

New York State Department of Agriculture & Markets

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



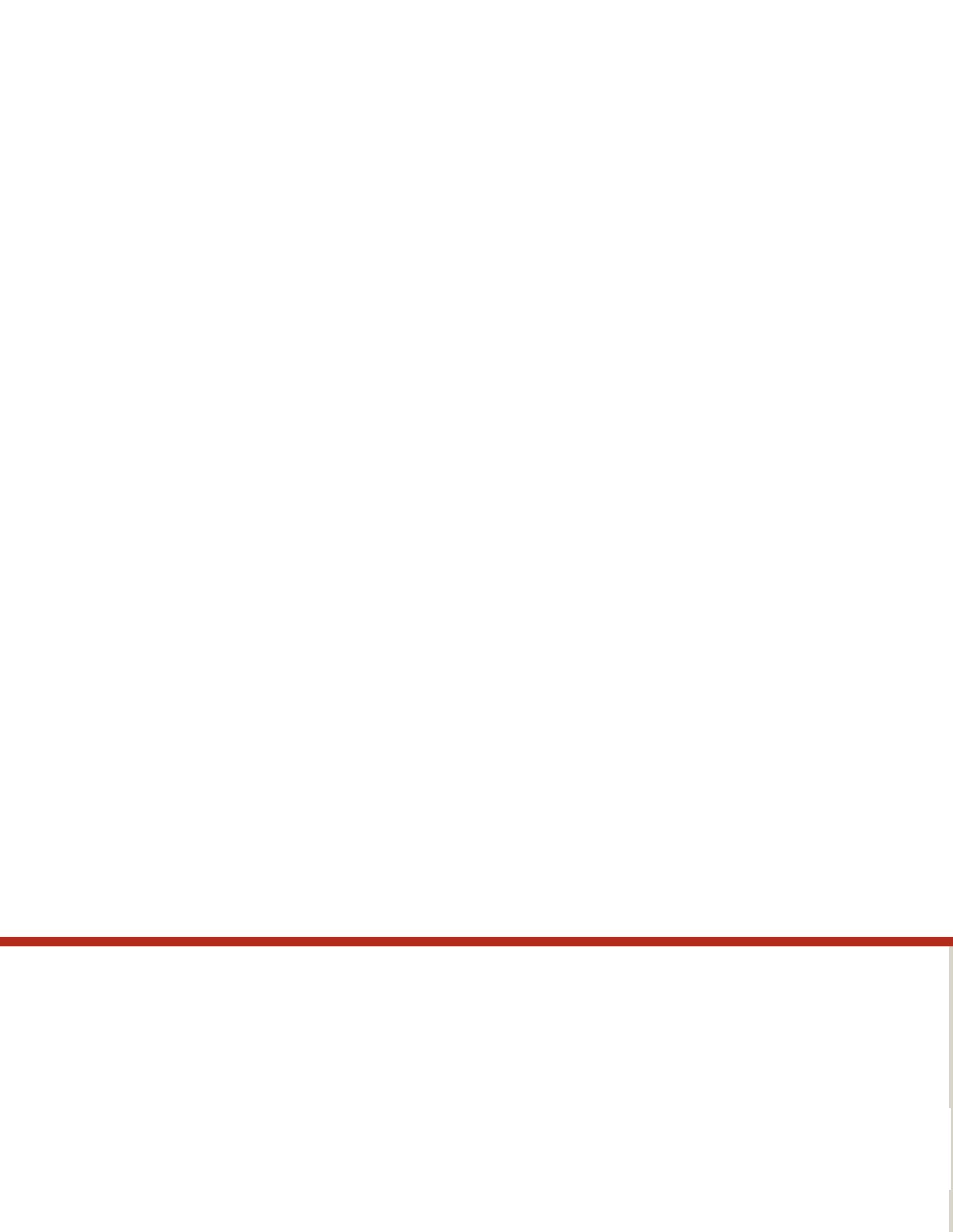
2005 Annual Report

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BIG PUMPKIN





Dear Friends of Agriculture,

Agriculture is an essential component to the prosperity of our upstate communities and the longevity of our rural landscapes, and New York State Department of Agriculture and Markets is dedicated to ensuring its continued success.

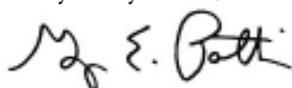
Under the leadership of former Commissioner Nathan L. Rudgers in 2005, the Department implemented several new programs and enhanced existing ones to further uphold its mission “to foster a competitive food and agriculture industry that benefit producers and consumers alike.”

Over the past eleven years, we have been able to improve our methods of detecting and rapidly responding to disease and food emergencies, increase the number of economic development opportunities, better protect our natural resources and ultimately, improve the quality of life for all New Yorkers. Among other accomplishments, we have administered over \$4.5 million in grants, helped over 9,000 farmers comply with environmental regulations, dramatically increased the awareness of local food products, increased the number of food safety inspections, protected over 36,000 acres of viable farmland from development, and saved farmers millions of dollars in tax savings.

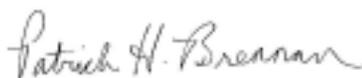
Agriculture is as important today as it ever was and these accomplishments, in addition to the numerous other programs summarized in this annual report, will give you a good idea of all that has been done to help ensure a bright future for our food and agriculture industries in New York State.

We appreciate the support you have given this industry throughout 2005 and thank you for your contributions to making New York agriculture all that it is today.

Very Truly Yours,



George E. Pataki
Governor



Patrick H. Brennan
Commissioner

Governor Pataki and former Commissioner Rudgers stop to enjoy a New York State apple at the 2005 New York State Fair in Syracuse.



