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Trends in Local and Regional Food Systems in New York State

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Dyson Extension Brief
Dyson School of Applied Economics and Management, Cornell University
Becca B. R. Jablonski and Allison Bauman
January 2026

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Why Local and Regional Food Systems Matter

Local and regional food systems play an increasingly important role in New York State (NYS) agriculture and food markets. For many small- and mid-scale farms, as well as young and beginning operators, these markets offer opportunities to differentiate products, access price premiums, and improve farm viability in the face of high production costs and financial risk. At the same time, public and private investments, particularly in response to the COVID-19 pandemic, have expanded infrastructure, procurement incentives, and institutional demand for New York-grown and raised foods.

This extension brief summarizes recent trends in local and regional food systems in New York State, with a focus on:

- Why local and regional food markets matter
- How these markets are changing over time
- What the evidence suggests about farm outcomes
- Key considerations for producers, communities, and policymakers looking ahead

The Context: New York Farms and Financial Pressure

Most farms in New York are small, and many face persistent financial challenges. According to the U.S. Department of Agriculture's National Agricultural Statistics Service's 2022 Census of Agriculture (USDA NASS, 2022)

- Almost four out of five farms (79%) in New York have annual sales under $100,000.
- Small operations, on average, have higher per-unit costs of production (e.g., Gillespie, et al. 2024) and are more likely to face financial stress, as measured by operating profit margins (e.g., Whitt et al. 2023).
- These conditions increase the importance of market strategies that allow farms to differentiate products, access higher-value channels, or stabilize revenue (Angelo et al. 2016).

Local and regional food markets, along with agritourism and other differentiated sales opportunities (e.g., branding) represent one such risk management strategy for small and mid-scale operations.

What Do We Mean by "Local Food Markets"?

In this brief, we use the U.S. Department of Agriculture's 2022 Census of Agriculture definition of local food markets. This definition focuses on market channels and not geographic distance or "food miles." We classify local food markets into two broad categories:

- Direct-to-consumer (DTC) markets: Sales made directly to consumers (individuals who purchased products from farmers markets, on-farm stores or farm stands, roadside stands or stores, CSA [Community Supported Agriculture], online marketplaces, etc.).
- Intermediated markets: Sales to retail (supermarkets, supercenters, restaurants, caterers, independently owned grocery stores, food cooperatives, etc.), institutions (k-12 schools, colleges or universities, hospitals, workplace cafeterias, prisons, foodbanks, etc.), or intermediated markets (businesses and organizations in the middle of the supply chain marketing locally- and/or regionally-branded products, such as distributors, food hubs, brokers, auction houses, wholesale and terminal markets, food processors, etc.).

This definition includes agricultural food products intended for human consumption, including processed or value-added foods, but excludes non-edible farm products.

Agritourism—such as farm tours, hayrides, and on-farm events—is not classified as a local food market in the Census of Agriculture. Instead, it is reported as "other farm-related income" and is analyzed separately in this brief.

Finally, many farms sell through multiple market channels, and most farms that sell into local markets also participate in conventional commodity markets.

Trends in Local Food Sales: National and New York Perspectives

New York State Trends

New York stands out as a state where local food markets account for a meaningful share of agricultural sales. In 2022, more than 10 percent of all agricultural sales occurred through local food markets (excluding agritourism) (Figure 1).

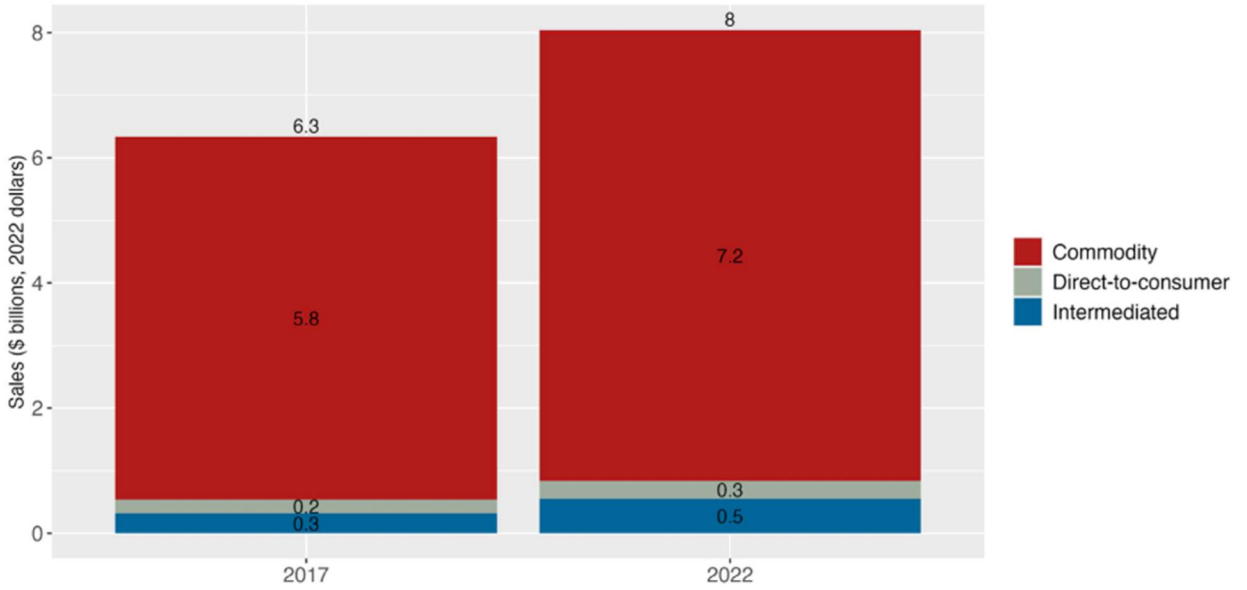

Figure 1 Agricultural sales through all market channels in New York, 2017 and 2022.
Source: U.S. Department of Agriculture, National Agricultural Statistics Service (USDA NASS), 2017 and 2022 Census of Agriculture public data.
Notes: Sales are presented in 2022 dollars using the gross domestic product implicit price deflator (Federal Reserve Bank of St. Louis). Direct-to-consumer sales include sales through farmers markets, on-farm stores or farm stands, roadside stands or stores, CSA, etc. Intermediated sales include sales to retail markets (supermarkets, restaurants, grocery stores, caterers, etc.), institutions (k-12 schools, colleges or universities, hospitals, workplace cafeterias, prisons, food banks, etc.), and intermediate markets (businesses in the middle of the supply chain marketing locally or regionally branded products such as distributors, food hubs, brokers, auction houses, wholesale and terminal markets, food processors, etc.). Commodity sales are all other sales, as reported in the Census as market value of agricultural products sold.

