



Joint Legislative Hearing on the 2018-19 Executive Budget Proposal

Environmental Conservation

**New York State
Standing Committee on Environmental Conservation**

Budget Hearing

WEDNESDAY, FEBRUARY 7TH, 2018
ALBANY, NEW YORK

TESTIMONY PRESENTED BY:

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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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Thank you very much for holding today's hearing, and for the New York State Legislature's strong support of state programs that enhance farm viability and for helping farmers steward and protect the irreplaceable natural resource that is New York's farmland.

I am pleased 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 five 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.

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 is no different. A recent study by Farm Credit East has shown that New York's 35,537 farms generated \$5.4 billion from direct sales, creating an economic impact of \$9.5 billion dollars and jobs for 77,000 New Yorkers. 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 \$39.4 billion farm and food economy and are closely tied to New York's food processing sector. Processing milk, fruits, vegetables and grains into cheese, yogurt, baked goods, wine, beer, spirits and other food products creates another 83,000 jobs for a total of over 160,000 steady jobs for residents across New York.ⁱ

ROLES FOR FARMS IN RESPONDING TO CLIMATE CHANGE

There is growing evidence of the importance of farms and farmers in combatting climate change. Earlier this year, AFT released a report entitled, "Greener Fields: Combating Climate Change by Keeping Land in Farming in New York" which looks at greenhouse gas emissions from different types of land use in New York.

The report found that on average, one acre of agricultural land emits 66 times less greenhouse gases than an acre of developed land in New York. And, as the State of New York seeks to reduce greenhouse gas emissions by 80% by 2050, decreasing the amount of farmland converted to real estate development by 80% by 2050 could have the effect of removing 1 million cars from the road. Similar research in the state of California spurred the California Air Resources Board to allocate \$40 million in 2015 to fund local planning and the purchase of permanent agricultural conservation easements as part of their climate change mitigation plan.

THREATS TO FARMS AND FARMLAND

Seven million acres of land form the essential infrastructure underlying the state's robust farm and food economy, yet this irreplaceable land is often taken for granted. Despite the importance of farms to all New Yorkers, roughly half a million acres of farmland in New York

have been converted to real estate development since the 1980s - the equivalent of nearly 5,000 farms.

The loss of farms and farmland impacts not only the state's farm economy but also 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 which lie directly in the path of suburban sprawl.¹ In fact, a Cornell University study found that the state's 7 million acres of farmland are only sufficient to feed 4.6 million of our more than 19 million state residents based on the current standard diet.ⁱⁱ

There is also growing evidence of an emerging threat to farmland in New York due to the number of aging farmers in the state. The 2012 Census of Agriculture reports that 30 percent of New York's farmers are age 65 or older. These farmers cultivate over 2 million acres of land, and 92 percent are doing so without a young farmer-operator involved in the ownership or management of the farm. Another 30 percent of New York's farmers are between the ages of 55 and 64, and they farm an additional 2 million acres of land. Additionally, there are nearly 30% fewer young farm operators (under 45) now than in 2002. 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.

At the same time, one of the biggest challenges beginning farmers face is finding affordable farmland in New York. Prices for land are often driven out of reach for new farmers as they find themselves competing with both real estate developers, non-farming landowners and established farmers.

MORE THAN 20 YEARS OF PROTECTING FARMLAND IN NEW YORK

The State of New York began in 1996 to invest funds through the Farmland Protection Program to permanently protect viable working farms. In 2016, on this program's 20th anniversary, American Farmland Trust released a report entitled *Cultivate New York: An Agenda to Protect Farmland for Growing Food and the Economy*. The report outlined the history of the program and put forth goals and recommendations to advance farmland conservation in New York in the next decade. In acknowledgment of this important milestone, a Joint Resolution of the New York State Senate and Assembly, sponsored Senator Patty Ritchie and Assemblyman Bill Magee, was adopted on June 2, 2016.

Since 1996, funds from the 1996 Clean Water/Clean Air Bond Act and the Environmental Protection Fund have been allocated to the Farmland Protection Program and used for two primary purposes: 1) Planning Grants to towns and counties for the development of agriculture and farmland protection plans and 2) Farmland Protection Implementation Grants (FPIG) to fund the purchase of permanent agricultural conservation easements on farms.

¹ Calculations based on the 2012 Census of Agriculture and the Economic Research Service's Urban Influence Codes.