TABLE OF CONTENTS

The 2005 Annual Report is divided into the New York State Department of Agriculture and Markets' four main areas of responsibility:

Economic Development	2
Environmental Stewardship	6
Food Safety & Security	9
Consumer Services	15

ECONOMIC DEVELOPMENT

Marketing Orders

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

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

The Department is responsible for collecting assessments, managing funds and developing contracts with appropriate parties.

Trade Shows & International Marketing

The Department assists New York food and agricultural producers in selling their products locally, domestically and abroad. In 2005, the Department sponsored State exhibitor pavilions at the following trade shows:

- American Food Fair
- Fancy Food Show
- Food Marketing Institute
- International Dairy, Deli Bakery Show
- Kosherfest
- National Restaurant Association
- Produce Marketing Association Show
- U.S. Food Export Showcase
- United Produce Expo

The Department helps New York companies secure funding and receive technical assistance in promoting and selling products abroad. The Department is a member of Food Export USA, an international trade promotion organization, which offers food and agriculture companies in New York the opportunity to participate in trade and buyer missions, and assistance programs as well as trade leads and various promotions. Also, in 2005, 45 companies were allocated \$1.9 million in marketing expense reimbursements through the Market Access Branded Program.

New York launched its first virtual wine tasting in 2005 with buyers in the Czech Republic. A virtual wine tasting is a real time linkage that was established between the U.S. Embassy in Prague and the New York State Agricultural Experiment Station. Over 35 wine enthusiasts and buyers gathered in Prague to taste 18 different wines from six New York wineries.

A trade mission organized by the Department to Canada was held in 2005 promoting New York wine and other agricultural products. Buying meetings were conducted with retail managers, as well as with the Ontario Liquor Board Authority and agents for New York Wine and Grape in Canada.

To increase buying between Japan and New York, the Department held meetings in Japan promoting New York wine, complete with samples. Wine sommeliers, buyers, agents and retailers sampled wines from New York in Tokyo and Osaka.

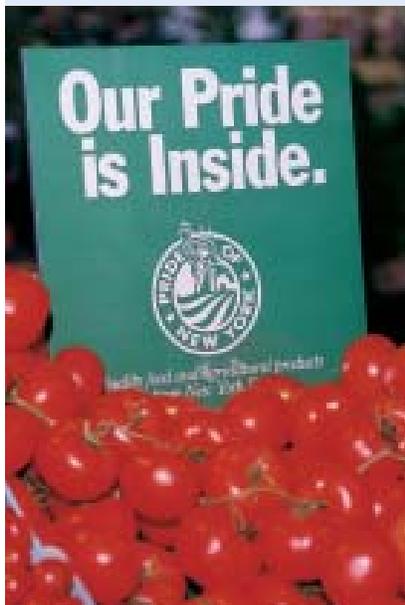
A “listening meeting” with wineries was conducted in 2005 to inquire about the marketing and promotional needs of New York wineries. The suggestions and concerns expressed at this meeting became the backbone for the wine promotion and marketing program established later in the year.

Wine Promotion



Pride of New York

Membership in the Pride of New York Program grew to more than 1,700 in 2005. Today's program includes growers and farm businesses; vineyards and wineries; food processors; foodservice organizations; retailers and direct marketers; brokers and distributors; agri-tourism destinations; culinary arts and



Pride of New York

related programs, and support groups and related trade associations.

Pride of New York branched out in 2005 to chefs and restaurateurs. It was a natural extension of the Program's philosophy of promoting the diversity of agricultural and food products grown and processed in New York State. As a result, the program is putting a growing number of restaurant members in touch with Pride producers and processors.

In 2005, the Pride program produced its third 30-second television commercial focusing on the products Pride members produce and reflecting the Program's growing visibility in restaurants, markets and other retail outlets across the State. The program supported a cooperative radio campaign in the Buffalo area and aired "early summer/late summer" radio spots produced to promote and

educate the consumer about the diversity and abundance of New York State fruits and vegetables.

The Pride program continues to partner with organizations and trade groups to offer new tradeshow opportunities to its members at local and regional consumer events such as the Pride of New York Harvest Festival, Finger Lakes Wine Festival, Oswego Harbor Festival, as well as offering opportunities to achieve broader exposure and increase retail sales at major national and international shows such as the National Restaurant Association Show, Produce Marketing Associations' Fresh Summit International Convention & Expo and the Food Marketing Institute Showcase.



Milk Dealer Licensing

Those who purchase, handle, sell or bargain for the purchase or sale of milk must be licensed in New York State. In 2005, 629 milk dealers were licensed, including 60 cooperatives, 103 plants, 333 distributors, 128 haulers, and five brokers. Ten new milk plants opened and seven closed.

The Department conducts on-site audits of licensed dealers to ensure that farmers are paid promptly, that adequate security is provided and to verify reports.

Milk Security Program

New York helps 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 secure their purchases by either participating in Milk Producers Security Fund (MPSF) or by filing full alternate security, covering 40-days worth of milk purchases in the form of a bond or letter of credit.

In 2005, 66 dealers participated in the MPSF, which had a balance of \$5.5 million. 31 dealers filed full alternate security, totaling \$82 million. As added protection for farmers, a state stand-by appropriation of \$6.25 million was available in case a default exceeded the MPSF.

There was one producer claim in 2005 for \$702,000. No formal action was required as the dealer paid cash on delivery for milk purchases and then fully paid the past due amount.

