

Discussion Points

1. According to Rutgers University, in the 10 years from 2002 to 2012, the State lost 90,000 acres of its farmland, 17.7% of its fruit farms, 14.2% of its vegetable farms, and 29.1% of its nursery operations, and there was a 27% decline in the number of farm supply wholesalers. Furthermore, the percentage of New Jersey farms that are middle income farms with \$250,000 to \$1,000,000 in gross sales declined from 10.3% in 1987 to 5.2% in 2012.

- **Question:** *What is the significance of these changes for the New Jersey economy? What action would the department recommend to halt these declines and bolster these sectors of the State's agricultural economy?*

The agriculture and food complex (comprising all agricultural sectors, food processing, food wholesaling and retailing, and the food-service industry) is a \$105 billion-a-year piece of New Jersey's economy, making it the third-largest sector, behind only pharmaceuticals and tourism, according to recent Rutgers University and Department of Agriculture research. The total farm-gate value of crops and other products sold by New Jersey farmers – either direct to the public or into the larger food-supply chain – has held steady at approximately \$1.1 billion annually for the past several years

While New Jersey has seen a reduction in both number of farms and the ancillary businesses that supply farmers, the average size of New Jersey farms has increased from 71 to 79 acres in the five years between the two most recent USDA Census of Agriculture surveys. This suggests that those who are most profitable are investing in increasing the size of their farms.

The two most important policy approaches for increasing the number, size and profitability of farms in New Jersey are the preservation of farmland, specifically farmland that is to remain in production, and the preparation of the next generation of farmers to inherit and take over the operation of their families' farms.

On the first issue, the recent approval by voters of the constitutional amendment to dedicate a portion of the Corporate Business Tax funds to farmland preservation and open space acquisition has secured stable funding for these purchases, instead of relying on a series of ballot referenda.

As for preparing the next generation of farmers, multiple factors have an impact. First and foremost is encouraging the children of existing farmers to take over their families' operations, as well as interesting new residents who have not previously farmed to get involved in the industry. The children of existing farmers need to see that their parents' hard work is not only personally fulfilling but also economically sustainable in order for them to want to continue the family farming tradition. That means ensuring a vibrant and thriving marketplace for the products their farms produce. As for encouraging new people to get into the business, the approach must be to provide clear and predictable paths to either purchasing land on which to farm or renting privately or publicly held lands on which to begin an operation.

Discussion Points (Cont'd)

Finally, the preparation of a next generation of farmers depends upon exposing young people to the potential of an agricultural career through school. Programs like FFA and 4-H offer solid, hands-on and classroom exposure to the myriad of agriculture-related careers, whether they are directly on a farm, in support services such as veterinary medicine or crop science, or as part of the industries into which farmers sell their products. NJDA continues to place a high premium on maintaining the relationships the Department has with these programs in schools throughout the state and on developing Science, Technology, Engineering and Mathematics (STEM) curricula related to agriculture.

2. Diseases in livestock and other farm animals are always a concern to successful agriculture and to those charged with guarding the public health. For example, the department periodically reports cases of equine encephalitis and equine West Nile viruses.

- **Question:** *Please explain briefly the department's program for preventing and combating cases of disease in livestock and other farm animals. Is the program sufficiently funded?*

With respect to diseases that may affect animals, the Department program focus is on import control, surveillance, investigation and quarantine. The Legislature has provided the statutory framework and the Division of Animal Health has implemented regulations under the statutes providing the guidance to investigate, educate, implement and enforce these components of the program. The statutory framework includes: N.J.A.C. 2:2 "Disease Control Program", N.J.A.C. 2:3 "Livestock and Poultry Importation", N.J.A.C. 2:5 "Quarantines and Embargoes on Animals" and N.J.S.A. 4:11 "Commission Merchants, Dealers and Brokers, and their Agents."

