Department of Agriculture and Markets

Farmland Protection Program

Report 2023-S-19 | July 2025

OFFICE OF THE NEW YORK STATE COMPTROLLER
Thomas P. DiNapoli, State Comptroller
Division of State Government Accountability

Audit Highlights

Objective

To determine whether the Department of Agriculture and Markets is adequately administering and promoting the Farmland Protection Program to protect agriculturally viable farmland in the State. The audit covered the period from April 2019 through April 2024 and preserved acre data going back to April 2005.

About the Program

Some of the most productive, resilient, and versatile land in the nation forms the foundation of New York State's farm economy. According to the American Farmland Trust, farms generate over $47 billion in annual economic impact and support approximately 160,000 jobs in the State. Farms play a vital role in the State's economy and food security. With nearly 7 million acres, farmland composes over 20% of the State's area. Agriculture also improves New Yorkers' quality of life in other ways, including providing access to fresh, locally sourced food, preserving open space, and enhancing communities through farmers' markets and other such activities. Many of the State's farms face strains and operational stressors such as the pressure to convert farmland to other uses like solar farms or residential homes. Solar energy projects may offer more lucrative incentives to landowners, making solar development a potentially attractive option to agricultural preservation. This, along with suburban development pressures amid the State's housing crisis and other developmental pressures, has contributed to the State rapidly losing its farmland. U.S. Department of Agriculture Census (USDA Census) data shows that, in the 5 years from 2017 to 2022, the State lost almost 365,000 acres of farmland and 2,800 farms.

The Farmland Protection Program (Program), established in 1996, provides eligible municipalities with grants to implement farmland protection activities. The Program is used to promote the economic viability of farms and help counteract pressures that may drive land out of agricultural production. The Department of Agriculture and Market's (AGM) Division of Land and Water administers grant funding for the Program through:

- Farmland Protection Planning Grants (FPPGs) – help county and local governments develop farmland protection plans
- Land Trust Planning Grants (LTGs) – award State assistance to land trusts for activities that will assist in implementing farmland protection plans
- Farmland Protection Implementation Grants – award State assistance to eligible entities for activities that assist in implementing agricultural protection efforts

Farmland Protection Implementation Grants (hereafter, unless specified otherwise, also referred to as grants) account for over 98% of all funds awarded through the Program and provide financial assistance to eligible entities (counties, municipalities, soil and water conservation districts, and land trusts) to enable them to implement farmland protection activities. Although not set statutorily, in 2014 AGM established a maximum award amount of $2 million per application for grants. AGM establishes specific criteria in each Request for Applications (RFA) to determine eligibility, such as project categories (e.g., beef cattle and hogs, certain cash grains) and minimum acres to be preserved. Each RFA is considered a round with its own project focus and funding. AGM officials review and approve applications for grant projects in the order they are submitted. AGM must determine a project's eligibility within 90 days of receiving a completed application. AGM divides the State into 10 geographic regions to allocate funding, distributing funds equally among them.

Key Findings

- Grants awarded by AGM have helped preserve approximately 114,000 acres of farmland, involving almost 400 farms between 2005 and 2023. While AGM effectively fulfills its responsibility in awarding and distributing Program funds via Farmland Protection Implementation Grants, LTGs, and FPPGs, in compliance with contract requirements, there are opportunities to enhance its farmland preservation efforts. Specifically, while regions vary significantly in grant eligibility, land values, farmland availability, and Program participation, we found initially allocating funds equally across regions, without considering these regional factors, may contribute to delays in awarding grant funds for farmland preservation. Specifically, AGM allocates funding to the New York City (NYC) Region although it is ineligible to apply for grants and then subsequently reallocates this funding, resulting in grant delays. For instance, we found:
    - Round 18 – delayed an additional 233 days on average (longest delay, 352 days) for 20 projects totaling over $20.6 million (6,596 acres)
    - Round 19 – delayed an additional 181 days on average (longest delay, 308 days) for 22 projects totaling over $23.5 million (9,668 acres)

  If AGM had excluded the NYC Region from rounds 18 and 19 and instead allocated the $5 million (round 18) and $4.5 million (round 19) initially allocated to NYC to the remaining nine regions, the other regions could have each received an additional $555,555 and $500,000, respectively, at the start of each round, allowing the funds to be awarded to projects more quickly. AGM also does not consider factors that impact historical participation in the initial funding allocation.

- We found the $2 million cap, set by AGM in 2014, has a greater impact on regions with higher land values and greater development pressures. Farms in high-value areas may not be able to obtain adequate funding for their farmland conservation in one application. This poses a challenge depending on the size of the farm needing protection. Rising land values and funding constraints make it increasingly challenging for the Program to compete with other developmental pressures. From 2012–2022, land values for each of the 10 regions increased by at least 40%, and half of them increased by over 65%, with Long Island's increasing by 150%.
- We reviewed historical information AGM maintains on farmland preserved by region and USDA Census data and found Program participation and preservation of farmland compared to available farmland varied widely—and participation isn't necessarily related to the amount of available farmland. As we noted previously, some of the variances may be a product of how funding is initially allocated, reallocation delays, or the $2 million cap; however, some of the gaps in participation may be because some municipalities and land trusts are not fully informed about the Program or its requirements.

Key Recommendations

- Evaluate the Farmland Protection Implementation Grant allocation and funding methodology and determine whether changes should be made in the distribution of funds and Program participation. The evaluation should include, but not be limited to, considering:
  - Revising the regional allocation methodology;
  - Increasing grant funding caps; and
  - Incorporating relevant data, such as USDA Census and AGM historical data, into grant decisions.
- Work with various stakeholders to tailor outreach and administrative support activities to best serve their needs and promote participation in the Program.