Grow New York

Grow New York assists the economic development efforts of New York's agricultural production, processing and marketing industries. This multi-faceted initiative contributes to existing economic development through environmental stewardship, quality assurance, promotion, market enhancement, business and workforce development, tax savings and protections and funding opportunities.

Financial assistance is matched with private capital to develop and expand agricultural businesses. In 2005, Grow New York invested nearly \$1,103,000 million in 49 projects to develop farm business strategies, assist innovative research and development projects, and make physical improvements to farmers' markets.

Grow New York Enterprise Program

The Grow New York Enterprise Program is a joint initiative of the Governor's Office for Small Cities, Empire State Development Corporation and the Department, which dedicates \$3 million annually to increasing the demand for and expanding the use of New York's agriculture and forest products. The program provides funds to local governments who use the dollars to assist qualifying businesses who undertake activities resulting in the creation of job opportunities for low- and moderate-income persons. Emerging or expanding businesses that are focused on producing, processing, marketing or expanding New York produced agricultural products are eligible.

In 2005, 17 agricultural businesses received \$2,982,500 to help create 317 jobs that will principally be made available to persons of low- and moderate-income.

Agricultural Producers Security Program

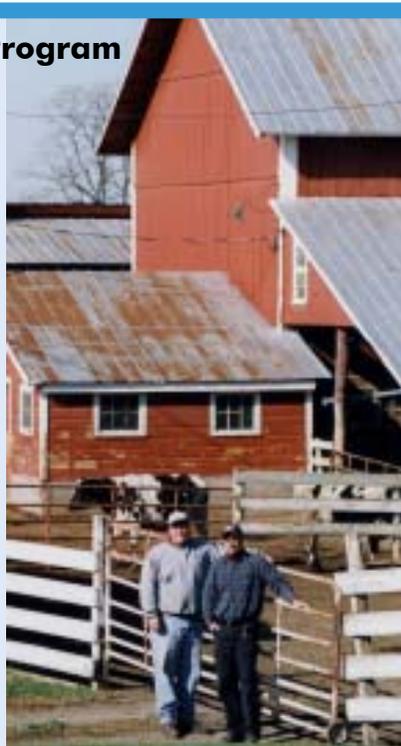
All dealers who buy or receive New York farm products from producers in excess of \$10,000 annually to sell at wholesale must be licensed by the Department. The Agricultural Producers Security Program (APSP) offers financial protection for producers by requiring licensed dealers to file security, in the form of a bond or letter of credit, with the Department. Licensed dealers also fund the Agricultural Producers Security Fund which provides supplemental protection when the primary security of a defaulting dealer is not sufficient to reimburse producers.

In 2005, 521 dealers were licensed. The Department also conducted audits for compliance with the law and one case involving five producers resulted in producers receiving \$200,000 from the dealer's security and \$156,213 from the Agricultural Producers Security Fund.

In 2005, Article 20 was amended to include a trust provision, allowing producers 60 days to preserve their trust benefit; a prompt payment provision, requiring written agreements to be signed by the dealer and producer for payment terms other than 30 days; and a stated grape price.

Beginning Farmer Loan Program

The Beginning Farmer Loan Program (BFLP) was approved in 2005 to provide low-cost financial assistance to beginning farmers in New York State. Funding can be used for the purchase of agricultural property and equipment to help start a farm business or to facilitate inter-generational transfer of a farm. Administered by the New York State Environmental Facilities Corporation in conjunction with the Department, BFLP is scheduled to accept applications in 2006.



Pride of New York

Farmers' Market Nutrition Program

The Farmers' Market Nutrition Program promotes improved nutrition through increased consumption of locally grown fresh fruit 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 2005, 898 farmers marketed their products to participants in these programs. These farmers redeemed \$5,450,000 in Farmers' Market Nutrition Program checks, which the Department issued to 292,000 WIC participants and 88,448 senior citizens. New York leads the country in the number of recipients served under this program.

Agricultural Workforce Certification Program

The Agricultural Workforce Certification Program (AWCP) conducted 53 training programs in 20 counties in 2005. Each 30-40 hour training program is designed to place individuals new to agriculture into production agriculture employment or to upgrade skills of existing farm employees. Over 1,200 individuals were certified by AWCP with placements to dairy farms, landscape companies, nursery farms, retail garden stores and turf grass operations. AWCP has trained and certified over 12,000 individuals since its inception in 1992.

Farm-to-School



New York Harvest for New York Kids Week is an annual celebration in schools statewide that encourages nutritious food choices, while promoting and supporting New York's harvest.

Since 2002, the Farm-to-School Program has facilitated the purchase of New York farm products by the State's school districts.

2005 was a year of continued growth. Sales of New York products through the U.S. Department of Defense Fresh Program grew from \$883,000 in 2003 to \$1,685,000 in 2005, and included fresh apples, apple slices, mini-grapes, baby peeled carrots, and potatoes.

In 2005, the Department continued its participation in the School Food Plus Initiative in New York City schools. Meetings between distributors and foodservice providers were organized with a key broker serving New York City schools to find ways to increase the use of New York grown fruits and vegetables in school meals and improve the New York farm economy.

Farm-to-school efforts are now common throughout the State with most schools organizing events for New York Harvest for New York Kids Week; and many more schools either initiating purchase of New York farm products, or expanding purchases from previous years.

Farm Worker Day Care

The Agri-Business Child Development Program (ABCD) delivers day care and early childhood development services to the children of New York's farm workers. Children ages six weeks to six years, whose parents are engaged in production agriculture, benefit from ABCD. ABCD delivers comprehensive child development services, including health and dental care,

meals, transportation, and age appropriate educational and physical activities. In 2005, ABCD served over 1,850 children in 14 centers and 25 family day care homes and licensed child care centers.

