



Picking up the Pace

A Road Map for Accelerating Farmland Protection in New York

January 2007



American Farmland Trust

Table of Contents

List of Figures	ii
Executive Summary	1
Chapter 1 Introduction	3
<i>New York is a Farm State</i>	3
<i>Agriculture's Impact in New York</i>	4
<i>Poorly Planned Development Threatens New York's Farms</i>	5
<i>Summary</i>	5
Chapter 2 The New York State Farmland Protection Program: 15 Years in Review	6
Chapter 3 Where Do We Stand Today?	8
<i>Acres of Protected Farmland</i>	8
<i>Demand for vs. Supply of Program Funding</i>	9
<i>Total and Per Capita Spending</i>	11
<i>Capacity to Complete Farmland Protection Projects</i>	11
<i>Summary: The Current State of New York's Farmland Protection Program</i>	12
Chapter 4 Recommendations for Accelerating Farmland Protection	13
Objective 1 <i>Increase State Funding and Expand Incentives to Double the Farmland Protected Annually in New York</i>	13
Objective 2 <i>Significantly Reduce the Time Required to Complete State Farmland Protection Projects</i>	18
Objective 3 <i>Create a Strategic Long Term Direction for Farmland Protection</i>	21
Endnotes	23

List of Figures

Figure 1	Leading Farm Products of New York, 2005	3
Figure 2	Farmland as a Percentage of all Privately Owned Land in New York	4
Figure 3	Counties Receiving Funding from the New York State Farmland Protection Program, 1996 – 2006	7
Figure 4	Farmland Acres Protected by State Programs (as of July 2006)	8
Figure 5	Farmland Protected by State Farmland Protection Programs as a Percent of the State’s Total Farmland	8
Figure 6	Average Acres of Farmland Protected Per Year by State Farmland Protection Program	9
Figure 7	Farmland Protected by State Farmland Protection Programs vs. Farmland Developed Annually	9
Figure 8	New York Counties Responding to Farmland Protection Program Survey, 2006	10
Figure 9	State Funding for Farmland Protection Per Capita	11
Figure 10	Funds Spent on State Farmland Protection Programs in New York, New Jersey and Pennsylvania	11
Figure 11	Annual Funding Requests for the New York Farmland Protection Program vs. Available Program Funds	13

Written by

Liz Brock, David Haight, and Jerry Cosgrove
American Farmland Trust

Special
thanks

*A special thanks to the following individuals and organizations
that provided information and ideas for this report:*

Robert Besanceney, Western New York Land Conservancy
Renee Bouplon, Columbia Land Conservancy
Rodney Brown, Clinton County Planning
Alane Chinian, Saratoga P.L.A.N.
Art Collings, Dutchess Land Conservancy
Greg Connors, Town of Stillwater
Megan Costa, Syracuse-Onondaga County Planning Agency
Craig and Marlene Culver
Dan Dineen, Cortland County Planning
Sandra Dorfner, Town of Webster
Jason Engel, Town of Amherst
Eric Grace, Genesee Valley Conservancy
Seymour Gordon, Town of Warwick
Jennifer Grossman, Open Space Institute
Jill Knapp, Mohawk Hudson Land Conservancy
Erik Kulleseid, The Trust for Public Land
Dan Kwasnowski, Town of Dryden
Bobbie Harrison, Onondaga County Cornell Cooperative Extension
Noela Hooper, Dutchess County Department of Planning and Development
Donna Murray, Rensselaer County Department
of Economic Development and Planning
Bill Niemi, Rensselaer Taconic Land Conservancy
Jaime O'Neill, Saratoga County Planning
Elma Phillips, Montgomery County Agriculture and Farmland Protection Board
Elizabeth Pitman, Town of Preble
Teri Ptacek, Agricultural Stewardship Association
Trish Riter, Cayuga County Planning and Economic Development
Ora Rothfuss, Wayne County Planning Department
Melissa Spiro, Town of Southold
Marian Sumner, Peconic Land Trust
Julie Suarez, New York Farm Bureau
Maria Trabka, Agricultural Stewardship Association
Cari Watkins-Bates, Scenic Hudson, Inc.
Jeff Williams, New York Farm Bureau
Mary Wilson, Town of Southampton
Jim Young, Town of Fleming

Executive Summary

New York's farmers and communities are ready for state government to take a fresh look at the way it approaches farmland protection. Farmers and the state's \$3.6 billion agricultural industry face increased competition for productive land from poorly planned development. Meanwhile, local governments on Long Island, the Hudson Valley and a growing number of areas in Upstate New York are challenged by the task of managing sprawling development while maintaining their quality of life and community character. These trends stretch local and state budgets, drive up property taxes and threaten New York's economic future.

Never before have the challenges facing New York's farmers and communities been greater. Three of the Top Twenty Most Threatened Farming Regions in the country are located in New York. Farmland loss has accelerated with almost 26,000 acres being developed annually in the state — more than twice the amount of farmland being protected. New York's Farmland Protection Program has made great strides in its 15 year history but has only protected 17,500 of the state's 7.6 million acres of farmland. The state has spent the second lowest per capita and third lowest overall on farmland protection of all Northeastern states — putting New York's farmers at a competitive disadvantage and limiting options available to communities as they struggle to deal with growing land use changes.

New York State can play a critical leadership role in supporting local economies and communities by significantly increasing the pace of farmland protection in New York. **The pace of farmland protection must be increased so that at least 1 acre of farmland is protected for every acre of farmland that is developed in New York — “An Acre for An Acre”.**

To achieve this bold objective, New York must:

- Increase State Funding and Expand Financial Incentives to Double the Farmland Protected Annually

New York State needs a fresh look at the way it is supporting farmers and protecting farmland.

- Significantly Reduce the Time Needed to Complete State Farmland Protection Projects
- Create Local and State Strategic Plans for Farmland Protection

Increase State Funding and Expand Financial Incentives to Double the Farmland Protected Annually in New York

The pace of farmland protection is directly related to the availability of local, state, federal or private financial incentives that encourage farmers and rural landowners to protect their land. Efforts must be made to leverage funds in all four categories to double the pace of farmland protection in New York. New York State should:

- Increase funding for the state's Farmland Protection Program to \$50 million annually.
- Eliminate the state capital gains tax on agricultural conservation easement sales.
- Expand the state's Conservation Easement Tax Credit to include land protected by purchased agricultural conservation easements.
- Resolve administrative conflicts between the state's Farmland Protection Program and the federal Farm and Ranchland Protection Program.

Never before have the challenges facing New York's farmers and communities been greater.

- Support federal legislation that changes the federal Farm and Ranchland Protection Program to make it better complement New York's Farmland Protection Program.
- Expand farmland protection funding options for town and county governments through state legislation such as the Community Preservation Act.
- Establish an Agricultural District Enhancement Program to stabilize broad areas of New York's farm landscape while providing property tax relief to farmland owners.
- Lower the Farmland Protection Program's local match requirement to 15%.

Significantly Reduce the Time Needed to Complete State Farmland Protection Projects

State funded farmland protection projects frequently require three to five years to complete. This lengthy timeline discourages farmers, erodes public support for farmland protection and frustrates state and local partners. Ultimately, lengthy timelines result in fewer farms being protected. Steps must be taken by New York State to reduce the time period needed to complete state projects to no more than two years. These include:

- Strengthen the Department of Agriculture and Market's ability to process funded Farmland Protection Program projects and provide proactive technical assistance to grant recipients.

- Develop guidance documents that outline minimum Farmland Protection Program requirements for funded projects.
- Streamline Farmland Protection Program requirements and give more discretion to local partners in completing projects.
- Establish a consistent timeline for Farmland Protection Program grant applications, awards and project milestones.
- Create a Farmland Protection Program Advisory Committee to provide input about Farmland Protection Program policies and project requirements.
- Provide funding for land trusts, including the New York Agricultural Land Trust, as a means of improving local capacity to cultivate and complete farmland protection projects.

Create a Strategic Long Term Direction for Farmland Protection

New York needs a plan that defines the direction and purpose of its farmland protection efforts. Such an action plan must articulate both the state's farmland protection goals and the strategies it will use to support its farmers and protect its agricultural land base. A state level plan should be complemented by county and town strategies that define local plans to support agriculture and protect farmland. New York State should:

- Develop a state farmland protection plan outlining New York's farmland protection goals and strategies.
- Support legislation authorizing grants to counties to update agricultural and farmland protection plans every 10 years.
- Distribute grants to municipalities to develop local agricultural and farmland protection plans.

New York State needs a fresh look at the way it is supporting farmers and protecting farmland.

The state's farmers and communities are ready for leadership from Albany that doubles the pace of farmland protection across the state. The results will be good for New York's economy, communities and environment and move the state towards the long-term goal of protecting "An Acre for an Acre".

Chapter 1

Introduction

At the turn of the 20th century, approximately 40% of the United States workforce was employed on farms across the nation. Almost 100 years later, by 1990, that number had decreased to less than 1% nationwide.¹ The American population is increasingly dependent upon a small percentage of its members to provide access to food, steward natural resources and preserve the cultural heritage that continues to define the nation.

This national phenomenon is evident in New York State as well. Historically, grains, vegetables, fruits and dairy products raised in New York's fertile soils were shipped through the canal system and down the Hudson River to population centers in metropolitan New York. Today, roughly 54% of New York State's population is centered in urban New York. Much of the state, however, remains rural. Farms in New York continue to support urban population centers by providing food and other farm products, contributing to the state's economy, and protecting New York's natural resources.

