

New York State

Department of Agriculture & Markets



George E. Pataki, Governor
Nathan L. Rudgers, Commissioner

Annual Report

2002

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DIVISION DIRECTORS

Dear Friends of Agriculture:

The agricultural industry makes vital contributions to the quality of life in our State by creating jobs, generating revenue, producing safe and wholesome products, and allowing us to sustain open spaces and beautiful rural landscapes. In 2002, New York was able to maintain our 7.6 million acres of farmland, which encompass one-quarter of the total land area in this great State. Such an accomplishment shows that our educational efforts and agricultural programs are working, and that we remain committed to preserving our proud heritage.

Over the past eight years, we have explored new areas of research to assist the agricultural industry and safeguard our people and our food resources. Many of the programs outlined in this year's Annual Report such as *Grow New York, Agricultural Environmental Management Program, New York State Cattle Health Assurance Program and New York State Horse Health Assurance Program* are helping us to grow and sustain this valuable industry.

New York farmers and food producers share the same sense of pride and values in growing and distributing New York agricultural products. We continue to promote this message and build awareness of agriculture in our *Pride of New York* program by identifying and encouraging the sale of New York State grown foods, while our new *Farm to School* program benefits schools, children and communities by helping them learn about New York agriculture and healthy food choices, and enjoy locally-grown products.

Agriculture is vital to New York State's economy, its rural communities and the preservation of open spaces. Our goal is to continue to ensure a safe, wholesome and high quality food supply and to create opportunities and programs that enable New York's farmers to succeed. We are optimistic that through the efforts of our dedicated farm families and food producers, agriculture will continue to be one of our strongest and most productive industries in New York State. Special thanks to each of you who helps make agriculture a strong and viable industry in this great State!

Very Truly Yours,

George E. Pataki
Governor

Nathan L. Rudgers
Commissioner

Economic Development

GROW NEW YORK

The many facets of Grow New York combined enhance the economic vitality of New York's extraordinarily diverse agricultural production, food processing and marketing industries. Three areas of notable success in 2002 were:

Competitive Grants Financial assistance is matched with private capital to develop and expand agricultural businesses. To date, Grow New York has invested nearly \$2.5 million in 120 projects to develop farm business strategies, assist innovative research projects, and improve farmers' markets.

Enterprise Program In its first two years of operation, the Enterprise Program has provided over \$2 million to assist New York businesses to create and expand marketing opportunities for New York growers, while creating or retaining 200 jobs. The program works with the Governor's Office of Small Cities to provide grants and low-interest loans to meet targeted capital needs of agricultural businesses.

Growing Partners

The Department continues to provide New York food and agricultural businesses with linkages to federal, state and local agencies and organizations that provide them with resources, information and assistance.

GROW
new york

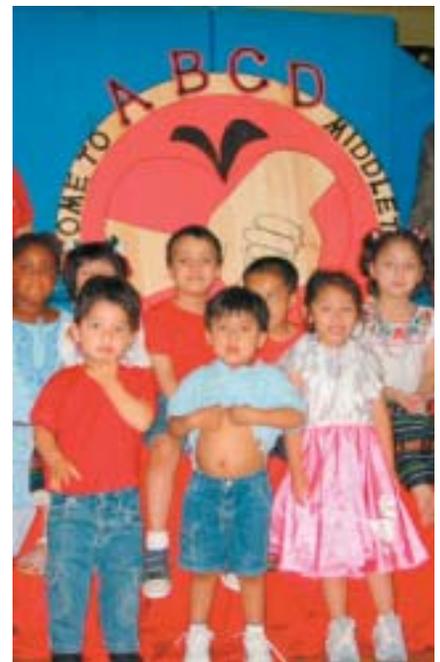
FARMERS' MARKET NUTRITION PROGRAM

The Farmers' Market Nutrition Program promotes improved nutrition through increased consumption of locally grown fresh fruits and vegetables by providing coupons for fresh produce at participating farmers' markets to low-income, nutritionally at-risk families enrolled in WIC and Senior Nutrition Programs. In 2002, 823 farmers marketed their fresh fruit and vegetables to women, children and infants participating in the WIC program and to low-income seniors. These farmers redeemed \$5,000,000 in Farmers' Market Nutrition Program checks, which the Department issued to 256,000 WIC participants and 81,000 senior citizens. New York leads the country in the number of recipients served under this program.