Construction of an ABCD Center in Holley, eastern Orleans County, commenced in 2005 with the completion and grand opening expected in early 2006.

ENVIRONMENTAL STEWARDSHIP

Advisory Council

The Advisory Council on Agriculture provides advice and recommendations to the Commissioner relating to the Agricultural Districts Law and other matters affecting New York agriculture, such as the establishment and review of agricultural districts and land classification used to determine agricultural assessment values.

During 2005, the Advisory Committee reviewed and commented on two opinions on whether a particular land use was “agricultural in nature.” There were 82 Notice of Intent filings, which are intended to help avoid adverse agricultural effects associated with certain types of publicly funded actions.

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 2005, 22 formal reviews of local ordinances and 16 informal reviews were conducted. Under the Right-to-Farm Law, the Department did not receive any requests for a Sound Agricultural Practice Opinion.

Farmland Protection

Farms face significant development pressure, and if protected, can help buffer natural public resources such as rivers, aquifers and important wetlands. In 2005, the Department received more than \$46 million in requests from 35 local governments for the purchase of development rights on 65 farm operations, encompassing over 13,100 acres.

The Farmland Protection Program awards counties and municipalities with 75% cost share funding for lands facing significant development pressure, serving as a buffer to important ecosystems or habitats, and with the long-term potential to remain in production. In 2005, the State allocated \$15.2 million for the purchase of development rights on more than 5,100 acres of farmland. A total of \$95.6 million to protect over 41,000 acres has been awarded since 1996.

Agricultural Districts

The Agricultural Districts Program 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.

In 2005, a total of 303 districts, comprised of 22,029 farms and encompassing about 8.5 million acres of land were in existence in 53 of the 62 upstate counties throughout New York State. The Department also assisted local governments in their eight year review of 25 districts and 79 districts in their annual inclusion.

Productive farmland surrounding Otisco Lake in Onondaga County



Onondaga County SWCD

Agricultural Environmental Management



NYS SWCD



Over 9,000 New York farms in 55 counties are leading the nation in conservation through the State's Agricultural Environmental Management (AEM) program. Recognized as a national model, AEM's goal is to provide a consistent yet flexible method to deliver conservation programs and services that support farmers in their continued voluntary stewardship efforts. In 2005, the program continued its expansion to serve all types and sizes of agricultural operations and developed additional resources to address farmer-neighbor relations. AEM also expanded its outreach by providing targeted training to local AEM partners, redesigning the AEM website and partnering on the expansion of a national environmental stewardship curriculum.

The AEM partnership of local, state and federal agencies, agricultural and environmental groups, private sector, and farmers also continued to strengthen in 2005. For example, Federal Farm Bill conservation programs now require the use of the AEM assessment process; and USDA EQIP provided \$11 million for AEM conservation projects in eight major New York basins.

State Cost-Share Funds

Conservation can be costly, and in 2005, New York farmers invested over \$3 million to implement necessary conservation practices identified through AEM planning. To help farmers continue their commitment to environmental conservation, \$6.1 million was awarded in State Agricultural Nonpoint Source Abatement and Control Grant Program funds through County SWCDs to help farmers implement AEM conservation projects.

AEM Base Program Funds

2005 also marked the second year of non-competitive AEM Base Program grant funding, which matched \$500,000 in state funds with \$800,000 in federal funds. This initiative supports the completion of AEM assessment, planning, implementation and evaluation on farms in priority watersheds across New York.

Soil & Water Conservation Committee

The New York State Soil and Water Conservation Committee establishes policy to guide County Soil and Water Conservation Districts in implementing responsible soil and water conservation programs. The Committee also advises government agencies on matters relating to soil and water conservation and works with partner agencies to protect the State's water resources.

CREP

New York's Conservation Reserve Enhancement Program (CREP) helps farmers convert environmentally sensitive farmland to conservation buffers in priority watersheds, enhancing water quality and wildlife habitat, while providing cost-sharing, land rental payments and other incentives. In its second year, CREP had 117 new projects spanning over 1,700 acres of land, a 40% increase over 2004. CREP has the capacity to enroll 40,000 acres and provide \$62 million to New York farmers.

CAFOs

Professional planners work with New York's Concentrated Animal Feeding Operations (CAFOs) to protect the State's water resources. To date, 41 public and private sector planners are working with 615 CAFOs to develop individual Comprehensive Nutrient Management Plans (CNMPs) that prescribe precisely how and when to apply nutrients, helping to ensure continued protection of water quality.

Cooperative Agricultural Pest Survey

The federal-state Cooperative Agricultural Pest Survey (CAPS) program continues to focus upon the early discovery and detection of exotic invasive agricultural plant pests. State inspectors and cooperators target invasive insects, diseases and weeds considered to have a high probability for introduction and establishment in the State and the U.S. Exotic invasives have the potential to seriously impede our ability to move plants and plant products domestically and abroad in addition to posing a significant risk to the environment.

In 2005, the CAPS program emphasized coordination and outreach activities fostering partnerships with federal and state agencies, universities and colleges and weed management councils. Assistance from the general public is cultivated and encouraged through the distribution of pest alerts and outreach conducted through the State Survey Coordinator.

Invasive Species

Invasive species pose a significant threat to agriculture and the environment. The number and impact of harmful invasive species are chronically underestimated, and the economic impact associated with them in the U.S. is estimated at \$120 billion annually.

The Invasive Species Task Force made 12 recommendations for future consideration addressing the prevention, early detection and rapid response to emerging invasive pest issues.