Office of the New York State Comptroller
Division of State Government Accountability

July 2, 2025

Richard A. Ball
Commissioner
Department of Agriculture and Markets
10B Airline Drive
Albany, NY 12235

Dear Commissioner Ball:

The Office of the State Comptroller is committed to helping State agencies, public authorities, and local government agencies manage their resources efficiently and effectively. By so doing, it provides accountability for the tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities, and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit entitled *Farmland Protection Program*. This audit was performed pursuant to the State Comptroller's authority under Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

Division of State Government Accountability

Contents

Glossary of Terms

Term	Description	Identifier
AGM	Department of Agriculture and Markets	*Auditee*
Act	Agricultural Protection Act of 1992	*Law*
Ag Board	County agricultural and farmland protection board	*Key Term*
Ag Plan	Agricultural and farmland protection plan	*Key Term*
Easement	Agricultural conservation easement	*Key Term*
Eligible entity	Municipality, soil and water conservation district, or not-for-profit conservation organization	*Key Term*
FMV	Fair market value	*Key Term*
FPPG	Farmland Protection Planning Grant	*Key Term*
Grant	Farmland Protection Implementation Grant	*Key Term*
Law	Article 25-AAA of the Agriculture and Markets Law	*Law*
LTG	Land Trust Planning Grant	*Key Term*
PDR	Purchase of development rights	*Key Term*
Program	Farmland Protection Program	*Key Term*
RFA	Request for Applications	*Key Term*
USDA Census	U.S. Department of Agriculture – National Agricultural Statistics Service 2022 Census of Agriculture	*Key Term*

Background

Some of the most productive, resilient, and versatile land in the nation forms the foundation of New York State's farm economy. Generating over $47 billion in annual economic impact and supporting approximately 160,000 jobs in the State, farms play a vital role in the State's economy and food security. With nearly 7 million acres, farmland composes over 20% of the State's area. Agriculture also improves New Yorkers' quality of life in other ways, including providing access to fresh, locally sourced food, preserving open space, and enhancing communities through farmers' markets and other such activities.

According to the U.S. Department of Agriculture's 2022 Census (USDA Census), over 30,000 farms in the State produce a wide variety of agricultural products including milk and other dairy products, beef, apples, cabbage, and maple syrup. New York ranks among the country's top 10 states in the production of over 30 commodities and is first nationally in the production of sour cream, cottage cheese, and yogurt.

Many of the State's farms face strains and operational stressors such as the pressure to convert farmland to other uses like solar farms or residential homes. Solar energy projects may offer lucrative incentives to landowners, making solar development a potentially attractive option to agricultural preservation. According to the Cornell Cooperative Extension, as of November 2022, a solar lease can provide a steady income stream, ranging from $250–$2,500/acre/year. Also, with the State experiencing a housing crisis, pressures to develop farmland, especially in high-demand locations, are significant. For example, the Office of the State Comptroller's 2024 Profile of Agriculture[1] reported that, historically, Long Island had a major farming presence, but losses of farmland to suburban development resulted in this region having the lowest number of farms (607) and the least amount of farmland (34,486 acres) of any region outside of New York City (NYC). Additionally, according to the USDA Census, one-third of the State's farmers are over the age of 65, and these senior farmers own or operate nearly 2 million acres of farmland vulnerable to being lost as it changes hands in the coming years.

NYS lost 365,000 acres in 5 years, which is equivalent to 430 NYC Central Parks.

These factors have contributed to the State losing its farmland. USDA Census data shows that, in the 5 years from 2017 to 2022, the State lost almost 365,000 acres of farmland and 2,800 farms. The greatest losses were found in Allegany, Lewis, Steuben, St. Lawrence, and Wyoming counties, with a combined 194,200 acres or 53% of the farmland. The American Farmland Trust's June 2022 *Farms Under Threat*[2] report estimated that if these trends continue, between 2016 and 2040, farmland loss in the State may total approximately 452,000 acres—a decrease of over 2,500 farms, 7,200 jobs, and $288 million in revenue. However, in just 5 years, the State already lost almost 365,000 acres of farmland—or 81% of what the report predicted would be lost over 24 years. Other research conducted by the American Farmland Trust found that, between 2001 and 2016, over a quarter of a million acres of New York's irreplaceable agricultural lands were lost or fragmented, ranking New York within the top 20 most-threatened states for farmland conversion.

1 https://www.osc.ny.gov/files/reports/pdf/profile-of-agriculture-in-nys.pdf
2 Farms Under Threat 2040 Future Scenarios New York

For more information on changes in farmland in the State, including protected farmland, see our interactive map (click image to the left to access).

Photo Source: stevert and sara_winter/ istock/Getty Images

New York's Agricultural Protection Act of 1992 (Act) was passed to ensure the economic viability of the State's agricultural industry. The Act created Article 25-AAA of the Agriculture and Markets Law (Law) to encourage further development of agricultural and farmland protection programs at the State and local levels. In 1996, the Law was amended to include the Farmland Protection Program (Program), which provides eligible municipalities with grants to implement farmland protection activities. The Program is used to promote the economic viability of farms and help counteract pressures that may drive land out of agricultural production. Between 1910 and 1992, the State lost farmland at an annual rate of 0.81%. Between 1992 (after the Law was passed) and 2022, the State lost it at an annual rate of 0.43%—a decrease of 46%. While the Program alone is not the only factor that contributed to the slowed rate of loss, it may have had a positive impact on the protection of farmland in the State.