New York Products Rank High Nationally

2nd Place: Apples, cabbage, wine

3rd Place: Milk, grapes, corn silage

4th Place: Pears, cheese, fresh market sweet corn, cherries

5th Place: Strawberries, floricultural products

6th Place: Fresh market vegetables

11th Place: Fresh market tomatoes, Christmas trees

(data from NASS Agricultural Statistics Service, 2005)

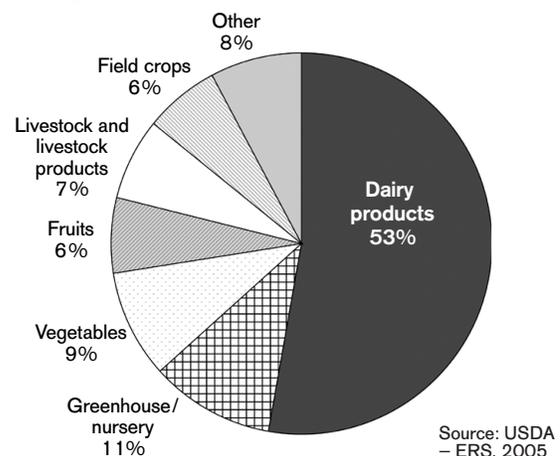
New York is a Farm State

New York's climate and soils allow for the production of a diversity of farm products. Milk and dairy products represent more than half of the state's annual farm sales (Figure 1), with

New York ranking third nationwide in dairy production. Fruit and vegetable production represent 15% of the annual farm sales in the state with New York ranking as one of the top producers of wine, grapes, apples, maple syrup and several other fruits and vegetables. A growing number of New York farmers are involved in nursery and greenhouse production as well.

While New York continues to be a strong farm state, rising fuel costs, increased regulation, the fragmentation of the farmland base and national and international competition have contributed to decreased profit margins on farms over the last century. Farmers have dealt with these challenges in a variety of ways. Some small farms are maximizing niche markets through value-added processing or direct marketing to garner a greater share of the consumer dollar. Others have grown to take advantage of the efficiencies provided by larger scales of operation. However, 91% of all farms in New York remain family owned operations.² In fact, the New York State Agricultural Society has recognized 322 farms across the state for remaining in the same family for over 100 years.³ New York farmers are committed to their land and their businesses and have long proven that they can adapt to changing industry pressures.

Figure 1
Leading Farm Products of New York, 2005



Agriculture's Impact in New York

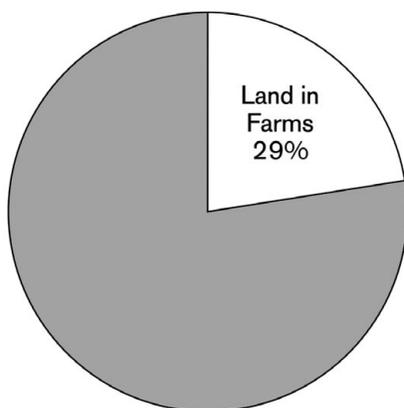
Farming is an important and growing business in many New York communities. According to the National Agricultural Statistics Service, farms in New York sold approximately \$3.6 billion in farm products in 2005, a 33% increase since 1987.⁴

It is estimated that the wine and grape industry alone contributes \$3.4 billion dollars to the state economy through a combination of direct sales, agritourism and employment.⁵ New York farms own approximately \$3.3 billion in machinery and equipment and an additional \$12 billion in land and buildings.⁶ The economic impacts of farm sales are multiplied in the local economy as machinery is serviced and farm products are processed. Nelson Bills of Cornell University reports that the agricultural services sector earned approximately \$1.4 billion and the food manufacturing sector earned about \$18.6 billion in 1996 in New York State.⁷ These statistics suggest that the New York farm and food industry has a combined \$23 billion economic impact annually.

Farms are also vital to protecting New York's natural resources. Farmland represents a quarter of the total land base of New York (Figure 2).

Figure 2

Farmland as Percentage of all Privately Owned Land in New York¹



Source: USDA Agricultural Census, 2002

¹ Privately owned land determined by subtracting state and federally owned land from the total land base in New York.

Farmers, Chefs and City Dwellers: A Common Link

What do New York farmers, Culinary Institute of America trained chefs and New York City residents have in common? FOOD!

The Farm to Chef Express is a program of Cornell Cooperative Extension, formed in 2004 by a group of farmers who saw a better destination for their products than the traditional wholesale markets. The program is currently funded by a grant from the Department of Agriculture and Markets and has so far successfully linked 17 Upstate farmers, from Rensselaer, Saratoga and Washington Counties with 12 restaurants in New York City and 1 in Williamstown, Massachusetts. Products provided range from lamb and rabbit to apples and greens to goat cheese and maple syrup. Through the Farm to Chef express, farmers gain more value for their product, chefs gain access to high quality and fresh farm products and consumers enjoy the benefits of healthy, local food. As contributing producer Jennifer Small of Flying Pigs Farm says, "Farm to Chef Express is a "win" for small farms, a "win" for chefs, and a "win" for New York State."

Well-managed farms provide aquifer recharge areas and act as natural filters to surface and subsurface water. Both New York City and the City of Syracuse recognize the important connection between farms and water quality. They have established programs to retain well-managed farms in the watersheds that provide unfiltered drinking water to the cities.⁸ Farmers depend on both soil and water resources for their livelihood and are committed to protecting them. Almost 10,000 farmers from 54 counties across the state have voluntarily enrolled in the Agriculture Environmental Management (AEM) program administered by the State Department of Agriculture and Markets — roughly 26% of the farmers in New York.⁹ AEM helps farmers implement management practices on the farm that protect water quality to reduce their environmental impact and preserve the productivity of their soils.

Farms remain a critical part of New York's cultural identity and tourism industry. Scenic farm landscapes are part of the draw for visitors to the Hudson Valley, Finger Lakes and many other regions of New York. There are 55 county and youth agricultural fairs across New York each year, and the State Fair attracts more than

900,000 people annually.¹⁰ Wine trails in Western New York, the Finger Lakes and on Long Island saw 4.14 million visitors in 2005, with 23% of these tourists coming from outside New York.¹¹

New York farmers are also becoming increasingly connected with other New Yorkers. Farmers' markets, community supported agriculture operations, u-pick farms, farm to school programs and others help bridge closer ties between farms and consumers. The fresh, nutritious foods produced on New York farms can be an important part of healthy families and direct sales contribute to increased farm viability.

Poorly Planned Development Threatens New York's Farms

American Farmland Trust's 1997 Farming on the Edge report summarizes the top 20 areas in the U.S. where prime farmland is most threatened by poorly planned development. Four regions in New York were included on this list, including parts of Western New York, the Finger Lakes, the Hudson Valley and Long Island.¹² Farmland is being lost to development in New York at a rate of approximately 26,000 acres per year.¹³

Rolf Pendall, of Cornell University and the Brookings Institution coined the phrase "Sprawl without Growth" when describing land use trends in New York in a 2003 report.¹⁴ The report cites data compiled from the National Resources Inventory indicating that developed land in Upstate New York grew by 30% from 1982 to 1997, despite population growth during that time of only 2.6%.¹⁵ This urbanization equates to 425,000 acres of farm and forestland forever lost to development. Land use change in New York is being caused not by influxes of new residents to the state but by the spread of residents out from cities and inner suburbs to outer suburbs and rural communities. The resulting decentralization of communities and fragmentation of farmland has huge implications for New York's farmers and communities.

From a farmer perspective, development pressure brings a host of new challenges to their businesses and way of life. First, it brings non-farm neighbors closer to the sights, sounds and smells of working farms - potentially resulting in conflicts over land use issues. Development fragments the land base farmers

depend upon to grow crops and manage manure in environmentally sound ways. It also forces farmers to travel long distances to access their fields, causing conflicts on roadways and increasing farm fuel and labor expenses. In many cases, as farmland is lost to development and farm businesses fail, the agricultural support services that the remaining farms depend upon are forced to either move or close their doors. The cost of doing business for remaining farms increases again when equipment dealers, feed stores, and veterinarian services move further away.

From a community perspective, the paradox of sprawl without growth threatens the way of life in both urban and rural communities. Pendall cites that in the 1990s, New York cities lost 7.3% of their population and villages lost 1.7% of their population while towns gained population by approximately 7.5%.¹⁶ As development decentralizes from urban and village centers, businesses are lost and infrastructure costs increase. For example, from 1994 to 1999, city zip codes lost 5% of their business establishments and 6% of their workforce.¹⁷ Infrastructure costs will increase as water and sewer lines extend into rural areas and roads are upgraded and maintained to service new residences. At the same time, existing infrastructure in cities and villages must continue to be maintained — increasing the cost of government services and driving up taxes.

Summary

Agriculture in New York has experienced an incredible evolution over the last century. The pace of changing economic and land use conditions continues to accelerate causing further changes "on the farm". These changes will not only influence the future of farming in New York but the many economic, environmental and cultural benefits provided by local farms as well. Actions taken by farmers, residents and public officials to pro-actively direct such changes will have lasting implications for New York.

Chapter 2

The New York State Farmland Protection Program: 15 Years in Review

New York's Agricultural and Farmland Protection Program began in 1992 with the passage of the Agricultural Protection Act.¹⁸ The legislation created Article 25-AAA of the Agriculture and Markets Law, which reorganized the structure of existing county agricultural and farmland protection boards and authorized state funding to counties for the creation of agricultural and farmland protection plans. These plans identify the benefits farms provide to New York communities, describe the challenges facing the agricultural industry and outline mechanisms to support local farms. Plans often include strategies to protect farmland from development, support the economic vitality of the agricultural industry and encourage positive relations between farmers and non-farm neighbors.

