



Annual Report 1998

**State Board of
Agriculture
(609) 633-7794**

State Board of Agriculture

Richard E. Nieuwenhuis, President

The State Board of Agriculture is New Jersey's highest official agricultural body and is responsible for establishing policies within the framework of agricultural laws for the New Jersey Department of Agriculture. As part of that role, the eight-member Board approves rules and regulations, sets program priorities and approves budget requests.

The policies set by this Board affect the state's agricultural community and, therefore, state law mandates that the members of the Board must be people who are involved in producing farm crops or livestock products. In carrying out its responsibilities during the year, the Board held special public meetings and participated in other farm and agriculture-related activities to become fully aware of the issues facing agriculture.

Richard E. Nieuwenhuis, a Passaic County nurseryman, was elected president and Asa C. Cadwallader, a Salem County dairyman, was named vice president of the State Board of Agriculture in July 1997. Two new Board members, Steven R. Jany and Abbott W. Lee, representing New Jersey's grain/forage and fruit industries, respectively, took their seats on the Board. Other Board members were William N. Brooks, Jr., Salem County; Peter V. Demarest, Bergen County; Roger J. Ruske, Cumberland County; and Bix L. DiMeo, Monmouth County.

All Board members are elected at the State Agricultural Convention, nominated by the Governor and confirmed by the New Jersey Senate.

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Secretary of Agriculture
(609) 292-3976

Office of the Secretary

Assistant Secretary of Agriculture
(609) 292-5530

Arthur R. Brown, Jr., Secretary

Chief of Staff
(609) 633-7794

The Department of Agriculture pursued a variety of programs and initiatives aimed at keeping the Garden State's dynamic agriculture industry productive and profitable. The department's actions were based on a thorough analysis of the agriculture industry which created an action agenda for the future of the industry.

EEO/AA: Emergency Management
(609) 633-2954

The department administered the Jersey Fresh promotion and marketing program and the state Farmland Preservation Program, both considered national models, as well as many diverse programs designed to bolster the economic well-being of the billion dollar production agriculture industry.

Ag Policy Issues
(609) 292-5530

Ag in the Classroom
(609) 292-8897

At the same time, the department offered numerous educational, informational and outreach programs that touched the lives of virtually every citizen during the year, such as year-round breakfast and lunch programs for children and other at-risk populations, livestock and plant health testing and certification programs, soil and water conservation efforts and many others outlined in this report.

Agricultural Development
(609) 292-8897

Agricultural Leadership Development Program
(609) 633-1738

During FY98 the department welcomed many challenges and capitalized on available opportunities to create a better Garden State for all of our constituents. Throughout the year the department continued its public education and outreach efforts to make New Jerseyans aware of agriculture's economic and aesthetic benefits. In addition to its own public information program, including further development of the internet site which debuted last year, the department cooperated with other state agencies and agricultural organizations to focus public attention on the importance of the agriculture industry.

Farmers Against Hunger
(609) 777-0553

Legislative Issues
(609) 633-7794

Media Relations
(609) 292-8896

Building A Stronger Agriculture Industry

Topping a long list of accomplishments this year were legislative changes critical to the industry's viability. Chief among these was the enactment of amendments to the state's Right to Farm Act of 1983 which culminated the State Board of Agriculture's two-year effort to strengthen the legal

protections afforded by the law to responsible farm operations.

As she signed the changes into law against a backdrop of lush southern New Jersey farmland, Governor Christie Whitman re-emphasized her commitment to maintaining agriculture as a viable industry in New Jersey.

The amended Right to Farm Act protects responsible farmers who follow federal and state laws and adhere to normal agricultural management practices which do not pose a direct threat to public health and safety. In addition, the revised Act more specifically defines those operations which constitute commercial farms and farm markets and are entitled to right-to-farm protection.

The amendments also establish a conflict resolution process that begins with the county agriculture development board, a mediation process that is expected to save both farmers and municipalities litigation time and expense while encouraging farmers and their neighbors to resolve conflicts more congenially.

