



**Testimony of Todd Erling**

**on behalf of the Hudson Valley AgriBusiness Development Corporation before the  
US House Subcommittee on Commodity Exchanges, Energy and Credit**

**June 15, 2021**

Mr. Chairman, Ranking Member Fischbach and Members of the Subcommittee, thank you for holding this hearing on examining opportunities for growth and investment in rural America and for allowing me to testify. My name is Todd Erling and I serve as Executive Director of Hudson Valley AgriBusiness Development Corporation located in Hudson, New York.

Hudson Valley AgriBusiness Development Corporation is dedicated to promoting balanced, market-based solutions that lead to enhanced agricultural entrepreneurship, rural economic growth, and community enhancement throughout our Hudson Valley communities. We are the only economic development agency in the Hudson Valley with a specific focus on the viability of the agricultural economy in the region and assist eight rural counties in their efforts to provide economic and community development opportunities for their residents. Our charge is to enhance the agricultural sector in the region by assisting both new and existing agri-businesses and supporting policies and regulations that recognize and support New York State's agricultural and rural economy.

Our services are carefully designed to support the Hudson Valley as an attractive, viable region for agriculture and to foster growth and development of the agricultural sector through a creative program of business technical assistance (BTA) that may include strategic planning, business planning, land access, marketing, promotion and the provision and coordination of financial and other resources. Since our inception, we have assisted over 260 businesses with a wide range of individualized services such as access to capital, business development, financial planning, and market readiness preparation, and have expanded our network of farms, restaurants, and producers to over 600 businesses and counting.

Hudson Valley AgriBusiness Development Corporation is also a founding member of the Agricultural Viability Alliance. The Alliance is a multi-state regional coalition focused on increasing the number and economic viability of farm and food businesses in rural communities throughout New England and the Hudson Valley by bringing together providers and to address shared challenges, facilitate more uniform high-quality coverage, and more effectively share and expand limited resources.

Working together with the Alliance and our partners at American Farmland Trust, Hudson Valley AgriBusiness Development Corporation has been at the center of an effort to mobilize federal resources in support of rural communities, agriculture and food businesses' recovery efforts following the unprecedented economic challenges faced during the COVID-19 pandemic. Our rural communities are economically vulnerable on our best days, facing challenges ranging from underfunded schools, lack of access to capital, diminished business and financial planning capabilities and insufficient infrastructure – including access to high-speed broadband. The strain of the economy ravaged by a global pandemic brought agriculture and food businesses, which often serve as the anchor for rural communities, to the brink of collapse. In New York alone, 43% of farms

report to have lost substantial sales during the pandemic. More than a third of farms and agribusinesses (37%) are experiencing severe cash flow issues and almost half (47%) say they have significantly reduced spending to local vendors and suppliers or will do so in the future. A combination of federal investment in the areas noted above combined with a commitment to business development could not only assist rural areas in recovering economically from COVID-19, but lay the foundation for sustained economic growth into the future.

COVID-19 has impacted farm and food businesses unevenly: some had their markets disappear overnight, like farms and food hubs that supply restaurants and schools, while others have seen demand skyrocket, such as those with on-site or online retail operations. Yet all farmers have had to adjust to fundamentally changed market conditions, and even businesses with increased demand have dealt with processing disruptions and labor shortages, requiring significant and sometimes complex workarounds that impact profitability. Although state and federal support such as the Payment Protection Program (PPP) and the Coronavirus Food Assistance Program (CFAP) have been helpful, aid has still failed to reach everyone, leaving many entrepreneurs in a deep financial hole with no increased resilience to future disruptions.

Business planning and financial literacy skills are more important than ever as farm and food entrepreneurs are forced to adapt. While producers excel at the production side of their business, many – especially mid-sized and smaller operators – lack the training and knowledge to assess their finances, pivot their business strategy, or even access government funding. Indeed, many farmers were unable to receive Coronavirus relief because of inadequate recordkeeping. One-on-one BTA is a proven way to develop these skills and improve long-term business viability. Across the country, agricultural service providers – including non-profits, private consultants, state agencies, and extension services – are playing pivotal roles in providing the individualized assistance needed to build and sustain profitable enterprises.