Since 1994, New York State has distributed approximately \$2.26 million to 50 counties to develop Agriculture and Farmland Protection Plans. Orange County was the first to have its plan approved by the Department of Agriculture and Markets over 10 years ago. These plans have made important contributions towards engaging communities in discussing the future of the agricultural industry and encouraging local action to support it.

In 1996, Article 25-AAA of the Agriculture and Markets Law was amended to include authorization for funding for implementation of approved county or municipal agricultural and farmland protection plans. To date, these implementation grants have been awarded for

purchase of development right (PDR) projects. Long Island communities pioneered PDR as a farmland protection technique in the early 1970s.

Purchase of development rights is a voluntary approach that pays farmland owners to permanently extinguish the development rights on their property. The land remains privately owned and on the local tax rolls. However, a permanent restriction, commonly called a conservation easement, is placed on the deed preventing any future non-agricultural development of the property. Participating farmers are eligible to receive the difference between the agricultural value of the land and the fair market value of the land. This technique allows farmers to access equity held in their land, while protecting it for future agricultural use. Farmers have used the funding to reinvest in their farm businesses as well as to retire or transfer the farm to a new generation of farmers.

Pioneers of PDR: Suffolk County Invests in Farms and Farmland

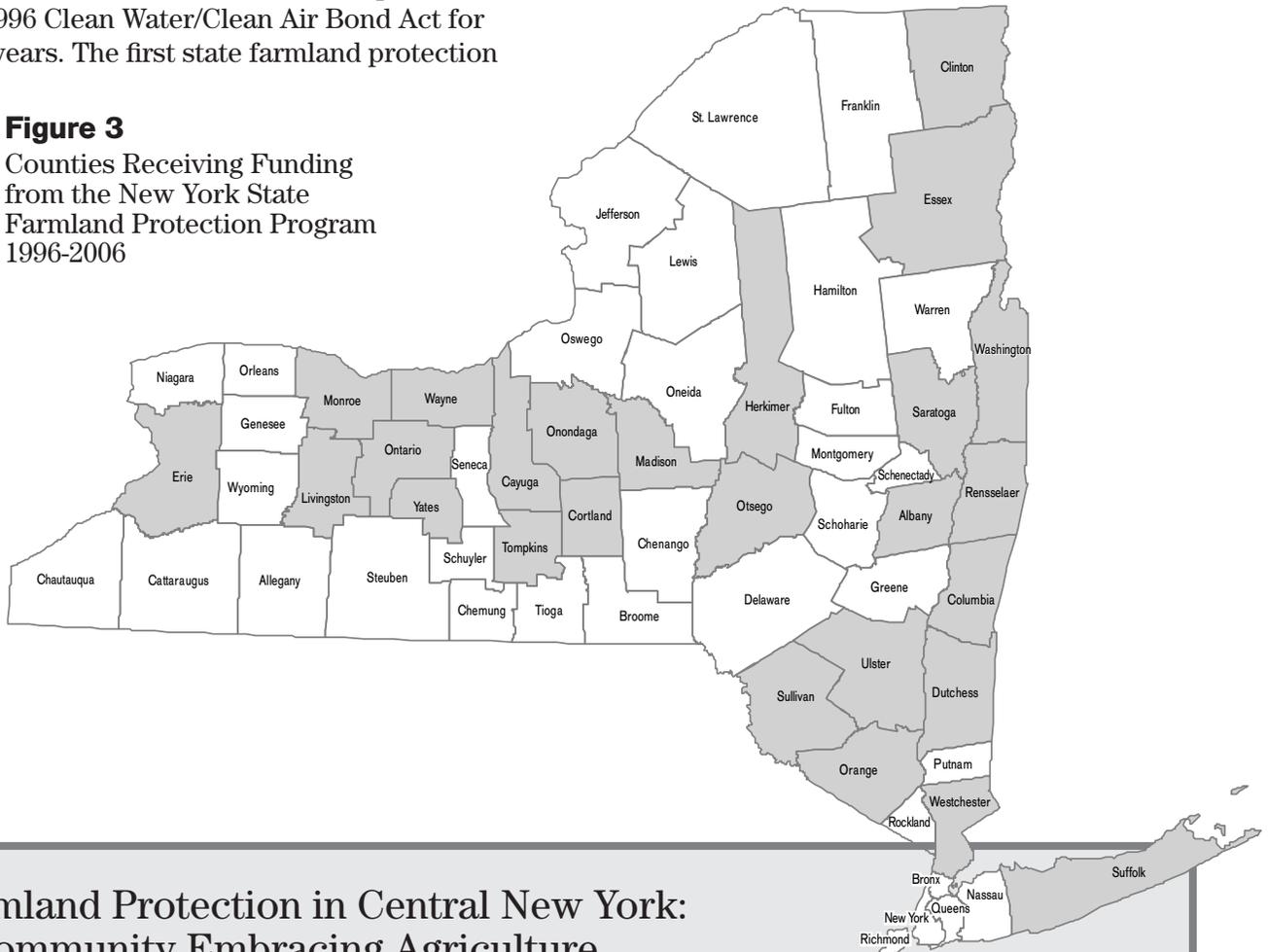
Prior to World War Two, the vast majority of Suffolk County was rural. Starting in the 1950s, growth from New York City began consuming agricultural land and by 1969, Suffolk County had lost approximately half of its total farm acreage. In 1972, an Agricultural Advisory Committee was formed to devise a plan to preserve farmland in the County. A local attorney suggested a scheme in which the County could purchase the development rights to land at risk of being lost from agriculture forever. By 1974, Suffolk County had created the first Purchase of Development Right program in the country and two years later authorized a \$21 million bond to pay for it.

Today, collaborative efforts between towns, the Peconic Land Trust, Suffolk County and the New York State Farmland Protection Program have invested nearly \$100 million in protecting approximately 12,500 acres of prime farmland in the county. It has proven to be a wise investment. Suffolk County remains the highest grossing agricultural county in New York State, and the commitment of the community has succeeded in protecting a piece of rural heritage in an increasingly developed region.

This matching grants program is administered by the Department of Agriculture and Markets and provides up to 75% of the cost to complete PDR projects on farms.¹⁹ Funding for the program currently is provided by the state Environmental Protection Fund with additional funds provided by the 1996 Clean Water/Clean Air Bond Act for several years. The first state farmland protection

grants were awarded in 1996 to 5 counties. As of October 2006, the Farmland Protection Program has granted over \$116 million to protect 50,429 acres on 241 farms in 26 counties across the state (Figure 3).²⁰

Figure 3
Counties Receiving Funding from the New York State Farmland Protection Program 1996-2006



Farmland Protection in Central New York: A Community Embracing Agriculture

The Town of Fleming in Cayuga County lies near Owasco Lake, just south of the city of Auburn. Primarily a farm community, the town recognized the threat that poorly planned development had on the agricultural industry and sought ways to stem the trend. “One of the Agricultural Policy Objectives of the town is to ensure that the agricultural industry remains a viable and profitable industry in the town, recognizing that doing so protects our open space and rural character,” explains Jim Young, Town Supervisor. “The Farmland Protection Program has helped Fleming protect nearly 3,500 acres from urban sprawl, moving closer to achieving that goal and helping our town’s farms.”

One such farm was the Culver Dairy Farm who received a grant from the state Farmland Protection Program in 2003. For the Culver family, selling the development rights on the farm was a sound business decision and helped them plan for the farm’s future succession. “Our son, Justin, was 18 years old when we learned our 250-acre dairy farm would be protected. Shortly after this, Justin committed to remaining on the farm and making it his career,” report Craig and Marlene Culver. The Farmland Protection Program allowed the Culver’s to invest in the family businesses and ensure a place in it for future generations.

Chapter 3

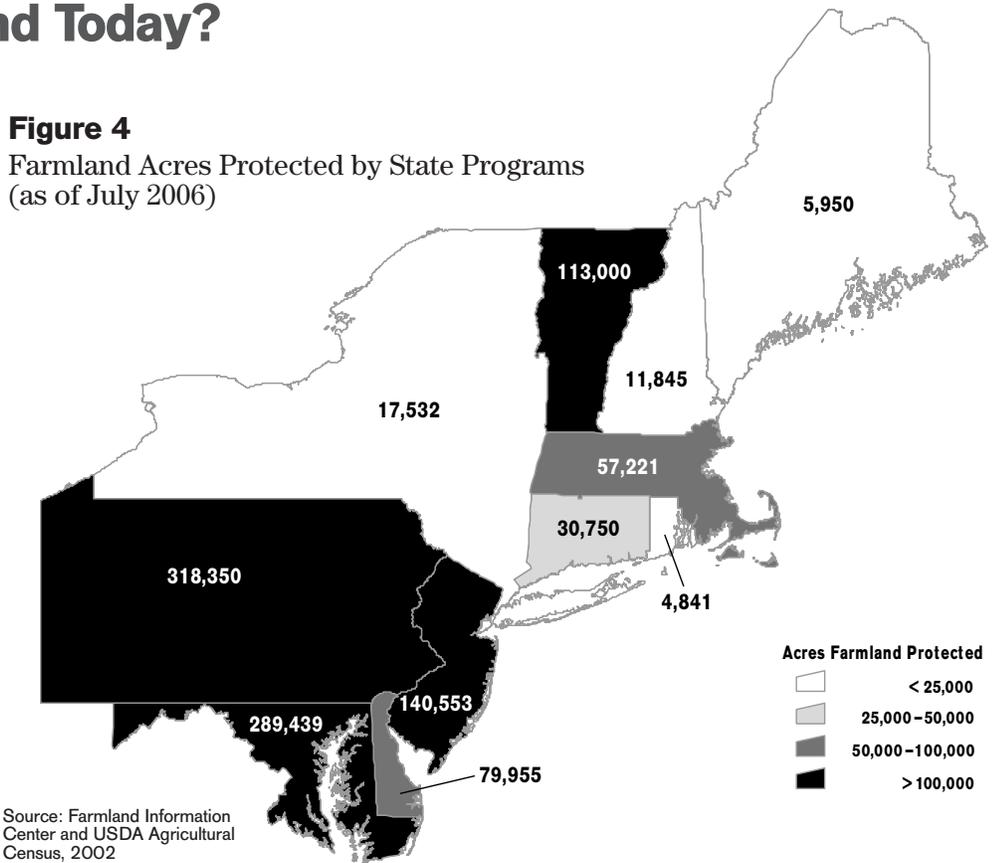
Where Do We Stand Today?