Other key legislative measures enacted this year to aid agricultural producers placed a stable funding measure for farmland preservation and open space acquisition on the November 1998 ballot; paved the way for New Jersey's entry into the Northeast Interstate Dairy Compact once the State of New York became a member; authorized the department to charge livestock owners for animal health testing services; established the rights of operators of equestrian facilities and the responsibilities of participants in equestrian activities; exempted personal property used directly and primarily on farms from the Sales and Use Tax Act; provided limited civil liability immunity to farmers for pick-your-own operations; and streamlined, simplified and extended the deadline for underground storage tank removal on farms.



Preserving Farmland

The state's Farmland Preservation Program (FPP) broke all records this fiscal year, preserving more than 10,000 acres. By year's end, 47,301 acres had been permanently preserved.

Two donations of development easements were included in this total. The first donation, valued at an estimated \$350,000, covered a 47- acre horse, sheep and hay farm in Ringoes, Hunterdon County. The second donation in Plainsboro, Middlesex County, involved the 200-acre Walker-Gordon farm, a large working farm with a colorful agricultural history. The donation, arranged by the Middlesex County Agriculture Development Board in cooperation with Plainsboro officials, had an estimated value of over \$1 million.



For the second year, the State Agriculture Development Committee (SADC), which oversees the FPP, was awarded a USDA grant for use in the purchase of development easements. The \$200,000 grant helped the SADC to purchase the 561-acre River Walk Farm in

Pohatcong, Warren County. The grant represented 10 percent of the total of only \$2 million available nationwide under the Farmland Protection Program created under the federal 1996 Farm Bill.

New Jersey's application received the highest ranking of any tract proposed for inclusion in the program in the Eastern Region because of the farm's tremendous ecological and economic value to the state. The property is located in an area which the American Farmland Trust calls "the second most threatened agricultural area in the United States" and has been under extreme development pressure since the 1980s.

The SADC also debuted a new program, Farm Link, aimed at farmers who want to expand their farms or prospective farmers who want to start farming. Farm Link will bring farmland buyers and sellers together and track both unrestricted farmland and deed-restricted farmland enrolled in the FPP. New Jersey's Farm Link program is an active member of the National Family Farm/Ranch Transition Network, a national clearinghouse for agricultural land-link programs.

Citing the progress of the FPP as the main agricultural accomplishment of her first term in office, Governor Christie Whitman began her second term with a pledge to establish a stable funding mechanism for the acquisition of one million acres of open space in the coming decade, about half of which she expects to be farmland.

Supporting New Jersey's Dairy

Among the most serious challenges facing NJDA this year was maintaining the viability of the state's dairy industry in the face of rapidly falling prices to farmers and potentially chaotic changes in federal pricing policies.

One key to strengthening the economic situation of New Jersey's dairy farmers could be state membership in the Northeast Interstate Dairy Compact created by the 1996 Farm Bill. The Compact minimizes the volatility of the prices paid to dairy farmers, creating a stabilized price related to the price of production. However, New Jersey's entry into the Compact would be contingent on a state contiguous to the six original Compact states, in this case, New York, entering the organization, and would require Congressional approval.

Following hearings held by the Senate Budget and Appropriations Committee, a bill to expedite New Jersey's Compact entry was passed and signed by Governor Whitman.

Based on the critical conditions facing the industry through the winter, NJDA responded to requests for emergency price relief from the New Jersey Farm Bureau and three dairy cooperatives, Land O'Lakes, Dairyalea and Milk Marketing, Inc., by holding a public hearing in November concerning milk producer prices for Class 1 (beverage) milk in the state. More than 20 individuals offered testimony concerning Class 1 milk prices and their effect on both the dairy farmer and the consumer. Several of those who testified submitted financial records comparing recent prices and production expenses to the same figures over the past four decades. In each case, production costs had risen significantly while producer prices had remained virtually the same.

Following a review of the record, NJDA issued a finding of fact and an emergency order setting a six-month minimum price of \$16.89 per hundredweight for Class 1 milk produced by New Jersey dairy farmers.