FARMWORKER DAY CARE

The Agri-Business Child Development (ABCD) Program delivers day care and early childhood development services to the children of New York farm workers. The program has served children of migrant farm workers and other income eligible, agricultural workers across the state since 1946. Utilizing Head Start guidelines, the program provides comprehensive child development services, including health and dental care, meals, transportation, and age appropriate educational and physical activities.

Children between the ages of six weeks to six years can benefit from the services provided by ABCD. In 2002, the ABCD provided care to over 1,800 children in 13 centers and 28 family day care homes. Two new Centers were opened in 2002 in Leonardsville, Otsego County and Middletown, Orange County.



Farmworker children show their excitement for the new Middletown ABCD.

The Pride of New York

Our Pride is Inside. This is what the Pride of New York label represents. The Pride label means products are grown or produced within New York State with the New York tradition of high quality and standards. The Pride of New York program has quadrupled its membership in less than two years, with almost 600 new members added since 2001.

Now approaching a total membership of 800, the Pride program has continued to broaden its membership base to include not only growers, but also food processors, wineries, retail outlets, agri-tourism initiatives and organizations that support New York agriculture.

In the past year, more than \$1 million has been invested to promote the program via television, print and radio advertising, direct mail and public relations through State and Federal funding. During the spring and summer of 2002, Pride of New York featured television and radio commercials statewide, as well as developed a new consumer brochure, all featuring Pride of New York members and the wealth of New York State's agricultural products.

The Pride of New York program is truly a cooperative marketing partnership between the growers, processors and retailers. As consumers become more aware of the Pride of New York emblem, and look for it where they buy their food, the value to all those involved in producing and selling foods marked with the Pride of New York emblem increases.

As a way of assisting those in farmers' markets, farm stands and retail outlets, the Pride of New York program has a wide range of promotional items available to Pride of New York members. Some of the materials available to participants include point-of-purchase signage, labels, banners and brochures.



AGRICULTURAL WORKFORCE CERTIFICATION

The Agricultural Workforce Certification Program (AWCP) conducted 27 training programs in 18 counties in 2002. Each AWCP 30-40 hour training program is designed to place individuals new to agriculture into production agriculture employment or to upgrade skills of existing employees already in farm

employment. A total of 530 individuals were certified by AWCP educators, with placements of the graduates with dairy farms, landscape companies, nursery farms, retail garden stores and turf grass operations. Since its inception in 1992, AWCP has trained and certified over 5,000 individuals.

DAIRY PROMOTION

In 2002, New York dairy farmers contributed more than \$12.2 million to promote the sale of milk and dairy products. Funds are spent for media advertising, nutrition education, publicity and research at Cornell University to improve milk and dairy product quality and develop new dairy products.



FARM-TO-SCHOOL

Signed into law in February 2002, the Department quickly went to work on implementing the Farm-to-School Law. The main role of the Department is to facilitate the purchase of New York grown farm products by the State's school districts. Additionally, the Department promotes New York Harvest for New York Kids Week, which the law directs to take place every fall. Both objectives have been met in conjunction with the New York State School Food Service Association-NY Farms! Task Force on Farm-to-School.

Special Assistant Bill Jordan delivers Empire apples to the children of Holy Cross School during New York Harvest for New York Kids Week.



The Department has used the Pride of New York Program to connect interested school districts with New York producers who are interested in institutional school sales. Numerous successful events for New York Harvest for New York Kids occurred throughout the State, with participation from the Commissioner and other Department representatives.

At the conclusion of the year, the Task Force was renamed the "New York State Farm-to-School Coordinating Committee" as the farm to school efforts continue to grow throughout the State. This program benefits schools, children and communities by helping them learn about New York agriculture, enjoy the fresh taste and nutritional benefits of locally-grown foods, and educate children and schools on healthy food choices.

MILK PRODUCERS SECURITY & LICENSING

Anyone who purchases, handles, sells or bargains for the purchase or sale of milk must be licensed in New York State. In 2002, the Department licensed over 650 milk dealers.

The main objective of the program is to protect producers against loss of income in the event a milk dealer defaults in paying for milk received. Licensed dealers who purchase milk directly from producers or cooperatives are required to either participate in the State's Milk Producers Security Fund (MPSF) or file full alternate security.

In 2002, 87 dealers participated in the MPSF, which had a balance of \$5.9 million at year-end, and 29 dealers elected to file full alternate security that totaled \$105 million.