New York's Farmland Protection Program has grown considerably since 1996. More farmers and communities are looking to the program as an important partner to local efforts to support farms. However, despite a clear and growing commitment to farmland protection, New York is failing to meet growing farmland protection needs by several measures: acres of protected farmland, demand for vs. supply of program funding, total state spending and per capita spending on farmland protection and capacity to complete Farmland Protection Program projects.

Acres of Protected Farmland

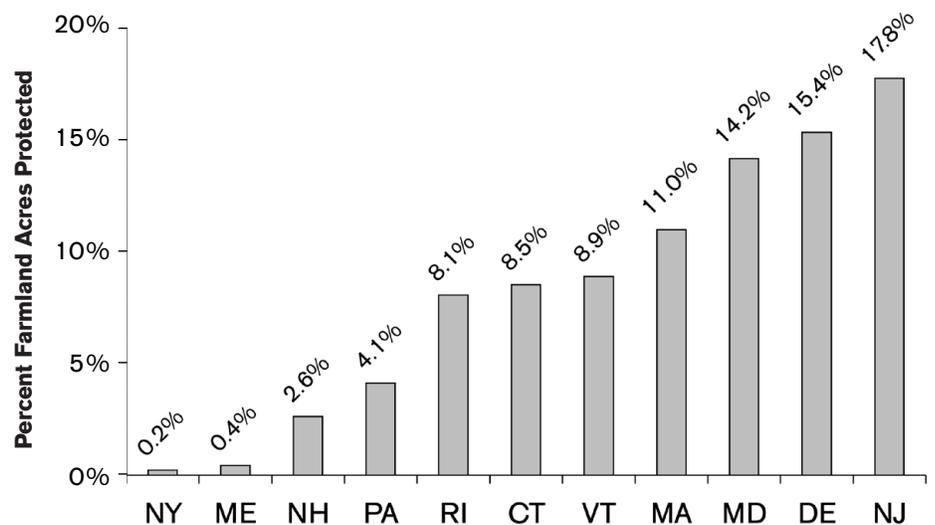
By October 2006, New York's Farmland Protection Program had awarded funds to projects that would protect 50,429 acres but only completed projects on 17,532 acres. By comparison, Vermont has completed projects that have protected 113,000 acres, New Jersey has conserved 140,553 acres and Pennsylvania has protected 318,350 acres of productive farmland (Figure 4).²¹ New York's Farmland Protection Program has protected the lowest percentage of the state's farmland acres when compared with other Northeast states (Figure 5).²²

Figure 4
Farmland Acres Protected by State Programs
(as of July 2006)



Source: Farmland Information Center and USDA Agricultural Census, 2002

Figure 5
Farmland Protected by State Farmland Protection Programs
as a Percent of the State's Total Farmland



Source: Farmland Information Center

Not only is the overall protected farm acreage less in New York, but the pace of farmland protection in New York is also below most neighboring states. As shown in Figure 6, from 1998 to 2006, New York protected an average of 2,192 acres per year; 5th lowest in the region and well behind strong farm states in the region such as Pennsylvania and Maryland.²³ In fact, New York is losing farmland 12 times faster than it is protecting it (Figure 7).²⁴

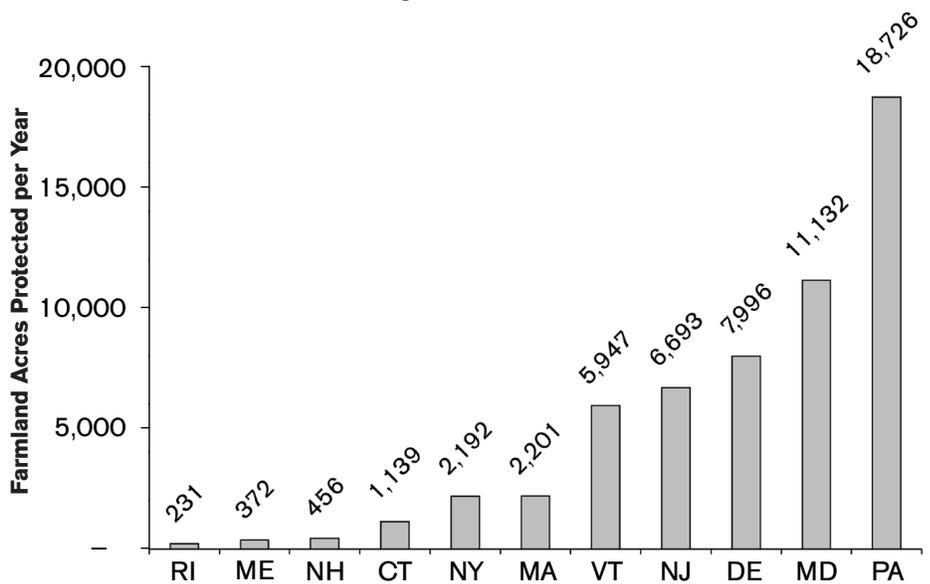
Demand for vs. Supply of Program Funding

Grant applications to New York's Farmland Protection Program generally have requested at least twice the amount of money available to the program each year. Grant round 10 included 39 applications requesting a total of \$58 million to protect 17,430 acres on 66 farms.²⁵ The program was funded in the fiscal year 06-07 budget for \$23 million. As a result, approximately two thirds of the farmers who wished to voluntarily protect their land were turned away because of a lack of program funding.

Annual application totals are the only current measure of farmer and community demand for state funds. However, changes in the way the Farmland Protection Program is administered have significantly impacted these statewide estimates of demand for the program. Beginning in grant round nine, applicants were restricted to submitting only three farm properties per application. Prior to this grant round, there was no limitation for the number of farms included

Figure 6

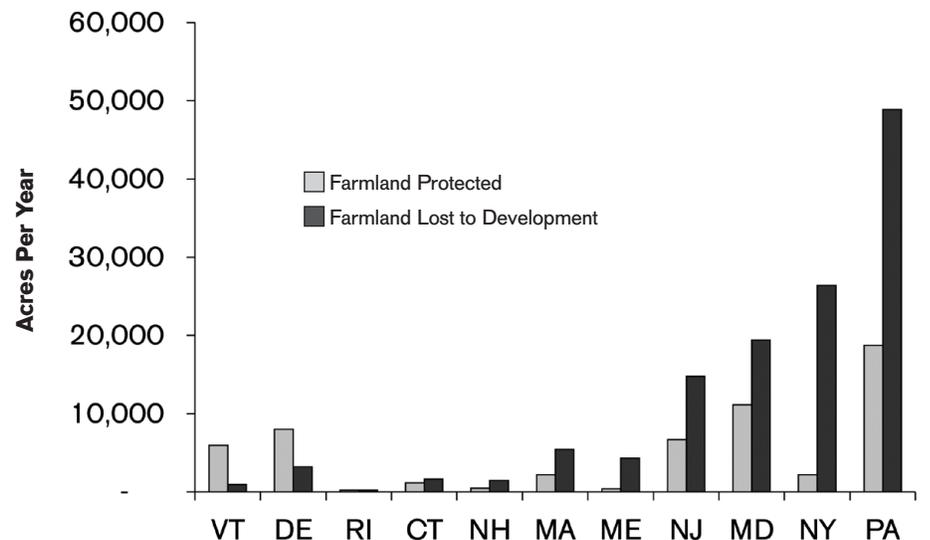
Average Acres of Farmland Protected Per Year by State Farmland Protection Programs



Source: Farmland Information Center

Figure 7

Farmland Protected by State Farmland Protection Programs vs. Farmland Developed Annually



Source: Farmland Information Center

in a particular proposal. For example, in grant round eight, there was \$86 million in requests to the program, while in grant round nine that number fell almost half to \$46 million.

Total and per Capita Spending

As of July 2006, New York had spent \$42 million on completed farmland protection projects; the lowest total amount of state spending on farmland protection when compared to the surrounding states of Vermont, Massachusetts, Connecticut, New Jersey and Pennsylvania (Table 1).²⁷ Spending on farmland protection in New York in 2006 was \$0.83 per capita, second lowest in the Northeast (Figure 9).

