

## Call for help

Farmers and the agricultural community face hardships due to unique financial and administrative pressures. To help, there is NY FarmNet. The Legislature approves most of the funding through the NYS Department of Agriculture and Markets budget, and private grants, contracts and sponsorships make up the rest.

NY FarmNet is a free and confidential information service, which enables families to speak to farm financial counselors and other qualified advisors. Individuals can call 800-547-FARM (3276) or go to its website at [www.nyfarmnet.org](http://www.nyfarmnet.org) to receive information on:

- financial analysis
- business planning
- business transfers
- retirement and estate planning
- farming with the family
- personal well-being
- outreach projects

## Right to farm

The Assembly has long supported New York's right-to-farm law, which is perhaps the strongest in the nation, in order to protect farmers from unwarranted nuisance lawsuits and excessive regulatory interference with sound agricultural practices. To this end, the law was expanded to include apiaries and other beekeeping operations, as well as the management and harvesting of farm woodlands.

Updated 2/13

# New York State Agriculture

Courtesy of...

Assemblymember Al Stirpe



# Agriculture in New York State.

*A message from...*

**Assemblymember Al Stirpe**

**[www.assembly.state.ny.us](http://www.assembly.state.ny.us)**

Dear Friend,



Agriculture is big business in New York, generating almost \$5 billion in 2010. With about 23 percent of New York State land or over 7 million acres on over 36,000 farms dedicated to agriculture, the state produces everything from fruits and vegetables to wine to Christmas trees to dairy products.

Further, according to a report by Farm Credit East, which analyzes the economic impact of agriculture in the Northeast, when you include businesses that serve agriculture, including those who manufacture equipment, provide materials, offer support services like insurance, and are involved in food processing, agriculture has a \$38 billion impact on the state's economy and generates nearly 197,000 jobs both on and off the farm.

Despite these impressive facts, challenging economic conditions have injected uncertainty into the lives of many of the state's farmers. Many have been hurt by the influx of subsidized imports, low farm prices that do not reflect the cost of doing business, rising energy prices and high costs for animal feed, fertilizer and other essential elements of farm operations. The New York State Assembly improved the administration of the agricultural real property assessment by preventing dramatic hikes in assessment values, providing filing extensions in cases of natural disaster and including assistance to counties and local organizations dedicated to preserving our family farms. Recent legislation and laws expand direct sales opportunities for farm wineries and micro-distilleries, allow for the sale of wine ice cream, authorize the financing of projects to transport local farm products to buyers and create regional wholesale markets, enhance public-private partnerships for direct marketing and expand the application of agricultural district benefits to more farming activities. This brochure outlines several of these and other initiatives the Assembly enacted to support our state's largest industry.

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## Tax relief for farmers

### ■ School property tax credit for farmers

This tax benefit allows persons, subject to income limits, who derive two-thirds of their excess federal gross income from farming, to receive a 100 percent credit for school property taxes paid on the first 350 acres of farmland (called the base acreage amount) and a 50 percent credit for additional land. The base acreage amount may be increased by acreage enrolled or participating in a federal environmental conservation acreage reserve program.

### ■ Real property tax relief for farmers

Land used in agricultural production may be eligible for a special real property tax assessment based on the value of that land for agricultural development, not development value. The Assembly helped pass into law extensions for farmers to apply for this assessment in the case of natural disasters or the loss of farm structures, as well as capping the increase in the base assessment value at 10 percent in any given year to prevent swings in prices from dramatically increasing the tax burden on family farms. In addition, the Assembly has passed legislation to make land used for certain agritourism activities, farm composting and mulching operations, as well as the land and structures used for beekeeping operations, eligible for property tax relief under the agricultural assessment and extend the program for commercial horse farms.

### ■ Agricultural tax exemptions

This initiative exempts from sales and use tax certain personal property and services used or consumed primarily in farm production or commercial horse boarding operations. Under the law, farmers and commercial horse boarders can apply for New York State sales tax exemptions on personal property, computers, building supplies, motor vehicles, motor fuel, utilities, services rendered and certain machinery.