The importance of the MPSF was demonstrated in 2002. A cheese manufacturer defaulted in paying a local cooperative and had filed a surety bond in the amount of \$5.1 million. The Commissioner certified \$3.88 million as being owed to the cooperative, which was the second largest producer claim payment under the Milk Security Payment Program.

AGRICULTURAL PRODUCERS SECURITY FUND

The Agriculture and Markets Law provides for the licensing of all dealers who buy or receive New York farm products from producers in excess of \$10,000 annually to resell at wholesale. This program offers a measure of financial protection for producers by requiring licensed dealers to file

surety in the form of a bond or letter of credit with the Department. Licensed dealers also fund the Agricultural Producers Security Fund that provides supplemental protection when the primary security of a defaulting dealer is not sufficient to reimburse producers.

During 2002, 519 dealers were

licensed. The Department conducted 54 audits to determine compliance with the law. During the year, four cases involving 14 producers resulted in the producers receiving \$177,094 from the dealer's security and \$23,712 from the Agricultural Producers Security Fund.

MARKETING ORDERS

Marketing Orders have been established to assist the industry in achieving a variety of objectives including product development, research and promotion. Currently, the Department administers the following orders:

- the Apple Marketing Order,
- the Apple Research and Development Program,
- the Sour Cherry Marketing Order,
- the Onion Research and Development Program and
- the Cabbage Research and Development Program.

The Department's responsibilities include collecting the assessments, managing the funds and developing contracts with appropriate parties to effectuate the purposes of all farm product Marketing Orders except those involving dairy products. Together, these orders generate about \$2 million in industry funds annually which are used to market and promote the farm products and to support market and production research.



New York exhibitor pavilion at the 2002 Food Marketing Institute Expo in Chicago.

FOOD TRADE SHOWS

The Department maintained an ambitious Trade Show schedule in 2002, sponsoring New York pavilions at five major shows. Over 250 companies, twice as many as the previous year, took advantage of this market development opportunity to showcase their New York produced or processed food products to domestic and international food buyers.

- **Food Marketing Institute Exposition** Chicago, Illinois
- **Fancy Food Show** New York City, New York
- **Produce Marketing Association Show** New Orleans, Louisiana
- **Kosherfest** Secaucus, New Jersey
- **National Restaurant Association Show** Chicago, Illinois



HORSE HEALTH ASSURANCE PROGRAM

The New York State Horse Health Assurance Program (NYSHHAP) was established in the fall of 2002 with the State's first farm certified in October. NYSHHAP is a disease prevention program that promotes horse health through the institution of "best management practices" by farm owners and managers, horse

owners, and show management, and recognizes the equine operations that implement these practices. It provides a framework for horse owners to consider the health risks commonly associated with equine operations and to increase their knowledge and awareness of equine diseases and disease control.

Environmental Stewardship



Ontario County farmers Paul and Tom Brahm meet with AEM Planner Bob Stryker to review their AEM plan.

The Agricultural Environmental Management (AEM) program is recognized as a national model for addressing nonpoint source water pollution originating from agricultural land uses. This voluntary, incentive-based program helps farmers to document their good stewardship, develop and implement management plans that protect water quality and comply with regulatory advances, while meeting business objectives on the farm.

Participation in AEM continues to grow statewide as the program expands to meet the needs of New York's diverse and ever changing agricultural community. New and revised tools are being developed including an updated *Guide to AEM in NYS*, commodity specific

worksheets, nutrient management software and improved GIS technologies. The process for certifying public and private sector AEM planners to develop farm specific management plans continues to assure producers, environmental regulators and the public of the benefits of the AEM program.

Since 1994, New York has provided over \$32 million in AEM funding to farmers through the Agricultural Nonpoint Source Abatement and Control Grant Program for planning and implementation projects that reduce pollution. The AEM program has also been a catalyst for obtaining State and federal dollars, such as USDA funding for Farm Bill Conservation Programs.

SOIL & WATER CONSERVATION COMMITTEE

The New York State Soil and Water Conservation Committee establish policy to guide and assist county Soil and Water Conservation District (SWCD) programs that protect New York's natural resources. Working jointly with other State agencies and partners, the State Committee works to protect New York's waters from nonpoint sources of pollution, and advises other agencies on matters related to soil and water conservation.

