



Agriculture and Markets

ANDREW M. CUOMO

Governor

RICHARD A. BALL

Commissioner

**Richard A. Ball, Commissioner
New York State Department of Agriculture and Markets
Fiscal Year 2016-17 Joint Budget Hearing Testimony
Thursday, January 28, 2016**

Good morning Chairwoman Young, Chairman Farrell, members of the agriculture committees, and elected officials. I am pleased to offer my testimony on the 2016-17 Executive Budget for the Department of Agriculture and Markets.

As the Commissioner of the Department and as a farmer, I am heartened to say that, due to the Governor's leadership and strong partnerships with all of you, we have expanded New York agriculture. With nearly 36,000 farms across the State, agriculture is a major driver of Upstate New York's economy. Agriculture has been identified in all of the Upstate Regional Economic Development Councils (REDC) and on Long Island as a priority for economic growth. Since 2011, REDCs have awarded over \$275 million to agri-businesses across the state.

Our beer, wine, cider and spirits producers have grown more than 150 percent in the past five years, thanks to the State's efforts to cut red tape and invest in New York's thriving beverage manufacturers. As a result of the Agricultural Land Assessment Cap, farmers across the state paid \$11 million less in agricultural property taxes in 2014, and now enjoy a more predictable property tax climate. This helps to increase productivity and profitability on farms across the State. In addition, the historic commitment to farmland protection last year, increased promotion of New York's producers through the Taste NY initiative, and our ongoing work to connect Upstate producers to the Downstate marketplace have helped boost our agricultural community.

The 2016-17 Executive Budget recommends \$153.2 million for the Department, which allows us to maintain our agency's regulatory functions and to implement several key programs to further grow the agricultural industry.

The Governor proposes \$6 million to promote and implement the New York State Certified High Quality Foods initiative. This exciting new program will help consumers identify New York agricultural producers that are certified for their safe-handling of food and for their environmental farm management practices. New York Certified provides an opportunity for New York's producers to take advantage of the growing demand for safe, healthy, and local food. This initiative will also address the mislabeling of food products through enforcement of existing laws, promulgation of new regulations that define certain problematic labeling terms, and increased product sampling and testing.

The Governor is also proposing a historic investment in the Environmental Protection Fund (EPF): \$300 million, which more than doubles the fund level since 2011. This bold proposal has been met with great enthusiasm from the agricultural community. It includes funding increases to several significant



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programs for agriculture, such as farmland protection, the State's Soil and Water Conservation Districts' programs and for invasive species prevention.

The EPF allocation also includes a proposed \$2.5 million in funding for the Climate Change Mitigation and Adaptation program. This will allow the Department to build on last year's pilot program, which was created to help mitigate the environmental impact of agriculture-related activities and increase the resiliency of farms throughout New York State in the face of a changing climate.

To further promote our homemade and homegrown products, the Governor has set a goal of doubling Taste NY sales. The Taste NY initiative has already been hugely successful since its launch in 2013. The Executive Budget includes \$1.1 million to expand Taste NY, with four additional stores, new concession partnerships at sports and entertainment locations, and new locations within the New York State Park system.

The Department's Farm to School program awarded funding for the first time last year to school districts and education partners to put more healthy and locally grown foods on school menus, and to strengthen connections between farms and schools. The Governor proposes an additional \$350,000 this year to expand the program and to increase the capacity of additional schools across the State to purchase from local farms.

In addition, in this new year, we will see a greater focus on anti-hunger issues in the State with the establishment of the New York State Council on Hunger and Food Policy. As Commissioner, I will be proud to chair the council, whose role will be to advise the state on policies and programs to improve access to healthy, locally grown food.

The Governor has proposed a host of initiatives in this year's Executive Budget proposal that will have a significant effect on New York's agricultural industry by reducing overall business costs. Approximately 1.1 million small businesses, including farms, will benefit from the Governor's proposed \$300 million small business tax cut. The elimination of Thruway tolls for farmers using E-ZPass is estimated to save the agricultural sector \$5 million annually. In addition, expanding a tax cut for breweries to include cideries, wineries and distilleries would provide \$2 million in savings, allowing our beverage producers to reinvest in and grow their operations.

This is tremendous news for our farmers and producers. I'm confident all of the proposals laid out today will leverage the good work of the industry for an even stronger agricultural economy.

I will be happy to answer any questions you may have at this time. Thank you.