The Department of Agriculture and Markets' (AGM) Division of Land and Water administers grant funding for the Program through:

- Farmland Protection Planning Grants (FPPGs) – help county and local governments develop farmland protection plans
- Land Trust Planning Grants (LTGs) – award State assistance to land trusts for activities that will assist in implementing farmland protection plans
- Farmland Protection Implementation Grants – award State assistance to eligible entities for activities that assist in implementing agricultural protection efforts

The Program is funded through the Environmental Protection Fund, which was created in 1993 to support capital projects that protect the environment and enhance communities. The Environmental Protection Fund has allocated almost $274 million to the Program since April 2005.

AGM is responsible for administering the Program and providing financial and technical assistance including developing guidelines, administering State assistance payments, and disseminating information to aid locally led efforts in developing and implementing local agricultural and farmland protection plans (Ag Plans). County agricultural and farmland protection boards (Ag Boards), in cooperation with other organizations, can develop Ag Plans to protect farmland. The Ag Board uses local factors, such as land suitability, economic value, environmental significance, and community priorities, to select land to be protected. Ag Plans include the identification of land to be protected, an analysis of its economic and environmental value, and strategies to promote continued agricultural use. The Ag Board must hold a public hearing, obtain approval from the county legislative body, and submit the Ag Plan to AGM for final approval.

FPPGs are available to counties ($50,000 funding limit) and local governments and municipalities ($25,000 funding limit). Municipalities that receive funding must wait 10 years before applying again. LTGs' maximum award is $50,000, and no more than $500,000 may be awarded to all applicants each State fiscal year. Ag Plans submitted for FPPGs should identify land to be protected within the county and include strategies intended to promote continued agricultural use.

Farmland Protection Implementation Grants (hereafter, unless specified otherwise, also referred to as grants) account for over 98% of all funds awarded through the Program and provide financial assistance to eligible entities (counties, municipalities, soil and water conservation districts, and land trusts) to enable them to implement farmland protection activities consistent with local Ag Plans. A farm must be in a county that has an approved Ag Plan to be eligible for a grant, and applications must have endorsement from an Ag Board to be approved. Individual landowners cannot apply directly for grant funding, and farmers can only apply via an eligible entity.

PDR =

FMV – easement value

Grants most frequently fund the purchase of development rights (PDR) on individual farms but may also fund other activities, such as amendments to local laws affecting agriculture and creation of option agreements (which lead to PDRs), and may cover the transaction costs of purchasing agricultural conservation easements (easements). An easement is a voluntary legal agreement between the landowner and an eligible entity that restricts future non-agricultural development of the land, helping to ensure that the State's farms remain in agriculture. A PDR is a type of conservation easement where the landowner is compensated for selling their development rights. Grant funding covers up to 87.5% of the PDR plus associated project costs (e.g., survey, appraisal, legal fees). The PDR represents a portion of the land's total value, estimated by appraisal and calculated as the difference between the fair market value (FMV) of the land and its value as restricted by the easement.

The Law directs AGM to prioritize projects intended to preserve viable agricultural lands that are in areas facing significant development pressure and that serve as a buffer for a significant natural public resource containing an important ecosystem or habitat. According to AGM's records, beginning in 2005 and ending in 2023, grants helped preserve approximately 114,000 acres of farmland, involving almost 400 farms, by awarding almost $274 million in funding.

Although the Law does not set an award limit for grant projects, in 2014, AGM established a maximum award amount of $2 million per application. AGM continually reviews and refines the criteria for awarding funds. In 2018, AGM transitioned from a Request for Proposals process to a Request for Applications (RFA) process, which AGM officials stated allows for more tailored Program criteria in project proposals and better communication with applicants. Each RFA is considered a round with its own project focus and funding. AGM establishes specific criteria in each RFA to determine eligibility, such as project categories (e.g., beef cattle and hogs, certain cash grains) and minimum acres to be preserved. Each proposed project must be associated with at least one farm operation as defined by the Law; however, any given farm operation may be the subject of more than one application provided that requested funding does not overlap the same land. AGM has adjusted RFA project categories from round to round to market and promote the various types of farm operations, introducing more specialized categories. Some funding rounds prioritize specific types of farms. For example, round 17-B (2019) focused on beef, cattle, or hogs and certain cash grains, while round 18 (2021) focused on equine, vineyard, and agroforestry. Changes in grant criteria by round are shown in Table 1.