Between 2017 and 2022, growth in local food sales in New York was driven primarily by intermediated markets, which expanded by more than 70 percent—mirroring national trends. What distinguishes New York, however, is that DTC markets also grew during this period. While DTC sales stagnated nationally between 2017 and 2022 ($3.3 billion), New York's DTC sales increased (figure 2).

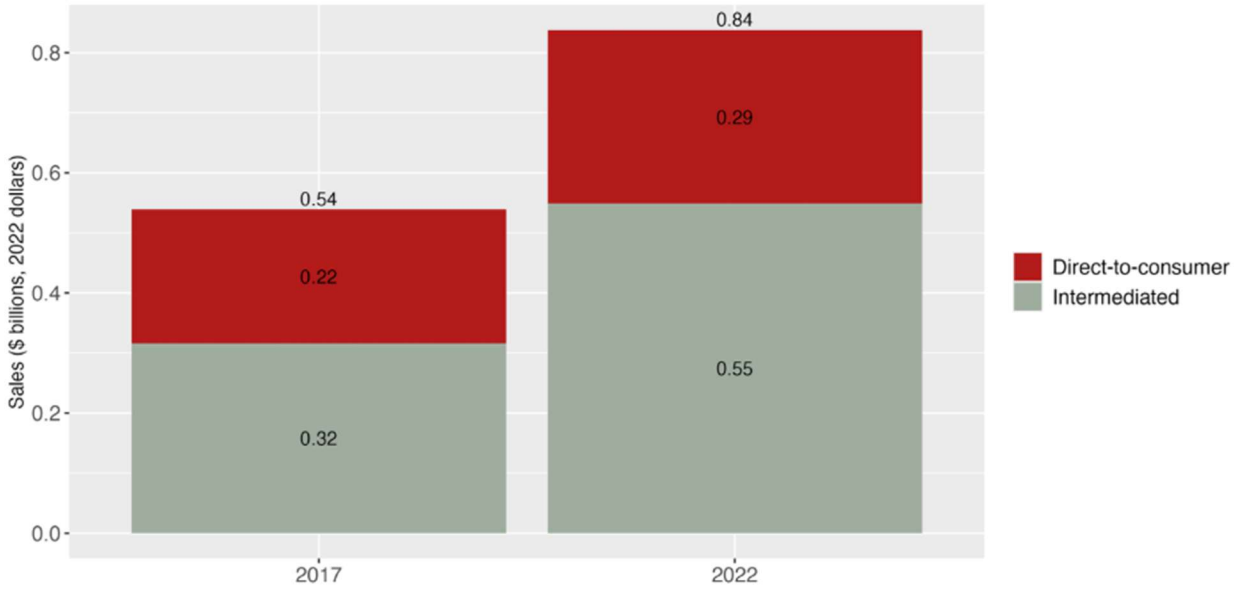

Figure 2 Sales through local food markets in New York by market channel 2017 and 2022
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Although most New York farms with local sales continue to sell through DTC channels, the number of farms using DTC markets declined over this period. In 2017, 5,697 farms sold through local food markets, whereas in 2022 the number declined to 5,279 (figure 3). This mimics national trends where the number of farms selling through DTC channels declined from 130,056 in 2017 to 116,617 in 2022.

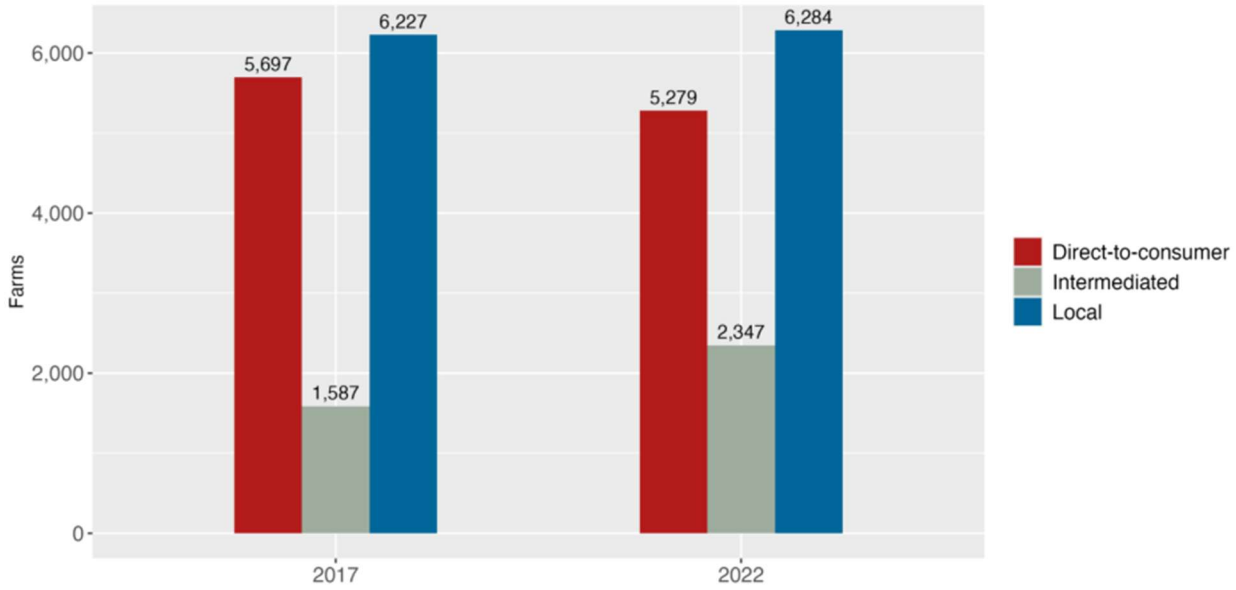

Figure 3 Farms with sales through local food markets in New York by market channel, 2017 to 2022

Source: U.S. Department of Agriculture, National Agricultural Statistics Service (USDA NASS), 2017 and 2022 Census of Agriculture, public and restricted access data compiled by the author.

