



Report of the
Agriculture
Transition Advisory Committee

Submitted to Governor-elect Phil Murphy and Lieutenant
Governor-elect Sheila Oliver

January 1, 2018

EXECUTIVE SUMMARY

Agriculture is the state's third largest industry in NJ – 9,100 farms contribute an annual economic output of over \$1.1 billion. NJ is a "top 10 state" in producing multiple crops from blueberries to tomatoes. The Agriculture Transition Advisory Committee proposes that the Governor-Elect consider the following recommendations to accomplish these priorities:

I. Priority: Provide 100k more NJ households with additional food assistance

The committee recommends the Governor-elect immediately restores the "Heat and Eat" program. By spending approximately \$3.2 million from federal energy assistance accounts to increase annual energy assistance payments, the state would generate an additional \$170 million in federal Supplemental Nutrition Assistance Program (SNAP) benefits. Over 100,000 NJ households would then receive additional food assistance.

II. Priority: Reinvigorate Jersey Fresh and make agriculture more financially sustainable

The Governor should direct the Department of Agriculture (DOA) to organize a stakeholder process to make recommendations on how to revive this critical NJ program. New Jersey should also join the rest of the country to permit farmers and others to sell home baked goods based on other state models that protect public health.

III. Priority: Enhance extension services

NJ Agricultural Experiment Stations (NJAES) provide critical technical support services, world class research, and guidance for farmers. The Governor should include language in the FY19 budget requesting that Rutgers support NJAES by filling key positions and creating greater certainty for the program's future.

IV. Priority: Improve deer management

Farmers are experiencing unsustainable crop loss from wildlife. The Governor should direct the Department of Environmental Protection (DEP) to work with the Department of Agriculture to establish a strategic deer management plan, including consideration of a single annual farmer depredation permit, valid seven days a week.

V. Priority: Support urban, niche and beginner farmers

The Secretary of Agriculture should work with NJAES to expand opportunities for urban, niche, and beginner farmers by increasing access to land. The State should also permit farmers with fewer than five acres of land to accept SNAP and WIC benefits.

VI. Priority: Build environmental partnerships with NJ farmers

DEP should encourage best management practices to address the impact of climate change on farms and water pollution. The Governor should also consider providing low interest loans for farmers transitioning to practices that reduce carbon in the atmosphere and pollution.

VII. Priority: Rural economic development

The Governor should empower the DOA to develop a sustainable rural economic growth strategy. This plan should include expanding broadband internet access in rural communities and exploring the establishment of the Coastal Plains Wine Corridor.

REPORT

I. PRIORITY: FEED THOUSANDS OF MORE NJ RESIDENTS

i. Recommendation: Support the “Heat and Eat” program

New Jersey has an opportunity to increase a critical nutrition program for thousands of NJ residents under the federal “Heat and Eat” program. Governor Christie eliminated this program and vetoed numerous legislative attempts to make a minimum Low Income Home Energy Assistance Program (LIHEAP) annual payment of \$21 per household in order to qualify for a standard utility allowance under the Supplemental Nutrition Assistance Program (SNAP). NJ Policy Perspective has found that maintaining the “Heat and Eat” program would bring \$53 in benefits for every dollar invested. By spending approximately \$3.2 million to increase its annual energy assistance payment to \$21 per household, the state would generate \$170 million in federal SNAP benefits. This \$3.2 million might not even have to come out of New Jersey’s coffers; most other states that extended Heat and Eat are using federal funds from the LIHEAP program. The committee highly recommends the Murphy Administration immediately restore the “Heat and Eat” program. By restoring this program, over 100,000 NJ households will receive additional food assistance.

ii. Recommendation: Coordinate and streamline food insecurity programs

Food insecurity programs such as SNAP, WIC, School Breakfast, School Lunch, Special Milk Program, Child and Adult Care Food Program, Food Assistance for Disaster Relief, Fresh Fruit and Vegetable Program, Summer Food Service Program and Farmers Market Nutrition Programs are currently funded and managed across multiple departments. The lack of coordination and distinct locations for all of these food related programs results in confusion that inhibits efficient service delivery. The committee recommends that the Governor consider centralizing these programs into two departments to increase efficiencies and reduce administrative costs: Agriculture and either Human Services or Health. More research is needed on federal requirements that specific programs reside at a specific agency. Success is measured by increased utilization and more efficient service delivery.