The Department's disease control effort relies on both active and passive disease surveillance programs. The Division responds to approximately 300-400 field investigations a year. Many are unscheduled cases solicited from animal professionals under N.J.A.C. 2:2's disease reporting requirements, or N.J.A.C. 2:8 "Humane Standards for Domestic Livestock" reporting requirements. The Department of Agriculture, Animal Health Diagnostic Laboratory (AHDL) runs 30,000 tests a year monitoring the incidence of diseases of economic and zoonotic importance occurring within and outside our borders. This surveillance investigation and testing has allowed the state to be declared free of important livestock diseases by USDA.

A number of disease control programs rely solely on the efforts of the NJDA laboratory as required in statute.

- **Question:** *Is avian influenza a potential problem in the State?*

Since the outbreak of Avian Influenza (AI) in NJ in the 1980s and worldwide re-emergence in 1997, avian influenza continues to be a risk in New Jersey.

Discussion Points (Cont'd)

Since December 2014, the United States Department of Agriculture has confirmed over 200 cases of highly pathogenic avian influenza (HPAI). As of May 1, 2015, this outbreak has affected wild birds and domestic poultry in 16 states and 109 farms, killing or leading to the destruction of more than 16 million birds. To date, no cases related to the current outbreak in other states have been detected in New Jersey.

During the calendar year 2014, the New Jersey Department of Agriculture tested 21,850 individual birds and 921 environmental samples for AI as part of the routine statistical monitoring programs that represented more than 2.6 million New Jersey birds in backyard flocks, retail markets, game bird facilities and commercial poultry.

Avian influenza viruses can sometimes cross species barriers and directly affect humans. The current strain of avian influenza detected in the United States poses no immediate concern to public health, but the ability of AI to cross species barriers, especially through swine, means a mutated virus could have public-health impacts.

While no cases related to the current outbreak of AI in other states have been found in New Jersey, a recent case prior to this outbreak illustrates the potential for the disease's economic impact here in New Jersey. In September 2014, three New Jersey premises were found to be infected with avian influenza. Several countries, mostly in Southeast Asia, placed immediate trade embargos on poultry products moving out of New Jersey, resulting in an estimated revenue loss of \$1.2 million for New Jersey's poultry industry. If New Jersey suffers an outbreak of HPAI similar to that currently being experienced by Midwestern states, expected business loss due to movement restrictions and trade embargos on New Jersey products would be devastating to New Jersey's agricultural economy.

- **Question:** *Are there real and present concerns about the crossover of diseases of livestock and other farm animals to humans? If so, what is the department's role in investigating and preventing disease crossover? Is the effort sufficiently funded?*

There are diseases in humans and animals that crossover from humans to animals and animals to humans. There is a constant concern and the import restrictions, surveillance, investigation and quarantine already identified play a crucial role in prevention. Here again, the Animal Health Diagnostic Lab (AHDL) plays an essential role in diagnosing disease agents.

These disease agents include avian influenza, equine encephalitis, West Nile, rabies, Lyme disease, etc. These zoonotic diseases pose a significant public-health risk and have devastating health effects on animal productivity.

The steps for investigation and prevention of these diseases are very similar to the measures discussed in the response to diseases control and avian influenza questions.

Discussion Points (Cont'd)

The Division of Animal Health plays a critical role protecting animal and public health. The challenge is to keep up with constantly emerging disease threats.

3. The enactment of Senate Bill No. 837 of 2014 as P.L.2014, c.16 (C.4:1C-32.7 et seq.) established a pilot program authorizing special occasion events, such as weddings, lifetime milestone events, or other cultural or social events, to be conducted at wineries on preserved farmland under certain circumstances. The State Agriculture Development Committee (SADC) is tasked with administering the 44-month pilot program.