BTA typically consists of financial literacy coaching, including the skills and recordkeeping needed to successfully access capital; management skills, such as strategic planning and human resources; new enterprise development; marketing and sales; succession planning; and even IT issues like accessing high-speed internet. Some organizations provide a range of services, while others specialize in an area such as land transfer and succession – but all forms of BTA give the recipient the skills, knowledge, and confidence to help their business succeed long-term. All businesses are unique, and thus require support tailored to their specific needs, including their scale, stage of business, and markets. To be effective, this support needs to be sustained over time. The Alliance has a large and growing pool of data showing BTA's lasting impacts on business viability and the broader economy. Vermont's Farm & Forest Viability Program found that two years of business planning support can generate a 62% increase in net income, significant improvements in business skills, and marked annual growth in full-time employees. The Carrot Project's research shows similar results, with two years of business advising increasing net income by more than 50% for start-up and early-stage farms, and increased confidence in financial management. At Hudson Valley AgriBusiness Development Corporation, we also demonstrated its positive impacts on rural communities, with 19 graduates of our Farm and Food Funding Accelerator program creating 206 jobs and making purchases from 125 other regional farms—all barely a year after completing the program. Sixteen of these businesses secured over \$1.1M in capital leveraging a \$200,000 federal investment in BTA by more than five-fold.

The value of BTA goes beyond a pandemic recovery strategy, offering an opportunity to directly support BIPOC (Black, Indigenous, and People of Color), women, and LGBTQI+ farm and food entrepreneurs—many of whom face systemic barriers to entry, discrimination, and other challenges, especially in rural areas. There is an acute need for culturally informed, highly-tailored BTA that is ideally provided by members of a specific disadvantaged community to help address this long history of exclusionary practices and agricultural land

loss. There is also demand for this type of assistance from veterans, who represent a growing cohort of entry-level producers.

BTA also offers a tool for increasing resilience at the individual and community levels. The pandemic exposed the fragility of a highly centralized national food system and its reliance on a shrinking number of processing and distribution facilities. Providing customized support to these businesses in the middle of the supply chain supports job and wealth creation across America, while making supply chains more resilient to disruption.

Farm and food businesses also need increased resilience to withstand the impacts of climate change. A recent USDA survey showed that “the majority of growers believe that they do not have the financial capacity, knowledge or technical skills to deal fully with the threat extreme weather presents to the viability of their farm,” a gap which can be addressed through BTA. Conservation practices improve soil health, mitigating against climate change impacts like erosion from heavy rains and drought while also sequestering carbon and improving air and water quality. Farmers and ranchers with stronger business skills are more likely to have the capital and the long-term planning abilities needed to invest in on-farm conservation and will be better able to respond to changing markets, growing conditions, and more.

BTA has also proven effective in addressing the transfer of agricultural land, both through succession planning for exiting farmers and landowners and through mentoring and land access support for beginners. With as much as 40% of American farmland likely to change hands in the next 20 years, BTA is a vital tool to keep land in farming and expand opportunities for a more diverse next generation.

Beyond assistance to individual businesses, the federal government must commit to the mobilization and coordination of resources for rural America in a similar manner we see our national government deliver support for our urban communities. Indeed, while the specific challenges faced in rural and urban communities may differ, the effects they have on their populations are the same. Institutional poverty, failing infrastructure and a lack of sustainable growth cripple neighborhoods, urban and rural alike. Agencies like the Department of Housing and Urban Development administer billions of dollars in federal assistance to help urban communities develop and overcome such challenges. COVID -19 has shown us that now is the time for a similar effort aimed at our rural communities.

The Rebuild Rural America Act was introduced in both houses of Congress earlier this year and provides a roadmap for sustained strategic investment in our rural communities that are modeled after successful programs aimed at urban areas. The legislation would create a dedicated stream of federal funding for rural communities and would provide guaranteed block grants to create a predictable, locally-controlled planning process, enabling multi-year programs to confront the institutional economic challenges faced in rural America. This combination of planning and training incentives and a predictable stream of federal funds creates a path for sustainable development that will insulate rural communities from extreme impacts of economic fluctuation and chip away at the institutional challenges that limit their growth and opportunity.

Our experience in BTA has shown us that developed “soft infrastructure” (business development, financial literacy, job training) effectively positions businesses to access additional state and federal resources. Indeed, we’ve seen clients who receive BTA services go on to access USDA Value-Added Producer Grants, which could then be leveraged to secure NYS Empire State Development grants. The investment in soft infrastructure through BTA and other Rural Development programs is a start. But linking Rural Development efforts to other existing federal efforts, such as US Department of Treasury Community Development Financial Institution and US Department of Commerce Economic Development Administration programs, will deliver a sustainable benefit and prove to be cost-efficient over time.

And coordinated with state resources, the programs of the Rebuild Rural America Act and other federal initiatives, can be leveraged to expand the impact on our rural communities. As we see in the operations of our existing Rural Development programs, effective collaboration with state rural and agriculture offices can be a winning combination. Whether its infrastructure funding, business development programs or broadband deployment models, when our state and federal programs complement each other, we all get more bang for our buck.

Thank you for this opportunity to share thoughts with you on strategies for advancing economic opportunity in our nation's rural communities. I look forward to continuing to work with this committee and with our federal leaders to ensure that we are providing the necessary resources to our rural communities and their agriculture and food related businesses so they can remain a viable part of our country's diverse fabric.