Gaining "Single Use" Facility Exemption Under The Farmland Assessment Act

In an action with implications for many of New Jersey's farmers, the Superior Court Appellate Division upheld the constitutionality of the "single use" facility exemption under the Farmland Assessment Act in *VanWingerden vs. Lafayette Township*, reversing a Tax Court decision holding the statute unconstitutional.

The amendment in question provided for an exemption from real property taxes for "single use" facilities which are designed or constructed so as to be readily dismantled and of a type which could be marketed or sold separately from the farmland and buildings. Excluded from the exemption were structures that enclosed space within their walls or were used for housing, shelter, or working office or sales space, whether or not removable.

The Tax Court ruled that the greenhouse was real property and, hence, the exemption violated the uniformity clause of the state constitution, which requires all real property to be taxed on the same basis. The Appellate Division felt that the statute was constitutional since it constituted a valid classification of personal property by the Legislature. The decision is a significant one for the state's agriculture industry since it provides for needed tax relief for farmers who have readily disassembled greenhouses, grain bins, manure-handling equipment, silos, impoundments, and other such property.

Preparing Future Agricultural Leaders

This year, the first class of participants graduated from the two- year New Jersey Agricultural Leadership Development Program. The program grew out of a partnership among the state's four major agricultural organizations, the New Jersey Agricultural Society, the State Board of Agriculture with NJDA, the New Jersey Farm Bureau and Cook College/Rutgers. Several states that want to start a similar program are looking at New Jersey's as their model.

Weathering Extremes

The severe and extended drought that hit New Jersey from June through October 1997 led Governor Whitman to request a comprehensive Secretarial Disaster Designation from the USDA to cover crop losses suffered by farmers in Cape May, Cumberland and Monmouth Counties. The request was approved, making low-interest loans available to affected growers.

In March, with forecasts of extremely cold temperatures which could seriously affect fruit crops in bloom or near bloom around the state, the department received authorization from the New Jersey Department of Environmental Protection for open burning of clean wood to help fruit farmers protect their crops. By the end of the growing season, the cold weather seemed to have most seriously affected the peach crop with major shippers reporting a 20 percent drop in the harvest due to the heavy spring frost.

Adding Agriculture To The Tourism Master Plan

The Division of Travel & Tourism, in cooperation with Prosperity New Jersey, updated the State Tourism Master Plan in FY98. The first update in 17 years, this Master Plan will serve as a blueprint to chart the development and promotion of tourism over the next decade. The document will include rural tourism destinations such as farm markets, pick-your-own farms, wineries, agricultural and seafood festivals, county fairs and equine events among the family-oriented tourism opportunities available in the Garden State.

Feeding The Hungry



The tremendously successful "New Jersey Farmers Against Hunger" effort, a food rescue and recovery program, entered its second year. Throughout the growing season, hundreds of community volunteers moved through fields and orchards, picking up good quality produce that had some small cosmetic flaw, was too large or too small to be sold through usual retail or wholesale channels or was too ripe to withstand the shipping process. Hundreds of thousands of pounds of produce gleaned from farms or donated by farmers and wholesale produce distributors was taken to Atlantic,

Burlington, Camden and Mercer County churches, shelters and hunger relief organizations which, in turn, distributed the produce to needy families or individuals or used it to enrich the menus of food pantries and soup kitchens.

Seeing Agriculture In Monmouth County

The annual tour for legislators, focusing this year on Monmouth County, was attended by 40 legislators and legislative representatives. The tour highlighted wholesale and retail nurseries, aquaculture, fruit production and farm market sales, niche marketing and the equine industry. The tour was sponsored by NJDA in cooperation with the New Jersey Agricultural Society, the Monmouth County Board of Agriculture and the Monmouth County Board of Freeholders.

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Division Director
(609) 292-6931

Central Services
(609) 292-5674

Fiscal Services
(609) 292-7738

Human Resources
(609) 292-5517

Information Processing
(609) 292-0956

Purchasing
(609) 292-7725

ADMINISTRATION

John J. Gallagher, Director

The Division of Administration provides a wide range of support services to the department's operating units. Fiscal and general administrative services, employee services and management, and information processing services are the responsibility of this division.