AGRICULTURAL ENVIRONMENTAL MANAGEMENT



ENVIRONMENTAL STEWARDSHIP AWARD

The Environmental Stewardship Award, sponsored jointly by the Department, the Empire State Potato Growers, Inc., and the *American Agriculturalist*, brings public attention to the numerous conservation practices farmers incorporate into the operation and management of their farm businesses in an effort to conserve natural resources. It also recognizes the AEM stewardship efforts of the Soil and Water Conservation districts.

The 2002 winner was the Michael Pollack Jr. Family of Tompkins County, who were one of the first families in the State to participate in the AEM Program.





RIGHT TO FARM LAW

The Right to Farm Law prohibits local governments from administering laws, rules or regulations in a way which unreasonably restrict a farm operation located in an agricultural district, unless public health or safety is threatened. During 2002, 38 formal reviews of local ordinances and several informal reviews were conducted. Under the Right to Farm Law, the Department satisfactorily resolved 37 open cases.

ADVISORY COUNCIL

The Advisory Council on Agriculture provides recommendations relating to the Agricultural Districts Law and other matters affecting New York agriculture. During 2002, the Advisory Committee reviewed and commented on one sound agricultural practice opinion and seven opinions on whether a particular land use is “agricultural in nature.” There were 52 Notice of Intent filings, which are intended to help avoid adverse agricultural effects associated with certain types of publicly funded actions.

NONPOINT SOURCE GRANTS

The Agricultural Nonpoint Source Abatement and Control Grant Program provides cost-share funding to reduce and prevent nonpoint source water pollution from agricultural activities. These competitive grant funds are awarded through County Soil & Water Conservation Districts. Round IX of the grant program awarded funding for 39 projects totaling over \$6 million from the Environmental Protection Fund and the Clean Water/Clean Air Bond Act. Funded projects included agricultural waste management systems, prescribed grazing systems, comprehensive nutrient management plans, and AEM planning activities to identify farms and watersheds where improvements are needed.

AGRICULTURAL DISTRICTS

Farmers and local governments strongly support the Agricultural Districts Program which provides incentives such as preferential real property tax assessments and protections against restrictive ordinances and nuisance suits. The program also encourages farmers to keep their land in production.

At the close of 2002, a total of 325 districts, comprised of 21,425 farms and encompassing about 8.5 million acres of land, were in existence in 52 of the 62 counties throughout New York State. The Department also assisted local governments in their review of 25 districts.

FARMLAND PROTECTION

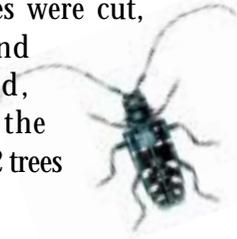
Local efforts to protect New York farmland continued to flourish in 2002 as requests for State funding continued to increase. The Department received nearly \$76 million in requests from 37 municipalities for the purchase of development rights. Farms face significant development pressure, and if protected, will help buffer natural public resources such as rivers, aquifers and important wetlands.

In 2002, \$16 million was awarded and New York was able to maintain the 7.6 million acres of farmland which encompasses one-quarter of our land area. A total of \$56 million to protect over 22,000 acres has been awarded since the program's inception in 1996.

ASIAN LONGHORNED BEETLE

The Department implemented a number of program improvements in 2002 in the federal-state cooperative effort to eradicate the Asian Longhorned Beetle from New York City and Long Island. The beetle is a wood-boring pest that attacks certain hardwood trees.

Approximately 134,000 host trees within a quarter of a mile of an infested tree were injected with Imicide, an insecticide designed to suppress adult and larval populations of the beetle. Bucket trucks, cherry pickers and tree climbers were engaged to enhance visual detection techniques, which has proven to be significantly more effective than inspection conducted from the ground. During 2002, 422 infested trees were cut, chipped and incinerated, bringing the total to 7,152 trees since 1996.



WEST NILE VIRUS

During 2002, the Department received 36 confirmed reports of equine cases of West Nile virus (WNV) infection. This disease highlights the importance of our ongoing efforts to control these diseases of animals which also pose significant threats to public health. The majority of case horses were reported to have acute onset of clinical problems. Of the 36 case horses New York had in 2002, 11 died or were euthanized. Only two case horses of the 36 were adequately immunized with West Nile vaccine prior to clinical onset; one of which died.



GOLDEN NEMATODE

One of the most difficult crop pests to eradicate, the Golden Nematode is a quarantined pest discovered in potato fields in several areas of New York. During the fall 2002 survey, an infested field was detected outside of the established quarantine areas.