Similarly, the state should work with the federal government to streamline the application process for these programs. Non-school entities are allowed to operate multiple child-nutrition programs but they are required to submit applications for each. Streamlining the process to allow public and private organizations to complete one application would remove some of the administrative burden. The application process is currently a federal requirement. The committee recommends Governor-elect Murphy work with the state’s Congressional delegation to urge USDA to streamline applications and thereby increase utilization. There should be no cost.

In addition, the programs within the School Nutrition Programs in the Department of Agriculture are the National School Lunch Program, the School Breakfast Program, the After-school Snack Program, and the Special Milk Program. These programs are available to eligible public and non-profit private schools and child care institutions. Access, utilization, non-payment and bullying in cafeterias are problems with the programs that need to be addressed. Applications for these programs should be made easier for schools and parents. The committee recommends that the Governor support creating one streamlined online application for school districts and nonprofit nonpublic schools. This would save money and time and increase efficiency by eliminating the

manual entry of student information from thousands of paper applications. Cost should be minimal. Increased program utilization rates are a measure of success.

iii. Recommendation: Notify parents of food programs

The Summer Food Service Program provides critical food security to thousands of children across the state. This program fills a critical gap when students do not have access to the school-based nutritional programs. Unfortunately, the DOA has failed to notify students promptly when new summer food service sites are created. The committee recommends that the Governor support requiring that students be notified by their schools before school closes for the summer to increase utilization and awareness of these important programs.

II. PRIORITY: REINVIGORATE THE “JERSEY FRESH” PROGRAM

The Jersey Fresh program is vital to the success of New Jersey farmers. However, drastic funding cuts over the course of a decade from a peak of \$1 million down to \$50,000, have all but shuttered the successful marketing campaign. The current budget barely covers the cost of the inspection and grading program. Competition from surrounding states, such as Pennsylvania’s “PA Preferred program” has increased.

The program has seen several branding campaign expansions through the years such as Jersey Grown, Jersey Bred, Jersey Seafood, and Jersey Firewood. The current budget barely covers the cost of the inspection and grading program.

Within the first 100 days, the Governor should direct that the Department of Agriculture convene a stakeholder process with farmers, retail food outlets, marketing and university experts, and other interested parties to gather innovative ideas on how to reinvigorate the Jersey Fresh campaign. Special attention should be paid to co-branding, cross promotions, public-private partnerships and working with the state’s major institutions. This process should lead to a set of recommendations presented to the Governor.

In addition, the Governor should consider:

- Expanding the definition of Jersey Bred to include all poultry and livestock.
- Creating new incentives for Jersey Fresh promotion at supermarkets, broadcasting the “Buy Jersey Fresh” message on electronic traffic message signs for periods through the growing season and using other unique avenues for messaging where the state is already interacting with the public, such as providing promotional materials when processing paperwork at the DMV. The Division of Travel and Tourism could be distributing “Jersey Fresh” promotional materials as well.

III. PRIORITY: MAKE AGRICULTURE MORE FINANCIALLY SUSTAINABLE

Farmers also need access to new business development opportunities. New Jersey is the only State in the country without a law allowing home baked goods to be sold legally. The committee recommends joining the rest of the country to permit farmers and others to sell home baked goods based on other state models that protect public health. Other areas that should be considered include: allowing farm beer and cider brewing bill similar to NY State, and legalizing the production of industrial hemp. Allowing more

activities that tap into the market for “agri-tainment” or “agri-tourism” on preserved farms will be crucial in allowing these farms to adapt to future market conditions. These actions may have nominal costs for departments implementing newly implemented laws. However, some of this should be offset with permit or licensing fees where appropriate. Success will be measured if these laws are enacted.