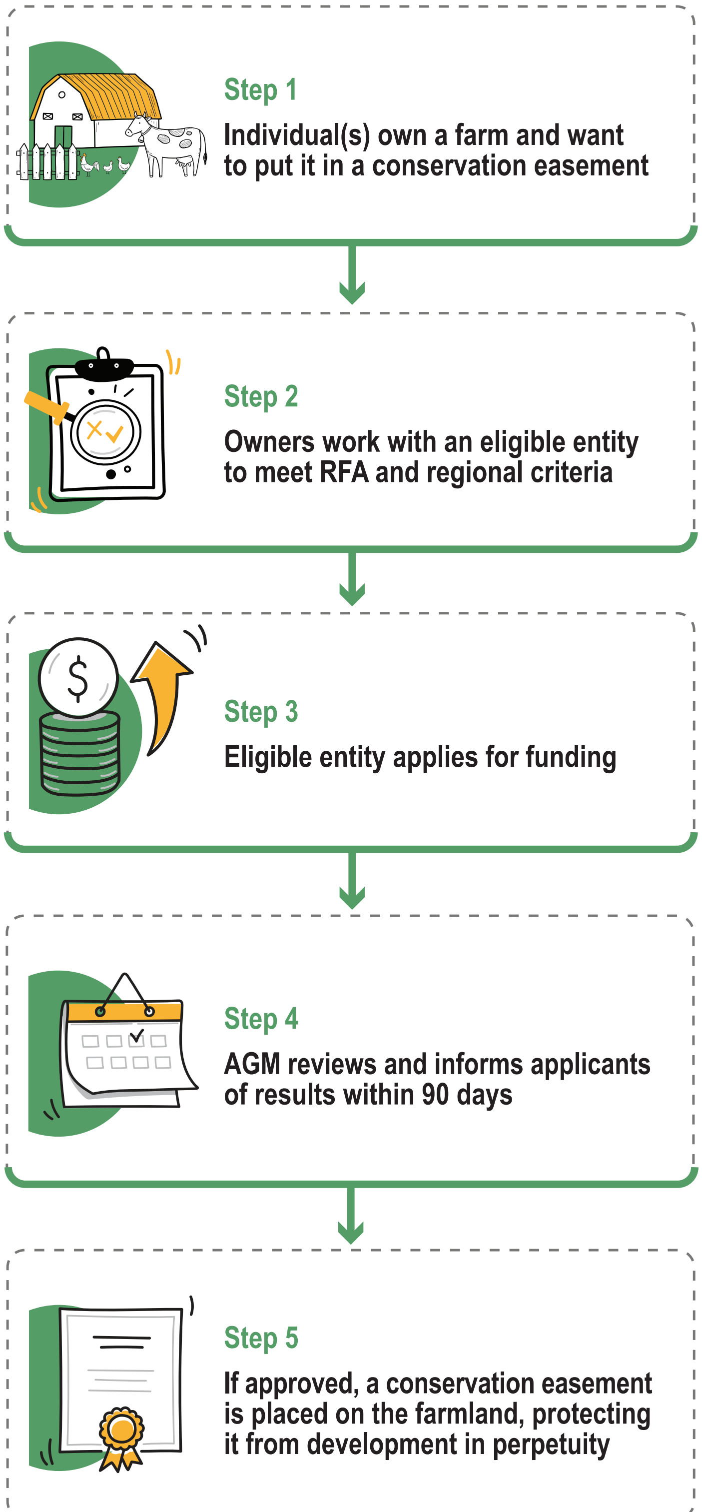
Table 1 – Grant Criteria by Round

Round	Year	RFP	RFA	Project Criteria	Additional Criteria	Selection Criteria	Project Transition	Project Categories	Project Categories	Project Categories
				▪ Minimum acreage ▪ Minimum % active agricultural production ▪ Minimum % productive soils ▪ Site plan for the project	▪ Dairy farm operation	▪ Addresses identified need or opportunity; ▪ Adequate capacity to complete the required work; ▪ Evidence of local support; and ▪ Project is cost effective	▪ To the next ownership ▪ To a more diversified overall farm operation ▪ To a different type of non-dairy operation	▪ Beef cattle or hogs ▪ Certain cash grains ▪ Certain fruits or hazelnuts ▪ Maple sap ▪ Certain vegetables	▪ Agroforestry ▪ Climate resiliency ▪ Equine ▪ Food security ▪ Horticultural specialties ▪ Source water protection ▪ Viable agricultural land – Other ▪ Vineyard	▪ Access to farmland ▪ Field crops ▪ Livestock or livestock products ▪ Specialty crops
15-B	2018		✓	✓						
16	2018	✓				✓				
16 Dairy	2018		✓	✓	✓		✓			
17 Dairy	2019		✓	✓	✓		✓			
17-B	2019		✓	✓				✓		
18	2021		✓	✓					✓	
19	2023		✓	✓					✓	✓

AGM officials review and approve applications for grant projects in the order they are submitted. AGM must determine a project's eligibility within 90 days of receiving a completed application. AGM divides the State into 10 geographic regions to allocate funding, distributing funds equally among them, as shown in Figure 1. In the most recent round, 19 (2023), AGM allocated $4.5 million to each region. If complete and eligible applications exceed the funds allocated to a region, the later applicants receive conditional approval, pending available funds. If any region does not fully utilize its allocated funds due to no or low participation, AGM reallocates the remaining funds to other regions, prioritizing projects based on the date AGM determined they were eligible for an award. Applicants with conditional approval must wait until AGM redistributes unused regional funding. The award process is outlined in Figure 2.

Figure 1 – Grant allocation regions

Figure 2 – Farmland Protection Implementation Grant Process



Audit Findings and Recommendations

Grants awarded by AGM have helped preserve approximately 114,000 acres of farmland, involving almost 400 farms between 2005 and 2023. While AGM effectively fulfills its responsibility in awarding and distributing Program funds via Farmland Protection Implementation Grants, LTGs, and FPPGs in compliance with contract requirements, there are opportunities to enhance its farmland preservation efforts. Specifically, while regions vary significantly in grant eligibility, land values, farmland availability, and Program participation, we found initially allocating funds equally across regions, without considering these regional factors, may contribute to delays in awarding grant funds for farmland preservation. Specifically, AGM allocates funding to the NYC Region although it is ineligible to apply for grants. This delayed funding reallocation also occurs from regions with low participation. Similarly to ineligible regions, AGM does not factor historical participation into the funding allocation.

We also found the $2 million cap, set by AGM in 2014, has a greater impact on regions with higher land values and greater development pressures. Farms in high-value areas may not be able to obtain adequate funding for their farmland conservation in one application. Further, we reviewed historical information AGM maintains on farmland preserved by region and USDA Census data and found Program participation and preservation of farmland compared to available farmland varied widely. Some of the variances may be a product of how funding is initially allocated, reallocation delays, or the $2 million cap; however, some of the gaps in participation may be because some municipalities and land trusts are not fully informed about the Program or its requirements.