The traditional strain, Ro1, has been controlled by planting resistant potato varieties, while resistant varieties have yet to be developed to control Ro2. An alternative management system employing a less sensitive use of resistant varieties was developed to maintain both Ro1 and Ro2 populations below the level of detection, allowing growers to plant a higher percentage of susceptible varieties.

POTATO MOP TOP VIRUS

Potato mop top virus (PMTV) is a disease of quarantine significance that causes severe yield and quality reductions in some potato cultivars. In August, the Canadian Food Inspection Agency notified the USDA that they had intercepted potatoes infected with PMTV from several states. A cooperative federal/state survey of all state potato seed certification programs was conducted to determine whether the virus is present in certified seed.

A parallel survey was conducted in Canada and the U.S. Three thousand tubers, representative of all the seed lots, were collected in each state. All samples were processed and found negative for PMTV.

PLUM POX VIRUS

In 1999, plum pox was discovered in North America for the first time in Adams County, Pennsylvania. In 2002, the Department sampled 17 stone fruit orchards in Niagara, Orleans and Chautauqua counties at the request of the USDA for the detection of the plum pox virus. All 15,960 samples were found to be negative. This represents the third year of intensive survey with negative results. New York State stone fruit production areas are considered at risk due to the presence of this disease in the Niagara area of Canada.

Food Safety & Inspection

FOOD INSPECTION SERVICES

Food Safety and Inspection is responsible for maintaining the safety and integrity of the food supply from producer to retailer, as well as providing unbiased third party product grading service for a wide variety of agricultural products.

During 2002, 44,094 sanitary inspections were conducted in an effort to ensure the safety, cleanliness, and proper labeling of food during processing, transportation and sale. There are 27,646 establishments under the Department's jurisdiction, including food canneries, food processing plants, bakeries, candy manufacturers, beverage bottlers, cereal and baby food manufacturers, flour mills, retail food stores and refrigerated warehouses. At the end of 2002, 93 percent of these establishments were in compliance.



- **PENALTIES:** There were 5,163 penalties assessed in 2002, totaling \$2,417,880 for insanitary conditions, misbranded products, fraud, adulterated food and other violations.
- **FOOD RECALLS:** The Department performed 356 food recalls in 2002.
- **FOOD SEIZURES:** There were 2,797 food seizures made, resulting in the destruction of 426,122 pounds of adulterated or unfit foods.
- **INVESTIGATIONS:** The Department conducted 8,998 food-related investigations, in addition to 3,028 consumer complaint investigations.
- **DETERMINATIONS:** Final determinations were made by the Commissioner in 63 cases following 108 administrative hearings to consider revoking or declining to grant or renew licenses at food establishments because of insanitary conditions. Fifty-seven licenses were denied or revoked.

FOOD SAFETY OUTREACH

During 2002, the Department conducted 23 food safety and labeling seminars for members of the food industry. More than 1,629 food establishment executives, supervisors and employees attended these seminars at which Department staff explained the food safety issues behind Agriculture and Markets Law and regulations, and offered advice on how to keep businesses in compliance.

In addition, the Department made available, upon request, inspection status reports and statistics to food chains interested in monitoring their compliance status and pinpointing problem areas. These reports are frequently customized to meet the specific needs of a given chain. Division staff also routinely met with industry trade associations to discuss food safety and regulatory issues of mutual concern.

COMPLIANCE SESSIONS

The Department conducts industry compliance sessions to assist food establishments in complying with sanitary requirements. In 2002, 1,205 compliance sessions were held with retail food specialists to review problem areas in the establishment. Three-quarters of the establishments that participate are found in compliance during their next inspection, which significantly reduces the need for further administrative actions.

DAIRY INSPECTIONS

The Department inspects all sectors of the dairy industry from cow to consumer to ensure compliance with the State's sanitary regulations. In 2002, approximately 4,100 dairy farms were visited to determine the accuracy of sampling producer milk and to evaluate the performance of the State's 120 Certified Industry Milk Inspectors. The Department also conducted 808 inspections of milk receivers and made 378 inspections of milk testing laboratories. This assures that properly trained and qualified people use proper equipment and techniques to determine the acceptance or rejection of milk from farmers and that farmer's milk is accurately measured, sampled and tested.