To date, the Farmland Protection Program has awarded funds to create and renew agriculture and farmland protection plans in approximately 53 counties and over 70 towns. Agriculture and farmland protection plans outline strategies for strengthening the economic viability of agriculture and retaining agricultural lands through farm friendly land use planning at the local level.ⁱⁱⁱ

The Department of Agriculture and Markets distributes Farmland Protection Implementation Grant funds to municipal and county governments, soil and water conservation districts, and private land trusts to purchase permanent agricultural conservation easements from willing farmers. Such projects enable farmers to tap into one of their largest sources of equity, their land, and use the capital paid to them in exchange for their development rights to reinvest in their businesses.

In May 2016, Governor Cuomo announced \$20 million in awards from the Hudson Valley Agricultural Enhancement Program for the permanent protection of more than 5,600 acres of agricultural land on 28 farms in 7 Hudson Valley counties. In fall of 2016, Governor Cuomo then announced an additional \$24 million to help protect more than 11,860 acres of active farmland on 29 farms in 17 counties across the state through four regional funding announcements. Cumulatively, the Farmland Protection Program has spent over \$145 million in FPIG funds to permanently protect 240 farms encompassing over 61,000 acres.

UNMET DEMAND FOR STATE FARMLAND PROTECTION FUNDS

Historically, farmers have been enthusiastic about permanently protecting their farmland, and demand for purchase of development rights funding has outstripped available Farmland Protection Program funds at well over 3:1. Between 1996 and 2015, \$689 million in applications were submitted for FPIG funds, with 72 percent or \$497 million being rejected largely due to a lack of state funding.^{iv} This number does not include all interested farmers due to the Department of Agriculture and Markets cap on the number of applications an entity can submit.

There continues to be more interest among farmers in participating in the state's Farmland Protection Program than funds available. Regional examples of significant unmet demand include:

- 39 farms located in Western New York's Genesee River Watershed that are interested in applying for FPIG funding. Genesee Valley Conservancy has identified 19 of these farms as an immediate priority in Livingston and Wyoming counties, encompassing 8,500 acres of high quality farmland.
- In Yates County, 9 farms located in the county's designated focus area are interested in applying for funding.
- In Eastern New York, Scenic Hudson reports that an additional 32 farms are waiting for the opportunity to apply for FPIG funding to protect farmland in the Hudson Valley.

Land trusts, counties and municipalities across the state are reporting that they are poised to add staff, or already have done so, in order to increase their capacity to efficiently complete state-funded farmland protection projects. According to American Farmland Trust's report *Cultivate New York: An Agenda to Protect Farmland for Growing Food and the Economy*, successful past FPIG applicants identified the need over the next decade for an additional \$300 million in funds to protect an additional 100,000 acres of agricultural land across New York.

THE STATE OF NEW YORK'S COMMITMENT TO FARMLAND PROTECTION FUNDING

The New York State Legislature and Governor Andrew Cuomo made a historically significant increase in funding for the Environmental Protection Fund, raising the funding level to \$300 million in 2016-17. Within the EPF, the annual budget for the Farmland Protection Program was raised from \$15 to \$20 million. In FY 2017-2018, this funding level of \$20 million for the Farmland Protection Program was maintained.

As part of the FY19 Executive Budget Proposal, Governor Cuomo proposed \$20 million in Farmland Protection funding as a part of a \$300 million EPF. We strongly support this level of funding for the Environmental Protection Fund and Farmland Protection Program in the FY 18-19 Enacted New York State Budget.

PROTECTING FARMS MORE QUICKLY

The New York State Department of Agriculture and Markets has not requested applications for the FPIG Program as part of the \$20 million allocated in the FY 2017-18 state budget. They have indicated that they intend to issue their next RFP in May 2018. We strongly encourage the New York State Legislature work with the Cuomo Administration to ensure that this RFP is released in a timely fashion and that two years of funding allocations are awarded.

But more importantly, we urge the New York State Legislature to work with the Department of Agriculture and Markets to make state funding for protecting farmland available on an annual basis. Annual funding availability is important for maintaining the high level of interest among farmers that has been cultivated as well as to ensure a regular schedule of farmer trainings, pre-application procedures and other activities conducted at the local level, including raising local matching funds. Ultimately, this regular annual application process will ensure the state receives high-quality projects that are poised to be completed within the two-year goal the department has set for completing farmland conservation projects.

Finally, we encourage the New York State Senate to ensure that the state's Farmland Protection Implementation Grants Program continues to prioritize purchasing permanent agriculture conservation easements with EPF Farmland Protection funds. Permanent conservation easements are highly popular with farmers, have been proven effective and should continue to be the priority until the overwhelming demand for state funds for this purpose has been met.