Grant Allocation and Award Limitations

Regional Allocation of Grant Funding

Regions vary significantly in grant eligibility, land values, farmland availability, and Program participation. RFA requirements consider some regional factors when establishing certain criteria such as minimum acreage. However, we found initially allocating funds equally across regions, without considering grant eligibility and regional factors, may contribute to delays in awarding grant funds for farmland preservation, which could disrupt the planning and coordination that goes into completing projects and impact recipients' ability to begin or continue them.

As of September 2024, Hamilton, Nassau, Warren, and all counties located in the NYC Region (Bronx, Kings, New York, Queens, and Richmond) had not obtained an approved Ag Plan. Therefore, entities within these counties—and the entire NYC Region—are ineligible for grant funds. As a result of their lack of an approved Ag Plan, the NYC Region's portion remains unused for projects until AGM reallocates the funding to the remaining eligible nine regions, causing a delay for conditionally approved projects in eligible regions.

In rounds 18 and 19, grant funds totaled $50 million and $45 million, respectively, with AGM allocating $5 million and $4.5 million equally across the 10 regions regardless of eligibility (rounds 15 through 17 are not included in this analysis, as regional boundaries were different during those rounds). The average number of days from application submission to award eligibility determination or conditional approval for the four rounds (from 2019 through 2023) was 28 days, and 78 days to when the applicant was awarded the contract. In round 18, 20 projects totaling over $20.6 million—covering 6,596 acres—were awarded after reallocation. This reallocation caused an average 233-day delay—with the longest delay being 352 days—from conditional approval to award. In round 19, 22 projects totaling over $23.5 million—covering 9,668 acres—were delayed by an average of 181 days, with the longest delay being 308 days.

If AGM had excluded ineligible regions (e.g., NYC) from the initial allocation of $9.5 million in rounds 18 and 19 ($5 million and $4.5 million, respectively), the remaining nine regions could have received an additional $1,055,555 ($555,555 and $500,000, respectively) at the start of each round. In round 19, we identified two conditionally approved projects that could have been funded before the reallocation from the NYC Region. However, due to the reallocation process, these projects were not awarded funding for 224 and 123 days, respectively. Another 20 conditionally approved projects in round 19 exceeded the recalculated regional allocations and were awaiting further reallocated funding from regions with low participation.

This delayed funding reallocation also occurs from regions with low participation. For example, in rounds 18 and 19, three Regions (Mohawk Valley, Southern Tier, and Western New York) were awarded $6.7 million or 23% of their cumulative allocation—the remaining amount needed to be reallocated. Similarly to ineligible regions, AGM does not consider factors that historically have impacted participation in the initial funding allocation. However, as with the NYC Region, if the allocation were adjusted to include other relevant factors such as available land (e.g., the Mohawk Valley and North Country regions are largely covered by the Adirondack Park, making much of its land ineligible for the Program), funding allocations to areas that express a greater need may be made without added delays.[3]

AGM officials disagree that extensive delays were caused by waiting to reallocate funding from ineligible or low-participating regions. Officials stated the timeline we refer to as a “delay” simply reflects the standard process outlined in each grant RFA, where conditional awards are not granted until a stipulated date. Officials explained that they allocate funds equally to each region with the intent of ensuring greater equity and statewide distribution of the funding available and intentionally create a reserve pool with the NYC-allocated funds to award later. Officials also stated that any chosen factors could be perceived as prejudicial by different applicants or regions and that equal allocation ensures simplicity and fairness in making funds available.

While we recognize that the RFA terms include a reallocation process and timeline, the delay caused by the reallocation could be reduced if AGM considered eligibility

3 The Adirondack Park is one possible contributing factor; however, we note that farmland may be preserved within the Adirondack Park and, therefore, other factors such as municipalities’ choice to not pursue projects could contribute as well.

for funding when making initial regional allocations. Moreover, this would make the process more transparent, rather than allocating funding to regions that cannot use the funds and then redistributing them.

Grant Award Cap

We found the $2 million cap, set by AGM in 2014, may disproportionately affect regions with higher land values and greater development pressures. Farms in high-value areas, in some cases, may not be able to obtain adequate funding for their farmland conservation in one application. This poses a challenge depending on the size of the farm that needs protection. Rising land values and funding constraints make it increasingly challenging for the Program to compete with other development pressures.

According to USDA Census data, New York is home to 30,650 farms, with an average FMV for land and buildings of $870,211. However, 2,731 (9%) of these farms are valued at $2 million or more, and 258 farms are valued at over $10 million. Additionally, farmland values have increased significantly in the State since the cap was established over 10 years ago and continue to rise. While an increase in FMV does not directly correlate to PDR values, it can be used as a measure of reasonability when establishing caps.

From 2012 to 2022, the average FMV per acre of farmland in all regions increased by at least 40%, and half the regions increased by over 65%, according to the 2017 and 2022 USDA Census data, as shown in Table 2. If easement values don't increase at the same rate as the FMVs, the PDR value will grow, which will reduce the number of acres that can be bought for $2 million.