In addition, the rate of funding increases provided to New York's Farmland Protection Program is also much lower than those in the neighboring states of New Jersey and Pennsylvania (Figure 10).²⁸

Capacity to Complete Farmland Protection Projects

The Department of Agriculture and Markets' ability to efficiently and effectively oversee funding Farmland Protection Projects is limited due to staffing at the Agricultural Protection and Development Services Division. There are approximately 2.5 full time equivalents (FTE) of program and legal staff within this division and other divisions of the Department dedicated to administering the Farmland Protection Program. When divided by program funding for 2006, that is only 1 FTE per \$9.2 million in grants awarded. This ratio of grant funding awarded per staff person is much higher than in neighboring states. By

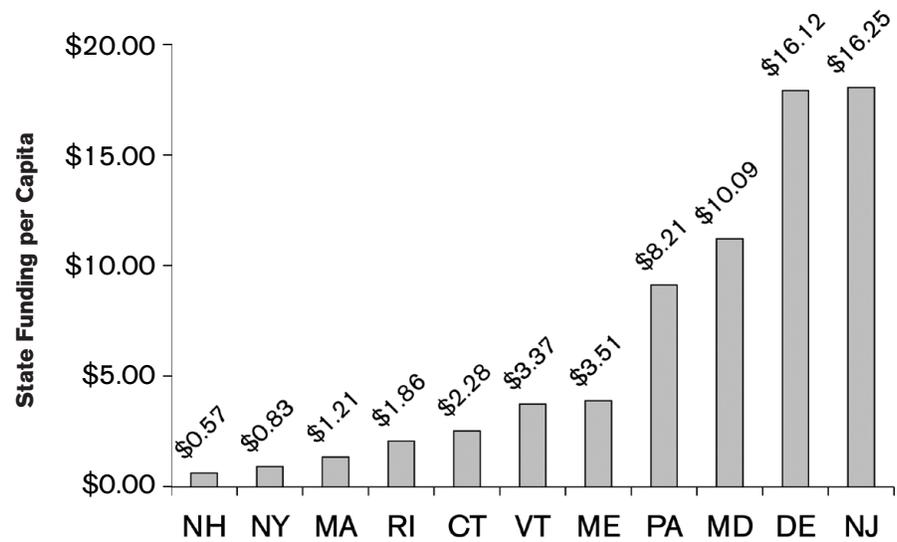
Table 1 State Funding Spent on Farmland Protection to Date

State	Funding Spent To Date
NY	\$42,487,327
VT	\$44,700,000
CT	\$88,279,632
MA	\$146,789,621
NJ	\$471,935,846
PA	\$513,553,278

Source: Farmland Information Center

Figure 9

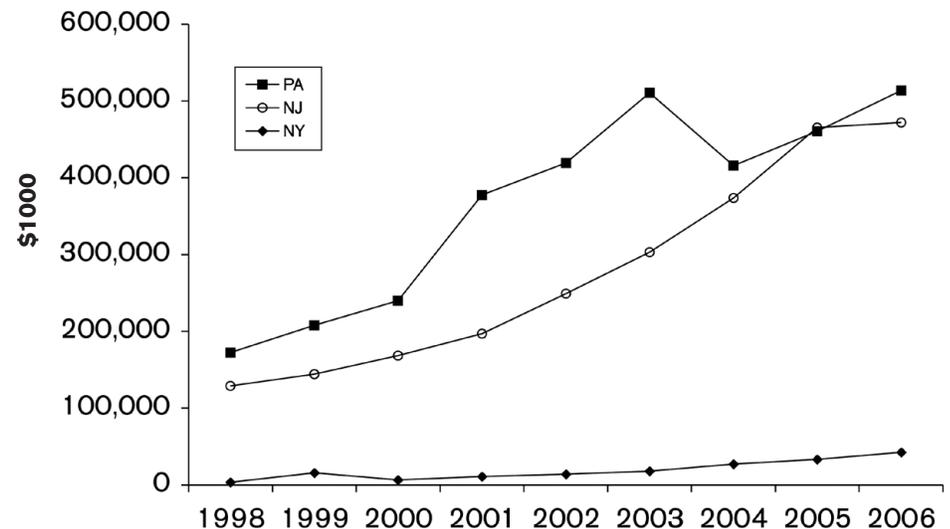
State Funding for Farmland Protection Per Capita



Source: Farmland Information Center

Figure 10

Funds Spent to Date on State Farmland Protection Programs in New York, New Jersey and Pennsylvania



Source: Farmland Information Center

comparison, Pennsylvania has 1 FTE per \$3 million in grants awarded, as does Delaware. The New Jersey farmland protection program has a staff of 24 FTE, equal to 1 FTE per \$5 million in grants awarded.²⁹

Local communities are also often hindered in their ability to efficiently close funded Farmland Protection projects due to limited staff and expertise. Most communities do not have dedicated staff to work on Farmland Protection projects, but rather rely on existing staff to head projects as a portion of their job descriptions. As a result, local partners often have minimal experience in conservation easement transactions delaying the time required to close projects.

As a result of these local and state capacity issues, the average time to close on projects in New York is 3 years, but often frequently takes longer. Some projects have still not closed 6 years after funding was awarded. In comparison, the average time to close farmland protection projects in the Northeast is 2 years.³⁰ This extensive delay between awards and project closure has resulted in farmer distrust in the program. Often, farmers have plans to use the money awarded from a PDR project in farm expansion or improvement projects or are banking on it to retire. The difficulties in closing projects efficiently and expediently have damaged the programs effectiveness, with some farmers even turning down awarded state funding due to frustrations.

Summary: The Current State of New York's Farmland Protection Program

New York has made significant strides in protecting farmland during the 1990s and early part of this decade. However, New York continues to remain significantly behind neighboring states in protected farmland acreage, total and per capita spending and state staff dedicated to a farmland protection

program. In addition, current state funding is significantly below actual farmer and community demand for program funds.

Inadequate state funding levels have several impacts. Individual farmers interested in protecting their farms are turned away. For some, the hopes that they would not have to sell their farm to a developer are lost. Failure to receive a state grant can also have a broader impact on a community's interest in farmland protection. A lack of success in repeated attempts to secure state funding can substantially diminish a community's prospects for keeping farms an important part of their future. **As of grant round ten, there have been approximately \$480 million in farm projects submitted to the state that were not awarded requested funds.³¹ This figure represents hundreds of farmers who were willing but unable to protect their farm properties due to a lack of funds.**

Projects awarded state funds also face significant challenges. By October 2006, over \$116 million had been awarded by the state's program to protect 50,429 acres. However, projects have been completed on only 17,532 acres; leaving a backlog of approximately \$74 million in awarded funds that have yet to go to the receiving farms. An increase in funds for the Farmland Protection Program must be matched with significant investments towards building local and state capacity to complete projects if the program is to be successful.

New York is ready for leadership in Albany that meets the needs of farmers and communities across the state. The pace of farmland protection must be increased so that at least 1 acre of farmland is protected for every acre of farmland developed in New York — "An Acre for An Acre". Chapter 4 outlines how that goal can be realized.

Chapter 4

Recommendations For Accelerating Farmland Protection

New York has a long legacy of protecting farmland and supporting the farmers who manage these important resources. However, there are important opportunities that must be acted upon to accelerate farmland protection in the state. The following objectives outline broad goals that will increase the pace of farmland protection in New York and outline a strategic long-term direction for these efforts. Each objective is supported by several recommendations.

Objective 1. Increase State Funding and Expand Incentives to Double the Farmland Protected Annually in New York

New York spends the second lowest amount per capita on farmland protection in the Northeast region. Funding increases in the last two years have been significant, however, in the last grant round, there still remained approximately \$36 million in eligible farm projects that were turned away. Each grant round, farmers who are willing to protect their land for future generations are prevented from doing so due to a lack of funding. In addition, many New York communities struggle to find sources of funding to meet the 25% match required by the state's Farmland Protection Program. Communities need more tools to generate local funds to support PDR projects and be able to take full advantage of other existing sources of matching funds such as the Federal Farm and Ranchland Protection Program (FRPP).

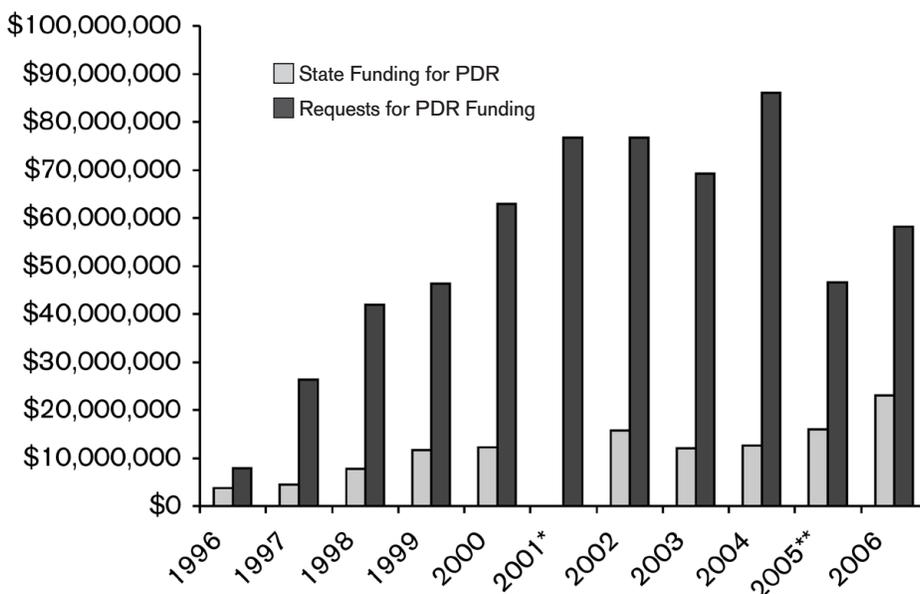
Recommendation 1.1 Increase Farmland Protection Funding within the Environmental Protection Fund

The Farmland Protection Program is now funded solely by New York State's Environmental Protection Fund (EPF). The EPF is a dedicated fund for environmental programs whose proceeds are largely generated by the state's real estate transfer tax — not the state's General Fund.

The recent boom in New York's real estate market has increased receipts from the state's real estate transfer tax. Unfortunately, a smaller and smaller percentage of this revenue has been dedicated to the EPF. At the same time, the escalating real estate market has increased land prices making Farmland Protection Program projects significantly more expensive.

Figure 11

Annual Funding Requests for the New York Farmland Protection Program vs. Available Program Funds



*There was no funding for FPP in 2001 causing 2001 requests to be carried over to 2002.

