in accordance with a schedule established, and as may be modified from time to time, by resolution of the Town of Cobleskill Town Board. Applicants shall also be responsible for all professional review fees and other Town expenses in connection with the processing of applications hereunder. An escrow deposit may be required for these purposes, any unused portion of which shall be returned to the applicant. The amount of such escrow, where required, shall be determined by the Code Enforcement Officer, in consultation with the applicant. The Town of Cobleskill Planning Board shall determine the amount in the case of any dispute as to the same, which decision may be appealed to the Town Board.
22. The following definitions are added or, as the case may be, replaced in APPENDIX A:
- AGRICULTURAL PROCESSING. An on-farm commercial facility where raw agricultural products are processed into food or other products for animal or human consumption, distribution or use in other processes, including but not limited to cheese making, feed production, winemaking and fruit storage.
- AGRICULTURAL RETAIL SALES. An on-farm commercial retail or service enterprise where the bulk of goods and services offered are agricultural in nature with the majority produced from on-farm activities.

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**AGRICULTURAL TOURISM ENTERPRISE.** An on-farm commercial attraction where visitors are entertained and educated regarding agricultural and farm activities, including petting zoos, pumpkin patches, corn mazes, farm museums and other activities revolving around a central farming theme, including ancillary activities and uses (e.g. bed and breakfast lodging or cafe) that supplement the agricultural elements of the enterprise but retain it as the primary theme.

**AGRICULTURE/FARM/FARMING.** Producing an agricultural product on more than seven (7) acres of land and grossing at least \$10,000.00 per year for the preceding 2 years; or otherwise qualifying as agriculture as defined by the New York State Department of Agriculture and Markets.

**FARM LABOR HOUSING.** Housing constructed for use by seasonal or full-time farm employees, excluding partners or owners of the farm operation.

**OPEN SPACE.** A portion of a lot or tract that is not covered by buildings, parking areas, streets or other non-recreational improvements (except as may be permitted by this Law) and is suitable for outdoor recreation use of either an active or passive nature, including agricultural or forestry use, and which may be owned in common, held by a public or non-profit entity for these purposes or deed-restricted via a conservation easement that restricts development for other than these purposes.

23. Appendix B shall be revised to add the following note as an introduction and delete sub-sections 4, 5 and 6:

NOTE: This Appendix A is intended to supplement and provide further guidance with respect to Section 4.3 and other sections of the Town of Cobleskill Zoning Law. Should there be any conflict in procedures or requirements as applied to a Special Use and/or Site Plan Review application for a particular project, Section 4.3 requirements shall apply.