DAIRY PRODUCT LABS

There are nine Milk and Dairy Product Laboratories across the State that perform required tests for milk and dairy products. In 2002, 7,097 samples of consumer milk and dairy products were tested for butterfat and added water. 5,344 tests of producer milk were conducted for butterfat, water, abnormal milk and sediment and 19,091 weight tests performed on packaged milk and ice cream.

FOOD LABORATORY

The Food Laboratory tests a variety of items for various divisions within the Department, as well as other agencies in the State. During 2002, the laboratory tested 21,121 food, beverage and agricultural samples to determine compliance with food standards, adulteration with inferior or substitute ingredients, undeclared or non-permitted preservatives, heavy metals, color additives, contamination with filth, spoilage, pathogenic bacteria, toxins or parasites. Approximately 89% of the samples were found to be properly labeled and free of adulteration. The laboratory also provides chemical and microbiological services, tests for pesticide residue in food and tests laboratory glassware for conformance with construction and calibration standards.

CATTLE HEALTH ASSURANCE PROGRAM

The New York State Cattle Health Assurance Program (NYSCHAP) was established in 1997 to promote "best management practices" strategies on New York dairy farms. The program requires the efforts of the producer, the regional State

field veterinarian and the herd's private veterinarian.

NYSCHAP is a process oriented program that addresses key food safety, animal health and environmental pathogen control issues on the farm. The program recognizes a set of practices that,

when employed on the farm, limit the impact of an infectious agent. These practices reduce the potential for the introduction of an infectious agent to the farm, amplification within the farm, and transportation of the agent beyond the farm borders.

The collective set of these principles constitutes the core module of the program. These principles have become increasingly important, since herd expansions, cattle movement and the possible introduction of biological agents make it difficult to anticipate the nature of future threats to cattle health. There were 634 farms participating in the program in 2002.



PRODUCE QUALITY ASSURANCE PROGRAM

Based on FDA and USDA good agricultural practices guidelines, the Department established a new program in 2002 that provides third party verification services for the State's fruit and vegetable growers, packers, shippers and receivers. The Produce Quality Assurance Program (PQAP) helps reduce the potential for foodborne illness

outbreaks associated with fresh fruits and vegetables.

After the successful completion of 6 pilot PQAP inspections, the Department was able to provide 15 official certifications this year. Applicants for service in this program included growers of cabbage, raspberries,



apples, beans and peppers, storage operators, packers and distributors.



All live bird markets in New York City were closed and cleaned for 3 days to safeguard against Avian Influenza.

AVIAN INFLUENZA

Low pathogenic Avian Influenza virus was found in New York's live bird markets in 2002. Left uncontrolled, this virus is a threat to the health and economic welfare of poultry farms across the nation. Because the virus was also found in markets in other Northeastern states, from April 8 – 10, 2002, in cooperation with the USDA, the Department closed and disinfected all 80 live bird markets in the New York City area, as well as five wholesalers. All facilities were inspected and sampled for influenza virus prior to re-opening, and all sites tested negative.

FARM PRODUCT GRADING & INSPECTIONS

The Department grades and certifies fruits, vegetables, fish and fishery products, poultry, eggs and meat. Official certificates are required on export shipments, government purchases and many commercial sales contracts. The Department provides this service on a fee basis to producers and shippers of agricultural products. USDA licenses State inspectors to inspect various commodities and to issue federal certificates attesting to the product's grade. The service is widely used to ensure fulfillment of purchase contract requirements, as a basis for delivery rejections, and in the settlement of disputes over product quality and grade. For the first time, the Department began providing official veal grading services to two New York City veal packers.

EGG QUALITY ASSURANCE PROGRAM

The New York State Egg Quality Assurance Program (NYSEQAP) was initiated in 1997 to improve the quality of eggs produced in New York and minimize the public health risk posed by *Salmonella Enteritidis*. The program includes an initial certification, producer training, and annual and recertification audits. At the end of 2002, NYSEQAP certified participants included 10 egg producers and one multiple facility pullet grower, which represent approximately eighty-five percent of New York State's total egg production. Since 1997, there have been no New York eggs implicated in a human Salmonella Enteritidis outbreak.

