



“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

Good morning. I am pleased to be here to present testimony on behalf of American Farmland Trust (AFT). AFT is a national, nonprofit membership organization dedicated to the protection and stewardship of our nation’s productive farmland. AFT’s New York office, located in Saratoga Springs, has been working to protect New York’s farmland for more than 20 years. My comments today relate to the FY 2011-12 Executive Budget Proposal and critical issues facing New York’s long-term food security and economy.

First, I want to thank members of the State Assembly and Senate for their strong support of New York’s Environmental Protection Fund and leadership in supporting our state’s agriculture industry. We look forward to working with you over the coming year to take advantage of what we believe are real opportunities to reinvigorate our economy and improve our state’s food security by embracing innovative ways to improve the economic viability of our farms and protect our farmland.

Concern about food security, access to local foods and public health issues, such as childhood obesity, has never been higher. According to the Center for Disease Control, 17% of children and adolescents in America are obese (triple the rate of a generation ago) and need to eat more fruits and vegetables and exercise more often. New York can produce many of these healthy foods, and is ranked in the top five in the country in growing more than 20 fruits, vegetables and dairy products.

Losing the Farmland Needed to Grow Our Food Supply

Nationally, 91% of fruits, tree nuts and berries, 78% of vegetables and melons and 67% of dairy is produced in the towns and counties immediately surrounding our citiesⁱ – the very regions under the most intense development pressure. Furthermore, it is estimated that an additional 13 million acres of farmland will be needed to grow the fruits and vegetables necessary to enable all Americans to meet recommended dietary guidelinesⁱⁱ.

A recent Cornell study tailors these concerns to New York, finding that the state’s 7 million acres of farmland available in 2007 is only sufficient to feed 6 million of our 19 million families and children, and that’s only if New Yorkers eat less meat and reduce their fat intakeⁱⁱⁱ. This problem is being compounded as the availability of farmland for growing food in New York is constantly being eroded. According to data from the United States Department of Agriculture, New York loses a farm to development every 3 ½ days.^{iv} Over a 25-year period from 1982 to 2007, New York had roughly 449,000 acres of farmland or almost 4,600 farms developed.^v

This connection between local farms and farmland and the health and well-being of all New Yorkers has been captured in recent reports including *Foodworks* released in November 2010 by New York City Council Speaker Christine Quinn and members of the City Council. The report cites “...we can build a

better food system for our growing city – one that that provides healthy, affordable food for all New Yorkers in our growing population, while supporting our local and regional economy and mitigating environmental impacts. In short, our food system will be better able to respond to the needs of New Yorkers today and in the years to come.”^{vi}

Similarly, in February 2009, Manhattan Borough President Stringer released *Food in the Public Interest* that stated “A food policy that harnesses regional agriculture for urban consumption and encourages local farming would address three of the most pressing challenges facing the city (New York City) and the nation – the environment, public health and the economy.”^{vii}

Protecting the Natural Resources Necessary to Sustain New York’s Food and Agricultural Sectors

New York’s 30,000 farms sell over \$4.5 billion annually of a diverse range of farm products – everything from milk, fruits, vegetables, meat, flowers, plants and more. New York is a national leader in the production of more than 20 farm products. This abundance of food production in close proximity to 19 million state residents and millions more in neighboring states makes New York a strategic place to locate food processing businesses. As a sign of this opportunity, USDA reported that New York farmers sold \$362 million in farm products directly to consumers in 2009 – a 57% increase in annual direct market sales since 2000.^{viii}

Jobs at businesses related to agriculture are often located in local economies where farms spend most of their money and generate additional economic activity. According to the United States Department of Agriculture, farms in New York spent \$3.5 billion in 2007 on buying seed, animal feed, fertilizer, fuel, electric and other supplies and services. These connections between farmers and agricultural service providers are often overlooked but include: electricians, feed and seed dealers, carpenters, farm equipment dealers, truckers, mechanics, bankers, veterinarians and many others. Combined with these service providers and related food processing businesses, New York farms are the foundation of a farm and food industry that generates more than \$31 billion annually.^{ix}

Linking Farmland Protection & Economic Development – Experience from Long Island

Suffolk County has consistently sold more farm products than any other county in New York - boasting \$288 million in farm product sales in 2007. Combined, Nassau and Suffolk Counties have just 35,000 precious acres of farmland and 656 farms remaining. But, they directly employ 2,240 individuals and support more than 10,000 jobs at related agribusinesses.