24. Appendix C shall be revised as follows:



# Recommended Zoning Provisions for Consideration (for review and discussion only)

Appendix C - Summary of Zoning District Requirements				
District	Principal Permitted Uses	Special Uses	Accessory Uses	Development Standards
R-R Agricultural Rural Residence	<p>Agriculture/farm/farming</p> <p>Agricultural processing</p> <p>Agricultural retail sales</p> <p>Agricultural tourism enterprises</p> <p>Bed and breakfasts</p> <p>Fire houses, libraries and other public buildings</p> <p>Hunting and fishing clubs</p> <p>Nursery or greenhouse</p> <p>One-family dwellings</p> <p>Places of worship</p> <p>Public parks and playgrounds</p> <p>Two-family dwellings</p>	<p>Air landing fields</p> <p>Cemeteries</p> <p>Commercial recreation uses</p> <p>Crematoriums</p> <p>Golf course or driving range</p> <p>Mobile homes and parks</p> <p>Hotels</p> <p>Museums and cultural/historical facilities</p> <p>Nonprofit club or recreation use</p> <p>Quarry/land/gravel/stone</p> <p>Resort hotel, camp, ranch or lodge</p> <p>Restaurants</p> <p>Sawmills</p> <p>Stables (commercial)</p> <p>Telecommunications facilities</p> <p>Veterinary office, animal hospital or kennel</p>	<p>Farm labor housing</p> <p>Farm stands</p> <p>Home occupations</p> <p>Other customary accessory uses</p> <p>Parking areas</p> <p>Private garages</p> <p>Signs</p> <p>Stables (private)</p> <p>Tool sheds</p>	<p><b>Minimums:</b></p> <p>Lot area (square feet): 43,560</p> <p>Lot width (feet): 150</p> <p>Front yard (feet from R-O-W): 75</p> <p>Front yard (feet from centerline): 100</p> <p>Side yard (feet): 40</p> <p>Rear yard (feet): 50</p> <p><b>Maximums:</b></p> <p>Building height (feet): 36</p> <p>Building stories: 3.0</p> <p><b>Note:</b> Accessory buildings shall be setback a minimum of 100 feet from the street right-of-way, 125 feet from the street centerline, 10 feet from side lot lines, 10 feet from the rear lot line and not exceed 21 feet in height.</p>
R-1 Residence (Low Density)	<p>One-family dwellings</p> <p>Public parks and playgrounds</p>	<p>Bed and breakfasts</p>	<p>Home occupations</p> <p>Other customary accessory uses</p> <p>Parking areas</p> <p>Private garages</p> <p>Signs</p> <p>Tool sheds</p>	<p><b>Minimums:</b></p> <p>Lot area (square feet): 43,560</p> <p>Lot width (feet): 150</p> <p>Front yard (feet from R-O-W): 30</p> <p>Front yard (feet from centerline): 55</p> <p>Side yard (feet): 30</p> <p>Rear yard (feet): 25</p> <p><b>Maximums:</b></p> <p>Building height (feet): 30</p> <p>Building stories: 2.5</p> <p><b>Note:</b> Accessory buildings shall be setback a minimum of 80 feet from the street right-of-way, 105 feet from the street centerline, 10 feet from side lot lines, 6 feet from the rear lot line and not exceed 21 feet in height.</p>
R-2 Residence (Medium Density)	<p>One-family dwellings</p> <p>Public parks and playgrounds</p> <p>Two-family dwellings</p>	<p>Athletic fields</p> <p>Bed and breakfasts</p> <p>Clubs/houses</p> <p>Educational facilities</p> <p>Medical or dental clinics</p> <p>Mobile homes and parks</p> <p>Multi-family dwellings (3 or more)</p> <p>Nursing homes</p> <p>Places of worship</p> <p>Radio/television transmission facilities</p> <p>Row or townhouses</p> <p>Semi-detached dwellings</p>	<p>Home occupations</p> <p>Other customary accessory uses</p> <p>Parking areas</p> <p>Private garages</p> <p>Signs</p> <p>Tool sheds</p>	<p><b>Minimums:</b></p> <p>Lot area (square feet): 12,000</p> <p>Lot width (feet): 90</p> <p>Front yard (feet from R-O-W): 30</p> <p>Front yard (feet from centerline): 55</p> <p>Side yard (feet): 15</p> <p>Rear yard (feet): 25</p> <p><b>Maximums:</b></p> <p>Building height (feet): 36</p> <p>Building stories: 3.0</p> <p><b>Note:</b> Accessory buildings shall be setback a minimum of 80 feet from the street right-of-way, 105 feet from the street centerline, 10 feet from side lot lines, 6 feet from the rear lot line and not exceed 21 feet in height.</p>

**Recommended Zoning Provisions  
(for review and discussion only)**

<b>Appendix C - Summary of Zoning District Requirements</b>				
<b>District</b>	<b>Principal Permitted Uses</b>	<b>Special Uses</b>	<b>Accessory Uses</b>	<b>Development Standards</b>
<b>B-1 Neighborhood Business</b>	<p>Agriculture/farm/farming Agricultural processing Agricultural retail sales Agricultural tourism enterprises Agricultural tourism enterprises Barbershops/beauty parlors Bed and breakfasts Drive-in financial institutions Fire houses, libraries and other public buildings Gas stations Nursery or greenhouse One-family dwellings Places of worship Public parks and playgrounds Row or townhouses Semi-detached dwellings Two-family dwellings</p>	<p>Multi-family dwellings (3 or more) Offices Restaurants Retail shops</p>	<p>Farm labor housing Farm stands Home occupations Other customary accessory uses Parking areas Private garages Signs Tool sheds</p>	<p><b>Minimums:</b> Lot area (square feet): 12,000 Lot width (feet): 90 Front yard (feet from R-O-W): 30 Front yard (feet from centerline): 55 Side yard (feet): 15 Rear yard (feet): 25 <b>Maximums:</b> Building height (feet): 36 Building stories: 3.0</p> <p><b>Note:</b> Accessory buildings shall be setback a minimum of 80 feet from the street right-of-way, 105 feet from the street centerline, 10 feet from side lot lines, 6 feet from the rear lot line and not exceed 21 feet in height.</p>
<b>B-2 Highway Business</b>	<p>Agricultural retail sales Agricultural tourism enterprises Agriculture (animal) Agriculture (non-animal) Amusement and assembly Barbershops/beauty parlors Bed and breakfasts Drive-in businesses Fire houses, libraries and other public buildings Gas stations Hotels Mobile home/RV sales Motels Nursery or greenhouse Offices Places of worship Public parks and playgrounds Restaurants Retail shops Truck terminals Veterinary office, animal hospital or kennel</p>	<p>Light industrial uses Self-storage facilities Telecommunications facilities Warehouse and storage facilities Wholesale uses</p>	<p>Farm labor housing Farm stands Home occupations Other customary accessory uses Parking areas Private garages Signs Tool sheds</p>	<p><b>Minimums:</b> Lot area (square feet): 50,000 Lot width (feet): 200 Front yard (feet from R-O-W): 80 Front yard (feet from centerline): 105 Side yard (feet): 30 Rear yard (feet): 50 <b>Maximums:</b> Building height (feet): 50</p> <p><b>Note:</b> Accessory buildings shall be setback a minimum of 100 feet from the street right-of-way, 125 feet from the street centerline, 10 feet from side lot lines, 10 feet from the rear lot line and not exceed 21 feet in height.</p>

