



**Opening Statement of Chairman Chris Collins
Subcommittee on Health and Technology
Field Hearing, “Room to Grow: The Benefits of Partnerships in Small Agriculture Business
Development”
May 13, 2014**

The hearing is called to order. I would like to thank the witnesses and public for attending today’s hearing to examine how developing changes in the marketplace are influencing relationships between small and large businesses in agriculture.

New York is home to some of the most productive and valuable agricultural lands in the nation. The fruits, vegetables, dairy, and other products produced here can be found on store shelves, in kitchen cabinets, and in restaurants across the country and overseas.

The contributions of this industry to jobs and the economy are significant. According to the New York Department of Agriculture, our farms, ranches and dairies produced more than \$4.7 billion dollars worth of commodities in 2010. In addition, New York ranks behind only California in the number of food processing and manufacturing plants in the nation.

And small businesses account for a significant share of these economic contributions. According to research by Cornell University approximately 91 percent of all farms in New York are small business farms.

However, the importance of agriculture can be measured in more than just its direct contributions to the economy. Improvements in agriculture productivity and efficiency have greatly reduced the cost of food for consumers. This frees up income, labor, and capital for investments that contribute to job growth and development in other sectors of the economy.

And as in other sectors of the economy, small businesses in agriculture are often the leading innovators in their industries.

For example, ten years ago the Greek Yogurt we know today was not nearly the phenomena it is now. An immigrant entrepreneur with a dream, and the drive to realize it, started his own small business right here in New York. This entrepreneur manufactured an innovative product and created the company Chobani, which today has grown to more than 1,200 employees.

While not every small innovative business will achieve the scale of a Chobani, their success does point to positive changes occurring in the marketplace for agricultural products.

In recent years, a growing number of consumers have demonstrated a willingness to pay a premium for agricultural products that have been locally grown, produced according to organic standards, or are high-value artisanal products.

Now these marketplace changes are creating a number of opportunities for small, medium, and large businesses across agriculture industry supply chains.

Serving these emerging markets will require investing in new production technologies and processes. Accessing the capital necessary to undertake these efforts will be among small businesses' biggest challenges. Likewise, even businesses serving niche markets will need to achieve sufficient scale in order to make their investments worthwhile.

Utilizing existing relationships that small producers and processors have with their larger peers may be one way to address the challenges small businesses have in making new ventures work.

I look forward to hearing everyone's testimony and in learning your views on this important topic.