## TODD M. ERLING

### **Executive Director, Hudson Valley AgriBusiness Development Corporation (HVADC) & President/Chief Executive Officer, Farm and Food Growth Fund Inc (FFGF)**

As the Executive Director of HVADC, Todd has developed the first regional entity to focus on farms and local food business as economic development in the Hudson Valley. Under his direction, HVADC has grown to having multi-year service contracts with eight counties' economic development offices and raising over \$10 million for programs and services to assist ag-related/ag-dependent businesses in the region. During this time, HVADC established the Farm and Food Funding Accelerator and the Incubator Without Walls to mentor over 260 client businesses and 30 business technical assistance service providers and has supported a variety of projects in accessing over \$65 million in funding, ranging from the Hudson Valley Food Hub (which includes Field Goods, Farm Bridge and Hudson Harvest), the FeedHV food rescue/donation system, to the Catskills Food Hub. With an academic background in environmental design and planning from Architecture Programs of Miami University and the Pratt Institute, years of experience in community and economic development, growing up in the family orchards, and currently living on the family farm in Columbia County, Todd brings a holistic approach to agri-business development - applying practical economic development programs to protect and preserve open space by keeping farmers in business.

Todd was instrumental in forming the FFGF, a 501c3 organization designed as an emerging CDFI to improve the economic conditions of low-income underserved people & residents of distressed communities, providing access to capital & technical assistance for farm & food-related, food- service businesses throughout the Northeast Foodshed Foodshed (encompassing parts of the greater Hudson Valley (NY), western CT, western MA, southern VT & eastern PA). As President/CEO, Todd will be leading the development of the organization providing vision, strategic direction and fostering relationships to bring business technical assistance and access to capital to the 18-county region.

### **Education**

- B.F.A. in Environmental Design from the School of Architecture, Miami University, Oxford, OH.
- Graduate work in Sustainable Planning, School of Architecture & Planning, Pratt Institute, Brooklyn, NY.

### **Relevant Experience**

#### ***Public Finance***

- Managed community loan fund with a portfolio value of \$1.6 million. Of these funds approximately 30% of the loan value was made to food and agribusiness projects.
- One of eight organizations in NY to be approved administrators of the Job Development Authority Agribusiness Loan Fund with an approved portfolio value of up to \$2 million.
- Provided development finance for over 20 public and private housing and community development projects.
- Established an agricultural purchase-leaseback program in the Hudson Valley to provide access capital equipment for distribution and food processing.

#### ***Program Management***

- Serve as the founding chief operating officer for Hudson Valley Agribusiness Development Corporation with responsibility for a staff of 4 and an annual operating budget of over \$600,000. In this capacity, I have leveraged over an additional \$40 million+ in project and program funding since 2007.

**Committee on Agriculture  
U.S. House of Representatives  
Information Required From Nongovernmental Witnesses**

**House rules require nongovernmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.**

1. **Name:** Todd M. Erling Executive Director, Hudson Valley AgriBusiness Devel. Corp.
2. **Organization you represent:** Hudson Valley AgriBusiness Development Corporation
3. **Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:** Over 25 years of executive positions in local and regional non-profit affordable housing, community and economic development entities. Partner with wife on family farm, my daughter is 6<sup>th</sup> generation working on a diversified 56 acre operation.
4. **Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:** Graduate work through Pratt Institute School of Architecture in Sustainable Regional and Urban Planning. BFA in Environmental Design from the School of Architecture, Miami University Oxford, OH.
5. **If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:** Executive Director, Hudson Valley AgriBusiness Development Corporation

**PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY.**

## TODD M. ERLING

- Administering over \$775,000 NYS Ag & Markets/Empire State Development award for the Hudson Valley Food Hub expansion allowing for over 3.5 million pounds of NY farm product to be processed and distributed.
- Managing the public-private partnership collaboration of the developing Southern Catskills Local Food LTL Distribution Network including over \$800,000 in NYS, USDA RD and US Department of Commerce EDA funds.
- Lead agency for the \$99,000 USDA Farm to School grant with the Poughkeepsie City School District, Poughkeepsie Farm Project and the Culinary Institute of America. HVADC also facilitated the required \$50,000 cash match via two private foundations.
- Established and manage the Hudson Valley Agribusiness Incubator Without Walls to include over 200 client businesses and 30 technical services providers.
- Established and managed the Columbia County Empire Zone.

### ***Project Development***

- Provided public sector project lead for the development of North Americas commercial and world's largest indoor marine zero discharge aquaculture facility.
- Facilitated the adaptive re-development of a commercial kitchen and processing facility utilized by over 80 regional farms and 45 local food businesses.
- Managed the development of the Columbia County Human Services building, successfully clustering multiple county departments within the City of Hudson housed in over 40,000 sq ft of new construction.