**Recommended Zoning Provisions for Consideration  
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<b>Appendix C - Summary of Zoning District Requirements</b>				
District	Principal Permitted Uses	Special Uses	Accessory Uses	Development Standards
<b>B-3 Highway Interchange</b>	Nursery or greenhouse Offices Places of worship Public parks and playgrounds Retail shops	Gas stations Hotels Light industrial uses Mobile home/RV sales Motels Restaurants Self-storage facilities Telecommunications facilities Truck terminals Warehouse and storage facilities Wholesale uses	Home occupations Other customary accessory uses Parking areas Private garages Signs Tool sheds	<p><b>Minimums:</b>  Lot area (square feet): 43,560  Lot width (feet): 150  Front yard (feet from R-O-W): 30  Front yard (feet from centerline): 55  Side yard (feet): 30  Rear yard (feet): 25</p> <p><b>Maximums:</b>  Building height (feet): 30  Building stories: 2.5</p> <p><b>Note:</b> Accessory buildings shall be setback a minimum of 100 feet from the street right-of-way, 125 feet from the street centerline, 10 feet from side lot lines, 10 feet from the rear lot line and not exceed 21 feet in height.</p>
<b>I Industrial</b>	Light industrial uses Self-storage facilities Telecommunications facilities Warehouse and storage facilities Wholesale uses	Heavy industrial uses Resource recovery, vehicle junkyard & wrecking Sawmills Truck terminals	Home occupations Other customary accessory uses Parking areas Private garages Signs Tool sheds	<p><b>Minimums:</b>  Lot area (square feet): 50,000  Lot width (feet): 200  Front yard (feet from R-O-W): 80  Front yard (feet from centerline): 105  Side yard (feet): 30  Rear yard (feet): 50</p> <p><b>Maximums:</b>  Building height (feet): 50</p> <p><b>Note:</b> Accessory buildings shall be setback a minimum of 100 feet from the street right-of-way, 125 feet from the street centerline, 10 feet from side lot lines, 10 feet from the rear lot line and not exceed 21 feet in height.</p>

**Recommended Zoning Provisions  
(for review and discussion only)**

<b>Appendix C - Summary of Zoning District Requirements</b>				
District	Principal Permitted Uses	Special Uses	Accessory Uses	Development Standards
L-C Land Conservation	Agricultural processing Agricultural retail sales Agricultural tourism enterprises Agriculture/farm/farming Athletic fields Game preserves Hunting and fishing clubs Public parks and playgrounds	Golf course or driving range	Farm labor housing Farm stands Other customary accessory uses Parking areas Signs	<b>Minimums:</b> Lot area (square feet): 43,560 Lot width (feet): 150 Front yard (feet from R-O-W): 75 Front yard (feet from centerline): 100 Side yard (feet): 40 Rear yard (feet): 50 <b>Maximums:</b> Building height (feet): 36 Building stories: 3.0
PD0 Planned Development				<b>Note:</b> Accessory buildings shall be setback a minimum of 100 feet from the street right-of-way, 125 feet from the street centerline, 10 feet from side lot lines, 10 feet from the rear lot line and not exceed 21 feet in height.
FP-D Flood Protection				

See Section 4.21 Planned Unit Development

See Section 4.22 Flood Protection District