



Senate Republican Plan for a Stronger Agriculture Economy

NEW YORK STATE SENATE REPUBLICAN CONFERENCE



Plan for a Stronger Agriculture Economy

OVERVIEW

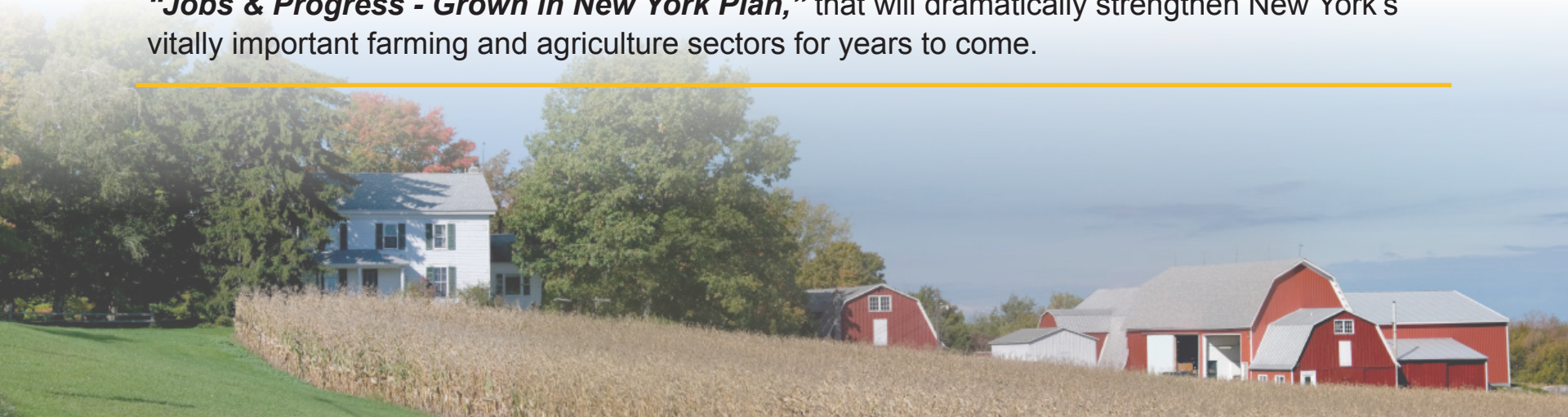


Over 36,000 family farmers are the backbone of New York’s agriculture industry, and help make New York’s \$5.2 billion agriculture sector a vital part of the state’s overall economy.

Farming in New York is diverse, and New York’s family farmers are among the nation’s most productive: Our dairy industry—the largest segment of the agriculture sector—ranks fourth in the nation. New York ranks second in apple, cabbage and maple syrup production; third in cauliflower, grapes and corn for silage; fourth in pears, snap beans and squash; fifth in tomatoes, onions and tart cherries, and sixth in pumpkins and Christmas trees.

Our farmers feed New York and, increasingly, the world, and by expanding markets for New York farm products, eliminating obstacles to business growth, and strengthening farmers’ bottom lines, we can create more jobs and opportunities throughout our entire state economy.

The Senate Republican Conference has developed a comprehensive legislative agenda, the “***Jobs & Progress - Grown in New York Plan,***” that will dramatically strengthen New York’s vitally important farming and agriculture sectors for years to come.



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STRENGTHENING FARMERS' BOTTOM LINE



The “*Grown in New York Plan*” will work to strengthen family farms by reducing taxes on farmers.

- **Property Tax Cap for Farms:** New York’s new School Property Tax Cap has been hailed as a major step forward in the effort to get runaway local taxes under control. But an anomaly in state law currently prevents farmers from enjoying the full benefit of the law. That’s because steeply rising values of agricultural land can result in land tax bills for farmers that are four times higher than the national average. The plan includes legislation to limit the annual increase in agricultural assessments to no more than 2 percent.
- **Reducing Energy Costs:** To help New York’s energy intensive agriculture industry, and to keep our overall economy moving forward, the plan rejects the Governor’s effort to extend the 18-a energy tax and restores the 18-a assessment back to its pre-2009 level. In addition, the Grown in New York Plan would support creation of a revolving loan fund to assist dairy farmers with energy efficiency upgrades.



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EXPANDING MARKETS



The “*Grown in New York Plan*” places a heavy emphasis on helping New York farmers expand their markets, boost productivity and increase their profitability.

- **Dairy:** Dairy represents the largest segment of New York’s agriculture economy, and recent changes in consumer preferences, specifically, the growth in interest in Greek-style yogurt and other products, have increased demand for milk. It’s recently been estimated that demand for milk products will exceed New York farmers’ current production levels by about one-third. The Governor has already recognized the potential growth opportunity for New York dairies, and ordered a review of one state regulation that arbitrarily limits the size of some farms without adding significant costs to small farmers. Senate Republicans support this review, and anticipate the release of modified regulations.
- **Maple:** New York is the second largest producer of maple syrup, after Vermont, but the two million maple taps across Upstate New York represent only about 2 percent of all available trees. Senate Republicans support legislation to cut burdensome regulations and expand opportunities for maple producers.



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EXPANDING MARKETS



- **Farmers Markets:** New York is home to more than 600 farmers markets, where consumers can meet face-to-face with farmers and producers, located in diverse communities across the state, many year-round. State efforts to promote these markets have been halting. For instance, the State Department of Agriculture and Markets website that lists available markets is incomplete, and contains some inaccurate information. Senate Republicans will urge the department to commit additional resources to updating its database, and making the information more easily accessible to the public.
- **Food Hubs:** New York farmers are uniquely positioned to take advantage of their proximity to the largest consumer marketplace in the nation—the New York City metropolitan area—but they still face challenges in getting their products to market. The Governor’s recent announcement of the creation of new “food hubs” located in growing regions of the state, with access to New York City markets, will help, and Senate Republicans will encourage the expansion of these facilities and programs.