The agritourism industry on Long Island is also incredibly strong, with visitors to the region’s vineyards drawing more than 500,000 people annually and an estimated \$90 million into the local economy. These dollars benefit not only local farmers but also restaurants, hotels, and retail stores. All told, the Trust For Public Land estimates that direct sales from farms and the agricultural tourism industry generate \$378 million in economic activity annually.^x

Suffolk County has long-recognized the importance of protecting high-quality farmland to support its agricultural industry. The county established the first Purchase of Development Rights program in the nation in 1974. Local governments on Long Island along with private organizations such as the Peconic Land Trust have worked with the state to permanently protect almost 40 percent (13,000) acres of their farmland. Without these pro-active efforts to protect farmland, Suffolk County’s agricultural industry would no longer be such a strong economic engine.

The State of New York's Role in Protecting Land to Grow Food and the Agricultural Industry

New York's Farmland Protection Program was established in 1996 to support local efforts to strengthen the state's agricultural industry and protect farmland from being lost to development. The Farmland Protection Program has primarily utilized funds from the 1996 Clean Water/Clean Air Bond Act and the Environmental Protection Fund to protect 303 farms in 29 counties encompassing more than 73,000 acres.^{xi} Through these projects, the Department of Agriculture and Markets distributes grant funds to local governments that frequently work with private land trusts to pay farmers to permanently protect their land.

Additionally, the program has provided more than \$3 million to assist 50 counties and 64 towns to develop agricultural and farmland protection plans. These plans encourage rural smart growth planning in New York and complement efforts to encourage development in downtown neighborhoods and on Main Streets.

Demand has greatly outstripped available Farmland Protection Program funds. Since 1996, \$724.3 million in applications have been submitted to the Farmland Protection Program, with 75% or \$547 million being rejected.^{xii} Due to the overwhelming demand, the Department of Agriculture and Markets instituted a cap on the number of projects that could be submitted. In 2008, this cap was 5 applications per county or 2 applications per town.^{xiii} In 2008, the last year a request for proposal for Farmland Protection projects was issued, the Department of Agriculture and Markets estimated that demand was more than six and a half times the amount of funding they had to distribute.^{xiv}

In 2008, the Farmland Protection Program was appropriated \$30 million from the Environmental Protection Fund – making New York's program the 5th best funded state farmland protection program in America. Additionally, the 2007 Environmental Protection Fund (EPF) Enhancement Act committed the state to allocating \$300 million annually in Real Estate Transfer Tax (RETT) revenue to the EPF beginning in FY 2009-10.

Funding for Farmland Protection Drives Economic Investment on Farms

New York's Farmland Protection Program provides funding to help farmers permanently protect their land. In the process, these projects provide a form of equity financing for farmers. 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.

According to a 2009 study of farmers participating in New York's Farmland Protection Program conducted by the Department of Agriculture and Markets and National Agricultural Statistics Service, roughly two-thirds of participating farmers used proceeds from the sale of development rights to improve or enhance the future of their farms.^{xv} Frequently cited uses for these funds included:

- Reduce debt
- Construct new buildings
- Purchase more land
- Buy new equipment, supplies or livestock
- Change production practices or marketing strategies
- Create retirement funds

“We believe in the Purchase of Development Rights program. It is an economic incentive for the region, as well as a way to provide land protection. The award allows us to ensure that the farm can pass to the next generation, and keeps the land pricing affordable for agriculture.

It is also positive for the local economy because we have immediately invested back into the community by buying local products, from the hardware store, to the lumberyard and the equipment dealers. This helps to sustain ancillary jobs in the area, as well as the fifty or more people employed at the farm.”

- Matthew and Juanita Critz

Farmers from Town of Cazenovia that participated in New York’s Farmland Protection Program

Recent History of New York’s Environmental Protection Fund and Farmland Protection Program

In FY 2010-11, the Environmental Protection Fund was cut from \$212 million in FY 2009-10 to \$134 million. These reductions were made despite the 2007 Environmental Protection Fund (EPF) Enhancement Act’s prescription for the state to allocate \$300 million annually in Real Estate Transfer Tax (RETT) revenue to the EPF beginning in FY 2009-10.