Notes: Categories are not exclusive, if a farm sells through both direct-to-consumer and intermediated market channels it will be counted in each. Total number of farms selling through local food market channels is not reported in the public Census of Agriculture data, those data are reported using the restricted access data. Direct-to-consumer sales include sales through farmers markets, on-farm stores or farm stands, roadside stands or stores, CSA, etc. Intermediated sales include sales to retail markets (supermarkets, restaurants, grocery stores, caterers, etc.), institutions (k-12 schools, colleges or universities, hospitals, workplace cafeterias, prisons, food banks, etc.), and intermediate markets (businesses in the middle of the supply chain marketing locally or regionally branded products such as distributors, food hubs, brokers, auction houses, wholesale and terminal markets, food processors, etc.).

Geography Matters: Where Local Food Markets Are Used

Participation in local food markets varies widely across New York State. These spatial patterns likely reflect differences in access to consumers, institutions, infrastructure, and distribution networks.

The share of farms using DTC markets is highest near New York City, in the Adirondack region, and in Niagara County (figure 4). In contrast, farms selling through intermediated markets are more broadly distributed across counties statewide (figure 5).

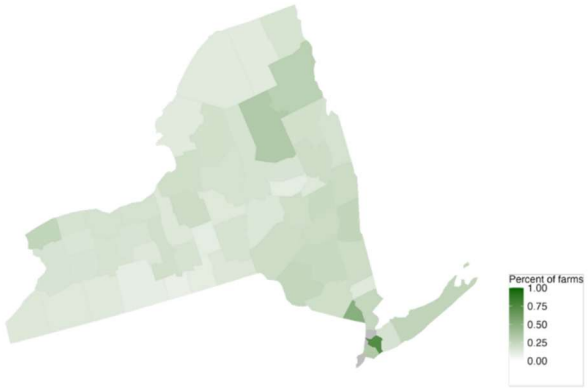

Figure 4 Percent of farms with sales through direct-to-consumer market channels in New York by County, 2022

Source: U.S. Department of Agriculture, National Agricultural Statistics Service (USDA NASS), 2022 Census of Agriculture, public data.

Notes: We do not have number of farms selling through local food channels at the county-level, it is only available publicly as farms with sales through direct-to-consumer market channels and through intermediated market channel. Because these are not exclusive categories, we would double count if we add them. Direct-to-consumer sales include sales through farmers markets, on-farm stores or farm stands, roadside stands or stores, CSA, etc. Grey counties indicate data was not disclosed.

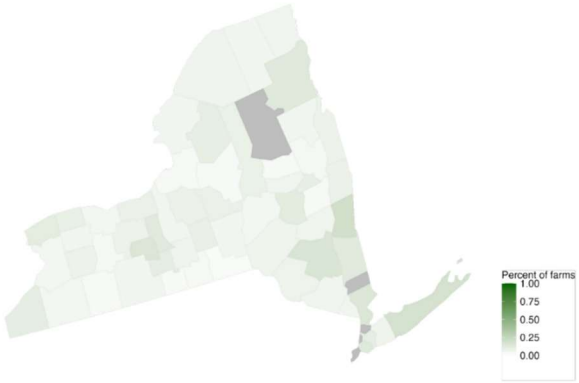

Figure 5 Percent of farms with sales through intermediated market channels in New York by county, 2022

Source: U.S. Department of Agriculture, National Agricultural Statistics Service (USDA NASS), 2022 Census of Agriculture, public data.

Notes: We do not have number of farms selling through local food channels at the county-level, it is only available publicly as farms with sales through direct-to-consumer market channels and through intermediated market channel. Because these are not exclusive categories, we would double count if we add them. Intermediated sales include sales to retail markets (supermarkets, restaurants, grocery stores, caterers, etc.), institutions (k-12 schools, colleges or universities, hospitals, workplace cafeterias, prisons, food banks, etc.), and intermediate markets (businesses in the middle of the supply chain marketing locally or regionally branded products such as distributors, food hubs, brokers, auction houses, wholesale and terminal markets, food processors, etc.). Grey counties indicate data was not disclosed.

In some counties, local food sales account for a relatively large share of total agricultural sales, indicating a high degree of reliance on these markets (figure 6). Five counties (Suffolk, Yates, Seneca, Ulster, and Dutchess) had local food sales accounting for more than 25 percent of all agricultural sales. In all New York counties, this proportion ranged from less than 1 percent to 40 percent.

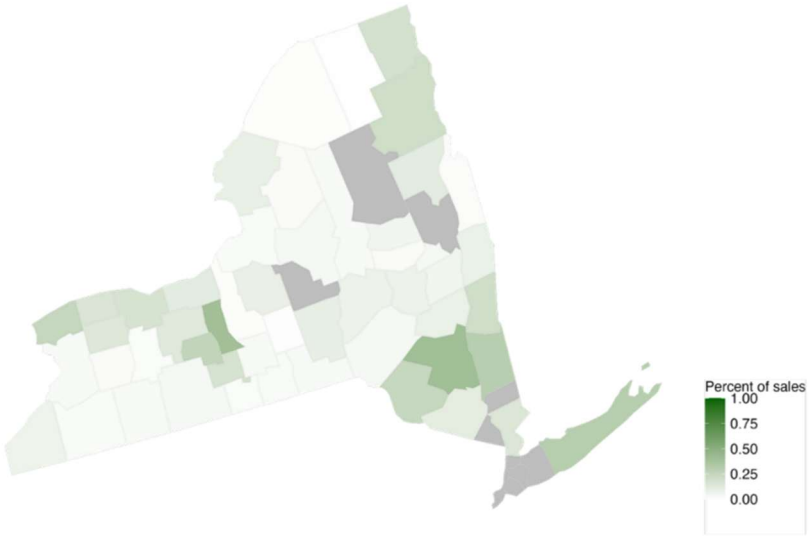

Figure 6 Local sales as a percent of total sales in New York by county, 2022
Source: U.S. Department of Agriculture, National Agricultural Statistics Service (USDA NASS), 2022 Census of Agriculture, public data
Notes: Direct-to-consumer sales include sales through farmers markets, on-farm stores or farm stands, roadside stands or stores, CSA, etc. Intermediated sales include sales to retail markets (supermarkets, restaurants, grocery stores, caterers, etc.), institutions (k-12 schools, colleges or universities, hospitals, workplace cafeterias, prisons, food banks, etc.), and intermediate markets (businesses in the middle of the supply chain marketing locally or regionally branded products such as distributors, food hubs, brokers, auction houses, wholesale and terminal markets, food processors, etc.). Grey counties indicate data was not disclosed.

