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New York Farm Bureau Testimony for
Joint Legislative Budget Hearing on Agriculture

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Thank you, my name is Kyle Wallach, and I am the Associate Director of Public Policy at New York Farm Bureau (“NYFB”). NYFB is the state’s largest general agricultural advocacy organization. Our members represent an industry that provides significant revenue streams to our local, state, and national economies.

However, as most of you know, New York’s farm economy has been struggling. Many of the issues existed long before the pandemic, but COVID-19 has certainly exacerbated the problems. Farmers are still facing increases in labor costs, input costs, and supply chain shortages, creating razor-thin margins. To continue to allow New York farmers to feed consumers, farmers across our state ask for legislators to create an environment that promotes and invests in the future of agriculture.

NYFB sees many bright spots in Governor Hochul’s Executive Budget proposal for Fiscal Year 25-26. The proposed funding is significant for the agricultural community. However, there are still funding gaps that need to be closed. To further support our various agricultural commodities within the industry, farmers rely heavily on agricultural research and promotion programs. The promotional or research programs that depend on support from the legislature include vegetables, apples, corn, berries, grapes, wine, maple, turfgrass, hops, cannabis and craft beverages, along with the Farm Viability Institute. These programs are the state’s agriculture’s economic development investment for farms. We ask for greater support in these commodity industries.

We also strongly support the North Country Agricultural Development program, which provides many resources for farmers on a small budget. We also support further investment in PRO-DAIRY and PRO-Livestock at Cornell’s College of Agriculture and Life Science (CALs). These programs assist farmers in addressing climate change and to help farmers adapt to new technologies to improve their farms.

We also support the industry-led effort for increased funding for the College of Agriculture and Life Sciences for new operations and maintenance and capital funding. Core budget funds are needed to support Cornell CALs Land-Grant mission in New York, after the 27% decrease in the 2008 global meltdown, have never recovered.

In inflation adjusted dollars, Cornell CALS would be receiving an additional \$46M a year if we simply went back to the 2008 budget year. That loss in operational dollars is being felt across the academic institution that agriculture relies upon, as critical faculty and operations that were once available to the industry are not being re-hired due to budgetary constraints.

To be sure, Cornell CALS has been wisely closing and ‘right-sizing’ a variety of research farm locations throughout the state of NY – but we cannot afford to lose the remaining research farms which provide critical expertise to farmers in all the state’s microclimates. The future demands more agricultural, environmental, and food science, not less.

While the Governor has primed the pump for some of these asks, we hope the legislature can fully fund the following requests.

- \$5M in annual operations support for Cornell AgriTech and its research farms and forests stewarded throughout the state of NY, from the tip of Long Island to the shores of Lake Erie. This funding will ensure essential maintenance for aging facilities and infrastructure challenges that threaten research momentum. Additionally, it will enable forward thinking research to enhance the resilience of our agri-food systems in areas such as Climate Resilient Plant Breeding, Controlled Environment Agriculture, and Agricultural Intelligence and Robotics.
- \$5M in annual capital support for Cornell CALS, ensuring that the Land-Grant mission of our farms and forests stewarded throughout the state can be met by repairing infrastructure, employing climate smart agricultural practices, and demonstrating new technologies for a future focused food system. Currently, facilities are in dire need of repair, researchers are running out of space and our farms and forest infrastructure cannot support the type of research needed.
- \$3.15M in new annual funding specifically to meet the twin goals of increased demand for milk and the NYS Climate Act. Funds would support research on new technologies to decrease methane at the Cornell University Research Center, add positions to Cornell CALS flagship PRO-DAIRY applied research and extension program that the industry has identified as important, and create a dairy foods innovation hub designed to work with dairy food manufacturers on reducing energy intensity of dairy products as well as help create the next generation of dairy food products.

As we discuss climate change, we ask the legislature to continue to support and increase funding for environmental protection funds. Many of the programs, such as Farmland Protection, Agricultural Nonpoint, Pollinator BMP’s, and Soil and Water Conservation Districts, are vital for providing resources to farmers to best manage and conserve our environment. Farmers are one of the only industries that rely on a good climate to successfully operate their business. Farmers have been, and will continue to be, stewards of the land because their livelihood depends on it.

We are grateful to the Legislature and the Governor for the continued investment in the Nourish-NY program. This has been a help for both farmers and consumers alike; this helps farmers provide an outlet to expand their markets and creates an opportunity for families who continue to struggle from food insecurity to have access to fresh, locally grown food.

We thank the Governor for her proposed funding support and investment in the future of agriculture education – the Ag in the Classroom program. This program allows students to learn about farming and the importance of local food production and possibly create future career pathways. Agricultural education is becoming increasingly important as more generations are becoming further removed from agriculture than they ever were before. It is imperative we educate our youth about the importance of food and where it comes from.

We are seeing the fruits of our collective success in the first two years of the five-year window for farms to receive a refundable investment tax credit on farm investments from tractors and equipment to milking machinery. I can tell you there is an incredible amount of investment and expansion happening on farms because of this program, and it is truly a good news story to see farmers investing in modernizing their operation or prepare for the next generation to take over.

There is one major way the program can be improved that would benefit farmers and farm employees – include the construction of new farm housing or the rehabilitation of current farm housing in the program. Workers deserve high quality housing when employed on a farm, but on-farm housing can be very expensive to build. The current renewable investment tax credit must be used for the production of farm crops, thereby excluding housing. I would argue that the most fundamental part of farm production is those that work on our farms and need and deserve a high quality, comfortable house to live in. I ask you to support the inclusion of farm housing in this important program.

On a parallel track, we are strongly supportive of the Governor's proposal to increase the Farmwork Housing Revolving Loan Fund (through the Division of Homes and Community Renewal) by \$5 million, for all the same reasons as above. We do however request that the per project cost cap be increased from \$200,000 to \$400,000 to reflect inflation and still-skyrocketing building costs. A dollar just doesn't go as far as it used to these days.

We also would like to highlight the importance of extending and increasing the current farm workforce retention tax credit that expires at the end of the calendar year. This critical tax credit is designed to help farmers deal with the ever-increasing labor costs in the state and many farms rely heavily on the credit to keep their businesses viable.

Lastly, I want to mention our strong support for funding of Universal Free School Meals in the Governor's proposed budget. This funding is a priority for New York Farm Bureau because it's

the right thing to do for our school age children and will help farmers gain another outlet for sales of their products.

We genuinely appreciate the investment in the agricultural industry outlined by the Governor. As this is a promising first step, we continue to face challenges as an industry that we look forward to working with the Legislature and Governor on addressing. Although many of our farmers are struggling, there is incredible potential and opportunities that lie ahead. It is vital our industry is offered those opportunities.

Thank you all for your support of the agricultural industry. Let us continue to grow New York State together.