Plum Pox Virus

First discovered in 1999 in Pennsylvania and then in 2000 in Ontario, Plum Pox Virus infects stone fruits resulting in reductions in fruit quality and eventually debilitates the tree. In 2005, 13,965 samples were tested and found negative for the virus. Surveys conducted annually since 2000 continue to support the contention that stone fruit acreage in New York is free from this disease of quarantine significance.

Sudden Oak Death

Beginning in 1995, Sudden Oak Death has been found only in Oregon and California in the U.S., but is of concern because at least two eastern oak species, northern pin oak and northern red oak, are highly susceptible. State inspectors targeted 45 nurseries for inspection and collected 957 samples, all of which were negative.

Sirex Wood Wasp

Sirex Wood Wasp was first discovered in the U.S. in 2005 by the CAPS Exotic Bark Beetle Detection Survey. The Sirex bores into the wood of the tree and is associated with a toxic mucus secretion and a pathogenic fungus which serve to further weaken and kill the tree.

A rapid response was initiated to assess the extent and distribution of the Sirex, which was pinpointed to Oswego and detected 50 miles out. *Sirex noctilio* is a candidate for biological control and plans are underway to introduce a parasitic nematode that has been successfully employed in other countries where this pest has been introduced.

Asian Longhorned Beetle

Since 1996 when the Asian Longhorned Beetle was first discovered in Brooklyn, it has been a serious pest of important hardwood trees such as maple, birch, willow, and others.

A cooperative federal, state and city eradication program initiated in 1997 focuses on survey, control and regulatory activities, targeting eradication of the beetle from the 132 square miles quarantine in New York City and Long Island by 2018. Infested trees are cut, chipped and incinerated. To date, more than 7,900 trees have been removed. Chemical injections of non-infested trees combined with tree removals have significantly suppressed beetle populations reducing the potential for spread outside of the area of infestation.



Sirex Wood Wasp, sirex noctilio

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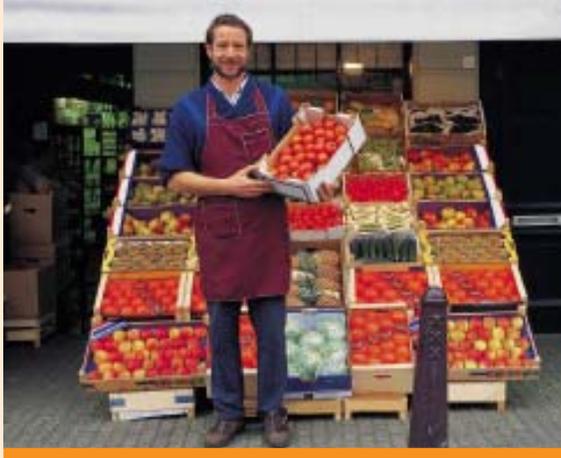
FOOD SAFETY & SECURITY

One of the main duties of the Department is to maintain the safety and integrity of the food supply from producer to retailer.

In 2005, New York had 29,797 retail food establishments, including processing plants, bakeries, manufacturers, retail food stores, and refrigerated warehouses.

To ensure the safety, cleanliness and proper food labeling at these establishments, the Department conducted 42,229 inspections, resulting in a 91% compliance rate at their most recent inspection.

Inspectors collected 3,311 food samples for analyses by the State Food Laboratory to



Sanitation Inspections

determine compliance with food standards, adulteration, undeclared or non-permitted preservatives, and other possible sources of contamination.

8,737 food related investigations were conducted, in addition to 3,092 consumer complaint investigations. 2,316 food seizures were made, and

255,261 pounds of adulterated or unfit food was destroyed.

There were 6,224 penalties assessed for insanitary conditions, misbranding, economic fraud, and other violations. There were 386 violations relating to food labeling and advertising reported.

The Department held 494 industry conferences for chronic insanitary food establishments. The conferences serve as an interim step, in lieu of an administrative hearing or injunction proceeding. Roughly 74% of the participating establishments are in compliance at their next inspection. This significantly reduces the need for hearings, injunctions or other legal remedies.

Farm Products Grading & Certification

The Department offers grading and certification, since it is required for various agricultural products to be exported, as well as for government and some commercial sales contracts. Producers and shippers of agricultural products, including fruits, vegetables, fish and fishery products, poultry, eggs and meat can contract with the Department on a fee basis to

obtain official documentation. This is facilitated by cooperative agreements between the Department, USDA, and the U.S. Department of Commerce. State inspectors are licensed by USDA 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.

The Department also provides the produce industry with third-party certifications, which attest to growers, shippers, packers and distributors ability to handle produce in a safe manner and minimize microbial contamination of their products.

Food Safety Outreach

During 2005, the Department conducted 29 food safety and labeling seminars for members of the regulated food industry across New York State. Over 1,527 food establishment executives, supervisors and employees attended these seminars which explained the

food safety issues behind Agriculture and Markets law and regulations, and offered advice on how to keep their respective 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 retail chain.

The Department also routinely met with industry trade associations to discuss food safety and regulatory issues of mutual concern.

New York State Food Laboratory



The Food Lab gained new technology and increased efficiencies in 2005.

Providing expert state-of-the-art analytical testing, the New York State Food Laboratory supports the Department's programs in areas of food safety and security, and consumer interests. During 2005, 20,395 samples of food, beverage, animal feed, fertilizer and lime samples were tested as part of regulatory surveillance programs, foodborne disease outbreak investigations, consumer complaints, and investigations of suspected food tampering cases. Samples were tested for human health hazards such as bacterial contamination,

antibiotic residues, presence of poisons and toxins, undeclared allergens, color additives, spoilage, and shelf stability.

