

New York State Agriculture



Dear Friend,

Agriculture is big business in New York. With more than 33,000 farms, the state produces everything from fruits and vegetables to wine and ciders to Christmas trees and dairy products.

Challenging economic conditions have injected uncertainty into the lives of many of our state's farmers. They have been hurt by the influx of subsidized imports, low farm prices that do not reflect the cost of doing business, high energy prices and rising costs for animal feed, fertilizer and other essential elements of farm operations.

The New York State Assembly has passed legislation to prevent dramatic hikes in assessment values and expand direct sales and farm-to-market opportunities to bolster the agricultural industry. This year's state budget also includes enhanced tax credits for eligible farmers. This brochure outlines several of the initiatives that the Assembly enacted to support our state's largest industry.

If I can provide further assistance with this or any other issue, please contact my office.

Sincerely,

Carl E. Heastie
Speaker of the Assembly

need. New York farmers, suppliers and processors are encouraged to join the program and share information about their available products. Visit agriculture.ny.gov/NourishNY for more information.

Agricultural land tax relief for farmers

Land used in agricultural production may be eligible for a lower real property tax assessment based on the value of that land for agricultural use, not development value. The Assembly helped pass into law a 2% cap on the increase in the base assessment value in any given year to prevent swings in prices from dramatically increasing the tax burden on family farms.

The Assembly also extended these tax breaks for farmers who are replanting orchards or vineyards with new varieties or are starting up new orchards, vineyards, Christmas tree farms and hops and hemp farms. Farmers can receive a reduced agricultural real property assessment for four years on new orchard, vineyard and hops acreage of at least 7 acres without having to meet the \$10,000 farm sales eligibility requirement and a reduced agricultural real property assessment on Christmas trees for five years.

Orchards and vineyards are important to the New York State agricultural economy. New York is ranked third in grape production in the U.S., behind

Call for help

New York state farms experiencing periods of transition, opportunity or challenge can contact NY FarmNet. NY FarmNet provides free and confidential consulting, and offers access to farm financial counselors and other qualified advisors. Visit www.nyfarmnet.org or call 800-547-FARM (800-547-3276) to receive information on:

- Financial analysis - stress management
- Business planning - retirement & estate planning
- Business transfers - conflict management
- Personal well-being - farming with the family

Right to farm

The Assembly has long supported New York's right-to-farm law, which is one of the strongest in the nation, in order to protect farmers from unwarranted nuisance lawsuits and excessive regulatory interference with sound agricultural practices.

Nourish NY

Nourish NY was created as a lifeline connecting New York's farmers, food banks and food-insecure families struggling with changes caused by COVID-19. The program helps food banks across the state locate and purchase surplus New York agricultural food products, such as produce, meat, eggs, seafood and dairy, to distribute to families in

Agriculture in New York State



Courtesy of...

Speaker of the Assembly
Carl E. Heastie

A message from... Speaker of the Assembly Carl E. Heastie



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California and Washington, and second in apple production.

For additional property tax information, visit the New York State Department of Agriculture and Markets at www.agriculture.ny.gov or call 1-800-554-4501, and visit the Department of Taxation and Finance website at www.tax.ny.gov or call 518-591-5232.

Farm Workforce Retention Credit

The Farm Workforce Retention Credit (FWRC) has been extended through the 2025 tax year. For tax years beginning on or after Jan. 1, 2017, and before Jan. 1, 2025, you are entitled to this refundable credit if you are an employer of farmworkers or an owner of a farm employer and you have an eligible farm employee. The tax credit was also increased, and will range from \$250 to \$1,200 per employee depending on the year. Visit tax.ny.gov/bus/ct/farm_workforce_ret_credit.htm for more information.

Farm Employer Overtime Credit

The newly authorized Farm Employer Overtime Credit (FEOC), available to eligible farmers, will offset the costs of overtime hours between 40 and 60 hours per week, including fringe benefits and other costs.

Investment Tax Credit

Businesses that make investments in buildings, machinery, or equipment can receive a tax credit in New York State. This credit is called the Investment Tax Credit (ITC). This year's state budget will increase the ITC amount for capital expenditures used in farming from the current 4% or 5% to 20%.

School property tax credit for farmers

This tax benefit allows persons, subject to income limits, who derive two-thirds of their excess federal gross income from farming to receive a 100% credit for school property taxes paid on the first 350 acres of farmland (called the base acreage amount) and a 50% credit for additional land. The base acreage amount may be increased by acreage enrolled or participating in a federal environmental conservation acreage reserve program.

Farm property tax exemption for capital projects

The Legislature authorized a 10-year real property tax exemption for new or reconstructed farm structures and buildings essential to agricultural and horticultural use, including farmworker housing.

Farmworker housing

Improvements undertaken by an agricultural producer for the construction or improvement of housing units for seasonal and year-round farmworkers (including dairy farmworkers) may be eligible for low-cost loans from the Housing Development Fund. Farm Credit East administers this program under an agreement with New York State Homes and Community Renewal.

The program also allows agricultural producers to receive funding for a joint housing project, provided that the total amount of the loan or loans does not exceed \$100,000 to any single producer.

For more information, visit Farm Credit East's website at www.farmcrediteast.com or call 1-800-562-2235. Visit the New York State Homes and Community Renewal website at www.nyshcr.org or call 1-866-275-3427.

Farm wineries, cideries, breweries, distilleries and meaderies

The number of farm-based beverage producers has grown dramatically in recent years as a result of several new laws. Since 2011, the state has added numerous new licensed farm wineries, farm distilleries, farm breweries, farm cideries and farm meaderies, which support New York State agricultural products, such as hops, grains, apples, grapes, other fruits and honey.

The New York Legislature supports the growth of farm beverages produced in the state in many ways. Legislation has been enacted that has increased production capacity and expanded the types of establishments a manufacturer can operate, as well as allow them to conduct tastings and sell the beverages they make by the glass or bottle without requiring an additional license. These laws help New York's farm beverage producers draw more tourists and increase profitability by enabling them to sell and offer tastings of cider, beer, wine, mead and spirits. Another law authorizes the sale of ice cream with up to 5% beer, wine, cider, mead or spirits included in its ingredients without special licensing. As with hard cider, mead and ice cream with alcohol can be sold in grocery stores.

Promoting business growth

The state has passed several laws that help new and emerging businesses expand and grow by cutting bureaucratic red tape and reducing fees. This includes new laws that waive the \$400 licensing



fee for food processors in a kitchen incubator for their first two years and reduce the fee to \$175 for all small-scale processors with no more than 10 employees. The state passed a law to help New York's hemp industry grow and compete in a national marketplace, setting high standards for the growth, processing and sale of hemp and hemp products to protect our farmers, businesses and consumers.

Energy and agriculture

Agriculture, especially dairy, can be an energy intensive business. The New York State Energy Research and Development Authority (NYSERDA) administers programs to assist farms in identifying and improving energy efficiency, often combined with environmental management. For example, up to \$2 million per farm is available for the installation of anaerobic digester systems, which generate on-farm electricity fueled by digester gas from manure, agricultural waste, food waste and other waste products. NYSERDA also promotes renewable energy solutions such as solar and wind power through financial incentives for installation. The Assembly helped pass into law real property tax exemptions for the use of digesters and renewable power generation. For more information about renewables, digesters and other agriculture energy programs, visit www.nyscrda.ny.gov or call 1-866-NYSERDA (697-3732).



For additional information about farm programs, visit www.agriculture.ny.gov