These spatial patterns suggest that infrastructure access and proximity to urban demand centers may shape which types of local markets are most viable, with implications for regionally tailored policy and investment.

Agritourism: Growth with Limits
Agritourism has expanded in New York State, but still represents a small share of overall agricultural revenue.

Between 2017 and 2022, agritourism sales grew from $36.85 million to $55.52 million, and the number of participating farms increased from 826 to 947. Farms located near New York City are more likely to earn agritourism income (figure 7). Despite this growth, agritourism represents a limited portion of total county ag sales[1] for the vast majority of counties in New York (figure 8).

[1] Agritourism income is not included in total sales, as reported in the Census, but reported as income from farm related sources. To calculate agritourism income as percent of farm income, we include both sales and income from farm related sources in our calculation.

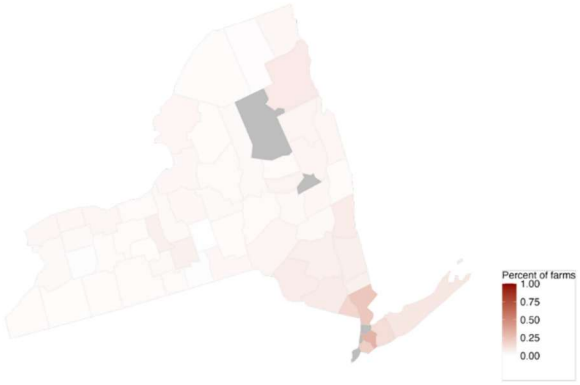

Figure 7 Percent of farms with agritourism income in New York by county, 2022
Source: U.S. Department of Agriculture, National Agricultural Statistics Service (USDA NASS), 2022 Census of Agriculture, public data.
Notes: Agritourism includes recreational services such as farm tours, hay rides, hunting, fishing, etc. Grey counties indicate data was not disclosed.

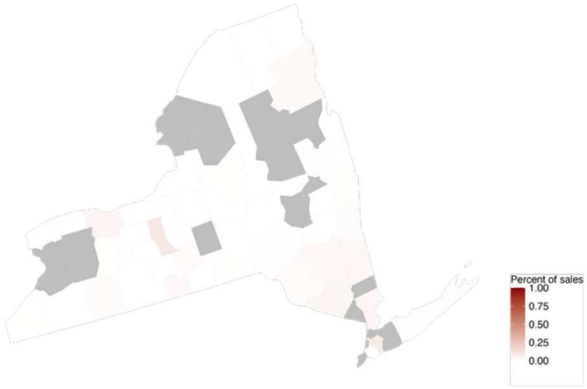

Figure 8 Agritourism income as a percent of total sales and farm related income in New York by county, 2022
Source: U.S. Department of Agriculture, National Agricultural Statistics Service (USDA NASS), 2022 Census of Agriculture, public data.
Notes: Agritourism includes recreational services such as farm tours, hay rides, hunting, fishing, etc. Grey counties indicate data was not disclosed.

Demand-Side Drivers: Public Procurement and Policy Incentives
New York State has implemented many procurement programs and incentives that directly affect demand for locally grown and raised foods in the state. One example is The 30 Percent New York State Initiative.

30 Percent New York State Initiative
The 30% Initiative provides enhanced school meal reimbursements (from 5.9 cents per meal to 25 cents per meal) to districts that source at least 30 percent of lunch ingredients from eligible New York products. School districts that reach the 30 percent threshold receive the additional reimbursement in the following year. According to program evaluation data from Cornell Cooperative Extension's HarvestNY program, since the 2018/19 school year:

- Participation has increased steadily, but between the 2018/19 and 2023/24 school year only 8.8% of school food authorities (92) have participated.
- Participating school food authorities have collectively spent more than $35.8 million on New York food products.
- Dairy products account for the largest share of reported purchases.

Intermediate Infrastructure Investments
In parallel, New York State has made historic investments in mid-scale infrastructure. These investments are intended not just to spur business development and job creation, but also to enhance market access for New York State farms. Some examples of investments made since 2024 include:

- Resilient Food Systems Infrastructure: $14.7M
- Dairy Modernization Grant: $21.6M
- Long Island Aquaculture Infrastructure Grants: $3M; Equipment: $1.2M

- Business Builder Grants: $3.5M (NYS only; $14M total)
- NYS Grown and Certified: $8.5M ($25M over 5 years)
- Meat Processing Expansion: $4.3M

What Do We Know About Farm Outcomes?

Preliminary findings from our research suggest that, for farms in the Northeast (plus Maryland and Delaware), participation in intermediated markets is associated with higher survival rates for operations with gross cash farm income under $1 million. We find that five- and ten-year farm survival rates are statistically significantly higher for farms that have some intermediate market sales and have less than $1 million in gross cash farm income compared those without intermediated sales.

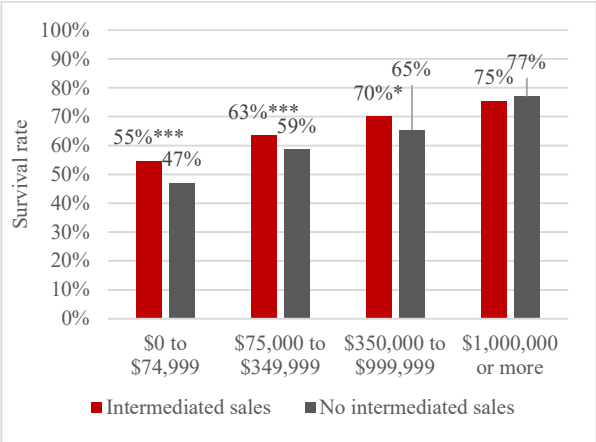

Figure 9 Survival rates by scale and market channel, 5 year survival from 2017-2022

*Notes: Includes farms located in the Northeast region. Asterisks indicate statistically significant differences when comparing survival rates for operations with intermediated sales to operations without, p-value<0.01***, <0.05**, <0.1*.*