- **Question:** *How many wineries operate on preserved or partially preserved farmland? How many of those wineries on preserved or partially preserved farmland are participating in the pilot program?*

The SADC has identified 20 wineries (or winery licensees) potentially affected by P.L. 2014, c. 16, because the winery is either located on a preserved farm or is otherwise associated with preserved farmland (e.g., the winery is on unreserved farmland but has common ownership with preserved farmland that is in grape production.) The SADC will continue to update this list as new wineries are established and new information becomes available. Not every winery on this list will be part of the pilot program. Several preserved farms with wineries have “exception areas,” or other areas that were excluded from the farmland preservation deed restrictions at the time of preservation, where the deed restrictions do not apply. Wineries that hold special occasion events within an exception or excluded area are not subject to the provisions of the law, and therefore are not part of the pilot program. If a winery holds a special occasion event on deed-restricted farmland, it is subject to the law and must participate in the pilot program.

The law defines a special occasion event as “a wedding, lifetime milestone event, or other cultural or social event as defined by the appropriate county agriculture development board....” The CADBs have been working to develop such definitions, but until each county adopts its own definition or otherwise provides clarification to its winery owners on what it considers to be a special occasion event, a precise number of wineries participating in the pilot program cannot be reliably determined.

- **Question:** *Section 3 of P.L.2014, c.16 (C.4:1C-32.9) allows the SADC or a county agriculture development board (CADB) to order an audit of a winery engaged in conducting special occasion events. How many audits have been ordered by the SADC and each CADB since the enactment of P.L.2014, c.16?*

No audits have been ordered pursuant to P.L. 2014, c. 16. The SADC does not expect any audits to be requested before winery operators submit their first income certifications to the CADBs in early-2016 following the first full reporting year of the pilot program. (Under the law, each winery in the pilot program is required to annually certify to their CADB that their gross income from special occasion events for the calendar year accounts for less than 50 percent of the winery’s annual

Discussion Points (Cont'd)

gross income.) The SADC is in the process of drafting regulations governing any audits conducted by the SADC in accordance with the law.

- **Question:** *Prior to the enactment of P.L.2014, c.16 with the Governor's recommendations, Senate Bill No. 837 (1R) of 2014 would have permanently allowed special occasion events to be conducted at wineries provided they met certain criteria. The conditional veto of S-837 (1R) changed this provision to be a temporary allowance. While P.L.2014, c.16 does not explicitly require a report on the pilot program, does the SADC foresee the pilot will be discontinued, extended, or made permanent? Will the SADC report about the program, and make programmatic or legislative recommendations related to authorizing events to be conducted at wineries on preserved or partially preserved farmland?*

It will be the Legislature and Governor's role to determine whether the pilot program will be extended or made permanent, but the SADC expects that the results of the pilot program will be helpful in informing any future decision-making regarding winery special occasion events.

4. The New Jersey Wine Industry Advisory Council, established in the Department of Agriculture pursuant to section 3 of P.L.1985, c.233 (C.4:10-77), is charged with assessing the status of the wine industry in the State and administering the New Jersey Wine Promotion Account for research, development, and promotion of the New Jersey wine industry. The account is credited annually, in an appropriation by law, with an amount equal to \$0.47 per gallon on all sales of wines, vermouth and sparkling wines sold by plenary winery and farm winery licensees licensed pursuant to R.S.33:1-10.

- **Question:** *How much has been credited to the New Jersey Wine Promotion Account each year since 2006, in order to advance the State's wine industry in accordance with P.L.1985, c.233? How much has been expended from the account each year since 2006, and for what purposes? What are the results of these expenditures?*

Since 2006, \$1.621 million has been collected and placed into the NJ Wine Industry Advisory Council account. Each year, and following NJ Department of Treasury regulations, the NJ Wine Industry Advisory Council advertises for grant requests seeking project proposals on behalf of research, education and promotion of the New Jersey Wine Industry. Save for a small amount used for administrative purposes, all the money that is received, is disbursed.