Table 2 – Change in Average Farmland FMVs by Region, 2012–2022

Region	% Change
New York City	1,147
Long Island	150
North Country	78
Western New York	69
Finger Lakes	66
Mohawk Valley	54
Capital Region	51
Central New York	47
Mid-Hudson	44
Southern Tier	40

AGM officials assert that comparing USDA Census data to PDRs is irrelevant, as the data represents the FMV rather than the value of an easement. They noted that easement values typically range from 50–65% of FMV, but can vary significantly, from 10%–90% of FMV. However, FMV is one of the factors that impact easement values and AGM officials told us that USDA Census data is the only universal accounting of agricultural statistics and the most authoritative source of information, and they acknowledge that no alternative data is available. Although the Program funds projects based on PDR value, as FMV increases, this PDR value also increases. While the Program's funding cap has remained unchanged for over a decade, the FMV and PDR have risen. This can lead to conserving fewer acres per application, necessitate multiple applications from the same landowners, or exclude regions with higher land values from participating.

To further assess the impact of the $2 million cap and obtain feedback on other Program topics, we surveyed land trusts located and operating in the State because they make up 99% of grant participants. Of the 79 land trusts publicly listed by the Land Trust Alliance in May 2024, 27 (34%) responded to our survey. Six land trusts (22%) indicated that increasing the $2 million cap would benefit the Program. For example, one land trust in the Long Island Region responded that the $2 million cap was insufficient due to high real estate values in the area. Another land trust, in the Finger Lakes Region, noted that it limits the number of applications submitted based on the anticipated allocation of funds in its region and AGM's reallocation of unused funds. This land trust also mentioned that for projects exceeding $2 million, it must submit multiple applications to secure enough funding, and suggested raising the funding cap to allow more farms to apply for the Program. The other four land trusts also expressed interest in an overall increase in funding per project.

AGM officials stated the Program may fund fewer projects associated with high land values, and any such awarded project would protect fewer acres than in areas where land values are lower. Therefore, if the cap favors areas with lower land values, fully awarding that same allocation amount in those lower-cost regions would result in more project acres being awarded and, more importantly, ultimately protected. However, the Law also directs AGM to prioritize projects to preserve viable agricultural lands that are in areas facing significant development pressure, which may be properties with higher land values; therefore, development pressure is also required to be considered.

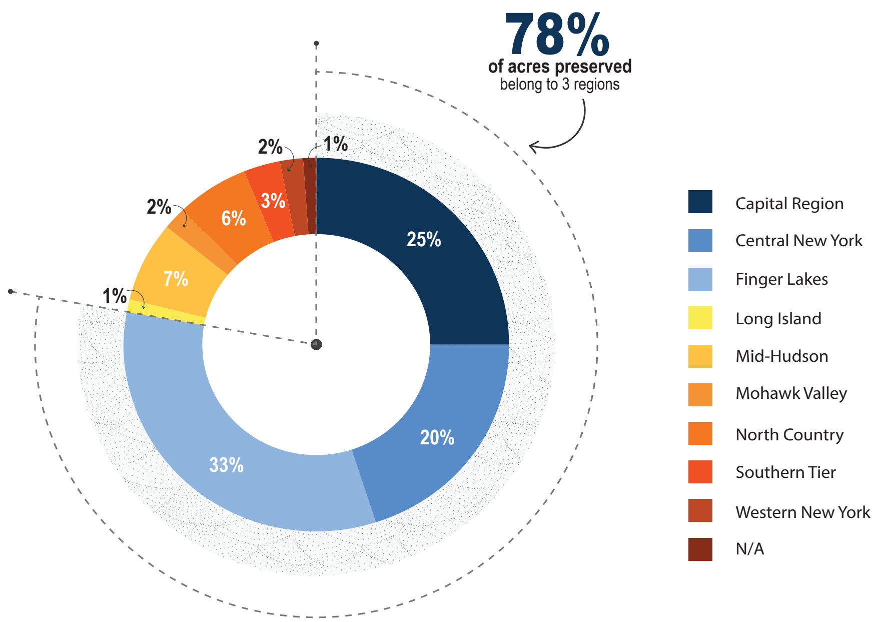
Officials also questioned our selection of recipients, noting that we may have missed some land trusts and that the survey did not include counties, towns, or soil and water conservation districts, suggesting that doing so could have provided valuable insights into why these entities no longer participate in the Program. We agree that reaching out to other entities would provide further insight and we recommend AGM continue this effort in re-evaluating whether the cap should be changed.

Program Participation

We reviewed historical information AGM maintains on farmland preserved by region and USDA Census data and found Program participation and preservation of farmland compared to available farmland varied widely. As we noted previously, some of the variances may be a product of how funding is initially allocated, reallocation delays, or the $2 million cap; however, some of the gaps in participation may be because some municipalities and land trusts are not fully informed about the Program or its requirements.

Our analysis of AGM's preserved land data, as illustrated in Figure 3, shows three regions—Capital Region, Central New York, and Finger Lakes—account for over 78% of all preserved farmland in the State, surpassing the combined efforts of the remaining seven regions.

Figure 3 – Acres Preserved by Region Since 2005*



*Includes round 19's acres estimated to be preserved (N/A reflects farmland with county not determined)

Further, because the data also provides county-level details, we found that 27 of the State's 62 counties (44%) have never received a grant to preserve farmland.

Farmland availability also differs by region. We compared the regional preserved farmland by acre to USDA Census data, as shown in Table 3, and found significant differences among regions between available farmland and preserved farmland. The Capital Region, Central New York, and Finger Lakes regions, which have collectively preserved over 78% of all the Program's protected acres, account for only 44% of the State's total farmland. While the Finger Lakes Region has both the most farmland (over 1.3 million acres) and the highest conservation rate (38,720 acres), other regions with substantial farmland—such as the Southern Tier (almost 1.1 million acres) and Western New York (772,863 acres)—have much lower participation rates, with only 3,301 and 2,603 acres preserved, respectively.

