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Testimony for New York Farm Bureau
Joint Legislative Hearing on the Governor's Proposed
2013-2014 Agriculture/Environmental Conservation
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On behalf of New York Farm Bureau, thank you for providing me with the opportunity to testify here today. My name is Julie Suarez and I serve as the Director of Public Policy at New York Farm Bureau. New York Farm Bureau is the state's largest general agricultural advocacy organization with members engaged in all aspects of New York's diverse agricultural community.

Department of Agriculture and Markets

In reviewing the proposed Executive Budget for 2013-14, NYFB recognizes the continuing challenges that our state's economy poses and the resultant impact on the state's finances. NYFB appreciates the Executive Budget's funding approach towards the overall Agriculture and Markets Agency budget, and recognizes that the loss of positions will merely be from centralizing IT. Since farmers and consumers both rely on the Department to provide critical food safety, farm animal health and plant inspection services, the Department of Agriculture and Markets is an integral Agency to the entire state of New York. The Agency's Executive Budget overall provides a good framework to ensure that both farm and consumer interests are protected.

Additionally, NYFB appreciates the Governor's inclusion of baseline of funding for many of the agricultural "line item" programs that are administered by Cornell University College of Agriculture and Life Sciences and/or the College of Veterinary Medicine. The recognition of the critical importance of various animal health programs, as well as programs designed to assist our farm families directly, such as Pro-Dairy and NY FarmNet, is greatly appreciated by NYFB as is the funding for the Integrated Pest Management Program. It is also noteworthy that the Governor's focus on the Wine, Beer, and Distillates Summit has resulted in the same level of funding as last year for the New York Wine and Grape Foundation, as well as a needed boost for hops research in order to fulfill the growing need for NY grown hops as a result of the just enacted farm brewery license.

Another outgrowth of the Wine, Beer, and Distillates Summit is also proposed in the Taste NY marketing and branding initiative. NYFB appreciates the careful crafting of the language allowing for the sales tax free implementation of stores, which NYFB believes should mitigate interstate commerce concerns. The easing of the tied house rule should also encourage the development of private entrepreneurs who might be interested in expanding their sales outlets and promoting more New York based products. The creation of a funding line to assist in the marketing of New York products will greatly assist our farmers' promotional trade associations in matching private dollars to magnify efforts to increase brand identity and consumption of New York farm grown products by New York consumers.

NYFB also applauds the Governor for reworking the rules for state purchases of food to increase the discretionary cap on purchases of New York-grown products from \$50,000 to \$200,000. It has never made sense to our farm families that there is a cap on what state institutions can purchase from New York growers, and this builds upon the recent support of the Legislature and the Governor to add an agricultural representative to the State Procurement Council to allow for policy guidance at that advisory committee.

While NYFB appreciates the Executive Budget proposal's inclusion of level funding for the New York Apple Association, given relatively recent information about the loss of nearly half the state's apple crop to the early freeze this past spring NYFB would appreciate the Legislature's consideration of increasing that funding line to \$1,000,000. Apple farmers throughout the state assess themselves through the Apple Market Order to pay for promotion and marketing activities collectively which they could never afford independently; however, because of the severe crop loss funding for the promotional efforts is severely impacted as the assessment is collected on a apple volume basis. Since next year's crop will be expected to be a bumper one given the time the trees have had to rest, it is vital that the Apple Association have a one-time increase in the state allocation in order to recapture our apple growers markets lost because of the lack of apples in 2012.

Promotion of New York's wonderful local agricultural products continues to be a priority of NYFB, and the organization is supporting a restoration of funds to New York Maple Promotion, as well as a new item to assist our Christmas Tree farmers in developing their own marketing logo and efforts.

NYFB is also supporting additional funding for NY FarmNet, which provides farm families with psychological counseling and business planning support services to help them through the extremely stressful time such as dealing with farm crop loss due to a severe weather event or when the farm business is experiencing profitability challenges. FarmNet has helped countless farmers stay on the farm through their services, continuing to be able to produce local foods and farm products. NYFB is particularly interested in the further funding of this program given its emphasis on assisting farmers' transition to the next generation, through matching the increasing numbers of individuals interested in farming to those who may, or may not have children or relatives to take over the farm. Given the average age of the farmer

is increasing, it's important to recognize NY FarmNet for the role the program can play in helping to ensure that New York's agricultural community stays intact for the next generation.

Department of Environmental Conservation

New York Farm Bureau also strongly supports the Environmental Protection Fund which champions the partnership between agriculture and the environment by funding farm environmental programs. Programs such as the Farmland Protection Program, the Soil and Water Conservation District services, Agricultural Non Point Source Abatement Program, Invasive Species eradication, and Agricultural Waste Management Program are not just critically important to environmental protection but, in many cases, drive farm profitability.

