

CHAPTER 5: ECONOMIC DEVELOPMENT

AGRICULTURAL INDUSTRY RETENTION, EXPANSION AND RECRUITMENT STRATEGIES

NJ Department of Agriculture – Economic Development Strategies

Each year, the NJ Department of Agriculture (NJDA) releases economic strategies that are outlined for specific groups of agricultural industries such as produce, seafood, dairy, equine and organic farming among others. They also release general strategies as they pertain to the agriculture industry as a whole. A well known example of one of these strategies is the *Jersey Fresh* brand of goods developed to help better market goods produced within the state of New Jersey. The NJDA has worked with the Department of Corrections as well as the School Lunch Program to ensure government purchases of Jersey Fresh produces to better utilize New Jersey's agricultural produce base.

This idea of identifying New Jersey agriculture products has been expended to include one of the biggest parts of New Jersey agriculture: ornamental horticulture. In 2005, NJDA introduced the *Jersey Grown* brand to allow consumers to identify horticulture products grown locally. *Jersey Seafood* as well as the proposed *Jersey Organic* labels further expand this idea to allow better marketing and exposure for New Jersey Agriculture. Milk and wine produced in New Jersey also enjoy the same benefits as they are labeled *Jersey Fresh Milk* and *Jersey Fresh Wine*. A large drive by the NJDA to promote the brand and entice local restaurants to use New Jersey products has allowed for the proliferation of the *Jersey* brand. Hunterdon County farmers reap the benefits of this as local products are marketed more directly and therefore earn more interest from buyers looking for *Jersey Fresh* products.

Institutional

Farmers Support

As a program of the New Jersey State Agriculture Development Committee, the Farm Link Program is a resource and referral center for new farmers, farmers seeking access to land and farming opportunities, landowners seeking farmers and a farmers working on estate and farm transfer plans. It also works to connect farmland owners with farmers seeking access to land and farming opportunities.

<http://www.state.nj.us/agriculture/sadc/farmlink.htm>

Marketing / Public Relation Support

Agritourism promotes the use of agricultural amenities and resources, such as open fields farm houses, live stock and other scenic components of the farm for the purpose of offering fee-based recreational opportunities. Agritourism can benefit local communities by attracting tourists to the area who not only spend time at participating farms, but spend money in other local businesses. Farmers benefit by supplementing their income from those added activities.

Agritourism may be a valuable means of supplementing farm income and may increase the sale of products produced on-site. People residing in suburban and city environments are attracted to rural areas with active farm operations. Given Hunterdon County's close proximity to New York and Philadelphia metropolitan areas, farmers have a large urban population to market an agritourism program uniquely tailored to their farm operations.

There are many Agritourism attractions and activities in Hunterdon County such as the Holcombe-Jimison Farmstead Museum, the Skylands, Wineries, etc.

- The Holcombe-Jimison Farmstead Museum, located in Lambertville, is an educational institution, restored, maintained and staffed by volunteers. It features the oldest remaining stone house in Hunterdon County and many outbuildings. Museum-barn displays include early farming and homemaking devices.
- In New Jersey's Great Northwest Skylands, agriculture and tourism are two important economic components to the Skylands' region. In Hunterdon County, there are various agricultural enterprises that offer services to the public such as seasonal farm fresh produce, horseback rides, pick your own vegetables and fruits and cut our own Christmas tree.
- In New Jersey, the wine industry is a growing industry that has a variety of wines from dry and semi-dry to sparkling, fruit and dessert wines. In Hunterdon County, there are three wineries: Alba Vineyard, Amwell Valley Vineyard and Unionville Vineyards. These wineries provide festivals and wine tasting events.