Based on responses from our survey to the State's land trusts, we found some may not be fully informed about all grant requirements or even that the Program is available to assist in preserving farmland, which may contribute to lower participation in some regions. For example, multiple land trusts had a faulty understanding of the minimum acreage requirement outlined in the RFA.

Table 3 – Available and Preserved Farmland by Region*

Region	USDA Census Available Farmland (acres)	% Farmland to Total Land	Preserved Farmland (acres)	% of Available Farmland Preserved
Finger Lakes	1,331,319	20%	38,720	3%
Southern Tier	1,092,755	17%	3,301	<1%
North Country	844,084	13%	7,405	1 %
Capital Region	798,678	12%	28,448	4%
Western New York	772,863	12%	2,603	<1%
Central New York	734,823	11%	23,568	3 %
Mohawk Valley	585,319	9%	2,379	<1%
Mid-Hudson	307,848	5%	7,549	2%
Long Island	34,486	1%	1,088	3%
NYC	86	0%	0	0%
Undetermined**	–	–	618	–
Totals	**6,502,261**	**–**	**115,679**	**2%**

*Available farmland is active agricultural land based on reported 2022 USDA Census data and preserved farmland is based on AGM records from 2005 to 2023.

**The specific region couldn't be identified.

AGM establishes specific requirements in the RFAs for each round, including minimum acreage thresholds that vary by region. According to the RFA, for rounds 15–19, applications could include lands associated with multiple farm operations. Therefore, the required minimum acreage could be met or exceeded if the applicant combines two or more properties—presumably owned by different landowners—into a single application. Therefore, no RFA excludes farms based on their acreage, as applications can encompass multiple properties to meet the minimum threshold.

Although AGM has incorporated this information into the RFA, based on some of our survey responses, this is not clear to all land trusts. For example:

- One land trust in the Mid-Hudson area was not aware of the ability to combine properties and reported turning away farms due to their size and suggested lowering the minimum acreage requirement.
- Three land trusts from the Long Island, NYC, and Southern Tier regions responded they were not aware of the Program at all before our inquiry (this is particularly notable given that the Southern Tier has the second-highest percentage of farmland in the State but one of the lowest participation rates).

Additionally, in our meetings with select counties, one official was unaware that multiple municipalities could jointly apply for FPPG funding and instead sought to have a local land trust assist them in applying for funding. Also, we learned that some counties and municipalities have developed their own programs to protect farmland. Some of these programs mimic the Program and have committed millions over the next decade, while others provide a local tax benefit in exchange for keeping the farmland preserved for several years.

According to AGM, it actively promotes the Program through presentations, webinars, and outreach. It maintains solicitation lists to various associations across the State, and hosts webinars for counties, municipalities, or land trusts that reach out with questions. Between April 2019 and September 2023, AGM conducted 165 outreach/webinar efforts for Farmland Protection Implementation Grants and 44 for FPPGs and LTGs combined.

AGM emphasized that the Program is locally led, with eligible entities responsible for promoting the Program to landowners. While AGM provides guidance to interested farmers, landowners must collaborate with these eligible entities to participate in the Program. The success of the Program relies on local entities identifying farms for funding, and participation depends on their outreach efforts, not AGM's selection. Because AGM does not choose which farms are submitted for funding consideration, entities that wish to participate in the Program should determine the outreach activities necessary to inform and recruit landowners who may wish to participate in a future application or proposal. While AGM has previously offered LTG opportunities to land trusts to conduct outreach, it is not required to do so under the Law.

While we recognize that the Program is locally led, AGM has stated that ensuring greater equity and statewide distribution of the funding available is one of their goals. However, several land trusts we surveyed were unaware of the Program. As the Program's administrator and State representative, AGM can work with local land trusts and municipalities to raise awareness and provide outreach and assistance that best fits their needs. Also, as AGM suggested, investigating why municipalities and soil and water conservation districts have historically had limited participation in the Program may provide valuable information to strengthen participation.

Review and Approval of Grant Awards

We found that AGM generally determined project eligibility within the legally required 90-day time frame. We reviewed 149 applications that were submitted in the last five application rounds and found seven (5%) had award announcement dates exceeding 90 days after conditional approval, with the longest delay reaching 268 days. On average, applications were reviewed in 27 days. When asked about the delays, AGM attributed six cases to COVID-19 mandates and one to a required signature signoff. We also reviewed samples of Farmland Protection Implementation Grants, FPPGs, and LTGs and found that all samples complied with requirements and/or met deliverables.

Recommendations

1. Evaluate the Farmland Protection Implementation Grant allocation and funding methodology and determine whether changes should be made in the distribution of funds and Program participation. The evaluation should include, but not be limited to, considering:
   - Revising the regional allocation methodology;
   - Increasing grant funding caps; and
   - Incorporating relevant data, such as USDA Census and AGM historical data, into grant decisions.
2. Work with various stakeholders to tailor outreach and administrative support activities to best serve their needs and promote participation in the Program.

Audit Scope, Objective, and Methodology

The objective of our audit was to determine if AGM is adequately administering and promoting the Farmland Protection Program to protect agriculturally viable farmland in the State. The audit covered the period from April 2019 through April 2024 and preserved acre data going back to April 2005.

To accomplish our objective and assess related internal controls, we reviewed relevant sections of the laws and regulations and documentation provided by AGM related to the Program. We interviewed officials from AGM, met with municipalities and land trust organizations, and analyzed internal data produced by AGM. We conducted site visits to a sample of farms that participated in the Program to interview owners and observe how land trusts monitor preserved land and reviewed a sample of contracts for timeliness and compliance.

