Issues of Data Collection for Agricultural Businesses

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Craig Yunker, CY Farms
CY Farms, LLC
grow with us... and harvest the benefits

2010 Business of the Year
Presentation Outline

- Overview of our businesses
- Issues of Data Collection
- Implications of changes in the industry on data collection
- Questions/Discussion
What is CY Farms?

- Collection of economic activity
- 4 Related Businesses
- CY Properties – Real estate holding company
- CY Farms – 5600 acre vegetable & grain farm
- CY Heifer Farm – 4000 head dairy replacements
- Batavia Turf – Commercial sod production
- Central payroll/HR – 40-60 employees
- 50% Hispanic
What is CY Farms?

- 4 Owners - 2 are retired, 2 managing partners
- 4 Entities - Common ownership
- CY Properties, LLC
  - Real Estate - 3300 acres owned
  - Farmland - 2800 acres cash rented
- CY Farms, LLC
  - Row crops, forages and vegetables - 5600 acres
  - Contract vegetable harvesting
  - Nutrient management
- Batavia Turf, LLC
  - Commercial sod production - 400 acres
- CY Heifer Farm, LLC
  - Custom raising dairy replacements - 4000 head
What is CY Farms?

*Contract Services*

- CY Farms
  - Nutrient management for CYHF & Provitello Veal
  - Contract vegetable harvesting

- Batavia Turf
  - Green roof production for Vegetal I.D.
  - Contract turf installation

- CY Heifer Farm
  - Research contracts
  - Trucking and labor contract with Provitello Veal

- CY Properties
  - Batavia Sports Park – RE rental of sports fields
CY Properties

- Owns all real estate, leased to CYF, CYHF & BT.
- Leases sports fields to municipality
- Leases hunting rights to hunters
- Capital improvements, drainage & buildings
CY Farms Processing
Vegetables

- Snap beans
- Green peas
- Contract production
- Cooperative production
- Contract pea harvesting in joint venture
CY Farms
Produce

- Onions
- Cabbage
- Storage & packing onions
- Storage & packing cabbage
- Contract cabbage - qualified supplier
Batavia Turf

Bluegrass for residential, commercial use
Bluegrass blends for athletic fields
Distributor of infield mix and clay
Supplier of seed, fertilizer materials
Sell & market for contract producers
Contract services for Vegetal I.D.
CY Heifer Farm

- Contract heifer raising
- 4000 head from wet calves to springers
- Currently 7 dairy customers
- Co-located with large veal operation
- Buys forage from CY Farms
- Contracts with CYF for nutrient mangt.
- Does contract research
Changes in Vegetable Marketing

- Mechanization
- Increasing economies of scale
- Concentration of production
- Concentration of markets
- Technological developments
- Grower/Packer/Shipper
- Self Distributing Grocery Retailer
- Sophisticated supply chain management
Integration of the Food Chain

 Forces driving integration
  - Efficiency
  - Market signal flow
  - Food safety – trace back
  - Responding to consumer demands

 Forms of integration
  - Qualified suppliers
  - Contract production
  - Virtual integration
  - Vertical integration
Agriculture of the Future

- Increasingly bi-polar
  - Small, local farms
    - Niche markets – very responsive to specific market
    - Life-style farms – off farm income
  - Large commercial, industrialized farms
    - Very specialized, low cost commodity producers
    - Integrated producers
Impact of Change

- Changes in crop enterprises
- Lower value to higher value crops
- Drop crops w/out comparative advantage
- Increased contract production
- Less independence
- Coordinated production
- Integrated systems
Problems in data collection

Ownership
  Minority interests
  Complex profit sharing arrangements

Land use
  Multiple crops
  Field swapping

Decision making
  Layers of management
  Contract production
  Cooperative agreements
Implications for data collection

Information is needed for policy decisions
Information has value
Information collection costs money
Should contracts for data collection be developed?
Thank you

Craig Yunker
CY Farms/Batavia Turf
6465 Transit Road
Elba, New York 14058
craig@cyfarms.com
585-548-2552
www.cyfarms.com
www.bataviaturf.com
www.cyheiferfarm.com