Included in these cuts was a funding reduction for the Farmland Protection Program from \$22 million to \$10.75 million. In July 2010, Governor Paterson and the Department of Agriculture and Markets announced that only \$5.2 million of the \$10.75 million appropriated in FY 2010-11 would be available to complete projects – a further 48% reduction.

Reductions in annual appropriations have been greatly compounded by “sweeps” of cash from the Environmental Protection Fund. To date, a total of \$854 million—39 percent of EPF appropriations—has been swept to the General Fund, with \$347 million being replaced with revenues from bonds issued by State public authorities. Importantly, state law provides authority for the Division of Budget to repay \$447.1 million of these funds if needed to meet the demands of EPF programs,^{xvi} if the funds are “deemed insufficient by the director of the division of the budget to meet actual and anticipated disbursements from enacted appropriations”^{xvii} The “sweeps” of money from the EPF have resulted in inadequate cash being available to address substantial backlogs in many EPF categories, including the Farmland Protection Program.

As of January 1, 2011, there were 61 farm families that have been awarded roughly \$70 million in state funds and have executed contracts from the state’s Farmland Protection Program and have not been paid. Delays in project completion are partially due to the complex nature of these projects and multiple parties involved but have been severely compounded by a lack of funds made available by the State of New York.

According to surveys of parties involved in these projects, roughly \$1 million in transaction costs have already been paid out by farm families, land trusts, local governments and others with an expectation of being reimbursed by the State of New York. Over \$23 million in federal, local and private funds have also been committed to these projects – funds that are at risk if state funds are not available in a timely fashion.^{xviii}

AFT Strongly Supports Governor Cuomo’s Proposal to Stop Disproportionate Cuts to EPF

Governor Cuomo’s FY 2011-12 Executive Budget Proposal maintains EPF funding at \$134 million. This proposal reflects the importance of the EPF to protecting New York’s water, land and other natural resources and the significant cuts that have been made to the EPF over the last three years. AFT

strongly supports maintaining EPF funding at \$134 million as a first step to rebuilding the state's commitment to protecting water, land and the environment.

Importantly, Governor Cuomo's budget proposal does not include offloads or other proposals that would dilute funding for core EPF programs. We hope that the Senate and Assembly will continue their long-standing commitment to maintaining the integrity of the EPF and oppose any offloads or sweeps from the fund and retain revenue from the state's Real Estate Transfer Tax for the EPF.

AFT Supports EPF Funding for Agricultural Conservation Programs

The Executive Budget Proposal includes \$12 million from the EPF for the Farmland Protection Program and \$13.297 million for the Agricultural Nonpoint Source Program. AFT strongly supports at least \$12 million from the EPF for the Farmland Protection Program as an important step towards resolving the program's \$70 million backlog. Additionally, AFT supports the proposed funding level for the Agricultural Nonpoint Source Program that provides cost share assistance for farmers to implement conservation practices and comply with environmental regulations.

Additionally, we urge members of the State Legislature to consider alternative funding sources, such as an allocation of the franchise fees paid by grocery stores to sell wine, to fulfill the state's funding commitments to pending Farmland Protection Program projects. An allocation of such wine in grocery store fees would enable the state to complete more of the \$70 million in pending Farmland Protection Program projects would leverage up to \$23 million in federal, local and private funds that have been committed to these projects. An additional allocation of such franchise fees should be targeted to the New York Wine and Grape Foundation to supporting marketing and promotion of wines produced in New York.

Sustaining Local and State Capacity to Help Farmers Protect Land and Water

There are roughly 2.5 FTEs dedicated to the administration of New York's Farmland Protection Program at the Department of Agriculture and Markets. Neighboring states such as New Jersey, Pennsylvania and Delaware – states with some of the nation's leading farmland protection programs – have substantially higher staffing dedicated to their farmland protection programs. Pennsylvania and Delaware have almost 4 times more staff per million dollars in state farmland protection funding, while New Jersey has 2 times more staff. The higher workload per staff person in New York means longer delays in reviewing submitted project files and very limited time for providing pro-active technical assistance to local partners. This is part of the reason that Farmland Protection Program projects frequently require 3 to 5 years to be completed.

AFT is greatly concerned that continued funding cuts to the operating budget at the Department of Agriculture and Markets will damage the agency's ability to administer the Farmland Protection Program, Agricultural Nonpoint Source Program and other core agency functions. The agency has shrunk considerably over the previous two years and further cuts in staffing and operating funds threatens to reduce the agency's ability to conduct core functions.

