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**New York State Joint Legislative Hearing on
2015-2016 Executive Budget Proposal
Environmental Conservation**

WEDNESDAY, JANUARY 28, 2015
HEARING ROOM B
LEGISLATIVE OFFICE BUILDING, 2ND FLOOR
ALBANY, NEW YORK

TESTIMONY PRESENTED BY:

LAURA TEN EYCK
AMERICAN FARMLAND TRUST

“The policy of the state shall be to conserve and protect its natural resources and scenic beauty and encourage the development and improvement of its agricultural lands for the production of food and other agricultural products.”

- Article XIV, Section 4, New York State Constitution

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Good morning. I am pleased to be here to present testimony on behalf of American Farmland Trust (AFT). AFT is the nation's leading conservation organization dedicated to protecting farmland, promoting sound farming practices and keeping farmers on the land. Since its founding in 1980 by farmers and citizens concerned about the rapid loss of farmland to development, AFT has helped protect three million acres of farmland and led the way for the adoption of conservation practices on millions more. Established in 1990, AFT's New York State Office works to save the land that sustains us across the state.

Thank you for holding this hearing and thanks to the New York State Assembly and Senate for their strong support of our state's agricultural industry and for state programs that help farmers protect and steward their land.

AGRICULTURE FORMS THE FOUNDATION OF THE NEW YORK STATE ECONOMY

The production, processing, buying and selling of food has traditionally formed the foundation of all economies and New York State is no different. New York's 35,537 farms generated \$5.4 billion in sales in 2013 and provide jobs for an estimated 60,000 people. Farms also create business opportunities for farm support services such as electricians, feed and seed dealers, carpenters, farm equipment dealers, truckers, mechanics, bankers, veterinarians and many others.

In addition, farms serve as the cornerstone of the state's \$46.7 billion farm and food economy and are closely tied to New York's food processing sector that processes milk, fruits, vegetables and grains into cheese, yogurt, baked goods, wine, beer, spirits and other food products, creating another 68,000 jobs. These farm and food jobs are a form of steady employment for residents across New York.

AGING FARMERS AND THE SHRINKING LAND BASE

As a national leader in the production of more than 20 farm products in close proximity to 19 million state residents and millions more food consumers in neighboring states New York State is poised for growth in its food and agribusiness sector. Yet, the farmland that provides the foundation for this economic activity is often taken for granted. New York has lost more than 425,000 acres of farmland to poorly planned development since the 1980s, the equivalent of 4,500 farms.

The loss of farmland substantially reduces the ability of New York's farmers to meet state residents' burgeoning demand for locally grown food. Over 80 percent of the fruits, vegetables and dairy products produced in New York State are grown on farmland immediately surrounding urban areas and lie directly in the path of suburban sprawl. In fact, a Cornell University study found that the state's 7 million acres of farmland is only sufficient to feed 6 million of our 19 million state residents¹.

We are clearly losing farmland. But we are also at risk of losing farmers. The 2012 Census of Agriculture reports that 30 percent of the farmers in New York State are age 65 or older. These farmers are farming over 2 million acres of land. Another 30 percent of New York's farmers are at age 55 to 64. This

group is farming an additional 2 million acres of land. These demographics indicate that over half of the 7 million acres of farmland currently in agricultural production in New York State needs to transition to a new generation of farmers in the next decade.

Family farms being passed from one generation to the next are vulnerable to being lost to development as farm families grapple with the challenges of successfully transferring their land and businesses involving taxes, business structures, assets and other farm management and family considerations. At the same time the biggest challenge beginning farmers face is finding affordable farmland. Prices for land are often driven out of reach for new farmers as they find themselves competing with both established farmers and real estate developers over a shrinking land base.

STATE FARMLAND PROTECTION PROGRAM HELPS NEXT GENERATION OF FARMERS

Funding for the purchase of development rights on farmland provided by the state's Farmland Protection Program enables farmers from Long Island to Buffalo to make transformative investments in their businesses. Farmers use proceeds from the sale of development rights to expand and diversify their operations to bring on the next generation. These funds also facilitate the retirement of senior farmers, enabling them to transfer the farm down to the next generation, who can purchase the land now under easement at its agricultural value.

Using these strategies farmers are putting New York's Farmland Protection Program funds to work to advance the state's numerous agricultural economic development priorities including: expanding dairy production; growing a farm-based beer, cider, spirits and wine industry; enhancing the upstate-downstate connection, and providing healthy food grown in New York to people who need it through state-run institutions and hunger relief programs.

