

Sale-booster for farmers

Key Points

- Upstate New York agribusiness expansion generates jobs and sales.
- Meat processing plant grows farmers' product markets and sales.
- NYFVI and CADE assistance means \$6.8 million in local benefit.

By **KARA LYNN DUNN**

LARRY Althiser is doing his part to revive the U.S. economy. He's tickled to be interviewing prospective new employees. Larry's Custom Meats in Hartwick, N.Y., is growing — as are the sales of his farm customers!

In May, doors opened on his new USDA-inspected, 6,000-square-foot, stainless-steel processing facility. Since then, farmers have been steadily bringing beef cattle, hogs, sheep and goats for slaughter and processing.

The new plant opened with six workers. Now it employs 10, with plans to add more.

Althiser's old Otsego County plant across the road had a waiting list of 30 farmers. "At the old plant, we processed 1,100 animals a year. This one lets us help more family farmers survive and thrive," he proudly notes. "We're currently handling 25 beeves [beef cattle] and 25 hogs a day with an annual capacity of 5,000 head."

The plant includes chillers and storage for up to 30 hogs and 60 beef cattle, plus a meat-smoking room. USDA certification allows farmers to direct-sell to consumers, restaurants and grocers, and keep a higher percentage of their sales.

Boon to state's farm businesses

Since the new plant opened, Jennifer Huntington of the Cooperstown Holstein Corp. has begun expanding her processing numbers.

"Larry's Custom Meats' ability to handle more animals means I can grow my herd to accommodate the increasing demand for local beef from area restaurants," says Huntington.

In September, Carol Clement started hauling her grass-fed Devon cattle and heritage breed pigs 70 miles from her Heather Ridge Farm in Preston Hollow, N.Y., for the same reason — to expand sales.

"Larry's USDA certification allows me to process my own animals into products I can sell from my farm's café and store, at Saugerties Farmers Market and through a local supermarket," explains Clement.

"His expansion has opened many more slots for scheduling processing. That means I'm able to harvest when the animals are the right size and at the most profitable time."

Brian Allen of Allen's Farm is another of



PHOTO BY MICHELLE N. MILLER

WHEYED PORK: Larry Althiser presents Ilyssa Berg of Painted Goat Farm with her first order of pork from pigs that eat whey from the farm's cheesemaking business.

Althiser's before-and-after customers. The Walton, N.Y., pork producer says, "With the old plant, I had to schedule months in advance. Now, there's no waiting — and that's tremendously helpful. I'm building a new barn so I can stage more age groups."

Althiser also helps Allen by explaining the cuts available to Allen's buyers, then custom-processes to their interests. With the new plant's storage, Allen can pick up a large order of fresh and smoked meats for one cost-saving, plant-to-customer delivery trip to multiple homes.

Center for Agricultural Development and Entrepreneurship, or CADE, Director Chris Harmon sums up the key local benefit:

"Larry has 32 years' experience and a rare artisanal skill for processing livestock. What he needed is this infrastructure that allows him to support a local food system meeting demand, especially for local grass-fed products, from New York to Boston."

CADE received a New York Farm Viability Institute, or NYFVI, grant to address the need for localized meat processing.

"We conservatively estimate the annual impact of this plant at \$4.25 million in retail sales for our local producers," says Harmon. "With an economic multiplier of 1.6 for livestock processing, we get an overall return of \$6.8 million into the local community each year."

How it came together

Althiser and his wife, Julie, designed the plant they wanted. CADE helped with

creating the business plan to secure financing and developing the engineering plans. CADE also helped them secure a USDA grant to purchase processing equipment they had been leasing.

"CADE staff totally facilitated our Hazard Analysis Critical Control Point [HACCP] training, and is working with us to get organic certification. And," he adds, "they helped us develop a new logo and marketing materials."

"This project demonstrates the far-reaching synergy and economic impact of a single institute grant," notes David Grusenmeyer, NYFVI managing director.

"It capitalizes on New York agriculture's potential to meet consumer demand."

For more information on CADE's business planning assistance, contact Harmon at 607-433-2545, charmon@cadefarms.org, or www.cadefarms.org.

Dunn writes from her farm in Mannsville, N.Y.

Northeast News & Notes

NASS to survey Chesapeake Bay conservation practices

Between November and February, USDA's National Agricultural Statistics Service will visit selected farmers in the Chesapeake Bay watershed for a hugely important Conservation Effects Assessment Project, or CEAP, survey. It'll gather information from producers about farming and conservation practices on cultivated cropland.

One reason is to gather more details about conservation practices voluntarily put into place on farms. This has been a boiling controversy between ag and environmental groups, and is key to what happens on the regulatory front.

Agriculture insists that farmers do far more than they're given credit for. Environmentalists contend that's not the case.

Kevin Pautler, NASS director of Pennsylvania's field office, encourages all farmers contacted to respond to the survey. "Your response will help provide a much-needed complete picture of conservation practices in the Chesapeake Bay watershed."

The survey intends to illustrate the good work that farmers are already doing to conserve natural resources and protect soil and water.

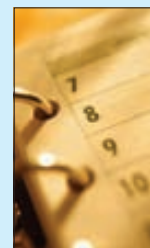
"Chesapeake Bay-area farmers have continued to install many on-farm best management practices since NASS last conducted the CEAP survey in 2006," adds Pautler. The updated information is needed to document prevalence of all conservation practices and provide a basis for improving conservation planning, implementation and watershed management.

Time's running out for tax advantages

As reported in November's issue and on our website, new and favorable depreciation rules for machinery purchases will expire on Dec. 31. So if you're even thinking about replacing capital items, get moving on your pencil-pushing.

As Farm Tax Saver Editor Darrell Duntzman pointed out, "Taxable income for my average client could be up 50% from 2010." That's why you're strongly advised to re-read that article on Page 28 of November's issue — particularly the sidebar piece on making best use of depreciation.

When farm income spikes, using the Section 179 depreciation and bonus depreciation can be a problem-solver. But as Glenn Rogers, a farm business consultant and University of Vermont professor emeritus, says, "Meet with your tax professional as soon as possible. Have your projected income and expenses ready, plus your capital purchases and sales for the year." Find more details in the Profit Planners column on Page 24.





NYFVI is a farmer-led nonprofit that invests in innovative projects to increase the success of ag production enterprises, protect farm-based natural resources and produce measurable farm-level results. For more information, visit the website, www.nyfvi.org.