FARMLAND FOR A NEW GENERATION OF FARMERS

Funding offered by the state Farmland Protection Implementation Grants Program makes a significant contribution to helping new farmers access farmland. These funds can facilitate the retirement of established farmers, enabling them to transfer their more affordable protected farms to the next generation without sacrificing their retirement funds. This funding also gives new farmers the opportunity to purchase farmland that has been made affordable by being placed under agricultural conservation easement.

In addition, beginning farmers often need active support to clarify their personal and business goals, identify and evaluate farms, evaluate lease or purchase options and guidance to find programs that can help them access land. In 2014, AFT coordinated the development of the Hudson Valley Farmlink Network (HVFN), a partnership of 15 organizations that offer a farmland finder website, trainings and one-on-one assistance for farmers and landowners.

AFT has used private funds to provide \$260,000 in HVFN Partner Grants to support partner organizations in their work to help beginning farmers searching for land, and farmers looking to transfer their farms. Together, the partners have provided one on one assistance to more than 2,000 farmers and landowners, and helped more than 130 farmers find land. This collaborative model combines easy access to information through a 'farmland finder' website with one-on-one services to successfully help farmers secure land.

We urge the State of New York to offer further help for farmers, especially beginning farmers, who are trying to find land and grow their businesses in New York with the creation of a Farmland for a New Generation program with a \$400,000 appropriation in the FY19 State Budget. These funds will create:

- 1) A Statewide Resource Center coordinated by AFT to offer a statewide farmland finder website and first point of contact for support for farmers searching for land and for landowners with available land across New York; and
- 2) Funding for regional navigators within Cornell Cooperative Extension offices, land trusts and other organizations across New York to provide one on one regional support for farmers in identifying, evaluating and securing access to farmland.

In the program's first year, we expect that:

- 7,500 farmers and landowners will receive information about available farmland and resources to lease, purchase, protect or transfer farmland through a statewide farmland finder website.
- 750 farmers and landowners will receive personal coaching and customized assistance.
- 75 farmers across New York will secure access to farmland.

(see attached proposal)

ENABLING MUNICIPALITIES TO PROTECT WORKING FARMS

In September 2016, State Supreme Court Justice Thomas Whelan issued a decision that calls into question the authority of municipalities to protect working farmland, particularly in Suffolk

County. This decision has had significant ramifications on Suffolk County's Farmland Preservation Program, the first in the nation, as well as municipalities in the county.

Combined, these local governments have protected more than 20,000 acres of farmland on Long Island that face an uncertain future. Farmers that own this land are deeply concerned due to uncertainty about their ability to construct agricultural structures and improvements that are critical for working farms, such as barns, deer fencing, and irrigation systems.

AFT encourages the State Legislature to address this urgent issue by clarifying the authority of municipalities in New York to protect working farms under General Municipal Law §247, not just undeveloped open space, as part of the FY19 Enacted State Budget. (See attached proposed language)

BUILDING FARM TO SCHOOL IN NEW YORK

Five years ago, AFT launched our collaborative "Farm to Institution New York State" (FINYS) initiative that seeks to strengthen the economic security of farmers and health of New Yorkers by empowering institutions to spend at least 25% of their food dollars on food grown in New York.

A new report released by American Farmland Trust and the New York Academy of Medicine titled, "The Public Plate in New York State: Growing Health, Farms and Jobs with Local Food," underscores the opportunity that exists when publicly-funded institutions, including K-12 schools, purchase more food from New York farms. The report found that if institutions were to spend 25% of their food dollars on New York grown food, it would inject an additional \$200 million into the state's economy and improve the health of 6.6 million New Yorkers. Selling more fresh and minimally processed products from New York farms to K-12 schools provides an exciting opportunity to open up new markets for farmers while positively influencing the health of 1.7 million New York schoolchildren.

As part of the 2018 State of the State and FY18-19 Executive Budget Proposal, Governor Cuomo proposed to double the state's investment in the Farm to School grants to \$1.5 million and allocate \$10 million to quadruple the current per meal reimbursement from \$0.059 cents to 25 cents for schools who purchase 30% of meal ingredients from New York farmers. The New York Grown Food for New York Kids Coalition, a coalition coordinated by AFT of nearly 70 school, farm, environmental, public health and anti-hunger stakeholders and organizations across New York, strongly supports both of these proposals and wishes to see them included in the FY 18-19 enacted State Budget. (see attached memo)

However, we do have concerns about two aspects of this proposal. First, since the current budget language sets the threshold at 30% of the *total* school food budget, high need schools—who are required to provide more breakfasts, after school meals and summer meals than schools in wealthier areas—are at a disadvantage in meeting the 30% threshold. These high need schools have larger total food budgets and will need to lay out more money, while, in fact,

getting slightly less back in reimbursement from the state than a wealthier school district. The fix to balance this inequality is simple: to amend the budget language to: “at least 30% of the *previous year’s reimbursable lunch food purchases*”.