New York's Farmland Protection Program was established in 1996 to support local efforts to strengthen the future for the state's agricultural industry. The Farmland Protection Program has utilized money from the 1996 Clean Water/Clean Air Bond Act and the Environmental Protection Fund for two primary purposes: 1) grants to municipalities and counties for the development of agricultural and farmland protection plans and 2) grants to municipalities, counties and land trusts to purchase permanent agricultural conservation easements on farms.

To date, the Farmland Protection Program has awarded planning grants totaling \$4,780,252 to 65 counties (including 12 county plan updates) and 77 towns to assist in the development of local agriculture and farmland protection plans, outlining strategies for strengthening the economic viability of agriculture and retaining agricultural lands through farm friendly land use planning. Additionally, the program has provided \$131,289,109 in funds to protect 223 farms encompassing 53,388 acres.ⁱⁱ Through permanent farmland protection projects, the Department of Agriculture and Markets distributes grant funds to town and county governments and private land trusts to pay farmers to convey permanent agricultural conservation easements. Such projects enable farmers to tap into one of their largest sources of equity, their land, and use these funds to reinvest in their business and community.

The state Farmland Protection Program has recently recovered from a difficult period. Six years ago New York State had appropriated \$30 million for farmland protection in the SFY 2008-2009 budget and was one of the top five states in farmland conservation in the country. But by the spring of 2010 state Farmland Protection Program funding had been cut to just \$10.75 million and that summer the previous administration announced only \$5.2 million, just half of what had been appropriated, would actually be made available to fulfill the state's obligations to 61 farm families who had been promised \$70 million in funding from the state's Farmland Protection Program.

Today the Farmland Protection Program is back up and running. Over the last four years funding has slowly been increased and the project backlog has been cleared. In SFY 2014-2015 \$14 million was allocated to the program. Last May the Department of Agriculture in Markets released the first request for new farmland protection proposals in six years offering \$20.5 million in funds. In October Governor Cuomo awarded \$17.6 million in funding to protect 21 farms across New York.

Despite the lack of funding over the past several years there is no shortage of farmers in New York State who want to protect their farmland through the state's Farmland Protection Program. Historically demand has greatly outstripped available Farmland Protection Program funds. Between 1996 and 2008, \$724.3 million in applications have been submitted to the Farmland Protection Program, with 75 percent or \$547 million being rejected largely due to a lack of state funds.ⁱⁱⁱ Despite the fact a request for proposals had not issued for six years, in Round 13 over two times as many applications were submitted than there was available funding.

NEW FUNDS PROPOSED IN EXECUTIVE BUDGET WOULD MAKE NEW YORK NATIONAL LEADER IN FARMLAND CONSERVATION FUNDING

In his executive budget proposal Governor Cuomo has proposed to make the state's largest investment ever in permanently protecting farmland - placing New York in the Top Five in America in state funding for farmland conservation.

Governor Cuomo's budget proposal includes \$14 million for New York's Farmland Protection Program from the state's Environmental Protection Fund as well as a special allocation of \$20 million for permanently protecting farms in the Hudson Valley and \$30 million for farms and agricultural economic development in the state's Southern Tier. Such state investment would put New York near the top of the nation in farmland conservation funding - along with Maryland, New Jersey and Pennsylvania.

With the announcement of this funding for farmland conservation the Governor has acknowledged the critical role farmland serves as the foundation of the state's burgeoning farm and food economy and ensuring true food security for all New Yorkers.

AMERICAN FARMLAND TRUST'S RECOMMENDATIONS REGARDING THE 2015-16 STATE BUDGET

Environmental Protection Fund

The Environmental Protection Fund (EPF) is the state's dedicated source of funding for programs that protect the state's clean water and natural resources. We strongly support increasing the EPF to \$172 million, as proposed in the Executive Budget. After steep cuts and significant sweeps of EPF funding during the economic crisis, the continued restoration of the EPF is critical to support programs that create jobs, protect clean water and improve communities in every county of New York State. This \$10 million increase is progress towards our shared goal of reaching a \$200 million EPF in the near future, and a fully-funded \$300 million EPF in the long-term.