Laboratory analytical results initiated 251 recalls of food or beverage products for significant health hazards. Economic aspects of testing included determination of purity and labeling compliance. Roughly 90% were found to be free of adulteration and/or properly labeled.

New instrumentation and training combined with direct interaction with other divisions and allied state and federal agencies expanded the capability to respond to wide scale food emergencies related to chemical

or biological contamination. New programs in the division included a grant funded research and development program and an initiative to integrate allied programs with laboratory programs in the State Health Department, the FDA, and Cornell University.

The Food Laboratory enhanced its analytical capabilities in 2005, including rapid detection for pathogens, an expanded panel of detectable antimicrobials, ability to detect poisons and toxins, heavy metal analysis instrumentation, improved methods for testing dairy products, and the addition of isolation equipment to better handle samples with unknown biological or chemical hazards.

The process of designing a new laboratory facility to house the food and metrology laboratories was initiated in 2004 and further developed in 2005. The new lab could be complete by the end of 2009.

Egg Quality Assurance

The New York State Egg Quality Assurance Program (NYSEQAP) was initiated in 1997 to address the public health problem posed by *Salmonella enteritidis*. In 2005, nine egg producers and five pullet growers were certified by NYSEQAP, accounting for more than 80% of New York State's total shell egg production.

In 2005, no human *Salmonella enteritidis* outbreaks were associated with New York shell eggs. However, a positive environmental sample was found on one NYSEQAP farm, the second positive sample in the program's history. In accord with program requirements, periodic egg cultures were instituted and tested negative, and the flock was depopulated.

Bio-Security

To further enhance bio-security, the Department has completed four risk and vulnerability surveys, analyzing the areas of vulnerability for farms, food processors, retail food stores, and food transporters. Following the surveys, the Department held meetings with industry to develop risk mitigation strategies and subsequently, several food security guidance materials were created.

In addition, four agro-terrorism tabletop exercises were conducted, involving food contamination, animal disease, milk contamination and crop infestation scenarios. Participants included representatives from state, local, and federal agencies, industry and academia.

Avian Influenza

Avian influenza (AI), also called bird flu, is a disease of birds that is primarily found in wild waterfowl, however can spread to domestic poultry. Concerns regarding AI heightened in 2005 following the transmission of the virus to humans in Southeast Asia, Hong Kong and the Netherlands. That particular strain of highly pathogenic AI has never been identified in the U.S.

The Department actively tests for AI in New York's 100 live bird markets. Samples collected from live bird markets in 2005 identified the sporadic presence of low pathogenic AI. The virus most often isolated was an H7N2, a low pathogenic strain. During 2005, over 12,500 samples were tested for AI during 800 market site visits, which is an increase of 45% over the previous year. No highly pathogenic AI isolates were reported.

With the most stringent regulations in the nation, New York requires all source flocks to be tested negative for AI. State veterinary technicians monitor the birds by collecting samples and verifying test records. Each market is routinely inspected and voluntarily depopulates, cleans and disinfects to prevent the introduction of AI.

New York is also the only state to require the registration of wholesalers or dealers who move birds through the live bird markets. These dealers and wholesalers are periodically tested for AI and required to keep records documenting the test negative records. Poultry distributors who deliver birds directly to the markets must meet strict standards of cleaning and disinfecting vehicles and transport crates between loads.



The live bird markets in New York City, such as the one pictured above, serve an increasing demand for freshly killed poultry products. At the more than 100 markets, customers can enter a market, select the live bird of their choice and have it custom slaughtered on the spot. It is estimated that 20-25 million birds pass through live birds markets every year in the Northeast.

Chronic Wasting Disease

Chronic Wasting Disease (CWD) is a chronic, degenerative neurological illness affecting elk, mule deer, and white-tailed deer in North America. This disease has affected both farmed and wild deer and elk in the U.S. and Canada, adversely impacting the hunting and wildlife industries as well as markets for farmed venison and other deer and elk products. First discovered in Colorado in 1967, CWD has since been found in wild deer and elk in 11 states.

In 2002, CWD was found for the first time east of the Mississippi River, and that year, New York banned importing elk and deer products.

In 2004, the Department increased surveillance for CWD in captive deer and elk, requiring all owners of susceptible species to maintain an inventory and sample every animal over 16 months of age that dies, or to submit samples from 10% of their herd, up to 30 animals maximum every year.

New York discovered its first positive cases of CWD in 2005. Over 800 captive deer were tested in New York in 2005. Two positive animals on two related premises led to the removal of all captive deer from those farms and intensive surveillance of wild deer in the area. Two wild deer out of 400 sampled from that area were found positive. Nearly 2,000 wild deer tested in that area in 2005 have been found negative.

West Nile Virus

West Nile Virus (WNV) is a mosquito borne virus that interferes with a horse's central nervous system and causes inflammation of the brain. New York had two confirmed equine cases of WNV in 2005. Both horses exhibited typical neurologic clinical signs, including an unsteady gait. The first horse became ill on October 7 and the second case was October 29. Both horses recovered, and neither were vaccinated against WNV.

Eastern Equine Encephalomyelitis

Eastern Equine Encephalomyelitis (EEE) is a viral disease of wild birds that is transmitted to both horses and humans by mosquitoes, and can infect people as well as cause epidemics in horses. During 2005, there were four equine cases in New York of EEE. All of the horses died or were euthanized within 48 hours of onset of neurologic signs. Only one horse had been previously vaccinated for EEE.



