

**Minutes of the regular meeting of the
SMALL BUSINESS AND AGRICULTURAL ADVISORY COUNCIL**

10:30 a.m. – 2:00 p.m., Friday, July 18, 2014

Federal Reserve Bank of New York

33 Liberty St., New York, NY

Present:

Michael Arnoff, President, Arnoff Moving & Storage
Alejandro Ballester, President, Ballester Hermanos, Inc.
Stewart Brunhouse, President, A&A Company, Inc.
William Byrne, Chairman of the Board, Byrne Dairy, Inc
Eric Caslow, President, Acme Smoked Fish
Deborah Leo, President, Retail Solutions, Inc.
Patrick Marotta, President and CEO, Marotta Controls
Edward Tregurtha, President, Moran Towing Corporation

Federal Reserve Bank of New York attendees:

James Bergin
John Clark
Christine Cummings
William Dudley
Jack Gutt
Kausar Hamdani
Claire Kramer
James Andrew Orr
David Parkinson
Richard Peach
Rae Rosen
Joseph Tracy

Ms. Cummings called the meeting to order at approximately 10:30 a.m.

1. The National Economy

Mr. Peach gave a high-level overview of the current state of the U.S. economy.

2. Regional Update

Mr. Orr discussed economic trends in the Second Federal Reserve District.

3. International Update

Mr. Clark spoke about international economic developments in the euro area, Japan, and the emerging market economies, including China.

4. Luncheon Discussion

Mr. Dudley joined the group for the luncheon discussion. Members were asked to comment

on changes in sales volume, projected hiring and investment in plant and equipment for the second half of the year, pricing expectations, and access to credit.

A majority of members reported sales growth during the first half of 2014, with some firms reporting no loss of sales during the first quarter, in spite of harsh winter weather. Most members expected similar levels of growth to continue during the second half of the year.

Some members reported plans for modest increases in employment, while others plan to keep employment levels stable. Across sectors, members have experienced varying degrees of labor marketing tightening with some firms reporting increased competition for top talent. Several firms cited the information technology field as a specific area of competition.

Several members reported making new investments in plant and equipment, while other member firms have recently concluded upgrades. Research and development was cited as an area of continued investment. Some firms also noted new pricing pressures due to factors such as increasing regulation and rising fuel and raw material costs.

In general, members noted that credit conditions remain largely unchanged with relatively easy access to credit.

The meeting adjourned at approximately 2:00 p.m.