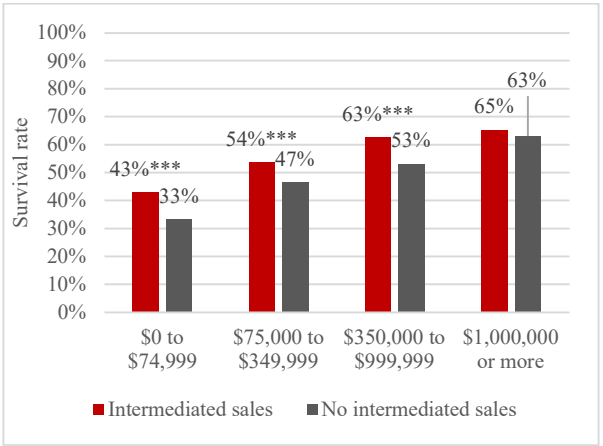

Figure 10 Survival rates by scale and market channel, 10 year survival from 2012-2022

*Notes: Includes farms located in the Northeast region. Asterisks indicate statistically significant differences when comparing survival rates for operations with intermediated sales to operations without, p-value<0.01***, <0.05**, <0.1*.*

These associations do not imply that local food markets are risk-free, but they do suggest that diversified and differentiated market strategies may support farm viability for small- and mid-scale operations. Further, these results reflect associations and do not establish causal effects; market participation may also reflect underlying differences in management capacity, access to infrastructure, etc.

A Note of Caution: Labor

Farms that sell through local and regional food markets, on average, are more labor intensive than operations that do not use these channels. And, as they get larger (more than $1 million in gross cash farm income), they spend a larger share of total variable expenditures to labor, which is the opposite of conventional agriculture (Jablonski et al. 2020).

Accordingly, New York State's evolving overtime wage laws may pose particular challenges for local food operations, underscoring the importance of productivity improvements, workforce development, and supportive policy design.

Looking Ahead to 2026:

- Local and regional food markets remain an important strategy for small and mid-scale farms in New York State.
- Intermediated markets appear positioned for continued growth, especially where mid-scale infrastructure is expanding.
- Public procurement programs and investments in mid-scale infrastructure play a critical role in shaping demand and access.
- Demand-side investments may need to be paired with technical assistance and operational support, given continued low uptake in some procurement programs.

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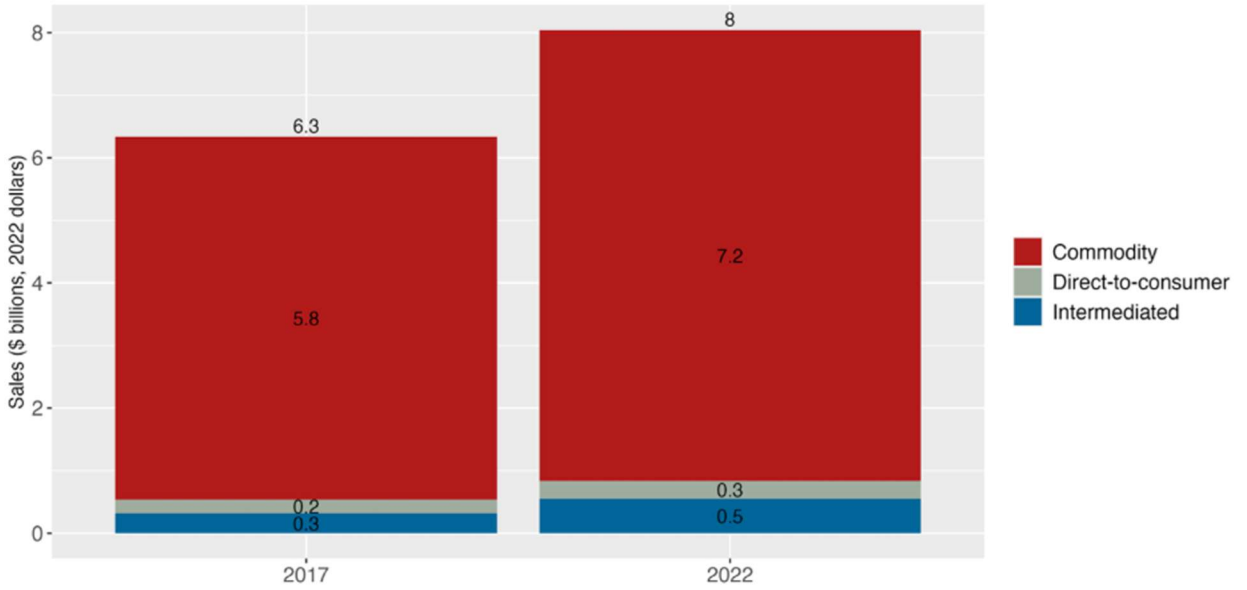

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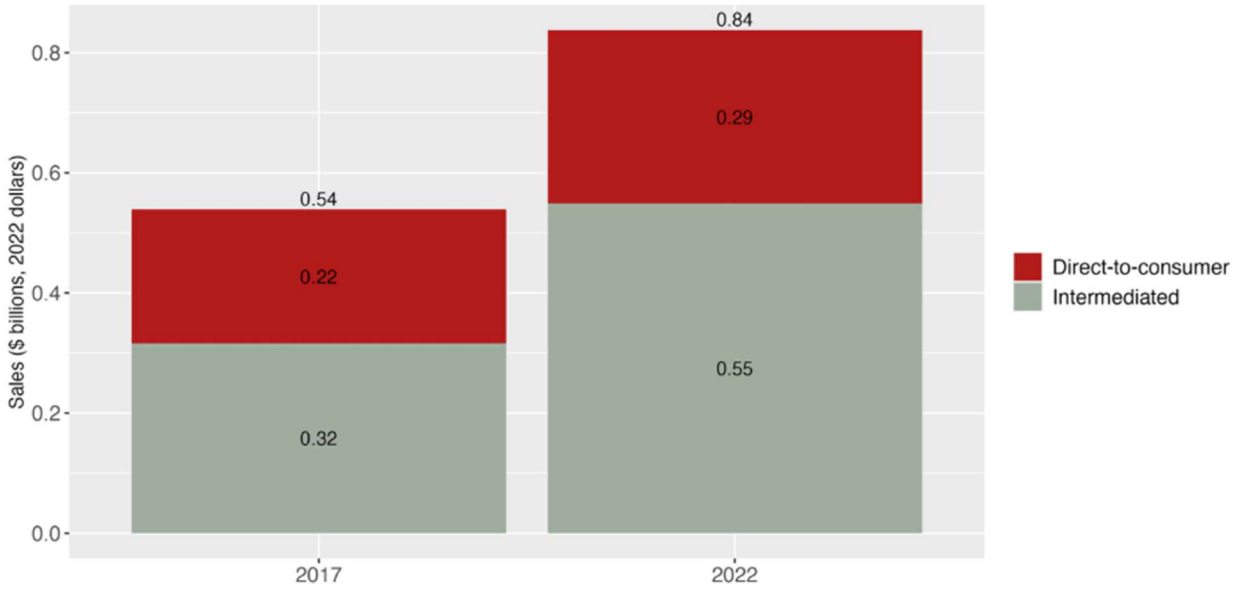