We used a non-statistical sampling approach to provide conclusions on our audit objective, as well as test internal controls and compliance. We selected both judgmental and random samples. However, because we used a non-statistical sampling approach for our tests, we cannot project the results to the respective populations, even for the random samples. Our samples, which are discussed in detail in the body of our report, include:

- A random sample of 24 of 125 Farmland Protection Implementation Grant applications
- A judgmental sample of 16 of the 30 combined FPPG and LTG applications based on the amount of funding and contract expiration dates, among other factors
- A sample of farms that participated in the Program to visit and interview owners and observe how land trusts monitor preserved land
- A sample of Farmland Protection Implementation Grant contracts for timeliness and compliance

To determine if AGM determined project eligibility within 90 days of receiving a completed application, we analyzed all applications in the last four application rounds (17-B, 17 Dairy, 18, and 19), calculating the time from submission or resubmission (whichever was later) to the award eligibility determination date. A total of 155 applications were submitted across these four rounds, six of which lacked award eligibility determination dates; therefore, we analyzed 149 applications.

To obtain feedback on AGM's administration of the Program, we sent an online survey to 78 land trusts listed by the Land Trust Alliance. We received responses from 27 land trusts.

Certain other data in our report was used to provide background information. Data that we used for this purpose was obtained from the best available sources, which were identified in the report. Generally accepted government auditing standards do not require us to complete a data reliability assessment for data used for this purpose.

We relied on data obtained from USDA Census, which is recognized as an appropriate source, and used this data for widely accepted purposes. Therefore, this data is sufficiently reliable for the purposes of this report without requiring additional testing.

As part of our audit procedures, we used Geographic Information System (GIS) software for geographic analysis and imported the results of this analysis into Tableau to create visualizations (an interactive map) to enhance our understanding of preserved farmland in the State. To increase ease of use, we made minor locational changes to these visualizations. These changes do not materially affect the accuracy or interpretation of the underlying data or visualizations.

Statutory Requirements

Authority

The audit was performed pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law.

We conducted our performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. These duties could be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our professional judgment, these duties do not affect our ability to conduct this independent performance audit of AGM's oversight and administration of the Farmland Protection Program.

Reporting Requirements

A draft copy of the report was provided to AGM officials for their review and comment. Their comments were considered in preparing this final report and are attached in their entirety at the end of it. In their response, AGM officials generally agreed with our recommendations and indicated actions they would take to implement them.

Within 180 days after final release of this report, as required by Section 170 of the Executive Law, the Commissioner of the Department of Agriculture and Markets shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons why.

NEW YORK STATE | Department of Agriculture and Markets

KATHY HOCHUL
Governor
RICHARD A. BALL
Commissioner

May 2, 2025

Heather Pratt
Office of the State Comptroller
Division of State Government Accountability
110 State Street - 11th Floor
Albany, NY 12236-0001

Dear Ms. Pratt,

Thank you for the opportunity to comment on the draft audit report 2023-S-19, "Farmland Protection Program."

AGM is pleased that your audit found that:

> "AGM effectively fulfills its responsibility in awarding and distributing Program funds … in compliance with contract requirements."

AGM is proud to have protected over 132,802 acres of viable agricultural land on 445 farms through its Farmland Protection Implementation Grants (FPIG) program, helping to ensure that they will forever remain in agricultural use. Since the mid-1990s, this and our other grant programs have provided much needed State financial assistance to enable our partners to develop effective strategies and to then implement their local agricultural and farmland protection plans to conserve viable agricultural lands to sustain our local, regional, and state agrarian economy. This collaboration epitomizes the intent behind the Agricultural and Farmland Protection Program that State legislators crafted more than 30 years ago with the intent of supporting locally led farmland protection initiatives.

The Department's response to the Office of the Comptroller's (OSC) recommendations is as follows:

<u>OSC Recommendation 1</u> – Evaluate the Farmland Protection Implementation Grant allocation and funding methodology, and determine whether changes should be made in the distribution of funds and Program participation. The evaluation should include, but not be limited to, considering:

- Revising the regional allocation methodology
- Increasing grant funding caps; and
- Incorporating relevant data, such as USDA Census and AGM historical data, into grant decisions.

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NEW YORK STATE | Department of Agriculture and Markets

KATHY HOCHUL
Governor

RICHARD A. BALL
Commissioner

Response to Recommendation 1 – AGM generally agrees with this recommendation. AGM has continuously evaluated the FPIG program over its 20-year history and will continue to do so. Numerous adjustments to the process have been made over the course of the entire program. Such evaluation is what led AGM to offer an accelerated award process incorporated into each of past FPIG-RFA grant opportunities and move from an RFP to an applicant supported RFA solicitation. AGM staff have a deep understanding of the program and its historical participation. AGM will continue to assess the program and make changes as necessary.

OSC Recommendation 2 – Work with various stakeholders to tailor outreach and administrative support activities to best serve their needs and promote participation in the Program.

Response to Recommendation 2 – AGM generally agrees with this recommendation; however, it is important to note the Farmland Protection Implementation Grant program relies upon locally led efforts to identify/select which farms are submitted for FPIG funding consideration. AGM does not enter into an agricultural conservation easement with the participating landowner(s), rather the land trust or other eligible entity.

Thank you for the opportunity to comment on the draft report. If you need anything further, please feel free to contact Shelly Taleporos, Director of Internal Audit.

Sincerely,

Richard A. Ball
Commissioner

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