

AGRICULTURAL RESOURCES

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The RIGHT TO FARM is enshrined in New York State Law

AGRICULTURAL TAX BENEFITS

New York State offers several tax benefits to farmers to support the agricultural industry. Here are some key ones:

Agricultural Assessment:

This is a significant benefit. It allows eligible farmland to be assessed based on its agricultural value, rather than its full market value. This can significantly reduce property tax bills. **Eligibility:** Generally requires a minimum of 7 acres and gross sales of at least \$10,000 per year.

Farmers' School Tax Credit:

Provides a state income tax credit for school taxes paid on qualified agricultural property. **Eligibility:** Requires that 2/3 of your gross income is derived from farming.

Sales Tax Exemptions:

Farmers are exempt from paying sales tax on purchases of eligible supplies used in farming, including feed, animal care supplies, and building materials for agricultural buildings..

Farm Building Exemptions:

Exemptions may apply to new or reconstructed agricultural buildings, such as barns, from property tax increases resulting from the improvements. Most agricultural buildings are exempt from building permit fees charged by codes offices.

Other potential benefits:

Manufacturer's Real Property Tax Credit: May be available to qualified farmers.

Farm Workforce Retention Credit: Available to eligible farmers who employ eligible farm employees.

Where to find more information:

New York State Department of Taxation and Finance: Their website is the official source for the most accurate and up-to-date information on tax laws and regulations. <https://www.tax.ny.gov>

Farm Credit East is a customer-owned cooperative that provides financing and related services to farmers, ranchers, and other rural residents in the northeastern United States. www.farmcrediteast.com

POTENTIAL IRS TAX BENEFITS FOR FARMERS

The IRS offers several tax benefits to farmers. Here are some key ones:

Deductible Expenses:

Farm Operating Expenses: Most farm operating expenses are deductible, including:

- Feed, seed, fertilizer
- Labor costs
- Repairs and maintenance of equipment
- Rent
- Interest on farm loans
- Insurance
- Property taxes on farm property

Depreciation:

- Farmers can depreciate the cost of most farm assets over their useful lives, such as:
 - Farm equipment
 - Buildings
 - Livestock

Qualified Business Income (QBI) Deduction:

- Farmers may be eligible for the QBI deduction, which allows them to deduct a portion of their qualified business income.

Conservation Expenses:

- Farmers can deduct up to 25% of their gross farm income for conservation expenses.

Other potential benefits:

- **Self-Employment Tax:** Farmers can deduct half of their self-employment tax for Social Security and Medicare.
- **Estate and Gift Tax:** Certain farm assets may qualify for special estate and gift tax exemptions..

Where to find more information:

IRS Publication 225, Farmer's Tax Guide: This publication provides detailed information on tax issues specific to farmers. [About Publication 225, Farmer's Tax Guide | Internal Revenue Service](#) www.irs.gov

REGULATORY RELIEF FOR FARM OPERATIONS

Right to Farm Laws: These are NY State laws that protect eligible farms from private lawsuits related to their operation, and also limit local regulations that may unreasonably restrict farm operations. For more information on the laws and their benefits, see these pages:

<https://onerural.uky.edu/right-to-farm/NY>

<https://agriculture.ny.gov/land-and-water/section-305-review-restrictive-laws>

AGRICULTURAL ECONOMIC & DEVELOPMENT RESOURCES

CADE (Center for Agriculture Development & Entrepreneurship) www.cadefarms.org

For farmers, CADE offers a range of valuable services:

- **Business planning and development:**
 - Assistance with creating and refining business plans
 - Market research and analysis
 - Financial planning and budgeting
 - Identifying and accessing funding opportunities
- **Farmland access and transfer:**
 - Connecting aspiring farmers with land opportunities
 - Advising landowners on farmland succession planning
 - Facilitating the transfer of farmland to the next generation of farmers
- **Technical assistance and education:**
 - Providing access to expert consultants and educators
 - Offering workshops and training programs on various topics related to farming and business
 - Sharing best practices and innovative farming techniques

In essence, CADE plays a crucial role in supporting the success and sustainability of farms in New York State. They help farmers overcome challenges, improve their businesses, and ensure the long-term viability of agriculture in the region.

CSAs – Community Supported Agriculture – a subscription-based model where consumers buy a "share" of a farm's harvest in advance of the growing season.

- **How it works:**
 - Members pay a set fee upfront for a season's worth of produce.
 - In return, they receive a weekly or bi-weekly box of fresh, seasonal produce directly from the farm.

