

**FINANCE MEETING
COMMISSIONERS' HEARING ROOM**

Wednesday, July 1, 2015, 1:30 p.m.

Present: Commissioners Barbara Cross, Jim Hertzler and Gary Eichelberger; Larry Thomas, Chief Clerk; Dave Swartz, Penn State Ag Extension; Amy Galford, Penn State Extension Water Quality; Steve Bogash, Penn State Extension Regional Horticulture; Tim Beck, Penn State Extension Dairy Business Management; Heather Weeks, Penn State Extension Dairy Profitability; Kirk Stoner, Planning Office; Heather Ilgenfritz, Megan Silverstrim, Communications; Alex Smyser, IMTO; Steve Marroni, The Patriot News; and Ruth Ann Ciecierski, Recording Secretary.

Penn State Extension's Contribution to Economic Development in Cumberland County

Chief Clerk Larry Thomas welcomed everyone to the Finance Meeting and explained that as part of the mission review process for potential cost savings under Public Financial Management's (PFM) recommendations, today's discussion is on how the Penn State Ag Extension contributes to economic development in Cumberland County.

Dave Swartz, Penn State Ag Extension District Director, presented two videos on Water Management and Dairy Management that highlighted the way Penn State Extension works with farms to produce high quality products. Some of the Extension staff were featured in the videos.

Amy Galford, Water Quality Resource Educator:

- works with homeowners on private water wells and septic systems
- works with farmers on irrigation systems, water quality and food safety issues
- works with municipalities on storm water management, water protection and water sheds

Steve Bogash, Commercial Horticulture Educator Researcher:

- works with farmers to bring them the latest technology and newest varieties of crops
- helps farmers utilize water quality and pest management

Heather Weeks, Dairy Profitability Educator:

- works mostly with farms that are looking for a transition, new start up or consultation
- provides farm education and Hispanic labor training

Tim Beck, Dairy Business Management Educator:

- assists farmers with their business plans to improve finances and help the dairies be profitable
- helps with efforts to expand the farm or start up new dairies
- teaches crop management and herd nutrition

Water Management Video: Overview of the services provided by Penn State Extension commercial horticulture and water resources educators, and how they help growers adopt new practices to improve crop production.

- Ag Extension provides research to help farmers and growers produce a better quality of fruits and vegetables.
- They teach workshops to growers to keep them up-to-date on the latest practices and help new growers get started.
- Water quality and quantity are vital issues in producing high quality produce.
- Cumberland County has limestone based soil that is good for growing some crops, but makes it difficult to grow others.

Dairy Management Video: Overview of the dairy business management education and services provided by Penn State Extension. Extension educators provide business and production management assistance to more than 100 dairy farms in Pennsylvania each year and help farmers bring about improvements by:

- assisting with financial operations by improving budgets and record keeping.
- helping farmers make better business decisions for their farms.
- working from a data base with different facilities so they can offer valuable information.
- working with farms on hands-on problem solving and ability to make an unbiased assessment on what needs to be done while providing constructive criticism.
- bringing expertise and latest data and trends from the education world and giving farmers a broader perspective on everything in the dairy industry as a whole.

Questions:

Commissioner Cross asked about the Avian Influenza (Bird Flu). Mr. Swartz stated the bird flu virus can be transmitted from farm to farm by any vector, but mainly it is being spread over long distances by the North American migratory flyway waterways. He stated that this is a concern for our area because the birds that are in the Arctic this summer can pick up the virus and then fly south along the migratory flyway and deposit the virus when they land in Pennsylvania this Fall and Winter.

There was a question regarding how the drought in California and the water shortage there would impact our area. Mr. Bogash stated that we are in a 20 year down turn in the water cycle and if it would start raining today, it would take a long time to get back to normal.

Mr. Stoner asked how Cumberland Valley stacks up against the opportunities in agriculture for people to locate here.

- People are attracted to this area because of the water supply, the quality of the soil and the closeness to the market; unfortunately, the competition for land use for businesses and other uses raises the price of the land.
- We are on the map for the fresh market produce, but the weakness is in the out-of-season and processed products.
- No where else in the Country are there major areas of ag food production co- located with a major population center like here in central Pennsylvania. This provides a real opportunity for fresh market, but there is still some opportunity for food processing.
- Lancaster is the 8th largest dairy county in the Country and that is because there are 2,000 farms in Lancaster County. Cumberland County has some of the largest number of dairy farms in the state.

Commissioner Eichelberger asked about the price of land and how Cumberland County is affected long term.

- Farmers don't necessarily have to buy more land; they are redesigning their business to have higher margins of profit.
- Ag production is more profitable to be in wholesale and retail.
- Farmers are shifting crops, i.e., from corn to tomatoes, which might be more profitable.

Commissioner Cross asked about wine production in the Cumberland County. Mr. Bogash stated that it is a growing industry and getting better. Hops is the newest and hottest crop.

Commissioner Hertzler if there has there been an increase in the number of farmers involved in direct retail besides the farmers markets in the area.

- The demand for quality, fresh organic produce outstrips the growers.
- It makes for a grueling day for the farmers to sell at market.
- 58% of the Country is within easy trucking distance for fresh market products.
- The highest profit is in value added products; taking raw material and processing it.
- As land values go up, production per acre needs to go up and part of that is in getting consumer ready products.

Mr. Swartz stated that he asked the Communications Team to attend this meeting to take a look at the videos and publish them on the County website so everyone could be aware of what the Penn State Extension does. Ms. Silverstrim stated that they have put up links on the website referring to the two videos. They will also put out an aggressive social media campaign focusing on some points from the discussion today.

Discussion on Penn State Ag Extension Memorandum of Understanding (MOU):

Mr. Swartz discussed the Ag Extension MOU that is reviewed on an annual basis with no changes to the document. He stated that it is signed and they are requesting that the Commissioners ratify the agreement for another year. The MOU will be on the Board of Commissioners' Meeting of July 6, 2015 for approval.

Ruth Ann Ciecierski
Administrative Assistant