New Jersey’s State government spends millions of dollars on the procurement of fresh produce for its departmental commissaries, school cafeterias and in-house catering. The committee recommends that the Murphy Administration consider creating a performance-based program that prioritizes the procurement of produce from New Jersey based farmers. The DOA working with the Department of Treasury could identify key performance metrics that will advance key state goals such as reducing pollution, energy and water use and economic goals.

The New Jersey horse racing industry has struggled in recent years with a reduction in competitive purses at the State’s racetracks as well as smaller incentives for breeder programs. In 2009, the percentage of horse farms in the farmland preservation program was 11%. Horse farms comprised 8% of the total acres preserved. Acreage supported by equine-related interests made up 25% of the total farmland in New Jersey. The committee recommends the Governor-elect take action to clarify the production exemptions for the horse industry as they relate to stall rentals. Confusion on this issue has plagued small equine business owners. To support this important agricultural sector, the committee recommends lifting the federal sports betting ban. This action could bring significant resources to our racetracks from the \$150 billion sports betting market. This money could help revitalize the struggling racing market as horse tracks are legally able to offer sports betting under State law. This summer the Third Circuit court upheld the lower court ban on sports betting. The Thoroughbred Horsemen’s Association and the State of New Jersey appealed the ruling to the US Supreme Court and arguments were recently heard. A decision in the State’s favor would infuse much needed revenue into the struggling industry and at no cost to the State. Success would be measured by an increase in purse money, longer racing seasons, and increased interest in the state’s races.

IV. PRIORITY: SUPPORT NEW JERSEY AGRICULTURAL EXPERIMENT STATIONS AND OTHER EDUCATION PROGRAMS

NJ Agricultural Experiment Stations (NJAES) are critical to the state’s agriculture industry. Through its Cooperative Extension offices in all 21 NJ counties, NJAES (housed at Rutgers) is the main source of technical support that farmers, ranchers, the nursery industry, and landscape professionals use to make sound land-use decisions. In addition, nine off-campus centers focus on agricultural research along with the world-class research center on the George H. Cook Campus. Unfortunately, between 2008 and 2016, the State withdrew 24% of NJAES’ funding.

The budget deficit of over \$8 million has caused a hiring freeze and announcement of potential cooperative extension staff lay-offs. Further loss of expertise and experience, as cooperative extension staff become eligible for retirement in the next few years, is unsustainable for the state’s agriculture programs. In addition, the committee is concerned about NJAES recently pulling county-level agents into state-level program director roles without replacing the county-level position.

The committee recommends that the Governor work with the Legislature to include budget language in the FY18 budget urging Rutgers to support NJAES by filling key positions. Further, the committee recommends if Rutgers is unable to resolve the issue within a reasonable timeframe, the NJAES funding should be separated from Rutgers FY2019 budget as a distinct line item.

Agriculture education in colleges and high schools for the mechanical and horticulture skills needed for farming should also be supported. Similarly the committee recognized the importance of youth programs

such as Future Farmers of America (FFA), 4H, and Vo-tech. The average age of a New Jersey farmer is sixty. The next generation of farming families may not have the same interest in farming as previous ones did. The state has invested tremendous resources to preserve farmland with an expectation that the land remained farmed.

V. PRIORITY: EXPANDING WILDLIFE MANAGEMENT CONTROLS & DEVELOPING NEW TACTICS

Wildlife damage to agricultural crops remains a chronic concern for New Jersey farmers. Farmers report routinely experiencing annual crop losses of up to 40% from wildlife. Deer populations are also a public health concern given the burden tick borne illnesses place on our health care system, not to mention the reduced quality of life experienced by those suffering from illnesses such as Lyme disease. Deer are also a major cause of traffic accidents. Furthermore, the overpopulation of deer is contributing to a loss of critical habitats needed to maintain native species and biodiversity.