### ***Regional Planning***

- Developed a Comprehensive Economic Development Strategy for agribusiness development covering the Hudson Valley from the Capital District to New York City.
- Created a blueprint for agricultural economic development in Columbia County.
- Supported the development of "At a Crossroads," a regional plan for developing agriculture and related industries in the Hudson Valley.
- Led the development of the Columbia County Agriculture and Farmland Protection Plan, which focuses on land use and economic development issues in the food and agriculture sector.

### **Appointments, Board Memberships, and Affiliations**

- NYS Capital Region Economic Development Council, Exec. Committee- Governor Cuomo
- Agricultural Working Group – US Senator Gillibrand
- Agricultural Advisory Board- US Congressman Delgado
- Agricultural Advisory Board- US Congressman Maloney
- Agricultural Advisory Committee- NYS Assemblywoman Barrett
- NYS Pride of NY Committee-Commissioner Ball
- NYS Hudson River Estuary Management Council Member- Commissioner Sagos
- AFT Farm To Institution New York State (FINYS)-Founding Leadership Committee Member
- Agricultural Viability Alliance, Founding Executive Committee Member
- Hudson Mohawk Resource Conservation and Development Council, Vice Chair
- Columbia County Farm Bureau, Board Member
- Catskills Food Hub, Board Member
- New York Agribusiness Development Corporation, Former Board Member
- Hudson Valley Mobile Slaughter Task Force, Board Member

## Truth in Testimony Disclosure Form

In accordance with Rule XI, clause 2(g)(5)\* of the *Rules of the House of Representatives*, witnesses are asked to disclose the following information. Please complete this form electronically by filling in the provided blanks.

Committee: Agriculture

Subcommittee: Commodity Exchanges, Energy, and Credit

Hearing Date: 06/15/2021

Hearing Title :

"Examining Opportunities for Growth and Investment in Rural America"

Witness Name: Todd M. Erling

Position/Title: Executive Director, Hudson Valley AgriBusiness Development Corp.

Witness Type:  Governmental  Non-governmental

Are you representing yourself or an organization?  Self  Organization

If you are representing an organization, please list what entity or entities you are representing:

Hudson Valley AgriBusiness Development Corp.  
Farm and Food Growth Fund  
Agricultural Viability Alliance

### **FOR WITNESSES APPEARING IN A NON-GOVERNMENTAL CAPACITY**

Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.

Are you a fiduciary—including, but not limited to, a director, officer, advisor, or resident agent—of any organization or entity that has an interest in the subject matter of the hearing? If so, please list the name of the organization(s) or entities.

Hudson Valley AgriBusiness Development Corp.  
Farm and Food Growth Fund  
Agricultural Viability Alliance  
Catskills Food Hub



**Please list any federal grants or contracts (including subgrants or subcontracts) related to the hearing's subject matter that you, the organization(s) you represent, or entities for which you serve as a fiduciary have received in the past thirty-six months from the date of the hearing. Include the source and amount of each grant or contract.**

2018 - USDA - LFPP - \$70,450.77  
2018 - CDFI - Technical Assistance - \$113,959  
2020 - CDFI - Technical Assistance - \$124,075  
2021 - EDA - Financial Assistance (RLF) - \$2.6M

**Please list any contracts, grants, or payments originating with a foreign government and related to the hearing's subject that you, the organization(s) you represent, or entities for which you serve as a fiduciary have received in the past thirty-six months from the date of the hearing. Include the amount and country of origin of each contract or payment.**

None

**Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.**

- I have attached a written statement of proposed testimony.
- I have attached my curriculum vitae or biography.

\* Rule XI, clause 2(g)(5), of the U.S. House of Representatives provides:

(5)(A) Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof.

(B) In the case of a witness appearing in a non-governmental capacity, a written statement of proposed testimony shall include— (i) a curriculum vitae; (ii) a disclosure of any Federal grants or contracts, or contracts, grants, or payments originating with a foreign government, received during the past 36 months by the witness or by an entity represented by the witness and related to the subject matter of the hearing; and (iii) a disclosure of whether the witness is a fiduciary (including, but not limited to, a director, officer, advisor, or resident agent) of any organization or entity that has an interest in the subject matter of the hearing.

(C) The disclosure referred to in subdivision (B)(iii) shall include— (i) the amount and source of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) related to the subject matter of the hearing; and (ii) the amount and country of origin of any payment or contract related to the subject matter of the hearing originating with a foreign government.

(D) Such statements, with appropriate redactions to protect the privacy or security of the witness, shall be made publicly available in electronic form 24 hours before the witness appears to the extent practicable, but not later than one day after the witness appears.