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<u>New York Farm Bureau Testimony for Joint Legislative Budget Hearing on the</u> <u>Environment and Agriculture</u> February 1, 2022

Thank you, my name is Jeff Williams, and I am Director of Public Policy at NYFB—the state's largest general agricultural advocacy organization. Many factors, such as COVID-19, rising inflation, and supply chain challenges have greatly impacted agriculture as they have in many other business sectors.

As most of you know, prior to the pandemic the farm economy struggled. Low commodity prices have led our farmers to see a loss of over \$1 billion annually in the value of their production since 2014. In general, we have seen commodity prices continue to remain low, particularly dairy and beef. Some direct market farms have been able to compensate and receive higher prices, but this is not consistent across the board and not all farms can sell direct to consumers.

To be clear, the Governor's Executive Budget for the coming fiscal year is the best start we have seen in a long time, if ever. This is important, as agriculture relies heavily on statewide programs related to animal and public health, workforce development, farm safety, food access, agricultural education, migrant childcare, and farm family assistance.

We are grateful to the Legislature and the Governor for the continued investment in the Nourish-NY program. This has been a great help to those farmers who are looking to expand their markets, as well as for our New York families that have struggled to put food on the table during this pandemic. This program has been renewed in the Executive Budget and we ask that you support it in the final budget.

The Governor, in her Executive Budget has committed the largest allocation to date for statewide animal and public health, promotion, and research funding for agriculture in the Aid to Localities budget.

We appreciate the Governor's investment in animal health but would appreciate the legislature working with the Governor to line-out program expenditures in this portion of the budget. This would lend greater transparency to the budget process. In addition, I need to point out the need to further invest in the Avian Disease program at Cornell University. With the growth of poultry farms in New York State, demands for service can be expected to continue to increase for this program. In addition, we are now faced with a very serious disease epidemic threat – Highly Pathogenic Avian Influenza. Should this spread to New York State, as we are in the Atlantic Flyway, the demand on the Animal Health Diagnostic Center will increase tremendously.

The promotional and research programs for vegetables, apples, berries, grape, maple, honey, Christmas trees, wine, craft beverages, among others, serve as the economic development engine for our industry. These provide the same economic development benefits for farms as programs run by Empire State Development for other types of businesses.

We also strongly support the North Country Agricultural Development program which does great work on a very small budget and the Farm Viability Institute. We also support the Expansion of PRO-DAIRY's agricultural environmental management research and extension capacity is needed to meet dairy farmer ongoing needs to utilize new precision agriculture-based technology for nutrient reduction.

Additional investment in Pro-Dairy at Cornell's College of Agriculture and Life Science would help farmers address climate change, along with the incidence of harmful algal blooms in specific watersheds. Both dairy and field crop farmers need improved technologies and guidance to appropriately manage nutrients and nitrogen fertilizers.

I would also be remiss if I did not bring up the importance of the FarmNet program. FarmNet provides farm business planning, which is incredibly important in these difficult times but even more important is the mental health outreach they provide our farmers. This year has been hard economically, but it has also been very challenging on our mental health. This funding line has been reduced in the Executive Budget and we request the Legislature fully fund this program not just at this table but also at Health table as well.

I would also strongly advocate for continued funding for Hops Research and Promotion lines in the Aid to Localities budget. These lines were funded in the final budget last year and currently is unfunded in the Governor's proposal. This funding is extremely important to continue New York's growth in farm brewery arena.

We also strongly support the increased investment in the Environmental Protection Fund by Governor Hochul. We rely heavily on the EPF as the funding stream that bridges the gap between agriculture and the environment. Funding for these programs, such as the Agricultural Nonpoint Source Abatement Programs, Farmland Protection, Integrated Pest Management, Pollinator Protection Plan, DEC's Clean Sweep Program, Climate adaption and soil health, just to name a few, are extremely important. New York Farm Bureau is strongly supportive of the Governor's proposal to double the Farm Workforce Retention Tax Credit from \$600 to \$1,200 per employee. This has long been a New York Farm Bureau priority and will help offset the huge cost of meeting the increased minimum wage, especially when most of our competitor states continue to have the much lower federal minimum wage.

We also support the Governor's proposal to increase the Investment Tax Credit for agriculture in her budget proposal. This increase would allow farmers, if they have tax liabilities to take a credit against such liabilities.

Lastly, we truly appreciate the Governor's proposed refundable tax credit to offset the immense overtime costs on farms if the Farm Laborers Wage Board ultimately decides to lower the current 60-hour overtime threshold. However, there is strong concern among farmers that they would be unable to cashflow a year of overtime costs, that could number in the tens of thousands of dollars, if not hundreds of thousands of dollars, to then wait to get a tax refund 3-6 months after the tax filing deadline. New York Farm Bureau will continue to work with the Governor and Legislature to generate other creative approaches to address this issue.

Thank you all for your support of agriculture in New York State.