The committee recommends that the Murphy Administration direct the DEP to work with the Division of Fish and Wildlife and the Department of Agriculture to establish a strategic deer management plan that develops target population numbers for a sustainable herd. The Plan should address providing immediate relief for farmers by establishing a single annual farmer depredation permit, valid seven days a week, for all wildlife specifics. The permit could be renewed automatically if prior year crop damage occurred. The Plan should also consider:

- Conducting a re-evaluation of deer populations, similar to the infrared aerial study done in 1997;
- Investigating ways to increase allowable deer hunting if meat is to be donated to food banks;
- Expanding the current regulation that allows farmers to hunt property they own with a farmer license to include farm properties they lease as well;
- Allowing bow hunting during the summer months;
- Identifying high priority state land where focused wildlife management is needed;
- Whether the implementation of the Right to Farm Act's requirement to prepare Agricultural Impact;
- Adopting an "Earn-A-Buck" program that could be implemented for all seasons in every zone, with an increase in the number of does taken per buck until the population has reached a scientifically acceptable level.
- Providing liability protection for landowners from the responsibility for game code violations committed by hunters while hunting on the landowner's property and other liability issues; and
- Investigating the possibility of classifying deer as varmint, at least in the most over-populated zones.

These recommendations can be performed by existing department staff. These measures will be deemed a success when farmers have a reduction in annual crop loss; residents experience fewer car accidents with deer, increase in native vegetation in precious ecosystems and there is a reduction in Lyme disease.

VI. PRIORITY: SUPPORT URBAN, NICHE AND BEGINNER FARMERS

Farm management tends to lack diversity in New Jersey. Other states have studied how lack of land access, farming education, farm employment and other barriers have entrenched that lack of diversity and the State could benefit from a careful review of the policy recommendations in those studies. Land access

is commonly acknowledged as the number one barrier for anyone attempting to transition to production agriculture. This is especially difficult for beginner farmers, small, organic, niche, and urban farmers.

The committee recommends all departments and agencies adhere to the provisions of 4:1C-45 and identify unencumbered unutilized parcels of land. The Governor could provide special access to parcels under five acres for lease to urban, niche, small, organic, and beginner farmers. Parcels larger than five acres could be made available for lease to any farmer within the state. The committee also recommends that the Governor consider eliminating the following barriers: extend tax benefits to farms under five acres if it is the primary source of family income; extend right to farm protections to farms under five acres; remove the department of health regulation that prohibits farms under five acres from accepting SNAP and WIC; direct the DOA to develop a state-level program that aggregates the expanding types of urban agriculture initiatives, work with educational institutions, the private sector and nonprofits toward the abatement of food deserts and the expansion of economic development opportunities in urban areas related thereto; limit all state owned land leases to in state residents and businesses unless no other applicant applies; encourage local planning and zoning boards to encourage urban farming as a means of ending urban food deserts; encourage farm workers to become managers and owners by establishing loan programs at EDA specifically for beginner farmers to purchase equipment; establish a pilot program in Green Acres for acquiring land in urban areas for community farms and pollinator habitat. The cost to implement these reforms should be minimal, if any, as all functions can be performed by existing department/agency staff and resources. Success should be measured by increasing the diversity in the New Jersey farming community and establishing more small, niche, urban, organic and beginner farms.