The EPF has had a long standing relationship to the state's Real Estate Transfer Tax, which has significantly rebounded, as well as other, smaller revenue sources. Rather than relying on these available revenue sources, the Governor has proposed using off-budget proceeds from the RGGI carbon pollution auctions to increase the EPF. As budget negotiations continue the Legislature should ensure the enacted \$172M EPF is funded in such a way that it does not reduce funding from other environmental programs.

We look forward to working with the Legislature and Governor throughout the remainder of the budget process to ensure the enacted budget includes at least \$172 million for the EPF, so that our communities can reap the economic and environmental benefits that the Fund provides.

Without additional funding, New York will not be in a position to address critical issues that make our communities desirable for businesses, residents and tourists, and support our farm economy and jobs on farms and related businesses, and reduce risk to our farms and communities from severe weather and future storms.

AFT encourages the legislature to support the \$10 million increase appropriation for the EPF in the SFY 2015-16 State Budget with a goal of \$200 million in funding for the EPF in the near future.

Farmland Protection Funding

In his executive budget Governor Cuomo proposes allocating \$14 million from the EPF for the Farmland Protection Program. This funding level is unchanged from the previous fiscal year. As in 2014-2015 \$1 million of these funds would be set aside as matching funds for the purchase of conservation easements on farmland in the vicinity of Fort Drum. The matching funds will be provided by the United States Army's Compatible Use Buffer program.

Governor Cuomo proposes to direct \$3 billion out of \$5.6 billion received by the state from financial settlements with major banks to be put in a Special Infrastructure Account. In his 2015 Opportunity Agenda the Governor proposes using \$50 million of these Special Infrastructure Account funds to "assist farmers and other related businesses in the Southern Tier and the Hudson Valley to maintain and grow their businesses. This funding would be used for strategic farming initiatives, including

preservation of farmland, to ensure that farms in the Southern Tier and the Hudson Valley remain intact and vibrant for generations to come.”

Currently available information indicates that \$20 million of the \$50 million in settlement funds will be directed toward the purchase of permanent conservation easements on farmland in the Hudson Valley. These funds will be disbursed through the state’s Farmland Protection Program. The Southern Tier is slated to receive \$30 million. These funds will be used to fund a variety of strategies to bolster agriculture in the region, including the purchase of term easements on farmland in the Southern Tier.

AFT encourages the State Legislature to support the allocation of:

- \$14 million for the state’s Farmland Protection Program in SFY 2015-2016;
- \$20 million in settlement funds for the purchase of permanent farmland conservation easements on farmland in the Hudson Valley;
- \$30 million in settlement funds to support agriculture through investment in farmland conservation and agricultural economic development in the Southern Tier.

In addition AFT requests the State Legislature to support the release of a new Request for Proposals for the purchase of permanent conservation easements on farms by the Department of Agriculture and Markets’ Farmland Protection Program in the upcoming fiscal year. The release of an RFP in FY 2015-2016 will enable New York State to sustain its newly gained momentum for farmland conservation.

AFT further encourages the State Legislature to work with the Cuomo Administration to set administrative standards and allocate staff resources at the Department of Agriculture and Markets to ensure that new farmland conservation projects are completed in less than two years. This change in expectations and improved program efficiency is critical for meeting farmers’ needs and achieving the program’s goals.

Additionally, we encourage the State Legislature to work with the Cuomo Administration to ensure that Farmland Protection Implementation Grant funds continue to be focused on purchasing of permanent agricultural conservation easements. This approach has proven to be highly effective in protecting farmland from development in New York communities for more than 40 years. Funding alternative approaches, such as term deed restrictions, would limit New York’s ability to leverage private, local and federal funding and would fail to address critical needs in places like the Hudson Valley, Long Island and other parts of New York where farmers want financially competitive alternatives to selling farmland to development.

In addition, the significant capital generated for farms by the sale of permanent farmland conservation easements on farmland enables farm families to transfer farmland from one generation to the next as well as make the transformative investments that enable their farm operations to expand and diversify.

Conservation Partnership Program and Soil and Water Conservation Districts

AFT supports Governor Cuomo's proposed \$5,275,000 million in funding for Soil and Water Conservation Districts and \$2 million for the Conservation Partnership Program as such programs provide important funding for local organizations working with farmers to protect land and water resources. Land trusts and Soil and Water Conservation Districts are key partners in delivering state programs, including farmland conservation and leverage outside resources and expertise. In particular, land trusts have become an integral component of New York's Farmland Protection Program as roughly 75 percent of the program's projects now have land trust involvement.