USDA

Horse Health Assurance Program

The New York State Horse Health Assurance Program (NYSHHAP) remains the only one of its kind in the nation. NYSHHAP is a voluntary certification program designed to enhance equine health, care, and welfare through the use of certain "best management practices," and has become firmly established as an educational and promotional tool to raise the level of horse management in New York State.

Enrollment in NYSHHAP nearly doubled in 2005 to 39 operations, varying in size and diversity. As commercial businesses have become aware of the potential for increased business opportunities, more have become supporters by agreeing to offer incentives to encourage operations to pursue certification.

A major innovative and unique aspect of the program has been the inclusion of a "Microchip Benefit" which offers certified operations microchips and readers to permanently identify their animals. Currently, 22 operations are utilizing this state-of-the-art technology, which not only immediately benefits the operation, but places New York in the forefront of aggressively addressing the national issue of permanent identification of livestock.

Mad Cow Disease

Bovine spongiform encephalopathy (BSE or Mad Cow Disease) is a chronic degenerative disease affecting the central nervous system of cattle. Cattle are infected by eating animal feed containing contaminated meat and bonemeal proteins.

Since 2004, New York has been working cooperatively with USDA to meet the objectives of the BSE “Enhanced” Surveillance Program. The goal that USDA set for the nation was to collect 268,500 samples from a targeted high-risk cattle population in a 12-18 month period. Sampling at this rate would allow for detection of BSE even if it only occurred at a rate of one positive out of ten million animals, with a 99% confidence level.

New York surpassed USDA’s original goal of 12,000 samples and collected 17,889 samples from New York cattle during 2005, all with negative results. Samples were routinely collected from cows at nine New York rendering plants and four slaughter establishments.

New York Ram Project

In 2005, the Department offered free genetic testing of rams through the New York Ram Project. Funding from a cooperative agreement with USDA provided New York sheep producers with an opportunity to have their animals tested for the gene that imparts resistance

Cattle Health Assurance Program

In order to promote “best management practices” on New York dairy and beef farms, the New York State Cattle Health Assurance Program (NYSCHAP) was created in 1997. NYSCHAP is a voluntary, process oriented program that addresses key food safety, animal health, and environmental pathogen control issues on the farm.

The program is carried out by the producer, along with the state and private veterinarian, and includes a risk evaluation of the farm and the development of a herd plan to identify farm specific best management practices.

NYSCHAP recognizes a set of practices that, when employed on the farm, limits the impact and amplification of an infectious agent to the farm and beyond its borders. These principles have become increasingly important, since herd expansions, cattle movement, and the possible

introduction of biological agents makes it difficult to anticipate the nature of future threats to cattle health.

In 2005, 844 farms were enrolled in NYSCHAP. Total enrollment since the program’s inception is 1,092. To increase participation, NYSCHAP certifies private veterinarians to create herd plans with their cattle clients. To date, 16 practitioners have completed the process. An elective course was also offered at the Cornell University College of Veterinary Medicine to partially certify veterinary students interested in large animal practice in New York.



to scrapie infection. Scrapie is one of the family of diseases that includes BSE in cattle and CWD in deer. The program allowed for genetic testing of more than 1,200 sheep. Information on scrapie genetics, breeding program strategies, and genetic selection of resistant sires was

distributed to New York sheep producers enrolled in the scrapie eradication program, a mandatory scrapie control program implemented by the USDA and the Department for all sheep and goat producers.

Animal Identification System



USDA

The Department in cooperation with USDA is developing the National Animal Identification System (NAIS). NAIS is a voluntary program intended to identify animals and track them as they come into contact with animals other than herd mates from their premises of origin.

This system is intended to trace back a diseased animal to its herd of origin within 48

hours after detection of a sick animal. Species covered under the NAIS include cattle (beef, dairy, bison), swine, camelids (alpaca, llamas), cervids (deer, elk), horses, sheep, goats, poultry and farmed fish.

New York State is actively involved in premises identification and registration. Identification of individual animals by NAIS standards with Animal Identification Numbers (AINs) began for the National Scrapie and Chronic Wasting Disease programs. At the end of 2005, approximately 175,000 premises were successfully registered in the U.S., 8,047 of which were located in New York.

Animal Incident Notification & Tracking System

Information concerning the New York State Animal Incident Notification and Tracking System (NYSAINTS) continues to be presented to veterinary practitioners across the State. Veterinarians that register with the system are able to receive alerts concerning various animal incidents in New York State. In 2005, these alerts contained information on Chronic Wasting Disease, canine influenza, vesicular stomatitis outbreaks, equine herpes virus, and a situation involving aflatoxin-contaminated dog food.

Livestock Health Inspections at Fairs

The Department's field veterinarians and animal health inspectors conducted livestock health inspections at 49 county fairs, nine youth fairs and the New York State Fair. Over 6,000 animals were inspected at the State Fair along with over 50,000 animals at the county and youth fairs. The purpose of the inspections was to identify and remove animals with signs of communicable disease and minimize transmission of disease back to the farms of origin. Beginning in 2005, inspections at the State Fair were conducted at a remote site on the edge of the grounds prior to the animals entering the exhibition buildings. This process worked efficiently minimizing contact between rejected and healthy animals.

Pet & Livestock Feed

Statutory requirements for ingredient and nutritional labeling of livestock feed and pet food were enforced in 2005 by collecting and analyzing 353 samples of these products; approximately 89% were in compliance.

All New York animal feed manufacturers, distributors, and retailers are inspected annually and must comply 100% with BSE labeling and production requirements. 409 BSE inspections were conducted at animal feed manufacturers and distributors for compliance with federal and state rules; all were in full compliance.