### ■ Farm property tax incentive for replanting orchards or vineyards

Orchards and vineyards are important to the New York State agricultural economy. New York is ranked third in grape production in the U.S., behind California and Washington.

To keep vineyards and orchards in New York State thriving, growers can now receive a real property tax exemption for replanting. The law exempts up to 20 percent of the total acreage for six successive years when existing orchards and vineyards are replanted or expanded with new plantings. This is the period of time when such businesses are least productive.

State law also allows additional land to be exempted in the event of a natural disaster.

### ■ Farm property tax incentive for start-up orchards, vineyards and Christmas tree farms

In addition, the law allows start-up farmers a four-year agricultural real property assessment on new orchard and vineyard acreage of at least 7 acres without having to meet the current \$10,000 income eligibility requirement. Previous law discouraged new growers from expanding their fruit cultivating activities to vacant land due to the high costs involved in high value fruit planting and production.

Start-up Christmas tree farmers fall under the same regulation, except they are allowed a five-year agricultural real property assessment.

For additional tax information, contact the NYS Department of Taxation and Finance at [www.tax.ny.gov](http://www.tax.ny.gov) or call 518-457-5181.

### ■ Farm property tax exemption for capital projects

In 2008, the Legislature reauthorized the 10-year real property tax exemption for new or reconstructed farm structures and buildings

essential to agricultural and horticultural use, including farmworker housing, by extending these provisions for another 10 years, until Jan. 1, 2019.

## Disaster relief for farm wineries

The Legislature passed a law allowing duly licensed farm wineries to manufacture or sell wine made with out-of-state grapes if a natural disaster or continued adverse weather destroys at least 40 percent of the grape or fruit crop used in the production of wine.

Previously, a farm winery owner was required to forfeit his or her license and apply for licensure as a commercial winery if out-of-state grapes were used in the production of wine, causing considerable financial and administrative impact on the farmer.

## Farmworker housing

Improvements undertaken by an agricultural producer for the construction or improvement of housing units for seasonal and year-round farm workers (including dairy farm workers) may be eligible for low-cost loans from the Housing Development Fund. Farm Credit East administers this program under an agreement with NYS Homes & Community Renewal.

The program also allows agricultural producers to receive funding for a joint housing project, provided that the total amount of the loan or loans does not exceed \$100,000 to any single producer.

For more information, contact Farm Credit East at 800-929-1350 for an institution serving the area in which the farm is located or contact NYS Homes and Community Renewal at [www.nyshcr.org/Programs/FarmWorkerHousing/QandA.htm](http://www.nyshcr.org/Programs/FarmWorkerHousing/QandA.htm) or call 518-486-5044.

## Farm, apple and cuisine trails

In 2004, the Legislature enacted a law allowing farmers' and growers' associations to apply to the state Department of Agriculture and Markets for the establishment of farm, apple and cuisine trails. The Farm, Apple & Cuisine Trail Designation Program combines producers, food or agricultural product processors and retailers, including but not limited to restaurants that are in close proximity to each other, to work together to sell unique and unusual New York-produced agricultural products, including meats, fruits, vegetables and herbs. The trails, which can extend to 50 miles, help support local growers and regional tourism industries while encouraging the preservation of open spaces.

## Aid for farmland protection

The NYS Department of Agriculture and Markets administers two matching grant programs on farmland protection. One grant program helps county governments develop agricultural and farmland protection plans to maintain the economic viability of the state's agricultural industry and its supporting land base; the other assists local governments in implementing their farmland protection plans and helps preserve the land base by purchasing the development rights on farms through conservation easements.

For additional information about these grant programs, contact the department's Division of Land and Water Resources at 518-457-2713.

For additional information about farm programs:  
[www.agriculture.ny.gov](http://www.agriculture.ny.gov)