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Although most New York farms with local sales continue to sell through DTC channels, the number of farms using DTC markets declined over this period. In 2017, 5,697 farms sold through local food markets, whereas in 2022 the number declined to 5,279 (figure 3). This mimics national trends where the number of farms selling through DTC channels declined from 130,056 in 2017 to 116,617 in 2022.

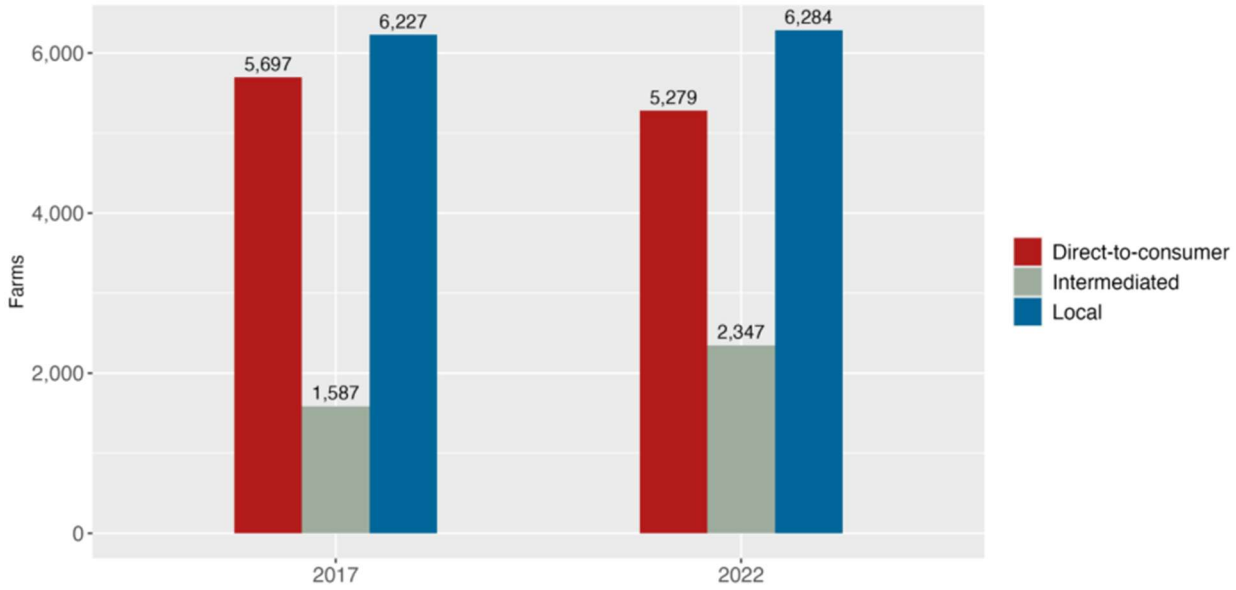

Figure 3 Farms with sales through local food markets in New York by market channel, 2017 to 2022

Source: U.S. Department of Agriculture, National Agricultural Statistics Service (USDA NASS), 2017 and 2022 Census of Agriculture, public and restricted access data compiled by the author.

Notes: Categories are not exclusive, if a farm sells through both direct-to-consumer and intermediated market channels it will be counted in each. Total number of farms selling through local food market channels is not reported in the public Census of Agriculture data, those data are reported using the restricted access data. Direct-to-consumer sales include sales through farmers markets, on-farm stores or farm stands, roadside stands or stores, CSA, etc. Intermediated sales include sales to retail markets (supermarkets, restaurants, grocery stores, caterers, etc.), institutions (k-12 schools, colleges or universities, hospitals, workplace cafeterias, prisons, food banks, etc.), and intermediate markets (businesses in the middle of the supply chain marketing locally or regionally branded products such as distributors, food hubs, brokers, auction houses, wholesale and terminal markets, food processors, etc.).

Geography Matters: Where Local Food Markets Are Used

Participation in local food markets varies widely across New York State. These spatial patterns likely reflect differences in access to consumers, institutions, infrastructure, and distribution networks.

The share of farms using DTC markets is highest near New York City, in the Adirondack region, and in Niagara County (figure 4). In contrast, farms selling through intermediated markets are more broadly distributed across counties statewide (figure 5).

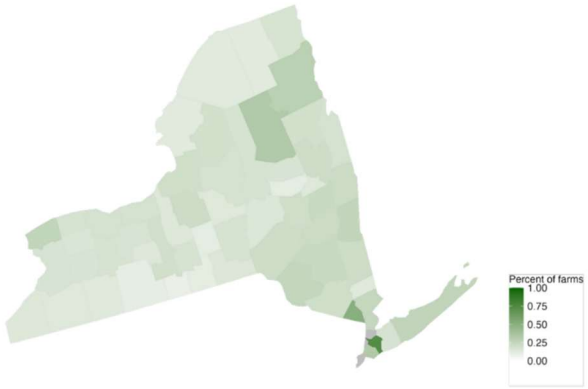

Figure 4 Percent of farms with sales through direct-to-consumer market channels in New York by County, 2022

Source: U.S. Department of Agriculture, National Agricultural Statistics Service (USDA NASS), 2022 Census of Agriculture, public data.