VII. PRIORITY: CLIMATE SOLUTIONS & GREEN INFRASTRUCTURE ON FARMS

Climate change is already resulting in decreased yields, weather related die offs, and less predictability. In addition, reducing water pollution and flooding, improving native wildlife habitat continues to be a high priority. The Committee recommends that the Murphy Administration should encourage the use of best management practices, such as use of cover crops and reduced till, that can decrease soil erosion, improve water infiltration, sequester carbon, and increase nutrients and organic material in the soil. These practices can reduce the consumption of water, fertilizer, and fuel while increasing overall yield, improving the farm's bottom line, and providing temporary cover and forage for wildlife. Installing native vegetative buffers can further improve the sustainability of a farm by reducing soil erosion, decreasing sediments and nutrients entering nearby waterways, and decreasing flooding while providing important resources to New Jersey's native wildlife. The recent SADC efforts to encourage these practices on preserved farms should be supported. The unique and trust based relationships between Rutgers Extension staff and working farmers should be used to promulgate these techniques. In addition, consideration should be given to making low interest loans available through EDA to farmers transitioning from traditional agriculture methods to practices that utilize innovative methods to reduce pollution including carbon. The state should encourage the DEP to consider common-sense rules for farm based composting and recycling of food wastes and brush and lawn wastes where the products of those activities are to be used on farm.

The State should maximize all federal grants and other programs to protect waterways and forested ecosystems. The partnerships between the U.S. Natural Resources Conservation Service, state agencies, nonprofits, cooperative extensions and others should be expanded especially in key areas such as the Delaware River basin.

VIII. PRIORITY: SUPPORT CRITICAL AGRICULTURAL RESEARCH WITH IMPROVEMENTS TO THE PHILLIP ALAMPI BENEFICIAL INSECT REARING LABORATORY

The Phillip Alampi Beneficial Insect Rearing Laboratory, a 21,000 square-foot special use facility constructed in 1985, is one of the nation's leaders in the discovery, research, and rearing of beneficial insects for traditional agricultural lands and forests. The biological pest control methods developed at this facility allows state entomologists to establish insect rearing techniques and mass produce beneficial insects which, when released, help reduce invasive insect and weed populations. These entomologists are the first line of defense against pest exposure from imports through our massive port system. Last year alone 6.25 million shipping container units, 47 million tons of bulk cargo, 663,000 vehicles, and 140,000 tons of break bulk cargo came through our northern Port of New York and New Jersey. The laboratory has reduced residents' exposure to thousands of tons of pest control agents, thereby reducing the impact of these chemicals on the environment by employing insects to kill said pests.

The current administration has failed to prioritize necessary repairs at this facility and financially constrained the laboratory by freezing fees it charges for services (the fees were also frozen at the NJDA Animal Health Diagnostic Laboratory and the NJDA Plant Laboratory). The committee recommends that the Governor urge the Commission on Capital Budgeting and Planning to prioritize full restoration of capital funding for repairs at the Phillip Alampi Research Laboratory. These funds will provide for the installation of new HVAC equipment, ductwork, and piping; installation of a building automation system; and revise the electrical power system to comply with current building codes. Portions of the building have remained closed for a decade now as a result of deteriorating conditions and these improves will allow the staff to use more laboratories to compete for more research dollars and to rear insects. This funding should come from the Commission on Capital Budgeting and Planning's budget. The measure of success is a full utilization of all facility laboratories, increased yield of insects, and market rate charges for services.

IX. PRIORITY: DEVELOP A RURAL SUSTAINABLE ECONOMIC GROWTH STRATEGY

Special attention is needed to NJ's rural communities which have unique challenges in maintaining important services and sustainable economic growth. The committee recommends that the Governor empower the DOA to development a sustainable rural economic growth strategy. This plan should include expanding broadband internet access in rural communities and exploring the establishment the Coastal Plains Wine Corridor.

The governor should also work to receive more federal funding and grants for rural areas and projects from the federal government.

i. Recommendation: Deploy strategy for broadband internet in rural communities

Access to broadband internet is a fundamental requirement in the 21st century economy. Children that live in areas lacking broadband have difficulty completing school assignments. Businesses have no ability to maintain and operate websites which eliminates the fastest growing customer base. People living in rural areas without internet have less economic opportunity, which leads to entrenched poverty. New Jersey rural families living in poverty are the invisible poor.