Climate Resilient Farm Program

AFT supports the allocation of \$500,000 to launch a Climate Resilient Farm Program administered by the Soil and Water Conservation Districts. New York's nearly 36,000 farms on 7 million acres of land provide significant environmental services and agriculture's contribution to the mitigation of climate change can be greatly enhanced with technical support funded by the state. In addition, food security for New Yorker's will be protected by providing assistance to aid farms in developing resilience to the severe weather events brought by climate change. The funding proposed in the executive budget for a Climate Resilient Farm Program will help the state lay the foundation for this important work.

Agricultural Programs

AFT appreciates the State Legislature's recognition of the importance of agriculture and food businesses to New York's economy. We support efforts to continue to incorporate agricultural businesses in Regional Economic Development Councils and mainstream economic development programs and support sustained funding for agricultural programs traditionally funded through the Department of Agriculture and Markets' budget, such as the New York Farm Viability Institute and NY Farmnet/Farmlink that aid farmers with land access, farm transfer, marketing, business development and applied research.

Farmland lies at the foundation of the state's robust and growing farm and food economy. The state needs to make farmland conservation a priority. Purchase of development rights funding provided by the state enables farmers to expand and diversify their operations and pass their farms on to the next generation while ensuring farmland remains available for future generations.

Thank you for the Assembly and Senate's leadership and long-standing support for agriculture and farmland conservation in New York. We look forward to working with you to act on these important issues in the coming months.

ⁱ Peter, CJ, Wilkins, JL and Fick, GW, Testing a Complete Diet Model for Estimating the Land Resource Requirements of Food Consumption and Agricultural Carrying Capacity: The New York State Example, 2006

ⁱⁱ figures provided by NYSDAM December 11, 2014

ⁱⁱⁱ New York State Department of Environmental Conservation, 2009 New York State Open Space Plan,

<http://www.dec.ny.gov/lands/47990.html>.

Farm to Institution New York State Leadership Team Meeting

Thursday, January 29, 2015
Produce Meeting Room
New York State Department of Agriculture & Markets
10B Airline Drive, Albany, NY 12235

AGENDA

10:00 Welcome/Introductions
New member Mary Ellen Mallia

10:10 Agenda Review

Policy

10:15 2015-16 New York State Budget and Legislative Priorities – Priorities & Perspectives
What's in the Governor's budget for Farm to School? Describe the NYSNA budget ask –
What's next step? Does FINYS want to engage as partners or as individual organizations?
What does it look like?

- Kelly Young
- Jim Liebow

10:35 Buy NY and Food Metrics Law Update – Imran Khan
Language for NY Product submitted by NYSDAM to OGS for Regional Contracts RfP
How Buy NY and FINYS web sites will link and complement – Glenda
How can FINYS assist in RfP and implementation of tracking?

10:55 Comptroller's Report on Local Food Procurement – David Haight

11:00 Non-profit Hospitals and Community Benefits requirements – Kim Libman
Kim will do 20 min presentation and lead discussion of strategies:
How can FINYS partners disseminate resources on this topic and encourage agencies/
organizations to build relationship with their regional hospitals using this avenue?

Communications

11:40 FINYS Website – Glenda Neff
Update on process and timeline. Survey with designer; interviews with select individuals?
Ask for 2 or 3 volunteers who will see drafts, be interviewed
Break out into 3 groups by audience: Buyers, Sellers, Community.
Hand out with question; ask one person in each group to take notes – What are the
questions you think your audience are looking to find answers to? What's the most
important for them to find? Quick go-around to report out

12:15 LUNCH
- Photo shoot (Laurie coming in)

- Lunch – go-around as we usually do?
- Apple pie with candles – lead into Celebrating Accomplishments

Metrics

1:30 Celebrating Our Accomplishments – slide show led by DH, CG, GN and LT members chiming in their stories.

Measuring Our Success and Case Studies – Chris Grace

Regional & Statewide Networking & Partnerships

2:00 Harvesting Opportunities – Nov 4th in Albany – Glenda Neff

Audience we want to attract. Ask for volunteers to work on Buy Local/Ftl track, Policy,

2:15 Farm to Institution Summit – April 7-9 at UMass Amherst – Chris Grace

FINYS is a partner in planning. Proposals for Program still being sought.

“Transparency Pledge”

2:25 Upcoming Events

2:30 Adjourn