In support of the department's operating units, the Division of Administration's primary mission during the year was to help managers deliver essential programs and services to the state's agriculture industry and to the non-farm constituency the department serves.

Human Resources

The Human Resources office maintained programs essential to support the department's personnel objectives. These included workforce planning, classification, compensation, recruitment, salary and benefit administration, awards programs, employee relations and contract administration, performance assessment reviews, personnel policy and procedures, development and training coordination.



As of June 30, 1998, the department employed 366 people including 241 full-time employees and 125 seasonal employees. These numbers are slightly higher than in FY97, reflecting the transfer of the Bureau of Child Nutrition from the Department of Education to the Department of Agriculture.

The department also emphasized a new employee performance appraisal system that links performance to the organization's mission and goals. The new system ties individual job performance to specific program achievements, encouraging skill development and leading to job enrichment.

Fiscal Services

The department's FY98 adjusted budget for direct state services was \$9,080,000 with grants-in-aid funding of \$1,543,000. State aid for the year amounted to \$7,004,000 while capital funding of \$415,000 enabled the department to undertake improvements at the Horse Park of New Jersey and equipment upgrades in the Division of Animal Health.

Dedicated funding remained essentially at previous year's levels. Federal funds, however, showed a dramatic increase, rising to \$178,161,000 with the addition of the Child Nutrition Program.

The fiscal section continued to monitor compliance with all applicable state statutes and regulations and ensured that financial transactions were accurate and reasonable and that sufficient internal controls were in place throughout the department.

Information Technology Services

During the year, the Information Processing Unit (IPU) undertook a number of projects aimed at helping the department keep pace with rapidly changing information processing technology, such as new computer platforms, new client database programs, electronic market news reporting and geographic imaging systems (GIS) technology.

Changes proposed and implemented will significantly reduce the department's computer maintenance costs, increase system flexibility, improve the accuracy of program mailing lists, provide for more timely dissemination of vital market information and expand the management and planning capabilities of the department's many land use-related programs.

This year IPU also completed its assessment of the department's ability to meet the demands of the Year 2000 challenge, upgrading both hardware and software systems to ensure Y2K compliance.

Department Funding

Source of Funds	Amount Appropriated FY 1998	Amount Appropriated FY 1997
General State Funds		
Direct State Services	\$9,080,000	\$8,320,000
Grants-in-Aid	1,543,000	4,394,000
State Aid	7,004,000	0
Capital Construction	415,000	0
Dedicated Funds		
Commodity Distribution	1,512,000	1,511,000
Commodity/Equine Promotion	7,230,000	7,438,000
Miscellaneous	1,910,000	832,000
Federal Funds	178,161,000	1,645,000
TOTAL	\$206,855,000	\$24,140,000

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Division Director
(609) 292-3965

Animal Health

Diagnostic Laboratory
(609) 984-2293

Ernest Zirkle, DVM, Director

Disease Control
(609) 292-3965

**Interstate Shipment of
Livestock**
(609) 292-3965

The Division of Animal Health maintains disease control programs to protect the health and well-being of livestock in New Jersey. The division conducts epidemiological investigations of diseases and drug residues, operates an animal health diagnostic laboratory and manages a contagious equine metritis quarantine facility for imported horses.

Equine Health

Equine Infectious Anemia

Two separate cases of equine infectious anemia (EIA) were found in New Jersey this year. In both instances, the horses had been brought in from out-of-state. EIA is a viral disease of horses which debilitates the immune system. There is no vaccine to prevent infection from this virus which is transmitted by biting insects and contaminated needles.



EIA was common in the United States until the advent of the Coggins diagnostic test and USDA EIA regulations on the interstate transport of horses. Now, once an EIA-positive horse is identified, department personnel must locate owners of horses which might have come into contact with the positive horse so that the contact horses can be tested for the disease. When out-of-state horses are identified as possible contacts with an infected horse, those state veterinarians are

also notified.