**FPP administrative changes enacted in 2005 limit the number of farms able to be included in each application, thus lowering overall funding requests beginning that year.

Source: NYS Department of Agriculture and Markets

Prior to the Farmland Protection Program administrative changes restricting the numbers of farms per application, proposals requested an average of 4 to 5 times more in funding than was available to the program by the state budget. In the last three grant rounds, there was an average of 2 to 3 times more requested in funds than provided to the program. Despite significant recent increases in funding for the program, annual funding falls far short of meeting demand for the program (Figure 11).

ACTION: *Increase the Environmental Protection Fund (EPF) to \$500 million by 2010 and allocate \$50 million from the EPF to the Farmland Protection Program.*

**Recommendation 1.2
Expand State Tax
Incentives
for Farmland
Conservation**

Farmers interested in protecting their land are concerned about both the potential size of a Farmland Protection Program grant and the amount remaining after paying state and federal taxes. Proceeds from a Farmland Protection Program grant will be subject to capital gains tax and in some cases the state's real estate transfer tax. Capital gains tax rates are currently 10 to 15% at the federal level and 5% for New York State. The real estate transfer tax is paid by the seller (i.e. the farmer selling their development rights) and is levied at a rate of \$0.04 per \$1,000 in sale price.

Elimination of these taxes on permanent agricultural conservation easement sales would increase the net payment received by farmers.

Taxing Farmland Protection: An Example

Example 1

Farmer Smith owns and operates a 350-acre dairy farm in Central New York. His county government recently received funding from FPP to protect 300 acres of his farm at \$1,500 an acre. Unfortunately, another source for the local match was unavailable so Mr. Smith will donate the required 25% local match. The basis in the farm was \$150 per acre when the current farmer inherited the property from his father.

Full value of development rights	300 acres * \$1,500 per acre * 75% =	\$ 337,500
Net gain of sale of development rights (value – basis)	300 acres * \$975 per acre =	\$ 292,500
Federal Capital Gains Tax at 15%	\$292,500 * 0.15 =	\$ 43,875
State Capital Gains Tax at 5%	\$292,500 * 0.05 =	\$ 14,625
Real Estate Transfer Tax at 0.4%	\$337,500 * 0.004 =	\$ 1,350
Total Amount of Taxes Paid for Protecting the Farm		\$ 59,850

Due to the required taxes on the sale and the bargain sale, Mr. Smith's net from protecting his farm was only 62% of its appraised development rights value. However, Mr. Smith may be able to recover a portion of the lost development right value through state and federal charitable tax deductions taken on the donated portion of the easement.

Example 2

Farmer Jones owns and operates an 85-acre orchard in the Hudson Valley. Her town recently received a grant from the state FPP to protect the entire farm at \$4,000 per acre. The 25% local match was met through a combination of county, town and private funds. The basis in the farm was \$500 per acre when she purchased the property in 1975.

Full value of development rights	85 acres * \$4,000 per acre =	\$ 320,000
Net gain of sale of development rights (value – basis)	85 acres * \$3,500 per acre =	\$ 297,500
Federal Capital Gains Tax at 15%	\$297,500 * 0.15 =	\$ 44,625
State Capital Gains Tax at 5%	\$297,500 * 0.05 =	\$ 14,875
Real Estate Transfer Tax at 0.4%	\$320,000 * 0.004 =	\$ 1,280
Total Amount of Taxes Paid for Protecting the Farm		\$ 60,780

Due to the required taxes on the sale, Ms. Jones received only 81% of the appraised value of the of the development rights of her land.

Such changes would be particularly powerful in areas without a non-state match. A farmer in such an area might only receive 75% of the appraised value of their development rights from the Farmland Protection Program but would not have that further diminished by state taxes. The elimination of real estate transfer tax and capital gains tax on such transactions would also give farmers additional reasons to protect their land versus selling it for development. Such a benefit would counterbalance some of the disadvantages of participating in these lengthy, complex public projects.

In addition, landowners participating in the Farmland Protection Program are potentially eligible for a state or federal income tax deduction for the difference between the purchase price and appraised development rights value. The federal government recently expanded federal income tax deductions for such bargain sales and conservation easement donations for fiscal years 2006 and 2007. Qualifying farmers are now eligible to deduct up to 100% of their adjusted gross income with a 15-year carry forward. Expanding state deductions for such donations would also make projects with only partial funding a much greater likelihood of being completed.

ACTION: *Eliminate the state real estate transfer tax and capital gains tax on agricultural conservation easement sales and expand state income tax deductions for agricultural conservation easement donations and bargain sales.*

Recommendation 1.3 Resolve conflicts between New York's Farmland Protection Program and the Federal Farm and Ranch Land Protection Program

New York's Farmland Protection Program and United States Department of Agriculture's Farm and Ranch Lands Protection Program (FRPP) are important complements to local efforts to conserve natural resources, support farm viability and keep land available for future generations of farmers. FRPP was created as part of the 1996 Farm Bill and annually provides between \$2 and \$5 million to governments and land trusts in New York for protecting farmland from development. The program has played an important role in projects in many parts of New York — from Long Island to the North Country to Western New York. For many state funded projects, FRPP funds are the only matching funds available except for a farmer bargain sale.

In Round 10 of the Farmland Protection Program, the Department of Agriculture and Markets set a new programmatic requirement that FRPP funds could not be used as a match on state Farmland Protection Program funded projects. This conflict stems from differing programmatic objectives and standards.

New York's Farmland Protection Program places a high priority on protecting farm business viability, while FRPP places its primary emphasis on protecting soil resources.

To maximize the effectiveness of limited funding at both levels, state and federal funds must be able to be used together on farmland protection projects in New York. The inability to match state and federal funds will result in fewer farms being protected and diminish the effectiveness of both programs. This conflict will most significantly impact areas of upstate New York without other sources of non-state match. For example, towns in Wayne County have historically submitted between 5 and 10 Farmland Protection Programs proposals annually. They submitted only 1 proposal in Round 10 due to the Farmland Protection Program prohibition of use of FRPP funds as the non-state match.

ACTION: *1) Support creative administrative solutions to the conflict between the state and federal farmland protection programs, and; 2) Support legislative changes at the federal level to the Farm and Ranchland Protection Program to make it better complement the New York Farmland Protection Program*

Recommendation 1.4 Expand farmland protection funding options for town and county governments

While many New York towns and counties identify farmland protection as a priority in comprehensive and agricultural and farmland protection plans, most lack the funds necessary to provide farmers with the required 25% match to the state Farmland Protection Program. These matching funds often make the difference between a successful project and a failed attempt to protect farmland. It is evenly less likely that most communities would be able to generate the dollars to fund projects themselves.

Communities need the opportunity to establish creative funding mechanisms locally to provide these funds and meet the goals stated in their local plans. One such funding mechanism is

the Community Preservation Act (CPA). The CPA would enable town governments across New York to enact local real estate transfer taxes to establish “community preservation funds”. This authority is currently held by 6 towns in Suffolk County, 1 town in Orange County and 1 town in Dutchess County and has generated millions of dollars for farmland and open space conservation annually for these communities.

The CPA does not generate new costs to the state - nor does it require that any community take any action. Rather, it respects New York’s home rule tradition and gives greater decision-making power to towns across the state. The CPA would enable towns to enact up to a 2% real estate transfer tax that would be paid by the buyer. The county median home sale price would be deducted before the tax was calculated on residential purchases - making only those residential sales greater than the county average subject to the tax. The law requires towns to take numerous steps before enacting the tax. For example, they would have to develop a local plan identifying how the funding would be spent, pass a town board resolution and approve a public referendum prior to enacting the tax.

The CPA is one example of a tool that has the potential to provide towns with the ability to raise the necessary funds to match state funding for farmland protection. However, such local funding tools must be authorized by state legislation for towns and counties to use them. Authorizing such legislation will give local governments more options and will result in more farms being protected.

ACTION: *Pass the Community Preservation Act in FY 07-08 and support other legislation to increase local funding options for farmland protection*

Warwick, New York: Leading the Charge to Protect Farmland in the Hudson Valley

The comprehensive plan of the Town of Warwick, Orange County, New York reads, “Warwick is and should remain primarily a residential and agricultural community...” Indeed, Warwick has been actively committed to preserving their agricultural heritage in the face of intense development pressure. The town was one of the first recipients of a grant from the state’s Farmland Protection Program. However, town officials quickly realized that there wasn’t enough state grant funding to meet the demand in their community. In 2000, a majority of town voters approved a ballot initiative authorizing the expenditure of \$9.5 million for the acquisition of open space and development rights on farmland. In 2006, voters again turned out for farmland protection, approving a real estate transfer tax on properties sold within the town. The proceeds from this tax will go into a dedicated farmland and open space preservation fund. Warwick’s commitment to farmland protection has inspired other towns in New York for the last ten years and this latest farmland protection victory continues to fuel that fire.

Recommendation 1.5 Establish an Agricultural District Enhancement Program

Farmers and large landowners are especially susceptible to the burdens created by rising property taxes in New York. The rental land that farmers depend upon is at great threat to development as rural landowners can no longer afford to pay the property taxes on the land. While several tax reduction programs currently exist to decrease this burden, including New York’s agricultural assessment program and the farmer’s school tax credit, there are important opportunities to expand these programs and more closely link them to farmland protection.

One option for expanding property tax relief for farmers and other owners of active farmland is an Agricultural District Enhancement Program. An Agricultural District is created when a group of interested landowners (who collectively own at least 500 acres) submit a proposal to their county. Agricultural Districts are overseen and reviewed by county Agriculture and Farmland Protection Boards, approved by the Department of Agriculture and Markets and give enrolled farmers and landowners Right-to-Farm protections and other benefits. Currently there are approximately 8 million acres enrolled in state-certified Agricultural Districts in New York.

