



**Agriculture
and Markets**

Beginning Farmer and Socially and Economically Disadvantaged Farmer Grant Programs Annual Report



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Introduction and Reporting Requirements

The New York State Department of Agriculture and Markets (Department) submits the following annual report to the Governor and Honorable Members of the Legislature. This report constitutes the annual report as required by the New York State Fiscal Year 2023 Enacted Budget (the enacted budget). The information contained in this Annual Report reflects activities that have occurred between April 1, 2022 and December 31, 2022.

Included in the enacted budget is \$5,000,000 for grants to beginning farmers and socially and economically disadvantaged farmers. Statute requires the Department submit an annual report detailing (a) the total amount of funds committed to each applicant; (b) the location of each applicant; and (c) such other information as established in such criteria.

The Department is preparing to identify administrators for both available funding streams and no funds have yet been committed to farmers. The requests for proposals (RFPs) for administrators are being drafted and are expected to be released shortly after the first of the year. Award announcements for administrators are expected to be made on May 1, 2023.

Available Funding Overview

- **Beginning Farmer Funds.** A total of \$1,000,000 is available for this purpose; \$150,000 (15%) is available for services and expenses of administrators directly related to administration of the program; \$850,000 (85%) is available for grants to farmers. Grants to farmers may be between a minimum \$5,000 to a maximum \$250,000 per beneficiary, with a matching requirement of up to 20% of the grant amount.
- **Socially and Economically Disadvantaged Farmer Funds.** A total of \$4,000,000 is available for this purpose; \$600,000 (15%) is available for services and expenses of administrators directly related to administration of the program; \$3,400,000 (85%) is available for grants to farmers. Grants to farmers may be between a minimum \$5,000 to a maximum \$250,000 per beneficiary, with a matching requirement of up to 20% of the grant amount.

Farmer Project Eligibility Criteria

For both grant opportunities, eligible projects may include:

- start up, improvement, or expansion of a farm operation;
- worker or apprenticeship training;
- marketing activities;
- purchase of agricultural land and physical structures;
- purchase of machinery, equipment, or livestock; and/or

- construction or improvement of physical structures, including semi-permanent structures.

Projects can be conducted on leased land.

Farmer Eligibility Criteria

For both grant opportunities, eligible applicants shall include, but not be limited to, farmers who will materially and substantially participate in operating a farm within a region of the state and may include urban farmers. Additional eligible applicant criteria are outlined in the list below.

- **Grants to Beginning Farmers.** Eligible applicants shall be farmers who have not operated a farm for more than ten years.
- **Grants to Socially and Economically Disadvantaged Farmers.** Eligible applicants shall be socially and economically disadvantaged farmers.

Additional eligibility criteria may be established.

Definitions

Parameters that will be used in the grant opportunities were defined in the enacted budget.

For the purposes of the socially and economically disadvantaged farmer grant program:

- "socially disadvantaged" shall mean individuals who have been subject to discrimination by virtue of their membership of a particular group which may include, but not be limited to Black or African American, American Indian or Alaska Native, Hispanic or Latino, and Asian or Pacific Islander, and
- "economically disadvantaged" shall mean socially disadvantaged individuals whose ability to enter into farming or whose farm enterprise has been impaired due to diminished capital, credit opportunities, or access to land, among other things, as compared to other similarly situated individuals who are not socially disadvantaged.

Stakeholder Outreach Webinars

Statue requires the Department to consult with organizations working with or representing beginning farmers and socially and economically disadvantaged farmers, as well as a farm credit bureau or member of the farm credit system or a banking institution with a demonstrated ability to provide financial assistance and service to agricultural producers to establish criteria governing the award of such grants.

In November 2022, the Department hosted two informational webinar sessions to provide an overview of the available funding and receive stakeholder feedback on designing the grant opportunities. The webinars were recorded, and the recordings have been posted to the Department's website at <https://agriculture.ny.gov/farming>. Farm Credit East was in attendance for both webinars.