The committee recommends that the Governor elevate the need for broadband access to all New Jersey residents. The BPU should work in consultation with the Department of Agriculture to explore all solutions to end the digital divide by finding a responsible way to provide access to broadband internet for those our government has made to feel invisible during this last administration. The current BPU negotiation with Verizon is woefully inadequate to address the broader problem of access for all rural communities. Nor should the burden to provide broadband be placed solely on one company. The new administration recognizes that providing a stronger and fairer economy means having access to broadband internet. The committee also urges the administration to implore all of our federal representatives to visit these rural communities and take a message back to Congress that New Jersey needs more than a one size fits all “urban” designation for our state which prohibits us from competing for numerous federal programs, including programs that would address internet access in our rural communities. Perhaps cost sharing deployment of infrastructure with internet service providers while requiring a certain volume of residents commit to subscribing within a given area should be explored. Increased access to broadband internet in rural communities would indicate success of this measure.

ii. Recommendation: Create Coastal Plains Wine Corridor Study Task Force

Winery and vineyard production has expanded rapidly over the past two decades. Expansion is naturally concentrated heavily in one geographic region, creating a unique opportunity to brand this region as its own distinct tourist destination. The growing number of wineries in the southern counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Monmouth and Salem will pave the way for an even greater tourist economy in decades to come. These counties are entirely or partially designated by the federal government as an American Viticulture Area known as the Outer Coastal Plains, which covers over 2.25 million acres in southeastern New Jersey.

The committee proposes a regional designation, to brand and promote all the relevant counties as the “Coastal Plains Wine Corridor.” This branding should include but not be limited to visually pleasing signage on highways in the region welcoming tourists to the “Coastal Plains Wine Corridor.” As part of the branding and visibility program, the State should establish a sister program for towns and counties within the region to participate by branding themselves as a “Coastal Plains Wine Town or County” or “Jersey Fresh Wine Town or County.” Any town or county willing to adopt the designation and accompanying signage would be required to participate fully with local wineries that ask for way-finding signs as part of programs like the Tourist Oriented Directional Signing Program (TODS).¹ The administration should also eliminate all remaining barriers to participation by wineries in TODS or any other similar program.

The Coastal Plains region can compete to become the Napa Valley of the East, but this burgeoning economy requires acknowledgment and resources to realize its full potential. The State should aggressively promote wine tourism in the area with the highest density of vineyards and help farmers transition towards this crop. Grapes are a high-value crop that have helped many farmers stabilize their business enterprise. The committee recommends that a special program in the Economic Development Authority (EDA) be developed in consultation with expertise from the Rutgers Agricultural Experiment Station Program. These wineries should have access to EDA loans for winery expansion, vineyard establishment, and equipment purchase. Vineyard

¹ Note that, this branding campaign may not be appropriate for Cape May County, as the county is pursuing a distinct USDA ACA designation with the federal government.

expansion will also help alleviate the grape shortage, an issue that has been raised annually at the State Agricultural Convention. Loan programs will assist with the high cost of establishing vineyards since it takes years before grapes can be harvested for profit.

Establishing the “Coastal Plain Wine Corridor” will have some hard costs, including sign creation, purchasing and placement costs. The Division of Travel and Tourism should also produce materials promoting the region as well as a landing page with information about the wineries in the “Coastal Plains Wine Corridor.” The measure of success for the program is an increase in wine tourism as well as a reduction in the grape shortage.

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The Governor, Lieutenant Governor, and the entire senior transition team staff greatly appreciate the immense amount of work, participation and expertise that all our co-chairs, committee members and deputy directors who staffed each committee provided since the transition began in November. This hard work and positive energy about how New Jersey can once again become a national leader has resulted in a robust set of recommended priorities and actions for the incoming administration to consider. As with any collaborative endeavor, many recommendations and opinions were expressed and debated during the committee meetings and the drafting of the reports by co-chairs, committee members, and Deputy Directors. The final reports may contain recommendations that do not reflect the concurrence of all co-chairs or committee members, nor of the organizations they represent. These reports are purely advisory and do not reflect the positions of the Governor-Elect or any other elected official.