The proposed Agricultural District Enhancement Program would make farm landowners eligible for a state income tax credit equal to school district, town and county property taxes paid on their land if they are willing to make a commitment to keep their land in active agricultural use for at least 8 years. This commitment would be secured via a deed restriction with an 8-year rolling term that would be renewed automatically until the landowner requests to be removed from the program. The tax credit would be capped at the property taxes paid minus any taxes refunded by the farmer's school tax credit or other state tax credits. To be eligible, a landowner would need to be enrolled in a state-certified Agricultural District and meet the requirements for enrollment in the state's Agricultural Assessment program.

ACTION: *Support legislative changes to Agriculture and Markets Law to create the Agricultural District Enhancement Program.*

**Recommendation 1.6
Lower the Farmland Protection Program local match requirement to 15%**

As mentioned above, many communities in New York are limited in their ability to provide funding to meet the required 25% local match of the state Farmland Protection Program. Historically, communities without any local funds for farmland protection have turned to the federal program for the local match. With the

**Agricultural District Enhancement Program:
Two Case Studies**

Example 1

A 250-acre property managed by a farmer in the Town of Batavia, Genesee County. The property qualifies for New York's agricultural assessment program, farmer's school tax credit, and consists of 174 acres of tillable land.

Land Value at Agricultural Assessment	\$ 77,207
Property Taxes Under Agricultural Assessment	\$ 2,378
Farmer's School Tax Credit	\$ 1,655
Current Property Taxes Owed by Farmer	\$ 723
Proposed Agricultural District Enhancement Credit	\$ 723

The farmer would be eligible for a property tax credit of \$723 in exchange for a term deed restriction preventing non-farm development of the land.

Example 2

This is a 48.3 acre property owned by a non-farm landowner who rents the property to a neighboring farmer. The property qualifies for New York's agricultural assessment program and consists of 48.3 acres of tillable land in the Town of Batavia, Genesee County. The property does not qualify for the farmer's School Tax Credit, as the owner is not farming it directly.

Land Value at Agricultural Assessment	\$ 15,575
Property Taxes Under Agricultural Assessment	\$ 508
Current Property Taxes Owed by Landowner	\$ 508
Proposed Agricultural District Enhancement Credit	\$ 508

The landowner would be eligible for a property tax credit of \$508 in exchange for a term deed restriction preventing non-farm development of the land.

program inconsistencies now making federal dollars ineligible as a local match for state Farmland Protection Program projects, more farmers will be forced to take a "bargain sale" on their development rights — essentially donating 25% of the value of their development rights.

In fact, according to the survey conducted by American Farmland Trust of all participants in the Farmland Protection Program, 73% of respondents said a bargain sale had been used as a local match in at least one project.

Farmers that participate in the state grant program are committed to protecting their land. However, the funds they receive are essential to sustaining the farm business and providing security for their future. A smaller match requirement would guarantee farmers more value in exchange for protecting their land for future generations. In addition, a lower match requirement would make it easier for towns to contribute to farmland protection projects — the small amounts they can offer will go further towards providing 100% of the value of development rights to the farmer.

ACTION: *Support legislative changes to Article 25AAA of the Agriculture and Markets law to lower the required local match for the Farmland Protection Program to 15%.*

Objective 2. Significantly Reduce The Time Required To Complete State Farmland Protection Projects

Recommendation 2.1 Strengthen the Department of Agriculture and Markets ability to process funded Farmland Protection Program projects and provide technical assistance to local partners

As discussed in Chapter 3, the Division of Agricultural Protection and Development Services at the Department of Agriculture and Markets is limited in its ability to efficiently administer a statewide farmland protection grant program. Currently there is approximately \$74.5 million in funded projects that have been awarded but not completed. Farmers across the state that have been awarded funds are

still waiting to receive any money, some for as long as six years. More support is needed for the Department of Agriculture and Markets to complete funded projects, efficiently administer future grants and to provide pro-active guidance and support to future applications.

ACTION: *Strengthen the Department of Agriculture and Market's ability to process funded Farmland Protection Projects and provide pro-active technical assistance to grant recipients.*

Recommendation 2.2 Give greater discretion to local Farmland Protection partners by streamlining program requirements and standardizing timelines for project awards and closures

The Farmland Protection Program provides grants to support local agricultural and farmland protection programs. It is only one of three state farmland protection programs in the country that uses this type of grant-style program. This aspect of the Farmland Protection Program is frequently considered one of its strengths as it gives local partners the ability to develop projects and programs that are appropriate for their farmers and communities. This flexibility is important given the tremendous variability found from Long Island to the North Country and Western New York.

As the program has evolved, new protocols, standards and required documents have been developed. On the one hand, the development of new standards and documents is natural as the program has evolved from a small grants program impacting only a few New York communities to a \$20+ million a year grants program affecting more than 20 counties annually.

However, the cumulative impact of increasingly extensive programmatic requirements is adding to the length of time required to complete projects. More far-reaching requirements also threaten the program's emphasis on supporting local efforts. For example, increasingly detailed program standards about the format of land plans, baseline documentation reports and surveys reduces local discretion and adds to the time required to complete projects. State requirements should focus on insuring consistency with the program's purposes and provide greater flexibility about the format and structure of required project documents.

Additionally, the grant timeline of the Farmland Protection Program changes regularly. This inconsistent calendar has largely been altered to meet a political calendar rather than to foster strong applications from local governments. Changing timelines make it difficult for local partners to plan project applications and coordinate multiple applications for local, state and federal funding. A more consistent timeline for program Request for Proposals, award notification and project milestones will help both state and local partners involved in Farmland Protection Program projects.

ACTION: *1) Streamline requirements of the Farmland Protection Program and give greater deference to local partners regarding the format and structure of required project documents and; 2) Provide a consistent timeline for grant Requests for Proposals, award notification and project milestones.*

Partners in Farmland Protection

In 1996, the Town of Amherst in Erie County, New York, began developing a purchase of development rights program. The town has received several awards from the state's Farmland Protection Program with the most recent successful application being received in grant round 10 to protect a 44-acre nut tree research farm and mail order nursery. This 44-acre farm will be added to the 673 acres in 14 parcels already permanently protected or under contract for protection. The easements on these properties are held jointly by the Town and the Western New York Land Conservancy. Of the \$3,542,100 total project cost to date, the Town of Amherst has spent \$643,000 at an average of \$942 per acre to permanently protect farmland. The remaining funds for these projects have come from grants from the New York State Farmland Protection Program and the federal Farm and Ranchlands Protection Program. "Amherst's program is largely successful due to the long-standing cooperation between the landowners, Town Board, and Western New York Land Conservancy," said Jason Engel, Special Project Manager for the Town of Amherst Planning Department.

Recommendation 2.3 **Give local partners more guidance about Farmland Protection Program standards and technical assistance**

Farmland Protection Program projects are complex real estate transactions. Local partners in projects often have enthusiasm for protecting farmland but have limited experience in conservation easement transactions. In addition, changing or unclear program standards have made it difficult for even experienced partners to efficiently complete projects. Local partners would benefit from written guidance about program requirements as well as workshops and personalized technical assistance.

ACTION: *Develop written guidance about the standards of the Farmland Protection Program and provide pro-active technical assistance to grant recipients to assist in the completion of funded projects.*

Recommendation 2.4 Provide greater state support to land trusts for their farmland protection activities

State, local and private farmland protection efforts depend greatly on land trusts in New York. Town and county governments often have little experience in conservation easement transactions and look to land trusts for technical assistance and to hold and steward permanent agricultural conservation easements. Efforts to accelerate the protection of New York's working farms depend upon capable land trusts that place a priority on farmland conservation. For example, in Farmland Protection Program grant round nine, 18 of the 22 funded projects were expected to have land trust involvement.³²

The Farmland Protection Program will reimburse land trusts' staff expenses for completing funded projects if they are consistent with programmatic standards. However, land trusts do extensive work with farmers outside of the completion of funded projects. Months or years can be spent cultivating new projects and building local support for farmland conservation. Such background work is critical to the success of future projects.

Raising funds to help cover such costs — particularly in areas of rural New York — can be extremely difficult and time consuming. As a result, there are large areas of New York without capable land trusts that place a high priority on farmland protection. To address this challenge, bills were introduced in both the Assembly and Senate (A.10625-A and S. 07474-A) during the 2006 legislative session that would have authorized the Department of Agriculture and Markets to provide grant funds of up to \$500,000 to land trusts for their farmland protection activities, however these bills did not make it out of committee for a vote.

ACTION: *Authorize and provide state funding to land trusts for their farmland protection activities.*

Recommendation 2.5 Support the New York Agricultural Land Trust

The lack of local expertise on farmland protection and conservation easement transactions — especially in rural areas of New York — led to the creation of the New York Agricultural Land Trust (NYALT). After years of discussion and planning with farmers, agricultural service providers and others committed to agriculture, NYALT was incorporated in the fall of 2006. The group is dedicated to providing agricultural landowners throughout New York with land conservation options that achieve their personal and business objectives. This unique land conservation organization will be important to building local farmland protection capacity in New York, especially in areas of New York without a land trust that is lead by farmers and places a high priority on farmland protection.