Second, the proposal permits schools to purchase products “from New York State farmers, growers, producers, or processors”. We are concerned by this general inclusion of ‘processors’ as it could permit foods manufactured without any ingredients from New York, or highly processed foods that are less healthy for children. To address this significant concern, we encourage the State Senate and Assembly to clarify this definition of foods from processors to allow either:

- Fresh or minimally processed foods (based upon the USDA School Lunch standards); or
- With the definition that a majority of the ingredients in processed products must come from New York growers, farmers and/or producers.

The State of New York’s Farm to School Grants, now funded at a record \$1 million have helped to grow school purchase from farms within New York State, where currently 43% of schools participate in Farm to School activities. The New York Grown Food for New York Kids coalition strongly supports the governor’s proposal to increase Farm to School grant funding in FY19 to \$1.5 million to help schools build connections with local farmers and food businesses and access the proper equipment and training to purchase, cook and serve food from New York.

Thank you for the opportunity to present this information. I welcome any questions you might have, and look forward to continuing the conversation about these proposals and more in the months ahead.

ⁱ Lopez, Rigoberto, Nataliya Plesha, Benjamin Campbell, and Chris Laughton. *Northeast Economic Engine: Agriculture, Forest Products, and Commercial Fishing*. Farm Credit East, 2015. The report uses data from 2012, which is the most recent available.

ⁱⁱ Peters, Christian J., Jennifer L. Wilkins, and Gary W. Fick. "Testing a Complete-Diet Model for Estimating the Land Resource Requirements of Food Consumption and Agricultural Carrying Capacity: The New York State Example." *Renewable Agriculture and Food Systems* 22, no. 2 (2007): 145-53.

ⁱⁱⁱ "Agricultural and Farmland Protection Program." New York State Department of Agriculture and Markets. Accessed November 23, 2015. <http://www.agriculture.ny.gov/ap/agsservices/farmprotect.html>.

^{iv} "NYS Department of Agriculture and Markets Farmland Protection Program History." Unpublished raw data, September 2015.



FARMLAND FOR A NEW GENERATION

Beginning farmers in New York, and throughout the nation, face major barriers in finding farmland at prices they can afford with conditions that will enable them to launch successful businesses. As a result, there were 30% fewer young farmers in New York in 2012 than in 2002.

At the same time, more than 30% of New York's farmers are 65 or older and there is evidence that 90% of these senior farmers do not have a young farmer involved in the ownership or management of their farm. Thus, nearly 2 million acres of farmland will be changing hands in the coming years. Whether this farmland is lost to real estate development or remains in agriculture, helping to sustain and create farm businesses that are operated by a new generation of farmers, is in the balance.

The proposed *Farmland for a New Generation* Program would create one of the most progressive solutions in the nation to help new farmers and younger generations of farm families access land, while supporting retiring farmers and landowners in successfully transferring their farms to the next generation.

PROGRAM DESCRIPTION AND CORE COMPONENTS

The proposed *Farmland for a New Generation* Program, modeled on the successful Hudson Valley Farmlink Network, would foster a statewide approach coordinate by American Farmland Trust and would include:

Farmland for a New Generation Resource Center

2018-19 Budget: \$200,000

AFT will create a Resource Center to offer a first point of contact for farmers searching for land and for landowners across New York, including:

- A statewide website to enable farmers to find land in every region of New York and make it easier to navigate services, find training materials and obtain model documents.
- A first point of contact with AFT's experienced staff who can help farmers navigate farm leasing and purchasing strategies, land conservation options, agricultural assessment and other land access topics.

Participants in the resource center would be encouraged to utilize existing resources such as the Cornell Small Farms Program for beginning farmer and farm production training and NY FarmNet's estate transition planning services.

Farmland for a New Generation Regional Navigators

2018-19 Budget: \$200,000

AFT will work with Cornell University and Cooperative Extension, land trusts, and other organizations to provide coaching and personalized assistance to farmers and landowners in regions across New York. Such activities could include helping beginning farmers evaluate properties, developing secure farm leases, identifying financing options for purchasing farmland, and/or using conservation easements to increase farmland affordability.