Community Farmers Markets

Eliminating the need for distributors, farmers are selling at farmstands and farmer markets and to nearby rural and suburban markets. There are four community farmers markets in Hunterdon County. These markets are located in Flemington, High Bridge and Sergeantsville and are open for business on Saturday or Sunday. (NJDA Jersey Fresh)

Efforts to market a county agricultural tourism program may increase the profits in local direct marketing. The urban markets offer even more substantial opportunities. The close proximity to one of the largest metropolitan markets in the world presents farmers in Hunterdon County with tremendous possibilities.

Community Supported Agriculture

Hunterdon County's oldest business is agriculture. Yet, over the past few decades, businesses that have located in the county have tended to be nonagricultural in nature. Municipalities should take the appropriate steps to attract businesses that use local agricultural products. At the same time that this gains the community a ratable, it also supports area farmers.



The New Jersey Department of Agriculture, Division of Marketing and Development, is host of the Jersey Fresh campaign and is also responsible for other initiatives that promote and support New Jersey agriculture. The division offers free advertising materials to farmers to use for direct marketing. The division is a resource that can be used to identify opportunities that are helpful to agricultural businesses. For instance, the division has identified an opportunity for New Jersey farmers to sell over-produced or under-valued product to the New Jersey Department of

Corrections. This opportunity would be beneficial to framers when market conditions are very poor and regaining only production costs is an appealing alternative to suffering a financial loss. Hunterdon County farmers are eligible to take advantage of this safety net if they register with the New Jersey State Treasury. Opportunities like this should be identified and information should be made available to local farmers to help support agricultural businesses in the county. Ways the CADB can help include:

- The CADB supports Rutgers Cooperative Extension and the Hunterdon Economic Partnership in efforts to maintain existing agricultural businesses and encourage new business opportunities via training and other programs.
- The CADB works with Rutgers Cooperative Extension to explore new and profitable agricultural opportunities and products, and disseminates relative information to farmers.
- The CADB investigates opportunities for farmers can sell their produce to local institutions such as schools, corporations, jails, and restaurants and takes actions to promote any such opportunities.

A CSA as a business model is generally a method for small scale farmers and gardeners to market their goods. This type of business commonly attracts ecological or organic farmers. This type of farming and marketing operates with consumers as stakeholders taking an active role in the success of the market in general. A core consumer group is developed that provides the funds for the production of goods to be shared by the stakeholders. This ensures a quality product for all those that contribute. Each stakeholder receives a portion of what products are generated as the season progresses. This approach eliminates the marketing risk to the producers as well as provides seasonally ripe produce for the stakeholders.

Currently there are no CSA's within Hunterdon County, however there are opportunities available outside of the county given the geographic location of the county and it's proximity to other agricultural areas as well as New York City.

Agricultural Education and Market Research Coordination

The CADB can play a strong role in dissemination information and sponsoring seminars and workshop to benefit landowners, farmers and local officials. Agriculture is changing in New Jersey and farmers need to keep apprised of these changes. Agricultural organization, such as the Hunterdon County Board of Agriculture or the Rutgers Cooperative Extension may suggest seminars that the CADB can sponsor or cosponsor on new and potentially profitable ideas that may improve agricultural productivity. Marketability is particularly important in today's agriculture and workshops can be held to better understand new and existing markets. By partnering with other organizations, the CADB can sponsor and/or assist in the dissemination of this important information.

Rutgers Cooperative Extension Service is a leading program on new use agriculture. This is defined as agriculture where traditional agricultural crops and live stock are used for new purposes other than food. For example, plants are grown for medicinal purposes and corn is grown for bio-diesel and other types of fuel. It is anticipated that many of these types of new-use agriculture will require large areas of farmland due to economies of scale. The potential for the farm community to benefit from alternative fuels, both as consumers of energy in their farm operations and as producers of the feed stocks needed to create alternative fuels, such as corn for ethanol and soybeans for bio-diesel. An aggressive program encompassing solar, wind and bio-

fuels energy was undertaken to help interested farmers pursue these avenues for both cutting their costs and broadening the market for their commodities.