- The November 17, 2022 recording can be viewed at <https://meetny.webex.com/recordingservice/sites/meetny/recording/d05588474900103bbefb005056817041/playback>.
- The November 18, 2022 recording can be viewed at <https://meetny.webex.com/recordingservice/sites/meetny/recording/67f0da2a49a3103bbfca00505681b219/playback>.

Summary of Outreach Efforts

The webinars included members of the farming community, farm credit system, organizations working with or representing beginning farmers, and organizations working with or representing socially and economically disadvantaged farmers. Valuable information was gathered during these webinars. This information is being used to develop the parameters of the grant programs and administrator requirements.

Selecting Grant Program Administrators

The next step to making this funding available to farmers is selecting administrators through two competitive RFPs, one for beginning farmer funds and one for socially and economically disadvantaged farmer funds. The Department is authorized to enter into agreements with municipalities, public benefit corporations, local development corporations, or not-for-profit organizations that provide financial assistance, including capital assistance for the administration of the grant programs. Up to fifteen percent of the total appropriation amount may be made available for the services and expenses of such organization directly related to the administration of the grant program. Once selected, the administrators will work with the Department to develop two competitive grant programs for farmers and to develop the farmer application process.

Legislation stipulated that an eligible administrator must have a history of providing financial assistance that could be in the form of capital assistance loans or grants. Feedback received during the stakeholder outreach webinars suggested that other factors to consider in identifying a qualified administrator may include:

- experience working with or representing the farmers being served by the grant funds;
- knowledge of agriculture and the various farming enterprises;
- the ability to provide language access services and/or translation services to farmers;
- experience working with under-resourced farmers and an understanding of their unique challenges/needs;

- an interest in fostering networking and connecting with new markets, specifically institutional customers;
- the capacity to assist farmers with the application process;
- excellent and flexible communication skills;
- experience offering technical assistance to diverse groups of people;
- Black, Indigenous, People of Color (BIPOC)/farmer representation in a leadership position;
- a commitment to diversity, equity, and inclusion;
- a commitment to working with farmers long-term, beyond the grant program;
- knowledge and experience with developing business plans/financial planning;
- a willingness to host information workshops about the grant opportunity;
- a creative solution to providing one-on-one training with developing a competitive proposal and walking farmers through the application process;
- a commitment to offering culturally appropriate lending opportunities;
- experience with providing legal support for generational transfer; and
- experience working with extension agents.

Farmer Grants

Once identified, the administrators will release the grant opportunities for farmers. Grants shall not be less than \$5,000 and may not exceed \$250,000 for any single beneficiary. Grants shall be issued with a required match from the recipient of no more than twenty percent (20%) of the grant amount.

Legislation stipulated that a grant may be awarded to farmers for purposes including, but not limited to, the start-up, improvement, or expansion of a farm operation; worker or apprenticeship training; marketing activities; the purchase of agricultural land and physical structures thereon; the purchase of machinery, equipment, or livestock; or the construction or improvement of physical structures, including semi-permanent structures. Grants may be awarded for projects on land leased by the recipient.

Feedback received during the stakeholder outreach webinars suggested additional parameters to be considered when developing the competitive farmer grant programs. These are listed below.

- Match funds may be extremely difficult for this group of farmers to acquire; allowing for a broad range of eligible sources of match funds and/or the lowest match threshold as possible will lead to the best pool of applicants/projects.
- Offering multiple funding level tracts would allow for smaller projects, helping small farms to compete successfully for funding.
- Offering a track specific to projects that support just marketing activities would allow applicants with just a marketing project to compete successfully for funding.
- Funding should be as flexible as possible because farmers know what they need.
- Developing a business plan/financial planning should be allowed as a project.
- The timing of when the grant is released should be carefully considered so as not

to have a deadline during the main farming season.

- Reporting requirements should be minimized, as small farms have less capacity to do so.
- Projects that have an ecological and social sustainability component should be considered.
- The Department should clearly communicate how proposals/applications will be ranked/scored, in language that is understandable to farmers.
- For those without reliable internet access, the Department should provide an alternate way to submit an application.

Conclusion

Administrators will be announced in the spring of 2023 and the opportunities for farmers will be announced after that. The next report providing updates on the programs will be delivered to the Governor and Legislature in December 2023.