YEAR ONE IMPACTS OF THE FARMLAND FOR A NEW GENERATION PROGRAM

- 7,500 farmers and landowners will receive information about available farmland and resources to lease, purchase, protect or transfer farmland through a statewide farmland finder website.
- 750 farmers and landowners will receive personal coaching and customized assistance.
- 75 farmers will secure access to farmland.

Language to Clarify GML §247's ability to protect agricultural operations

The People of the State of New York, represented in Senate and

Assembly, do enact as follows:

1 §1. Notwithstanding any provision of law to the contrary, all
2 interests or rights acquired in real property for the preservation of agricultural
3 lands pursuant to section 247 of the general municipal law do not and have not
4 constituted an alienation of the owner's right to use the land or to construct
5 buildings or structures for bona fide agricultural production and such acquisitions
6 shall permit the use of such land for bona fide agricultural production pursuant to
7 state and local law; and the granting of a permit for uses, buildings or structures
8 on such real property that are necessary for bona fide agricultural production
9 shall not constitute alienation of any interests or rights in real property acquired
10 for the preservation of agricultural lands, pursuant to this section.

11 §2. This act shall apply to all interests or rights acquired in real property by
12 any municipality for the preservation of agricultural lands, pursuant to section 247
13 of the general municipal law, now-owned or hereafter acquired.

14 §3. This act shall take effect immediately.

NEW YORK GROWN FOOD FOR NEW YORK KIDS

Farm to School programs are an important way to address food insecurity, curb the rise in childhood obesity, support New York's farmers and help our rural communities grow. As part of the 2018 State of the State and FY19 Executive Budget, Governor Cuomo proposed to double the state's investment in the Farm to School grants and allocated \$10 million to quadruple the current meal reimbursement to 25 cents for schools who purchase 30% of meal ingredients from New York farmers. The statewide "New York Grown Food for New York Kids" coalition views these proposals as an excellent step forward and wishes to see them included, with minor adjustment, in the FY19 State budget.

Farm to School is a Win-Win, Improving the Health of our Children and Supporting New York Farmers

According to the NY Department of Health nearly 1 in 5 children are obese, with 1 in 3 considered obese or overweight—a record high. Schools across New York State serve breakfast, lunch and afterschool meals annually to 1.7 million schoolchildren, and providing more fresh and minimally processed foods to students in schools is an important way to improve health outcomes while teaching healthy habits. For food-insecure children, school meals can be their only daily dependable source of food, therefore Farm to School is an effective way to improve access to healthy food for our most vulnerable children. Farm to School also supports our state's rural economy and the viability of New York farms. Recent studies show:

- Each dollar invested in Farm to School activities stimulates, on average, an additional \$1.67 in local economic activity.
- For each job created in Farm to School, 1.6 more are created within the community.
- Opening K-12 schools as new market channels to farmers helps them diversify their business and mitigate risk while creating markets for products like small apples and pears.

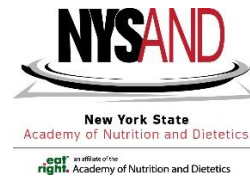
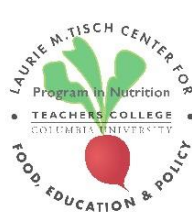
While the State of New York has taken important steps to build Farm to School participation among schools, currently at 43%, more can be done to meaningfully increase the amount of New York grown food purchased by our schools to serve to our kids. New York State's per meal reimbursement for K-12 schools has remained 6 cents for over 40 years, and K-12 schools report a lack of funds to purchase local foods. There is also a dearth of infrastructure, market pathways and human knowledge of how to process, distribute, store and cook farm fresh foods in K-12 schools. All of this continues to suppress the growth potential of Farm to School throughout New York.

Recommendations:

Currently, an estimated average of 10% of school food funds are spent on local food, making 25% a more immediately attainable goal for school food service directors. Therefore, we recommend the following actions for the FY19 State Budget:

- Appropriating \$10 million to reimburse K-12 schools 25 cents per lunch for schools that purchase at least 30% of their lunch components from New York State farmers, growers, producers and processors, provided that the bulk of ingredients in processed food comes from New York State farms.
- Doubling the Farm to School Grant allocation to \$1.5 million to help schools and other organizations purchase equipment and build the human capital, knowledge and skills necessary to purchase, prepare and promote New York grown foods for New York kids.

NEW YORK GROWN FOOD FOR NEW YORK KIDS



East End Project