The yearly collections have been broken down by year and are as follows:

2006 - 115,520.83

Discussion Points (Cont'd)

2007 - 127,171.66
2008 - 135,846.45
2009 - 132,737.87
2010 - 144,666.47
2011 - 160,362.59
2012 - 190,798.38
2013 - 189,099.33
2014 - 210,352.05
2015 - 214,696.47
\$1,621,252.10

Past grant awardees and a synopsis of their projects include:

Garden State Wine Growers Association

The Garden State Wine Growers typically receive most of the funding each year. This organization represents most of wineries in New Jersey, is the umbrella organization that provides advertising and promotional activities benefiting all New Jersey wineries. Examples include: To promote Wine Trail Events and Wine Festivals throughout the state.

New Jersey Liquor Store Alliance

To promote NJ Wines through a broad network of retail outlets. Conduct 300 in-store samplings and provide NJ Wine marketing kits to targeted off-premise consumption retail licenses.

Rutgers, Peter Oudemans

Integrated Pest Management

Maintain and develop the capacity for vineyard research and demonstration at the Rutgers Agricultural Research and Extension Center. Research projects include herbicide efficacy and safety trials, insect behavior and feeding trials, germplasm storage and mother plants for budwood collection. Monitoring, timing and control tactics for critical native and invasive insect species that threaten NJ wine grape production.

Rutgers, Daniel Ward

Enhance Extension Programming for the Wine Industry.

Rutgers/NJAES has initiated a new center, The NJ Wine Research and Education Center. To develop a new website that will include valuable and new tools for the industry and to enhance the extension educational programs for the industry.

Rutgers, Dean Polk

Monitoring, Timing and Control Tactics for Critical native and Invasive Insect Species that Threaten NJ Wine Grape Production

Establish a monitoring procedure for the brown marmorated stink bug (BMSB) in NJ vineyards, and determine population levels, dispersal patterns and evaluate commercial controls. Integrate BMSB management for existing vineyard pests. Establish a

Discussion Points (Cont'd)

monitoring procedure to detect if the spotted wing drosophila (SWD) is present in vineyards. Continue to refine the timing for grape berry moth and evaluate commercial controls.

Sylvia's Children

To promote the Jersey Shore Wine Festival held at FirstEnergy Park in Lakewood (Ocean County). Held in partnership with the Lakewood Blue Claws organization. Introduce wineries to potential new customers in Ocean County and beyond.

5. The honeybee is essential to New Jersey agriculture because it pollinates about a third of the food that people consume, such as fruits, nuts, and vegetables. For several years, the State's honeybee population has been on the decline due to various factors including adverse weather and disease.

- **Question:** *How much did the State honeybee population actually decline in 2013 and 2014, and what is projected for 2015? What impact has the loss of honeybees had on New Jersey's beekeeping industry and New Jersey crops?*

There was a 6.5-percent increase in the number of registered beekeepers (1,814) in the state in 2014, and a corresponding 4-percent increase in the number of apiaries (2,419) compared to the numbers recorded in 2013. Unofficially, there could be between 3,500-4,000 beekeepers in the state. This is the result of increased interest in beekeeping by the general public.

Declines in honeybee populations occur twice a year. The first decline is winter death loss and the second loss occurs during the growing season, usually from parasites, diseases and/or starvation. Due to the incredibly harsh winters that occurred during 2013 and 2014, the percentage of winter loss increased in the state from 31 percent to 32 percent. An average of 20-percent loss occurs during the growing season, resulting in a 50-percent reduction in colonies per year. These lost colonies are replaced annually in the spring by beekeepers bringing in package and new hives to replace lost colonies.

The majority of the winter death loss can be directly attributed to poor Varroa mite control by beekeepers. Beekeepers that provide no control for mites lost an average of 49 percent of their colonies, while those that provided some control measures lost about 25 percent of their colonies (for an average of 37 percent across both categories). These same percentages of bee colony declines could be projected for 2015.