- The type and amount of produce varies depending on what's in season.
- **Benefits for farmers:**
 - **Reduced risk:** Receiving upfront payments helps farmers plan and invest in their crops.
 - **Direct-to-consumer sales:** Eliminates the need for middlemen, allowing farmers to earn a better price for their produce.
 - **Stronger community ties:** Builds relationships with their customers.

Resources:

Cornell Cooperative Extension: www.cceschoharie-otsego.org

Guide to farming in Otsego and Schoharie counties:

<https://cceschoharie-otsego.org/resources/guide-to-farming-in-schoharie-and-otsego-counties>

Find a CSA: <https://www.ams.usda.gov/local-food-directories/csas>

Become a CSA member: <https://nofany.org/education/farmshare/>

Otsego2000 & Farmers Market: www.otsego2000.org

LIVESTOCK FARMING: key aspects for prospective farmers:

Popular Livestock Types:

- **Dairy Cattle:** New York is renowned for its dairy industry.¹
- [1. Milk & Dairy - Department of Agriculture and Markets - New York State Government agriculture.ny.gov](http://1.Milk&Dairy-DepartmentofAgricultureandMarkets-NewYorkStateGovernmentagriculture.ny.gov)
- **Beef Cattle:** A significant portion of the state's agricultural economy. www.nybeef.org
- **Sheep and Goats:** Growing in popularity, particularly for niche markets like specialty cheeses and fibers.
- **Poultry:** Includes chickens (broilers, layers, and meat birds), turkeys, and other fowl. <https://newyorkagconnection.com/news/growth-in-new-york-egg-industry>
- **Swine:** Hog production is also a part of the agricultural landscape.

Key Considerations for Farmers:

- **Land Availability and Suitability:**
 - Access to quality pastureland is crucial for grazing animals. Basic guide: <https://www.eagleriver-realty.com>
 - Soil quality and climate conditions vary across the state, impacting feed production and animal health. www.smallfarms.cornell.edu

- **Market Access:**
 - Identifying and connecting with buyers (processors, local markets, restaurants, etc.) is essential. www.extension.psu.edu www.commonthreadcsa.com www.otsego2000.org
 - Direct-to-consumer sales (farm stores, CSAs) can be a viable option.
- **Regulations and Permits:**
 - Complying with state and federal regulations regarding animal welfare, environmental protection, and food safety is mandatory.
 - Obtaining necessary permits and licenses for livestock operations. <https://agriculture.ny.gov/>
- **Financial Considerations:**
 - Developing a sound business plan, including startup costs, operating expenses, and marketing strategies.
 - Accessing financing options (loans, grants) may be necessary.
- **Animal Health and Welfare:**
 - Implementing proper animal husbandry practices, including nutrition, disease prevention, and biosecurity measures.
 - Consulting with veterinarians for guidance on animal health and disease management.
- **Sustainability:**
 - Adopting sustainable farming practices that minimize environmental impact, such as rotational grazing, cover cropping, and manure management.

AGRITOURISM: Agritourism in New York State offers a fantastic opportunity for farmers to diversify their income streams and connect with the public. Here's a breakdown of how it can benefit farmers:

Benefits of Agritourism for NYS Farmers:

- **Increased Revenue:**
 - **Direct Sales:** Sell farm-fresh produce, value-added products (jams, cheeses, etc.), and livestock directly to consumers.
 - **Admission Fees:** Charge for entry to attractions like corn mazes, pick-your-own farms, farm tours, and special events.
 - **Agritainment:** Generate income through activities like hayrides, petting zoos, and farm-to-table dinners.
- **Enhanced Brand Awareness:**
 - **Build Relationships:** Connect with local communities and build a loyal customer base.
 - **Promote Farm Products:** Showcase the quality and story behind your farm and its products.

- **Positive Image:** Create a positive image of agriculture and educate the public about farming practices.
- **Preservation of Farms:**
 - **Increased Viability:** Agritourism can help make small farms more economically sustainable.
 - **Land Preservation:** Helps keep farmland in agricultural production.

Popular Agritourism Activities in NYS:

- **Pick-Your-Own Farms:** Fruits, vegetables, berries, pumpkins
- **Farm Tours:** Educational tours showcasing farm operations
- **Farm Stays:** Offering overnight accommodations on the farm
- **U-Pick Flowers:** Cut-your-own flower fields
- **Corn Mazes and Fall Festivals:** Seasonal attractions
- **Wineries and Breweries:** Farm-based wineries and breweries are popular destinations
- **Cannabis Farming:** Cannabis farming is allowed in NYS and Middlefield as an economic growth option to local farmers. For more information about requirements see **NYS State Office of Cannabis Management:** <https://cannabis.ny.gov>

Important Considerations for NYS Farmers:

- **Safety:** Prioritize visitor safety with clear signage, proper fencing, and safety procedures.
- **Regulations:** Understand and comply with all relevant regulations, including zoning, health, and safety codes.
- **Marketing:** Effectively market your agritourism offerings through social media, local advertising, and partnerships with tourism organizations.
- **Customer Service:** Provide excellent customer service to ensure repeat business and positive reviews.