The New Jersey Agricultural Experiment Station is the way in which Rutgers and the state of New Jersey fulfill a joint mission to provide solutions to residents. As a land-grant university, Rutgers is committed to teaching, research, and outreach. The work that NJAES does is carried out by 4-H agents, Extension specialists, Family & Community Health Sciences educators, and Agricultural and Resource Management agents. They are the ones who provide continuing-education opportunities and certification programs, work with at-risk youth, educate parents and restaurant owners about food allergies, teach proper nutrition to combat obesity and diabetes, identify invasive species, reduce pesticide use, improve soil fertility, and more.

The Rutgers School of Environment and Biological Sciences are based on the foundation of the physical and social sciences but also focus on the social and human dimensions of scientific practice in majors such as environmental and business economics or environmental policy, institutions and behavior. The CADB can use these services regarding any opportunities for farm research and testing.

The Hunterdon CADB should continue to work closely with other groups and organizations to form partners for farmland preservation. Future partners may include the Hunterdon County Chamber of Commerce, Hunterdon Economic Partnership, County Board of Agriculture and the New Jersey Farm Bureau. Working with these groups could result in such benefits as improved marketing of agricultural products, developing educational programs for farmers to be more competitive in today's economy, reducing crop damage caused by wildlife, introducing agribusiness that would use locally grown produce and ensuring the compatibility of local regulations with the needs of the farmer.

Businesses

Input Suppliers and Services

Hunterdon County farmers have indicated that there are very few farm equipment dealers within the county. There are two Agways located in Clinton and Flemington. Most farmers travel to Pennsylvania in order to buy equipment. Many of the dairy farmers are looking for specialized equipment that is unavailable in the County. Those farmers that are looking for specialized equipment now look toward the internet to find those products. The growth of internet based businesses has allowed farmers to look further beyond their immediate region to find products that would not normally be available to them. With the coverage that shipping services such as UPS and FedEx have, it gives farmers another option when looking for agricultural inputs.



For equipment repairs, most farmers “do it themselves” and try to maintain their existing equipment but there are two repair services available. There is dealer in Ringoes (East Amwell) that does repairs and sells used machinery. A farmer in Jugtown (Bethlehem Township) also

does repairs and will make on -site visits.

Product Distributors and Processors

Hunterdon County will continue to host a variety of agriculture but there will probably be a continued loss of large farms –as in previous years- due to lower profit margins of grains and loss of local feed mills. There are no major grain processing facilities in Hunterdon County. However, many farmers who continue to farm grains will likely grind their own feed and sell locally.

Anticipated Agricultural Trends

Agriculture in Hunterdon County is likely to continue its trend towards smaller, more intensive use farms. Innovative marketing techniques will be sought by many farmers to meet production needs. Part-time farmers will continue to dominate the industry. And the diversity of farming that has traditionally characterized Hunterdon County will also continue. Given these trends, the future of farming in Hunterdon County looks promising, though it may not be the romantically held notion of wide-open fields of dairy cattle and field corn.

Part-time farmers, particularly those with horses and other livestock, will continue to be important players in the County's agricultural industry and their continued existence should be nurtured. Part-time farmers often do not have the time or the land to plant enough hay or other feed for their livestock and therefore create a market for hay and grain farmers. Part-time farmers are also important because they keep land in farming and out of the hands of developers, minimizing the intrusion of residential developments on neighboring farm operations. Additionally, they often provide farmland for others to farm by leasing their land. This is particularly important for grain farming which has a low per acre value and requires a considerable amount of land to be profitable. The number of small part-time farms has stabilized over the last few years, but will continue to be a large percentage of the County's agricultural complexion, assuming the rural character of the area is preserved and there are no major regulatory changes such as significant changes in the Farmland Assessment Act.