Over 16,000 colonies, a 3.7-percent increase, were brought into the state by commercial beekeepers to provide pollination services for fruit crops, blueberries and cranberries last year. This increase in colonies entering the state for pollination services has been observed over the last four years. The 37-percent increase and 3.7-percent increase are two distinct statistics. More colonies are being brought into the state annually by commercial beekeepers to provide pollination services to the agricultural community. There remains the same number of commercial beekeepers in the state

Discussion Points (Cont'd)

that provide pollination services (4-5) for agricultural crops. Hive inspections (KPI's) deal with the increased number of beekeepers in the state (primarily hobbyists) who have their hives checked for parasites, diseases and overall colony health.

- **Question:** *What steps has the department taken to reduce the loss of the honeybee population in the State? Does the department have any plans or programs to help increase the honeybee population going forward?*

The Department has actively trained beekeepers on proper bee husbandry, focusing mainly on Varroa mite and disease control. Moving forward, the Department will continue to expand these educational outreach activities to educate both beekeepers and the general public about the benefits of bees and their role in agriculture.

The Department's apiarist, in cooperation with Rutgers Continuing Education, conducts beginning beekeeping courses on an annual basis, educating 240 new beekeepers a year in the art and management of bee colonies. Since 2007, a total of 4,000 people in the state have taken these beginning beekeeper courses.

Additional beekeeping outreach courses are presented by the apiarist to members of the 10 branches of the New Jersey Beekeeper Association to re-educate beekeepers about the biology, diseases and parasites encountered in the industry and to provide new management techniques for their control. In 2014, over 120 beekeepers were educated through these outreach courses.

Thirty additional presentations were made to growers, health officers and schools to educate the public and public officials about the importance of bees to agriculture and the difference between bees, wasps and hornets. The Department works with the New Jersey Beekeeping Advisory Board and the New Jersey Beekeepers Association to develop outreach materials for dissemination to beekeepers and the public, to help them understand the problems facing the beekeeping industry and teach them what to do to help honey bees and native pollinators prosper.

Over the past four years, the Department has participated in the Federal National Honey Bee Survey in an attempt to document which bee diseases, parasites or pests of honeybees are or are not present in the United States. These national surveys are sponsored by the USDA APHIS, ARS and the University of Maryland. Their effort is primarily focused on establishing the absence of exotic bee pests, the Asian honeybee and Slow Paralysis Virus. Samples that are collected and submitted are also analyzed for other diseases and parasites known to be present in the U.S. The compilation of this data (disease and toxin loads) in honeybee populations may help to understand the complex cause of poor colony health and Colony Collapse Disorder.

6. After years of being nearly last in the nation for its participation in the federal School Breakfast program, New Jersey is now showing strong improvements. The State recently moved

Discussion Points (Cont'd)

to 37th nationally, compared to its previous ranking of 46th for participation in this critical child nutrition program.

- **Question:** *What has the department done to increase student participation in the School Breakfast program? What is the department doing to further increase student participation and improve the State's ranking in this program?*

As of the recently released FRAC report, New Jersey has moved up to 28th in the nation. NJDA has worked closely with the School Breakfast Coalition, and we have awarded USDA Breakfast Program Improvement grants to schools. The staff at the Division of Food & Nutrition provides ongoing support through training and technical assistance.

Note that per New Jersey law NJSA18A: 33-10, public schools in which 20 percent or more of the enrolled students are eligible for free or reduced-price meals by October 1st of each school year shall establish a School Breakfast Program in the following school year and must submit to the New Jersey Department of Agriculture (NJDA) an implementation plan. The Division prepares letters for the affected schools and provides support as needed through implementation.

In addition, NJAC § 2:36-1.6 requires schools whose breakfast participation rate falls below 50 percent to submit a revised school breakfast plan to include changes designed to increase breakfast participation. The Division prepares letters for the affected schools and provides support as needed to increase participation. Via a joint memo between the Department of Agriculture and Department of Education dated January 17, 2012, schools were prompted to think creatively to increase participation in the School Breakfast Program, including changing service models to "Breakfast in the Classroom." If this method of service is selected, it "could be considered part of instructional time."