Notes: We do not have number of farms selling through local food channels at the county-level, it is only available publicly as farms with sales through direct-to-consumer market channels and through intermediated market channel. Because these are not exclusive categories, we would double count if we add them. Direct-to-consumer sales include sales through farmers markets, on-farm stores or farm stands, roadside stands or stores, CSA, etc. Grey counties indicate data was not disclosed.

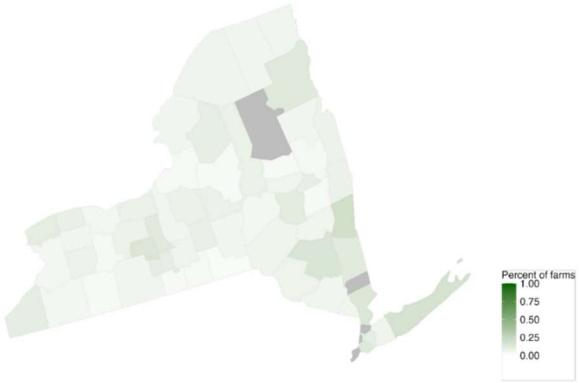

Figure 5 Percent of farms with sales through intermediated market channels in New York by county, 2022

Source: U.S. Department of Agriculture, National Agricultural Statistics Service (USDA NASS), 2022 Census of Agriculture, public data.

Notes: We do not have number of farms selling through local food channels at the county-level, it is only available publicly as farms with sales through direct-to-consumer market channels and through intermediated market channel. Because these are not exclusive categories, we would double count if we add them. Intermediated sales include sales to retail markets (supermarkets, restaurants, grocery stores, caterers, etc.), institutions (k-12 schools, colleges or universities, hospitals, workplace cafeterias, prisons, food banks, etc.), and intermediate markets (businesses in the middle of the supply chain marketing locally or regionally branded products such as distributors, food hubs, brokers, auction houses, wholesale and terminal markets, food processors, etc.). Grey counties indicate data was not disclosed.

In some counties, local food sales account for a relatively large share of total agricultural sales, indicating a high degree of reliance on these markets (figure 6). Five counties (Suffolk, Yates, Seneca, Ulster, and Dutchess) had local food sales accounting for more than 25 percent of all agricultural sales. In all New York counties, this proportion ranged from less than 1 percent to 40 percent.

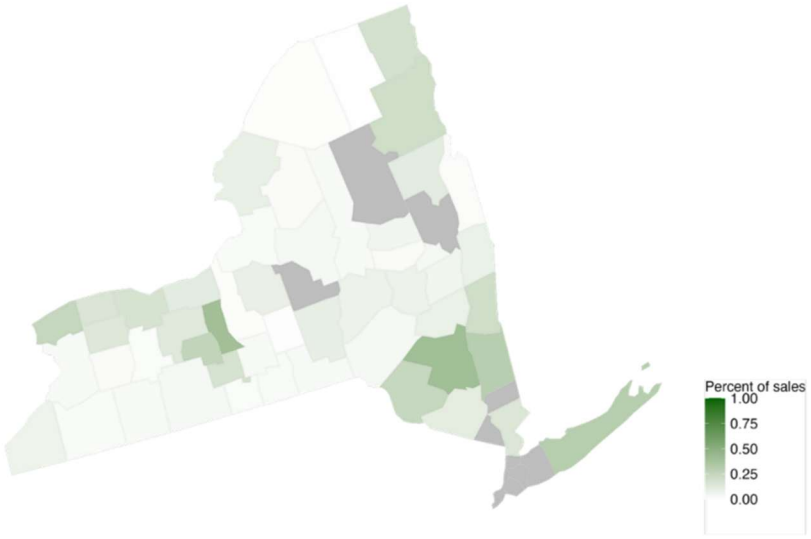

Figure 6 Local sales as a percent of total sales in New York by county, 2022
Source: U.S. Department of Agriculture, National Agricultural Statistics Service (USDA NASS), 2022 Census of Agriculture, public data
Notes: Direct-to-consumer sales include sales through farmers markets, on-farm stores or farm stands, roadside stands or stores, CSA, etc. Intermediated sales include sales to retail markets (supermarkets, restaurants, grocery stores, caterers, etc.), institutions (k-12 schools, colleges or universities, hospitals, workplace cafeterias, prisons, food banks, etc.), and intermediate markets (businesses in the middle of the supply chain marketing locally or regionally branded products such as distributors, food hubs, brokers, auction houses, wholesale and terminal markets, food processors, etc.). Grey counties indicate data was not disclosed.

These spatial patterns suggest that infrastructure access and proximity to urban demand centers may shape which types of local markets are most viable, with implications for regionally tailored policy and investment.

Agritourism: Growth with Limits
Agritourism has expanded in New York State, but still represents a small share of overall agricultural revenue.

Between 2017 and 2022, agritourism sales grew from $36.85 million to $55.52 million, and the number of participating farms increased from 826 to 947. Farms located near New York City are more likely to earn agritourism income (figure 7). Despite this growth, agritourism represents a limited portion of total county ag sales[1] for the vast majority of counties in New York (figure 8).

[1] Agritourism income is not included in total sales, as reported in the Census, but reported as income from farm related sources. To calculate agritourism income as percent of farm income, we include both sales and income from farm related sources in our calculation.

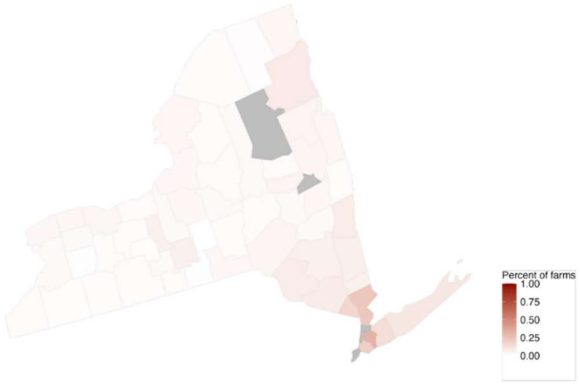

Figure 7 Percent of farms with agritourism income in New York by county, 2022
Source: U.S. Department of Agriculture, National Agricultural Statistics Service (USDA NASS), 2022 Census of Agriculture, public data.
Notes: Agritourism includes recreational services such as farm tours, hay rides, hunting, fishing, etc. Grey counties indicate data was not disclosed.