Small farms in the County will continue to be the trend in the County. Profits may well increase as agriculture in the County enters a new phase towards smaller, more intensive types of farming, including high value crops. Whereas grains and field crops have the lowest per acre value of products (\$200-\$500 per acre), high value crops such as vegetables and horticulture tend to have a much higher per acre value (\$1,000-\$5,000 per acre). For this reason, large farms are no longer necessary for comfortable profit margins. While Hunterdon County's climate and soils are not as conducive to vegetable growing as are New Jersey's southern counties, greenhouses do not demand the climate and soil conditions and may become more popular in the County.

Market Location

Hunterdon County has a great market location due to its close proximity to New York and Philadelphia metropolitan areas. The median household income for Hunterdon County, according to the 2000 census data is \$79,888. This is well above the statewide average of \$55,146. Hunterdon has the highest median household income in the state, followed by Morris County and Somerset County. Hunterdon County had a population of 121,989 persons, according to the 2000 census. This location and population base allows for Hunterdon County farmers to market to the local populations as well as travel a short distance to tap into the large populations of the New York and Pennsylvania metropolitan areas.

Product Demand

Hay comprises 30% of agricultural lands in Hunterdon County, and it's the leading crop countywide and statewide. Corn and other grains crops, soybeans, specialty crops, nurseries, cattle, milk cows and horses also characterize the county's agricultural base. In 2004, Hunterdon County ranked first in New Jersey for hay, fourth for corn and grain and also for cattle and calves and fifth for soybeans for beans, wheat for grain, and nursery stock acreage. With this large product base, Hunterdon County enjoys large demand for its products as the population looks more toward locally grown products. The proximity to New York and Philadelphia markets also ensure a large demand for products grown close so that they arrive fresh. This trend will continue as the need for agriculture products will always be present and more agriculture lands are preserved to ensure the industry remains in close proximity to the major metro areas.

Agricultural Support Needs

As part of the process of planning future farmland preservation within the County of Hunterdon, a public meeting was held in order to garner information from the agricultural community on specific topics for inclusion in this plan. Below are the comments regarding agricultural support needs from the attendees of the first public meeting that was held.

Comments from our County Comprehensive Farmland Preservation Plan Public Meeting:

- Technical support needs to be less generic and more specific
- NRCS not helpful due to lack of manpower
- Environmental Issues (stream buffers) need to be more specific, not broad brush
- Farm credit – good but needs expansion
- More local financial participation
- Access and affordability of farm labor is an issue
- Local kids are not interested in farm labor
- Landscaping is biggest competitor for labor, can't meet the price
- Not enough farmers to lease acreage
- No ability to entice young farmers – cost, opportunity
- SADC – more flexible on housing on preserved farms
 - Need housing for children that want to work on the farm
- NJ Farm Bureau - most read
- NJ Farmer paper
- Lancaster Farming Paper – referred to as bible
- Tax impacts of preserving land, assessment should freeze at time of preservation, disincentive to improve the farm buildings
- Local Board of Ag. needs more teeth
- Deer issues need to be addressed: fencing, hunting, control
- Community kitchen to support local baked goods. Full time market needed. County and municipal support
- There was no mention of the need for value added processors within the County.

Flexible Land Use Regulations

A positive regulatory climate, such as ordinances and policies supporting agriculture, is essential for the future of farming, particularly for full-time farmers whose income relies largely, if not

entirely, on the farm operation. Regulations supporting agriculture should include ordinances that give farmers flexibility to pursue agricultural uses and recognize the need for farmers to supplement their operations with on-farm and off-farm activities and businesses. Development regulations should streamline the review process for new farm buildings and minimize the cost of the reviews. Equity protection is important to full-time farmers because a large part of their retirement security rests in the value of their farmland. This challenges the municipality to be creative and use innovative regulatory mechanisms that both achieve community goals and protect the farmer's nest.