In November 2015, a law was signed encouraging a public or non-public school participating in the Federal School Breakfast Program to increase the number of participating students in the program by establishing a "breakfast after the bell" program, C.18A:33-11.1. NJDA has included this encouragement in the above referenced correspondence to schools.

7. In November 2014, a constitutional amendment was passed that changed the allocation of Corporation Business Tax (CBT) revenues for environmental purposes. In the proposed FY 2016 budget, new budget language provides for the transfer of 36.5% of a portion of the CBT revenue, or \$16.87 million, to the Department of Agriculture, and directs the Secretary of Agriculture to establish, implement and oversee a program to provide funding, including loans and grants, for the preservation and stewardship of land for agricultural or horticultural use and production.

- **Question:** *What will be the impact of this allocation of CBT revenue on the department? Please explain how the department intends to implement and administer the program to provide funding for the preservation and stewardship of agricultural*

Discussion Points (Cont'd)

or horticultural lands. What does the department consider “stewardship?” How much will be used to pay for salaries and other staff costs?

The State Agriculture Development Committee (SADC), an “in but not of” agency within the Department of Agriculture and chaired by the Secretary of Agriculture, administers the State’s Farmland Preservation Program. With the allocation of \$16.87 million to the Farmland Preservation Program, the SADC and its county, local and nonprofits partners will continue farmland preservation efforts under the SADC’s existing procedures and regulations.

The SADC looks to intensify its efforts to leverage available State funds and to maximize use of non-State funding that may be available, including from local governments, federal programs and NGOs. Most alternative funding sources require additional restrictions on farms to be preserved, so landowners must be willing partners for such program funds to be utilized.

The constitutional dedication provides for the Farmland Preservation Program to “provide funding, including loans and grants.” As the SADC has not been authorized to provide loans for farmland preservation in the past, the agency will need to explore this issue and determine the feasibility of creating a loan program.

While the term “stewardship” can be broadly defined, for the purposes of farmland preservation, the SADC sees this term as relating primarily to capital projects implemented on preserved farmland to enhance conservation of the agricultural resources of a farm. For example, State bond issuances prior to the Garden State Preservation Trust (GSPT) Act specifically included funds for soil and water conservation cost-share grants to owners of preserved farms. These funds are utilized to provide up to a 50-percent grant to farm owners to implement projects such as installation of drip irrigation facilities in order to conserve water, or installation of an erosion control practice to conserve the soil resources of a farm. The SADC anticipates that a portion of the CBT funds will be utilized to once again fund this program and other resource conservation opportunities that may develop in the future.

- **Question:** *Does the department intend to send project lists to the Garden State Preservation Trust and the Legislature for their respective approval, as has been done over the last 15 years or so?*

It is the SADC’s role to comply with the mandates of the program as approved by the voters in 2014.

- **Question:** *Please provide a financial status update on the Farmland Preservation Program for FY 2015 and its spending projections for FY 2016.*

The Farmland Preservation Program is currently funded from three sources: Garden State Preservation Trust (GSPT) funds, and the 2007 and 2009 Farmland Preservation bond funds. The SADC administers four preservation programs: State Acquisition, County Grants, Municipal

Discussion Points (Cont'd)

Grants and Nonprofit Grants. Appropriations bills were last approved for the program in 2013 and 100 percent of the funding provided to the Farmland Preservation Program has been appropriated.

By the end of FY15, it is anticipated that approximately \$127 million, or 12 percent of the total appropriations from the three funding sources, will remain to support additional closings.

The SADC projects expenditure of \$55 million in FY16 based on the number of farms already granted final approval by the agency. These funds do not include the \$16.9 million in anticipated CBT funds.