LIVESTOCK FEED & PET FOOD

More than 400 inspections were conducted at feed mills and warehouses for compliance with federal and State rules regarding feed at risk of causing Bovine Spongiform Encephalopathy (BSE). The Department insists on 100% compliance with the BSE rule as the control of animal feed is recognized as a major means for prohibiting "Mad Cow Disease" from occurring in this country. In 2002, the Department also took 245 samples of livestock feed and pet food to be analyzed for compliance with their nutrient or drug-labeling guarantee.

Consumer Services

PET DEALER LICENSING PROGRAM

The New York State Pet Dealer Licensing Program became effective July 1, 2002 and requires annual inspection and licensure of pet dealers and breeding facilities that sell dogs and/or cats to the public.

In 2002, 215 facilities were licensed under the Pet Dealer Program. Licensed facilities are inspected and rated satisfactory or unsatisfactory in the following categories: housing; advertising; sanitation; feeding and watering; required posted license and notices; handling; records of veterinary care; and records of purchases and sales.

Upon receiving a satisfactory inspection, a license is issued to the facility by the Commissioner. A license is valid for one year. Also, facilities can be inspected at any time if, at the discretion of the Commissioner, a complaint warrants it.

DOG LICENSING

During 2002, over 646,000 dog licenses were issued for dogs in New York outside of New York City for total license fees of \$2,346,180. Of this amount, the issuing municipalities retained \$1,267,555 for providing dog control and shelter services and issuing dog licenses. The counties retained \$681,651 for dog damage indemnifications, and the State received \$332,684 for the administration and oversight of the companion animal programs. Cornell University received \$64,289 for research on dog diseases.



The 156th New York State Fair was "Beyond Spectacular!"

For the second year in a row, the twelve-day event attracted more than one million people. Total attendance for 2002 was 1,003,473.

The theme for the State Fair was "Beyond Spectacular" and it proved to be an appropriate name

as the Fair registered four different 100,000+ attendance days for the first time in history and three new daily attendance records.

Among the Fair's many highlights was the opening day dedication of a permanent 9-11 Remembrance, which featured eight towers that list the names of victims along with photos and representations of those fire, police and emergency agencies involved in the tragedy. Governor Pataki

unveiled the 9-11 Remembrance in a very touching ceremony as part of the opening day events.

The Fair continued its aggressive corporate sponsorship push as more than \$1.4 million in sales were registered for this year's event. There were more than 36,000 entries and over \$250,000 in premium money disbursed throughout the agricultural competitions held during the twelve days of the Fair.



ANIMAL POPULATION CONTROL PROGRAM

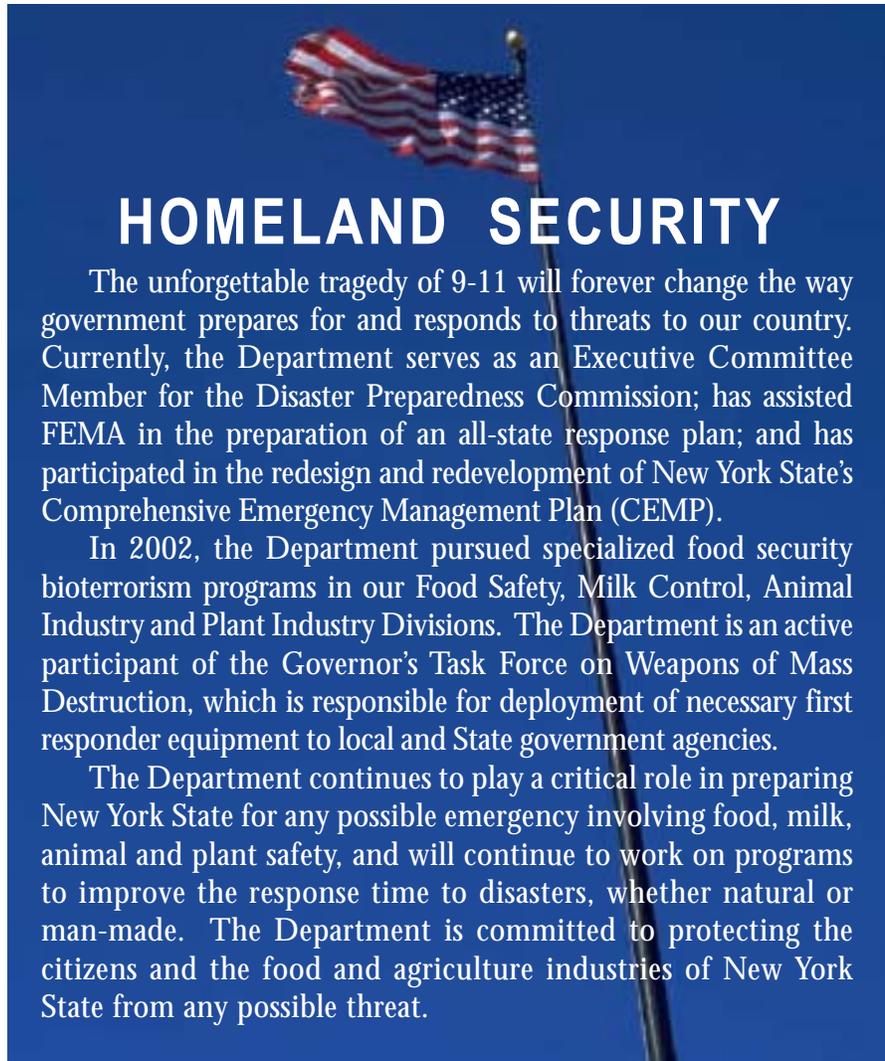
In a continuing effort to reduce the number of unwanted dogs and cats in New York, the Animal Population Control Program issued 8,080 Adoption Voucher Agreements to approved animal shelters. The vouchers are distributed to those adopting a new pet from an animal shelter and entitles the new owner to a \$30 toward a spay or neuter surgery for the adopted animal at a participating veterinarian. The primary funding source for this program is the \$3 fee on all unspayed/unneutered dog licenses.

