

Statewide Farmland Preservation Formula

What is the Statewide Farmland Preservation Formula?

Adopted April 7, 2025, the Statewide Farmland Preservation Formula, often called the Statewide Formula Value (SFV), offers landowners another value to choose from when seeking to protect their farm. Because farmland has value beyond what the market can capture, the Statewide Formula enhances payment based on the agricultural and natural resource characteristics of the property.

How is the Statewide Formula Value Calculated?

Formula Description

Two appraisals are completed for the property; the base value for the formula is **50% of the certified “market value unrestricted” or the fee simple land value, of the property**. Additional value for agricultural and natural resource characteristics could add up to 30% to the base value. Factors that value the property’s unique local importance can give an added boost, but together, these characteristics can generate an easement offer of up to a total of **80% of fee value**.

The landowner may choose to take up to two additional restrictions, each of which can add 5% to the easement value, **for a maximum formula value of up to 90% of the property’s fee value**.

■ Base Value	= 50% of Certified Fee Value
■ + Agricultural Resources (Top 3 Scores)	= 20% Maximum of Certified Fee Value
■ + Natural Resources (Top 3 Scores)	= 10% Maximum of Certified Fee Value
■ + Local Importance Factors	= 15% Maximum of Certified Fee Value
■ = Total Formula Value w/o Additional Deed Restrictions	= 80% Maximum of Certified Fee Value
■ + Voluntary Deed restrictions	= 10% Maximum of Certified Fee Value
■ = Total Formula Value w/Voluntary Deed Restrictions	= 90% Maximum of Certified Fee Value
■ Adjustments for Retained Residential Opportunities	= - 4x max per acre offer per opportunity
No deduction for existing dwellings; if none exist, no deduction for up to two future dwellings.	

Agricultural Resources

Characteristics listed below are attributed points; the top three scores are converted to a % value increase:



- Soils
- Size
- Tillability
- Adjacent to or within ½ mile of other preserved farms
- Water supply permit for irrigation

NEW JERSEY
State Agriculture Development Committee
P.O Box 330
Trenton, NJ 08625-0330

phone: 609-984-2504
email: sadc@ag.nj.gov
web: www.nj.gov/agriculture/sadc

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Natural Resources

Characteristics listed below are attributed points; the top three scores are converted to a % value increase:

- Groundwater Recharge
- Upland Forest
- Hydrology (wetlands and flood hazard mitigation)
- Adjacent to or within ½ mile of preserved open space or conservation lands
- Surface water quality (streams)

Local Importance Factors

The following categories are less common and if a property has them, each can add 5% to easement value:

- Risk of conversion to a non-agricultural use because of proximity to a State Growth Area
- Buffer to critical infrastructure, such as a military base
- Unique importance

Voluntary Deed Restrictions

Landowners may choose neither, one, or both of the following deed restrictions; these are in addition to the standard deed of easement and each can add 5% to the easement value.

- 10% impervious cover limit – This restriction limits structures or surfaces that prevent infiltration of water into the land to covering a maximum of 10% of the preserved property.
- House size limit of 2,500 square feet – This restriction limits any future residential building retained on the premises or on a nonseverable exception area to 2,500 square feet of heated living space. If an existing residence is rendered uninhabitable by an event beyond the landowner's control, the residence can be rebuilt up to the square footage existing as of the date of preservation, or 2,500 square feet of heated living space, whichever is larger.

Adjustment for Retained Residential Opportunities

For each future residential building opportunity retained in excess of two, your development easement will be reduced by four times the maximum per acre easement value derived by the formula. There will be no reduction for any residential buildings existing at the time of the farmland preservation closing. If fewer than two residential buildings exist at the time of preservation, the landowner is eligible to reserve up to two residential opportunities without a deduction. This adjustment does not apply to agricultural labor housing.



For Example:

Easement value: \$6,000 per acre

Reduction in total value: \$24,000 per opportunity

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