AFT supports Governor Cuomo's proposed \$3 million in funding for Soil and Water Conservation Districts and the \$1.575 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 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% of the program's projects now have land trust involvement. Legislation adopted in the 2010-11 bolstered the role of land trusts by making them eligible to apply directly for funding from the Farmland Protection Program.

Strengthening Economic Opportunities for New York Farms and Food

AFT supports Governor Cuomo's public recognition of the importance of agriculture and food businesses to New York's economy. We support the proposals in the Executive Budget to expand financing options for farmers markets and CSAs and incorporate agricultural businesses in Regional Economic Development Councils and mainstream economic development programs. However, AFT is concerned with the proposed \$2 million reduction in funding for agricultural research, marketing and promotion programs such as the New York Farm Viability Institute, New York FarmNet, New York Wine and Grape Foundation, Apple Association and Maple Association.

Additionally, AFT is also concerned with the proposed elimination of \$500,000 in funding for the Integrated Pest Management (IPM) Program. AFT supports IPM programs as a crucial step toward improving environmental stewardship on farms. The focus of IPM programs on maintaining profits on farms while protecting human health and the environment contributes to the long-term viability of farms and makes it more likely that farmland will remain in agriculture.

Thank you for the State Legislature's leadership in advancing these programs that bolster New York's economy, protect the environment and encourage a healthy farm and food system in New York. I look forward to working with you to advance these important issues in the 2011-12 State Budget.

ⁱ American Farmland Trust, Fresh Food Grown on the Urban Fringe.

<http://www.farmland.org/programs/localfood/fresh-food-grown-on-the-urban-fringe.asp>

ⁱⁱ Wilkins, Jennifer Lynn, Peters, Christian, Hamm, Michael W. and Reinhardt, Erica Lynn 'Increasing Acres to Decrease Inches: Comparing the Agricultural Land Requirements of a Low-Carbohydrate, High-Protein Diet with a My Pyramid Diet', *Journal of Hunger & Environmental Nutrition*, 3:1, 3 - 16

ⁱⁱⁱ 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

^{iv} Farmland Information Center, October 2010,

http://www.farmlandinfo.org/agricultural_statistics/index.cfm?function=statistics_view&stateID=NY.

^v American Farmland Trust, Summary of Data from the 2007 National Resources Inventory, Farmland Information Center, www.farmlandinfo.org.

^{vi} *Foodworks: A Vision to Improve New York City's Food System*, November 22, 2010, http://council.nyc.gov/html/food/files/foodworks_fullreport_11_22_10.pdf.

^{vii} Office of Manhattan Borough President Scott Stringer. *Food in the Public Interest: How New York City's Food Policy Holds the Key to Hunger, Health, Jobs and the Environment*. February 2009.

^{viii} National Agricultural Statistics Service and New York State Department of Agriculture and Markets, *2009 Direct Marketing Survey*, October 2010.

^{ix} Bills, Nelson and Gregory Poe. "Agriculture and the Environment: Trends in New York Land Use and Highlights of the 2008 Farm Bill." *New York Economic Handbook 2009*.

^x The Trust for Public Land, *The Economic Benefits and Fiscal Impact of Parks and Open Space in Nassau and Suffolk Counties*, New York, September, 2010. p. 27-28

^{xi} New York State Department of Agriculture and Markets, Press Release, May 13, 2009.

<http://www.agmkt.state.ny.us/AD/release.asp?ReleaseID=1815>

^{xii} New York State Department of Environmental Conservation, 2009 New York State Open Space Plan, <http://www.dec.ny.gov/lands/47990.html>.

^{xiii} New York State Department of Agriculture and Markets, Farmland Protection Program 2008 Request for Proposals, <http://www.agmkt.state.ny.us/rfps/FPIG09/Round%2012%20RFP.pdf>.

^{xiv} New York State Department of Agriculture and Markets, 2009 Survey of Applicants to the Farmland Protection Program, Email from David Behm, Farmland Protection Program Manager

^{xvi} Comptroller Thomas DiNapoli, *Effective Management of the Environmental Protection Fund*, June 2010

^{xvii} EPF, State Finance Law, Section 92-s (9)

^{xviii} American Farmland Trust, Survey of Local Governments and Land Trusts Involved in New York's Farmland Protection Program, August 2010.