KOSHER ENFORCEMENT

Kosher Enforcement was historically charged with ensuring that kosher food is properly processed, manufactured, sold, advertised or otherwise represented as kosher. With an increasing demand by consumers for kosher products there are well over 60,000 different products available in the marketplace. In 2002, the Department conducted 7,876 inspections and 401 investigations.

WEIGHTS AND MEASURES

Weights and Measures is responsible for assuring measurement accuracy and uniformity in commerce across New York State. In cooperation with local weights and measures departments, the Department regulates measuring device accuracy, packaged commodity net contents and quality standards for gasoline and diesel fuel.



HOMELAND SECURITY

The unforgettable tragedy of 9-11 will forever change the way government prepares for and responds to threats to our country. Currently, the Department serves as an Executive Committee Member for the Disaster Preparedness Commission; has assisted FEMA in the preparation of an all-state response plan; and has participated in the redesign and redevelopment of New York State's Comprehensive Emergency Management Plan (CEMP).

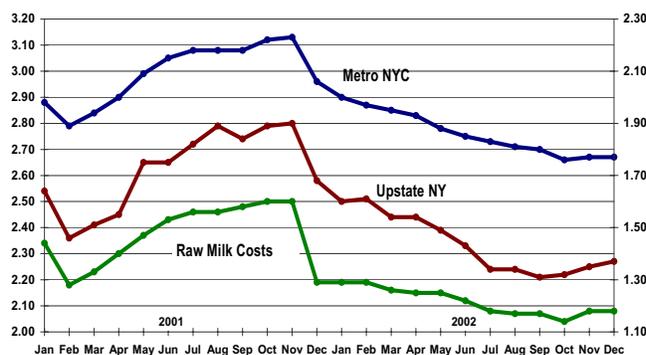
In 2002, the Department pursued specialized food security bioterrorism programs in our Food Safety, Milk Control, Animal Industry and Plant Industry Divisions. The Department is an active participant of the Governor's Task Force on Weapons of Mass Destruction, which is responsible for deployment of necessary first responder equipment to local and State government agencies.

The Department continues to play a critical role in preparing New York State for any possible emergency involving food, milk, animal and plant safety, and will continue to work on programs to improve the response time to disasters, whether natural or man-made. The Department is committed to protecting the citizens and the food and agriculture industries of New York State from any possible threat.

RETAIL MILK PRICE SURVEY

The Department conducts a monthly retail milk price survey to protect consumers from excessively high retail milk prices, known as price gouging. The Department calculates a "threshold" price each month as a benchmark for evaluating retail prices, which is set at 200 percent of the farm price for Class I milk. Retailers that price above the threshold price may be subject to legal action if they cannot justify their costs.

New York State is the only state in the country that has a retail milk price threshold law that protects consumers from excessively high milk prices.



The graph shows that average retail milk prices in the metro and upstate regions closely track changes in the raw farm milk price.



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