ACTION: *Provide funding for the New York Agricultural Land Trust as a means of improving local capacity to close state funded farmland protection projects.*

Objective 3. Create a Strategic Long Term Direction for Farmland Protection

Recommendation 3.1 Create a Farmland Protection Program advisory committee

The Farmland Protection Program's success is dependent upon committed local partners. Communication about program standards and evolving issues is critical to maintaining positive relationships between the Department of Agriculture and Markets and local governments and land trusts. To promote such dialogue, the Department of Agriculture and Markets should establish an Farmland Protection Program advisory committee consisting of farmers, local governments, land trusts and others interested in farmland conservation. The committee would provide an important vehicle for two-way communication and cultivate positive relationships between the state and local partners. A similar advisory committee has been established for the Department of Agriculture and Markets' Agricultural Environmental Management Program and has served a valuable role.

The Department of Agriculture and Markets currently receives advice about the Farmland Protection Program and other departmental programs from the Governor's Advisory Council on Agriculture. This body acts as an important advisor to the Department on program and policy issues. However, its members traditionally have had little experience with the Farmland Protection Program. Its ability to provide detailed advice to the Department of Agriculture and Markets and act as a vehicle for two-way communication with local partners is limited. Thus, an Farmland Protection Program Advisory Committee would act as an important complement to the Advisory Council on Agriculture.

ACTION: *Establish a Farmland Protection Program advisory committee to guide the program and advise the Department of Agriculture and Markets.*

Recommendation 3.2 Create a state farmland protection plan as a component of a comprehensive Strategic Action Plan for New York's Agricultural Industry

The Farmland Protection Program has evolved considerably over its first 15 years. To maximize the program's effectiveness over the next 10 years, the Department of Agriculture and Markets should develop a statewide farmland protection plan. The development of this plan would be an important opportunity to engage farmers, local governments, land trusts, agricultural groups and others about the future of agriculture in New York. The resulting recommendations could articulate the state's vision of how the Agricultural Districts program, the Farmland Protection Program and other state programs would support the protection of the state's agricultural land base.

New York's Open Space Plan briefly addresses farmland protection but fails to fully grapple with the depth and breadth of relevant issues. The State of Maryland recently completed a statewide plan for agriculture that articulated its strategies for farmland protection, agricultural economic development and environmental stewardship on the farm. A similar undertaking in New York could stimulate collaboration and communication among stakeholders in agriculture and guide a direction for its future as an economy and land use.

ACTION: *Develop a statewide plan to guide New York's farmland protection efforts over the next 10 years as a component of an overall statewide Strategic Action Plan for New York's Agricultural Industry.*

Recommendation 3.3 Encourage and support local planning for agriculture

The future of farming in New York depends in part on the ability of local communities to plan for a future that includes an important role for agriculture. Supportive local governments can help facilitate business opportunities for farmers, reduce the likelihood of farmer/neighbor conflicts, and take steps to retain the productive land upon which agriculture depends.

The 1992 Agricultural Protection Act authorized state grants to counties for the development of agricultural and farmland protection plans. In 1996, Orange County was the first to have an approved county agriculture and farmland protection plan. In order to remain current and pertinent to local demands, it is essential that these plans be updated periodically.

Currently, Article 25-AAA of the Agriculture and Markets law allows counties to receive grants for the development of plans but not for plan updates. It is important that Article 25-AAA be amended to allow state grants for plan updates every 10 years. The update process will renew interest in local farmland protection and give communities the opportunity to analyze the effectiveness of their plan implementation efforts.

State legislation passed in 2005 makes towns eligible for grant assistance to develop municipal agricultural and farmland protection plans that complement county plans authorized in Article 25-AAA of Agriculture and Markets Law. This legislation provides incentives for municipalities to consider the future of agriculture in their jurisdictions and develop pro-active strategies to support the agricultural industry and protect farmland. Despite interest among municipalities across New York in taking advantage of this grant program, funds have yet to be released from the Department of Agriculture and Markets.

ACTION: 1) *Make counties eligible for state funding for agricultural and farmland protection plan updates every 10 years;*
2) *Distribute previously authorized cost-share assistance for municipalities to develop agricultural and farmland protection plans.*

Planning Leads to Protection in Livingston County

Located just south of the City of Rochester, Livingston County has a vibrant and successful farm community. The county has the highest percentage of prime agricultural soils in New York State and 52% of the county's land base is in farming. Livingston County's Agriculture and Farmland Protection Plan was released in the fall of 2006, however plan implementation began in June. In grant round nine, the Town of Avon was awarded a state farmland protection grant — the first for Livingston County — to purchase development rights on a 1,161-acre family dairy farm. The planning process laid the foundation for this and future protection of farmland within Livingston County.

Endnotes

1. Dimitri, C., A. Effland, and N. Conklin. *The 20th Century Transformation of US Agriculture and Farm Policy*. USDA Economic Research Service – Economic Information Bulletin; no. 3. www.ers.usda.gov/publications/EIB3/EIB3.htm. Accessed 10.10.06.
2. National Agricultural Statistics Service, 2002 US Census of Agriculture, Table 58. Includes the categories: “Individual or family” and “Corporation family held”.
3. New York State Agricultural Society has been giving awards to family farms operated by one family for over 100 years, the “Century Farm Award”, since 1937. A list of awardees can be seen at: http://www.nysagsociety.org/cen_farms/index.htm Accessed 10.10.06.
4. Data on economic value of agriculture comes from National Agricultural Statistics Service New York State Annual Bulletin for 2005 and the 1987 US Census of Agriculture. http://www.nass.usda.gov/Statistics_by_State/New_York/index.asp Accessed 10.10.06.
5. *Economic Impact of New York Grapes, Grape Juice and Wine, 2005*. MKF Research, LLC. <http://www.nywines.org/informationstation/hottopics/topic.asp?BlurbID=804> Accessed 10.10.06.
6. 2002 US Census of Agriculture. Volume 1 Chapter 1: New York State Level Data. Equipment values from Table 44. Land values from Table 43.
7. Bills, Nelson. *Agriculture-Based Economic Development: Trends and Prospects for New York*. Report in Collaboration with the NYS Department of Agriculture and Markets. 2001.
8. New York City works with the Watershed Agricultural Council to protect farmland and promote best farm management practices to provide continued clean water to the residents of metropolitan New York. The City of Syracuse draws its water from the Skaneateles Watershed and has collaborated with several land trusts and communities to protect their water supply through protecting farms.
9. <http://www.agmkt.state.ny.us/SoilWater/aem/index.html> Accessed 10.10.06.
10. <http://www.nysfair.org/fair> Accessed 10.10.06.
11. *Economic Impact of New York Grapes, Grape Juice and Wine, 2005*. MKF Research, LLC. <http://www.nywines.org/informationstation/hottopics/topic.asp?BlurbID=804> Accessed 10.10.06.
12. Pendall, Rolf. *Sprawl Without Growth: The Upstate Paradox*. Center on Urban and Metropolitan Policy. The Brookings Institution. October 2003.
13. Ibid.
14. Ibid.
15. Ibid.
16. Sorenson, A.A., R.P. Greene and K. Russ. *Farming on the Edge*. American Farmland Trust. Center for Agriculture in the Environment. March 1997.
17. National Resources Inventory. 1997. Data compiled from CD on the Farmland Information Center website. http://www.farmlandinfo.org/agricultural_statistics/index.cfm?function=statistics_view&stateID=NY Accessed 10.10.06.

18. Full text of Article 25-AAA of Agriculture and Markets Law available at <http://public.leginfo.state.ny.us/menugetf.cgi> Accessed 10.10.06.
19. <http://www.agmkt.state.ny.us/AP/agsservices/farmprotect.html> Accessed 10.10.06
20. While the Department of Agriculture and Markets reports that they have awarded over \$116 million to protect 50,429 acres in 26 counties, only approximately 17,532 acres of these projects have closed and only about \$42 million have been granted to farmers. (<http://www.agmkt.state.ny.us/AD/release.asp?ReleaseID=1564> Accessed 12.04.06.) The discrepancy in these numbers is described in the text.
21. Farmland Information Center. *Purchase of Agricultural Easement: State Programs*. Fact Sheets from 1997-2006.
22. Total farmland acreage protected (as reported by the Farmland Information Center) divided by the total farmland acreage in the state (as reported by the USDA Agricultural Census, 2002).
23. Average acreage protected per year determined from information compiled by the Farmland Information Center. Total number of acres protected by state was divided by the number of years since program inception.
24. Comparison based on estimated acreage protected per year by state farmland protection programs (as described above) and the 1997 Natural Resources Inventory determination of farmland lost to development. http://www.farmlandinfo.org/agricultural_statistics/index.cfm?function=statistics_view&stateID=NY Accessed 10.10.06.
25. Information obtained from the Department of Agriculture and Markets through the Freedom of Information Law (FOIL).
26. Surveys were sent to 30 non-profit land trusts, 20 counties and 35 towns across the state, all that have submitted at least one application to the state Farmland Protection Program. Responses were received from 9 non-profit land trusts, 10 counties and 7 towns across the state. Copies of the survey can be obtained by emailing lbrock@farmland.org.
27. Farmland Information Center. *Purchase of Agricultural Easement: State Programs*. Fact Sheets from 1997-2006.
28. Ibid.
29. Data on staffing for state programs from *A National View of Agricultural Easement Programs: Profiles and Maps – Report 1*. American Farmland Trust and Agricultural Issues Center. September 2003. Data on funding from Farmland Information Center. *Purchase of Agricultural Easement: State Programs*. Fact Sheets from 1997-2006.
30. Information provided by the Farmland Information Center.
31. Data determined by summing unfunded projects during each grant round. This number does not account for ineligible projects that were submitted to the program or projects that may have been denied funding one year and approved the following grant round. The number of unfunded farm projects submitted to the state grant program in the last ten rounds remains very large, despite these drawbacks to the available data.
32. <http://www.agmkt.state.ny.us/AD/release.asp?ReleaseID=1517> Accessed 12.06.06