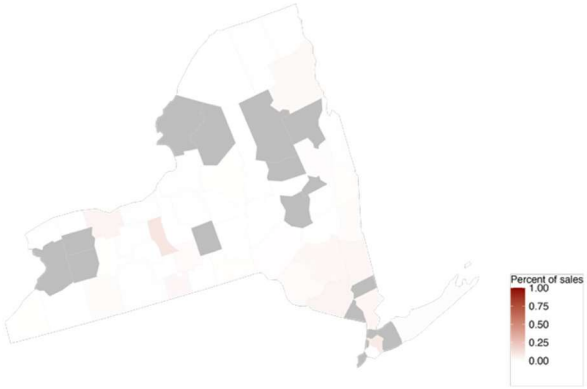

Figure 8 Agritourism income as a percent of total sales and farm related income in New York by county, 2022
Source: U.S. Department of Agriculture, National Agricultural Statistics Service (USDA NASS), 2022 Census of Agriculture, public data.
Notes: Agritourism includes recreational services such as farm tours, hay rides, hunting, fishing, etc. Grey counties indicate data was not disclosed.

Demand-Side Drivers: Public Procurement and Policy Incentives
New York State has implemented many procurement programs and incentives that directly affect demand for locally grown and raised foods in the state. One example is The 30 Percent New York State Initiative.

30 Percent New York State Initiative
The 30% Initiative provides enhanced school meal reimbursements (from 5.9 cents per meal to 25 cents per meal) to districts that source at least 30 percent of lunch ingredients from eligible New York products. School districts that reach the 30 percent threshold receive the additional reimbursement in the following year. According to program evaluation data from Cornell Cooperative Extension's HarvestNY program, since the 2018/19 school year:

- Participation has increased steadily, but between the 2018/19 and 2023/24 school year only 8.8% of school food authorities (92) have participated.
- Participating school food authorities have collectively spent more than $35.8 million on New York food products.
- Dairy products account for the largest share of reported purchases.

Intermediate Infrastructure Investments
In parallel, New York State has made historic investments in mid-scale infrastructure. These investments are intended not just to spur business development and job creation, but also to enhance market access for New York State farms. Some examples of investments made since 2024 include:

- Resilient Food Systems Infrastructure: $14.7M
- Dairy Modernization Grant: $21.6M
- Long Island Aquaculture Infrastructure Grants: $3M; Equipment: $1.2M

- Business Builder Grants: $3.5M (NYS only; $14M total)
- NYS Grown and Certified: $8.5M ($25M over 5 years)
- Meat Processing Expansion: $4.3M

What Do We Know About Farm Outcomes?

Preliminary findings from our research suggest that, for farms in the Northeast (plus Maryland and Delaware), participation in intermediated markets is associated with higher survival rates for operations with gross cash farm income under $1 million. We find that five- and ten-year farm survival rates are statistically significantly higher for farms that have some intermediate market sales and have less than $1 million in gross cash farm income compared those without intermediated sales.

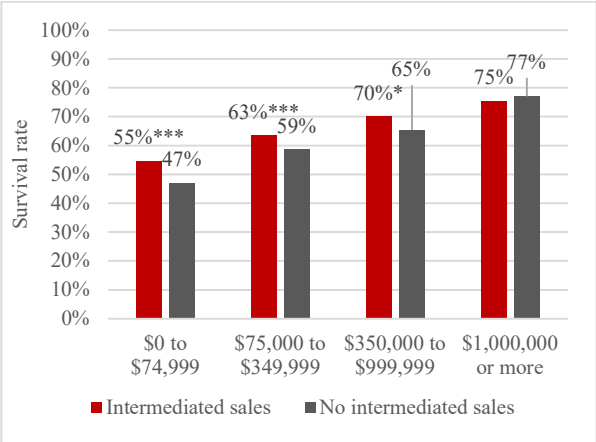

Figure 9 Survival rates by scale and market channel, 5 year survival from 2017-2022

*Notes: Includes farms located in the Northeast region. Asterisks indicate statistically significant differences when comparing survival rates for operations with intermediated sales to operations without, p-value<0.01***, <0.05**, <0.1*.*

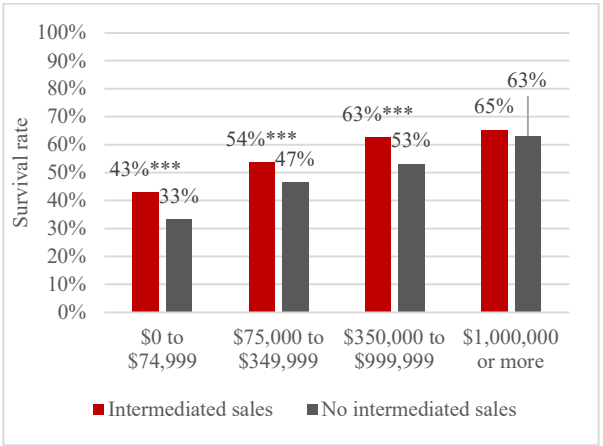

Figure 10 Survival rates by scale and market channel, 10 year survival from 2012-2022

*Notes: Includes farms located in the Northeast region. Asterisks indicate statistically significant differences when comparing survival rates for operations with intermediated sales to operations without, p-value<0.01***, <0.05**, <0.1*.*

These associations do not imply that local food markets are risk-free, but they do suggest that diversified and differentiated market strategies may support farm viability for small- and mid-scale operations. Further, these results reflect associations and do not establish causal effects; market participation may also reflect underlying differences in management capacity, access to infrastructure, etc.

A Note of Caution: Labor

Farms that sell through local and regional food markets, on average, are more labor intensive than operations that do not use these channels. And, as they get larger (more than $1 million in gross cash farm income), they spend a larger share of total variable expenditures to labor, which is the opposite of conventional agriculture (Jablonski et al. 2020).

Accordingly, New York State's evolving overtime wage laws may pose particular challenges for local food operations, underscoring the importance of productivity improvements, workforce development, and supportive policy design.

Looking Ahead to 2026:

- Local and regional food markets remain an important strategy for small and mid-scale farms in New York State.
- Intermediated markets appear positioned for continued growth, especially where mid-scale infrastructure is expanding.
- Public procurement programs and investments in mid-scale infrastructure play a critical role in shaping demand and access.
- Demand-side investments may need to be paired with technical assistance and operational support, given continued low uptake in some procurement programs.

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