Regarding funding for farm specific programs within the EPF, NYFB is supportive of the Governor's proposed budget funding for the Agricultural Nonpoint Source Pollution Abatement Program. The proposed 2013-2014 budget has this program slated to receive a funding increase to \$14.2 million (from \$13 million). We are very pleased the Governor recognizes that funding for this program is critical as our livestock industry is operating at a pivotal time; as farmers strive to increase dairy production in an environmentally sound way to meet the demand for New York milk from the growing Greek yogurt industry. The additional funding will also assist our farmers in partnering with the Agricultural Environmental Management Program within the Chesapeake Bay Watershed area, as it is expected that the EPA will announce its TMDL (Total Maximum Daily Load) nutrient requirements shortly. Farmers will need assistance in continuing to implement best management practices to further improve soil and nutrient management.

NYFB also strongly supports continued and increased reimbursement funding for County Soil and Water Conservation Districts. The Conservation Districts serve as the front line technicians for farm projects including CAFO, AEM and stream bank restoration projects - especially following recent severe storms such as Hurricane's Irene and Lee and Super Storm Sandy. The Governor proposed level funding for this program, but given the critical nature of their work any increase in funding would be put to good use.

The Governor also proposed to fund the Agricultural Waste Management program at \$1 million next year, providing an increase from the current \$700,000. This funding has traditionally been used to support farm plastic collection and recycling program that safely disposes of used plastic material from bunker silos, hay bales, and greenhouse uses. However, we anticipate the increase in funding in this category to offset costs for dairy farms to complete nutrient management plans to further assist in farm environmental stewardship particularly with the previously referenced Chesapeake Bay Watershed TMDL implementation. If this added funding is designated for this purpose, NYFB fully supports and endorses the effort.

It has been recognized that farmland is the best stewardship use of land, as the impact from a farm on water quality and the general environment is much less than the impact on the

environment of a brand new housing development. The Farmland Protection Program has helped protect countless acres of land from development, and ensures that such land is available as farmland for future generations of farmers. NYFB supports the Executive Budget's proposed increase in funding for this program, which has assisted many farm families in making needed investments in infrastructure, other adjacent land acres, or equipment while providing a benefit to the public. Given that there are many farmland projects that were announced and ostensibly awarded funds from previous Administrations still in the pipeline, the Governor's proposed funding increase is welcomed and will assist in reducing further the backlog of projects and hopefully allowing for an eventual new RFP to encourage additional farmland conservation.

NYFB is also supporting a restoration of the Environmental Stewardship Program, previously funded within the Department of Environmental Conservation, and eliminated during the last few year's of budget cutting. NYFB supports bringing this program back, as the research and environmental management provided to the turf grass and sod farm industry helped considerably in reducing the usage of pesticides through better management of pests, as well as in implementing soil erosion and control efforts on such farms and golf courses. The program also plays a critical role in controlling specialized invasive species in turf management.

Article VII Legislation

After thoughtful deliberation, NYFB's Board of Directors has decided to support the Executive Budget's proposal to reform the state Unemployment Insurance System as well as implement a benefit increase. Farm employers have been extremely concerned about the continuing impact of the high Interest Assessment Surcharges (IAS) as a result of our state's 3.4 billion dollar debt to the federal government. While NYFB's members are not pleased about the short term impact of the Governor's proposals in that the IAS will increase for the next two years, it is a wise decision to save money in the long run by paying off our debt to the federal government as well as building a reserve fund and implementing some long needed cost cutting reforms to the administration of UI.

NYFB remains extremely concerned about the overall cost of farming in New York State, given that our farmers property taxes per acre are much higher than our competitors in other states. NYFB is also concerned about the next two years with higher UI costs, a potential high and immediate increase in the state's minimum wage, and the impending implementation of the Affordable Care Act, which will be a burden for farm families already struggling with the high costs of health insurance and increasing coverage mandates for employees.

To that end, NYFB remains strongly opposed to the Governor's proposal to increase the state's minimum wage particularly in the context of the Executive Budget. While farmers are generally paying more than the minimum wage to full-time, year round workers as well as skilled seasonal workers, the reality of farming and particularly direct marketing to the public means the employment of a large population of primarily high school kids to run farm stands

on weekends and during the summer. For the most part, when a high school kid first gains employment on a farm the investment of training and teaching the kid how to actually be a responsible worker on the farm and turn off the cell phone, makes the youth not worth much more than the current minimum wage for the first few months. To that end, NYFB is supporting a proposal to allow all employers – not just farmers – who rely on a seasonal population of high school kids to adopt a training wage for youth workers. Most other states with a training wage have it available at 85% of the minimum wage for a specified period of time.

While in no way would adoption of this measure change NYFB's continued opposition to increasing the state minimum wage, it's clear that without a training wage, high school kids will continue to have an increasing problem in finding gainful employment for the summer and weekends as employers forced to pay higher minimum wage rates will simply offer more of these jobs as seasonal work for adults.

Thank you again for allowing me the opportunity to testify before you today. I would be happy to answer any questions that you may have here today or at a later time following the hearing.