Ammonium Nitrate

In 2005, the Department worked with the State Office of Homeland Security to identify and register establishments selling ammonium nitrate. As a result, any person or entity in New York that sells or makes available ammonium nitrate or related materials is required to register annually with the Department.

All purchasers must provide proper identification and background information before purchasing ammonium nitrate. All sales records must be retained for two years and be available for inspection. Ammonium nitrate and ammonium nitrate materials must be stored in a secure location. Daily inspections by the establishment operators for attempted entry, vandalism and structural integrity are also required.

CONSUMER SERVICES

Milk Price Gouging Law

New York State is the only state in the country that has a retail milk price gouging law that protects consumers from excessively high milk prices. The Department conducts a monthly retail milk price survey in cities across the State to monitor compliance with the law. A “threshold” price is calculated each month as a benchmark for

evaluating retail prices. The threshold price is a price that is 200 percent of the farm price for Class I fluid milk. Retailers that price above the threshold price may be subject to legal action if they cannot justify their costs.



Kosher Law Enforcement

In 2005, the Department implemented New York’s new Kosher Law Protection Act, requiring the creation of a new database and website to ensure that adequate information was available to consumers. While field operations were limited, the Department maintained its enforcement of the Kosher Law, conducting 6,554 inspections, 522 investigations, and following up on 44 consumer complaints.

New York State Fair

The 159th New York State Fair in Syracuse completed another successful run as 960,145 persons visited the grounds during the 12 day run, August 25 through September 5.

Despite wet weather and high gas prices, the Fair did establish one daily attendance record as 85,650 came to the Fair on Monday, August 29. Those numbers were bolstered by a sellout concert crowd of 16,341 for Toby Keith and Lee Ann Womack at the Fair’s grandstand. That show also set an all-time gross dollar record with \$759,513 worth of tickets was sold. Moreover, the Fair had its most successful grandstand concert run ever, selling more than \$3 million in concert tickets.

The 2005 Fair theme was “It’s Fun Unlimited” and a number of new free attractions were available on the grounds. Among the Fair’s first time shows were: The King’s Ransom Elvis Presley Museum; Sportsfest presented by National Pastime Sports; Movie Magic, The Science Behind the Movies presented by Mad Science; Toothpick City; The Raggs Kids Club Band and the Rosaire-Zoppe Chimpanzees.

Corporate sponsorship again increased as nearly \$2.6 million in cash and services were committed by these very important partners. More than \$350,000 in premium money was earmarked for the Fair’s agricultural and individual competitions. Due to the large number of entries once again, the

Fair’s International Horse Show began its competition schedule in the Coliseum days before the Fair opened. For the run of the Fair, more than 10,000 exhibitors submitted nearly 40,000 entries.

Country music singer Toby Keith



New York State Fair

Weights & Measures

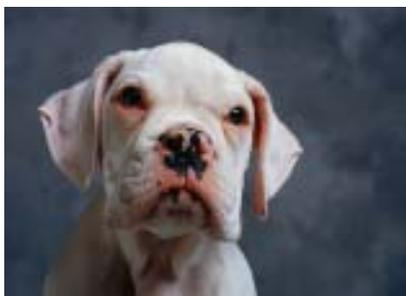
The Department is responsible for assuring measurement accuracy and uniformity in commerce in New York. The Department regulates measuring device accuracy, package commodity net contents and quality standards for gasoline and diesel fuel. The dramatic rise in motor fuel prices in the aftermath of hurricane Katrina resulted in heightened consumer concern over both product measurement and quality. The Bureau and local officials responded to a large increase in consumer complaints. While some of these were confirmed and corrected, overall compliance for motor fuel

dispensers remains very high as does the quality. The price jump also threatened to hurt many small businesses whose devices could not compute prices over \$3 per gallon. Under regulations, Weights & Measures was able to issue temporary exemptions to half price in order to keep these stations operating until equipment to upgrade the dispensers became available.

The State's Metrology Laboratory was audited for compliance with ISO 17025 standards and remains in a select group of 15

accredited state laboratories. A wide range of New York businesses rely on the calibration services provided in the laboratory in order to qualify for their ISO 9000 accreditation in order to be able to compete internationally.

Weights & Measures Director Ross Andersen explains the precision involved in measuring one gallon of gasoline.



Dog Licensing

The Department provides oversight and a database for dog licensing in all areas of New York outside New York City. In 2005, 643,085 dog licenses were licensed providing \$382,053 in income to the state. The

Department also initiated a new web-based technology program. Licenses are issued by town, village, and city clerk offices and some contract animal shelters. These offices along with dog control officers and others involved in the program may now access the state-wide licensing database 24 hours a day through a secure internet site.

Pet Dealer Licensing Program

Since 2002, the New York State Pet Dealer Licensing Program has required annual inspection and licensure of pet dealers and breeding facilities that sell dogs and/or cats to the public. Currently, 345 facilities are licensed under the Pet Dealer Program. Licensed facilities are inspected and rated satisfactory or unsatisfactory in the following categories: housing, sanitation, feeding and watering, records of veterinary care, required postings, and records of purchase and sale.

Animal Population Control Program

In 2005, over 3,100 dogs and cats were spayed and neutered under the New York State Animal Population Control Program. This program is intended to reduce the population of unwanted and stray dogs and cats which thereby reduces potential threats to public health and safety. The program is funded by the extra \$3.00 fee collected for all licensed unspayed and unneutered animals over the age of four months. In August 2005, the Governor signed legislation to expand the program to dog and cat owners on certain forms of public assistance.

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