Resources for NYS Farmers:

- **Cornell Cooperative Extension:** Offers valuable resources and workshops on agritourism planning and management.
- **New York State Department of Agriculture and Markets:** Provides information on regulations and resources for farmers.
- **Local Tourism Boards:** Can assist with marketing and promotion of agritourism businesses.

AGRICULTURAL STEWARDSHIP

USES FOR FALLOW LAND: Fallow land and grazing programs in New York State offers farmers several valuable uses economic enhancement as well as stewardship:

- **Soil Health Improvement:**
 - **Rest and Regeneration:** Allows the soil to rest and replenish nutrients, improving overall fertility.
 - **Erosion Control:** Reduces soil erosion by minimizing disturbance.
 - **Weed Suppression:** Can help control weeds and reduce the need for herbicides.
 - **Moisture Retention:** Improves soil moisture retention, which is crucial in dry periods.
- **Biodiversity Enhancement:**
 - **Wildlife Habitat:** Provides habitat for beneficial insects, pollinators, and other wildlife.
 - **Cover Crops:** Planting cover crops on fallow land can increase biodiversity and improve soil health.
- **Crop Rotation Benefits:**
 - **Disease and Pest Control:** Breaks disease and pest cycles, reducing the need for chemical inputs.
 - **Nutrient Management:** Helps balance soil nutrients and prevent nutrient depletion.
- **Alternative Uses:**
 - **Grazing:** Can be used to graze livestock, providing a source of forage.
 - **Wildlife Viewing:** Can be incorporated into wildlife viewing areas or nature trails.
 - **Renewable Energy:** In some cases, fallow land can be used for solar or wind energy projects.

Important Considerations:

- **Local Regulations:** Ensure compliance with local zoning and agricultural regulations regarding fallow land use.
- **Soil Testing:** Regular soil testing is essential to monitor soil health and adjust management practices as needed.
- **Cover Crop Selection:** Choose cover crops that are well-suited to the soil type, climate, and specific goals of the fallow period.

Resources:

- **Cornell Cooperative Extension:** Contact your local Cornell Cooperative Extension office for specific guidance on fallow land management in your region.
- **New York State Department of Agriculture and Markets:** Provides information on best management practices for soil health and sustainable agriculture.

New York has several proscribed grazing programs, including:

Conservation Grazing For Land Stewardship

This program uses rotational grazing techniques and portable electric fencing to manage animals on state lands. The program was developed by the DEC in collaboration with the University at Albany.

Grazing Lands Conservation Initiative (GLCI)

This program is a collaborative effort to address issues and find solutions for private grazing land.

Conservation Reserve Program (CRP) Grasslands

This federally funded program offers cost-share assistance and rental payments to agricultural producers who agree to conserve environmentally sensitive land.

Conservation Stewardship Program (CSP)

This program is administered by the Natural Resources Conservation Service (NRCS) and provides annual payments to participants for environmental benefits.

Environmental Quality Incentives Program (EQIP)

This program is administered by NRCS and offers financial and technical assistance to agricultural producers.

Agricultural Conservation Easement Program (ACEP)

This program is administered by NRCS and aims to protect productive agricultural lands from being converted to non-agricultural uses.

Resources: New York State Department of Environmental Conservation

<https://dec.ny.gov/nature/forests-trees/dec-land-stewardship/conservation-grazing>

Graze NY Program page from: <http://www.cayugaswcd.org>

Natural Resources Conservation Service

<https://www.nrcs.usda.gov/programs-initiatives/glci-grazing-lands-conservation-initiative>

New York State Department of Environmental Conservation

<https://dec.ny.gov/nature/forests-trees/dec-land-stewardship/conservation-grazing>

Habitat Conservation Assistance Programs - NYSDEC

Conservation Reserve Program Grasslands:

<https://dec.ny.gov/nature/animals-fish-plants/biodiversity-species-conservation/habitat-conservation-assistance-programs>

Comprehensive Nutrient Management Plan (CNMP) is a conservation plan unique to animal feeding operations. It is designed to evaluate all aspects of farm production and offer conservation practices that help achieve production and natural resource conservation goals.

The New York State Department of Environmental Conservation (DEC), with concurrence from the U.S. Environmental Protection Agency (EPA), has developed a State Pollutant Discharge Elimination System (SPDES) permitting process for CAFOs.