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EXPANDING MARKETS



- **“Buy from the Backyard”**: One of the largest consumers of fresh and manufactured food products is government itself. Each day, tens of thousands of state workers, students, and persons who are incarcerated or receiving treatment in state-operated facilities, are provided with meal choices that are directly controlled by state agencies. Our plan would seek to expand the availability of New York products by setting a goal of at least 20 percent of food purchases by state and local government agencies to include locally produced items.
- **Remove Tariffs**: New York’s wine industry has grown in size, economic value and world-wide esteem in recent years, with wineries and wine operations located in 49 of the state’s 62 counties. But while New York wines have enjoyed growing legions of fans and increasing sales in all 50 states, access to consumer markets in the nearby Ontario province is restricted by a severe tariff designed to protect that region’s own producers. Senate Republicans will encourage elected members of our federal delegation, as well as our friends in Canada, to reverse this punitive tariff and allow increased sales of New York wines to the millions of our northern neighbors.



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EXPANDING MARKETS



- **Farm Breweries:** In 2012, the Governor signed New York's Farm Brewery Law (Ch. 108, L. 2012; S.7727, Ritchie), which seeks to capitalize on growing interest in small batch and locally produced beer and other products. The new law sets an ambitious schedule for brewers to include New York-grown grains, like malt and hops, creating a vast new market for field crops that, until now, are rarely staples for these farmers. Senate Republicans will support increased funding to assist farmers in successfully incorporating these new crops into their inventories, and helping to identify markets and ensure success of this initiative.
- **Biofuel Crops:** Rising energy costs and the need to reduce our nation's reliance on imported fuel has renewed interest in alternative, crop-based fuels. Senate Republicans support tax incentives to farmers to produce and use these next-generation fuel crops, including woody biomass, for use in production of ethanol and biodiesel.
- **Rescue Abandoned Farmland:** Senate Republicans will work to provide incentives to farmers to return forest and abandoned fields to active farm production, including tax credits equal to one-fourth the capital costs for specified land improvements.



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KEEPING FARMS IN THE FAMILY



- **Estate Tax Reform:** Farming is a land and capital intensive business, and the value of even an average-sized farm can easily exceed the current \$1 million estate tax threshold. That makes it more difficult to keep generations-old farms in the family, and forces many farmers to make the difficult choice of subdividing or selling off farmland in order to pay tax bills. Senate Republicans support increasing the estate tax threshold to \$5 million to better reflect rising farm and land prices.
- **Farm Savings Accounts:** The average age of farmers in both the US and New York is about 57 years old, and a growing percentage of all farmers are aged 65 and above. To encourage younger people who want to pursue careers in farming, Senate Republicans will advance legislation to allow tax-free savings accounts to be used for the purchase of farms by young people, and to be used as a vehicle for farmers to help cover unexpected expenses and losses related to farming.
- **Farm Education:** Senate Republicans support continued funding, through the state budget, for education and enrichment programs, such as Future Farmers of America and 4H, that encourage young people to explore farming as a career.



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REMOVE OBSTACLES TO SUCCESS



Across the United States, farming is one of the most regulated industries. Farming in New York State is even more heavily regulated, and farmers can be subject to regulation by over 20 different federal, state and local agencies.

- **Duplicative State Regulations:** There are many examples of state regulations that often far exceed or duplicate federal regulations. Senate Republicans will urge the Commissioner of Agriculture and Markets to work in conjunction with DEC to:
 - expedite pesticide registration;
 - establish a fast-track pesticide approval process for farmers in certain circumstances; and
 - create an inventory of all duplicative state regulations that impact farmers, and make recommendations for potential reform of those rules.
- **Cutting Red Tape:** Senate Republicans support several specific initiatives to remove needless red tape that prevents farmers from spending more of their time in the field. These are outlined in legislation, supported by the New York Farm Bureau, entitled the “Let NY Farm Act.”



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INVEST IN THE FUTURE OF FARMING



As part of the ***Grown in New York Plan***, our Conference will again seek to provide strong budgetary support to help ensure the future success of New York farmers. In particular, the Senate Republicans will seek additional funding for:

- **Maple Promotion:** New York is the nation's second largest producer of maple syrup, with tremendous potential for exponential growth to meet growing demand for syrup and other maple products. (Over the past two years, Senate Republicans voted to restore \$200,000 to help promote New York maple products.)
- **Farm Viability Institute (FVI):** The farmer-driven entity supports research and programs across the state that have already helped thousands of farmers boost their bottom lines by reducing costs and improved productivity. Senate Republicans will seek increased funding, in part, to help FVI target research into new market crops, like malt and grains for the state's growing microbrewing and distilling industries. (Over the past two years, Senate Republicans led efforts to restore over \$1.6 million in funding to the Farm Viability Institute that was cut from the Executive Budget.)
- **Dairy Profit Teams:** Demand for New York milk is already outpacing farmers' production levels for manufacturing—a situation that is expected to worsen with the growing demand being led by the Greek-style yogurt boom. Senate Republicans will seek additional funding for dairy profit teams, comprising experts in animal health and dairy management, to help farmers improve efficiency.
- **Berry and Apple Growers:** Unprecedented and historic weather events, as well as a rise in invasive species over the past two years, have severely impacted crop yields, and the Senate will seek funding to assist recovery efforts in impacted regions.