The requirements for constructing agricultural labor housing are much less stringent than Residual Dwelling Site Opportunity (RDSO), provided the house is for non-family related farm labor. Any number of agricultural units may be constructed on permanently preserved farmland provided at least one tenant/resident actively works on the farm and there are no blood relatives to the landowner residing in the house. Any existing agricultural labor housing that is destroyed may be reconstructed. Once an agricultural labor unit is no longer inhabited by an agricultural laborer, the unit must be vacated. This policy prevents abuse of the program where the units could be rented out to non farm related tenants

Agriculture Representation in Economic Development Organizations

The following Hunterdon County organizations support the agricultural community:

Hunterdon Chamber of Commerce is an action-oriented business organization that promotes a favorable business climate for its membership and community; works with other interested organizations to develop effective mechanisms for taking action on issues of community interest; and provides business leadership for improvement of the economy and quality of life in Hunterdon County, New Jersey.

Hunterdon County Agriculture Development Board (CADB) takes the lead role in farmland preservation and to help guide future policies. Their mission statement is to "Promote the present and future of Hunterdon County agriculture by preserving agricultural land and by promoting public education and agricultural viability."

Rutgers Cooperative Research and Extension Service is a grassroots organization where the needs of the community take precedence over programs designed at other levels of government. The programs offered by Rutgers Cooperative Extension are often the first step that farmers take when in need of help and advice on developing programs to help economically.

Hunterdon County Soil Conservation District is are special purpose subdivisions of the State. In cooperation with the State Soil Conservation Committee, they are empowered to conserve and manage soil and water resources and address stormwater, soil erosion, and sedimentation problems that result from land disturbance activities. They assist farmers with implementing soil and water conservation plans to add value to their operations.

Municipal Agriculture Boards play an important role in Hunterdon County's farmland preservation program by educating landowners about the program, providing a regulatory climate that is suitable for agriculture and by cost sharing.

All of the above organizations provide support for farmers in Hunterdon County, allowing them to advance their livelihood economically and continue to thrive in the agriculture industry.

Agricultural Support Implementation

In order to continue the viability of farming in Hunterdon County, the needs of the agriculture industry need to be met. One of the largest parts of support for the agriculture industry that needs improvement in the county is the technical support that is available. NRCS has been identified as a good resource; however they lack staff persons to allow for greater interactions with farmers. Tied in with this aspect, is the fact that the support given needs to be more specific. If further staff was available, there could be more specialized care given to farmers on an individual basis. The cost of the additional manpower would have to be provided by the federal government if NRCS is to be expanded.

Further help from the federal as well as state government is needed to ease the burden on farmers. Environmental restrictions such as stream buffers cut into the already limited acreage available for farming. A more detailed approach needs to be taken to ensure that farmers are not unduly penalized under broad brush regulations. Further action at the state level to resolve issues regarding agriculture industry support can come directly from the state Agriculture Development Committee. Currently there are tight restrictions preventing family members from building houses on preserved farms. The agricultural industry in Hunterdon County has called for a reform of this restriction to allow for children of farmers to be able to live on the farm in order to make provisions for children that want to continue the family farming business.

At the local level, interest in farming as an occupation has slowed creating a need for industry support at the most basic level. If there are no farmers to farm the land, the industry will suffer. Since local kids are not interested in farm labor and there are not enough farmers to lease all the land available, there needs to be more done to entice farmers and their children into the industry. Public education and outreach is one step that can be taken to show the benefits of local farms. The 4-H Fair does a good job of this type of outreach and participation is growing each year the fair is held.

The County is looking into the possibility of developing a community kitchen in order to make it available for local farms to take advantage of and sell local baked goods at farmers markets. As the popularity of “eating local” rises, there will be increasing opportunities for farmers to showcase their products and gain interest in farming as an industry. To further this goal, the county is also looking to change the way that open space funds are able to be used in order to better invest in the stewardship of the lands already acquired as well as the possibility to use the funds for community projects such as these. This will also allow municipalities greater range to use their portion of the county open space tax to better support the agriculture industry at the local level.