Cost-share assistance for CNMP development is available through State grant programs. Funding criteria requires that services for CNMP development are fully documented as planning components. In order to complete required elements of the CNMP, conservation practices may need to be installed and/ or implemented.

www.nys-soilandwater.org

www.nysefc.org/fab/fabhome.htm#efarm

<http://offices.sc.egov.usda.gov/locator/app>

www.agmkt.state.ny.us

ADDITIONAL AGRICULTURAL STEWARDSHIP RESOURCES:

The Otsego County Farmland Protection Plan is a document that outlines strategies and actions to protect and preserve agricultural land within Otsego County, New York.

Key Goals of the Plan:

- **Maintain viable farms:** Support the economic viability of existing farms in the county.
- **Protect prime farmland:** Prevent the conversion of prime agricultural land to non-agricultural uses.
- **Support sustainable farming practices:** Encourage and support environmentally sound farming methods.
- **Enhance the local food system:** Strengthen local food production and distribution.
- **Promote public awareness:** Educate the public about the importance of farmland preservation.

Key Strategies Employed in the Plan:

- **Purchase of Development Rights (PDR):** A common method where the government or a land trust purchases the development rights to a property, allowing the farmer to continue farming while limiting future development.

- **Agricultural Districts:** Designating areas as agricultural districts provides certain tax benefits to farmers and limits non-farm uses.
- **Technical Assistance:** Providing technical assistance to farmers on issues such as soil conservation, pest management, and marketing.
- **Outreach and Education:** Conducting public outreach programs to raise awareness about the importance of farmland preservation.
- **Local Food Initiatives:** Supporting local food systems through initiatives such as farmers markets and farm-to-school programs.

Where to Find the Plan:

- The Otsego County Farmland Protection Plan is on the website of the **Otsego County Planning Department**.
- **Direct link here:**
<https://cms2.revize.com/revize/otsegocountyny/Document%20Center/N-R/Planning/AGRICULTURE%20DISTRICT%20REVIEW/7.FINALAGFARMLANDPROTECTIONPLAN.pdf>

Contact the following organizations for more information:

- **Otsego County Planning Department**
- **Otsego County Soil and Water Conservation District**
- **Otsego Land Trust**
- **Cornell Cooperative Extension of Otsego County**

These organizations can provide you with the most up-to-date information on the Farmland Protection Plan and related initiatives.

The American Farmland Trust is a non-profit organization that works to protect farmland, promote environmentally sound farming practices, and keep farmers on the land. It has a regional office in New York state that focuses on protecting farmland in the state.

Here are some of the things that the American Farmland Trust does in New York state:

- **Protects farmland:** The American Farmland Trust works to permanently protect farmland from development. It does this by purchasing conservation easements, which are legal agreements that restrict the use of land to agriculture.
- **Promotes environmentally sound farming practices:** The American Farmland Trust works with farmers to adopt environmentally sound farming practices, such as cover cropping, no-till farming, and rotational grazing. These practices help to improve soil health, reduce pollution, and conserve water.

- **Keeps farmers on the land:** The American Farmland Trust provides financial and technical assistance to farmers to help them stay in business. It also advocates for policies that support farmers, such as the Farm Bill.

The American Farmland Trust has been successful in protecting farmland in New York state. Since 1983, it has helped to permanently protect more than 73,000 acres of farmland. It has also helped to improve the environmental performance of many farms in the state. www.farmland.org

The Farmland Protection Implementation Grants (FPIG) Program in New York State provides financial assistance to entities like counties, municipalities, and land trusts to help them protect farmland. These grants are primarily used to:

- **Purchase of Development Rights (PDR):** This is the most common use of FPIG funds. PDRs are legal agreements that permanently limit the development potential of farmland, allowing it to remain in agricultural use.

Eligibility:

- Eligible applicants for FPIG include counties, municipalities, soil and water conservation districts, and not-for-profit conservation organizations ¹ (land trusts).
- Joint applications are allowed.

Key Points:

- FPIG grants are typically offered in a statewide round in the spring of even-numbered years.
- The grants are intended to support farmland protection activities that are consistent with local agricultural and farmland protection plans.
- Landowners interested in participating in an FPIG-funded project should contact the eligible entity (county, municipality, etc.) for more information.

Where to Find More Information:

- **New York State Department of Agriculture and Markets:**
<https://agriculture.ny.gov/land-and-water/farmland-protection-implementation-grants-program>
- **Ambrook:**
<https://ambrook.com/funding?organization=Natural+Resources+Conservation+Service> - Provides additional details and resources.