As a result of the FY98 EIA cases, trace-back on the positive horses resulted in the testing of over 70 horses in Pennsylvania and 42 horses in New Jersey, primarily in Salem and Cape May Counties. No further cases of the disease were identified.

Eastern Equine Encephalitis

One case of Eastern equine encephalitis (EEE) was diagnosed in New Jersey last year. Although more than 20 cases of this viral disease were diagnosed in the 1980s, fewer than half that number have been diagnosed in the 1990s. Part of the disease's decline can be attributed to better horse owner education and greater awareness of the need to vaccinate horses annually against this mosquito-borne illness combined with statewide control measures implemented by the New Jersey Mosquito Control Commission.

The disease is always fatal to an unvaccinated equine while vaccinated animals suffer no ill effects if bitten by a virus-carrying insect.

Contagious Equine Metritis

New Jersey is one of 18 states approved by the USDA to receive for quarantine and testing stallions and mares imported from countries known to be endemic for contagious equine metritis (CEM), a serious equine venereal disease not found in the United States. Since it opened in 1994, approximately 200 horses have passed through the facility in Long Valley with the first CEM-positive stallion identified this year.

Reporting the positive finding to USDA revealed that laboratory procedures currently used in Germany on horses being exported were inadequate to detect infected stallions and that USDA testing requirements needed revision. Division personnel presented this CEM case report at both the Northeast and United States Animal Health Association meetings.

In an effort to standardize the handling of horses at CEM quarantine facilities across the nation, the department developed a Protocols and Procedures manual, including detailed standard operating procedures based on those used at the state CEM facility, and offered it to USDA as a model for CEM facilities to follow. Because of experiences here and elsewhere in the country with imported CEM-infected horses, at its annual meeting the United States Animal Health Association called for a special task force to review current import testing requirements. The department will continue to monitor procedural improvements closely.



Bovine Health

The department continued to offer a voluntary Johne's disease control program for New Jersey dairy farmers in an effort to control this debilitating gastrointestinal bacterial disease. It is estimated that farmers with infected herds lose \$200 per head every year. Farmers participating in the NJDA

program will have a head start on compliance with USDA's Johne's control program guidelines when the pending national program is launched.

Avian Health

In response to the avian influenza (AI) outbreaks in Pennsylvania, this winter the department cooperated in an avian influenza survey of live-kill poultry markets in New Jersey, coinciding with similar surveys of live-kill poultry markets in New York and Pennsylvania. The AI virus which causes disease in chickens was found in 50 to 70 percent of the markets tested in each state. The department will continue to work with farmers, market operators and federal and neighboring state agencies to control AI outbreaks.

Laboratory Services

NJDA's animal health laboratory conducts a wide variety of tests to support domestic livestock disease control programs, including veterinary bacteriology, virology, serology, pathology and histology. Veterinarians in New Jersey rely on the laboratory for required Coggins tests as well as tests for Eastern equine encephalitis, equine influenza, Lyme disease, Potomac horse fever, herpes virus, equine viral arteritis and Johne's disease.

In addition, the laboratory prepares specimens and coordinates testing for some foreign animal diseases and zoonotic diseases such as rabies. Through these and other services, the laboratory supports New Jersey's livestock industry by providing private veterinarians with an in-state source of disease testing that provides fast, accurate, convenient and economical animal health testing services.

National Animal Health Monitoring System

Recently USDA established the National Animal Health Monitoring System (NAHMS) to provide animal species baseline data on health and management practices nationwide. This year, NAHMS identified the horse as the survey species and New Jersey was one of 28 states selected to participate. The NAHMS survey objectives were to gather data regarding horse management practices, the prevalence of specific infectious agents and health problems including colic, lameness, parasites, and respiratory disease.

With assistance from the New Jersey Agricultural Statistics Service, the department visited randomly selected horse farms, completed horse owner surveys and collected biological samples. Completed surveys and samples were then submitted to USDA to be entered into the national database. The department will continue to work with USDA in future survey programs, including the National Animal Health Reporting System which is currently being developed.

Constituent Outreach

As part of its continuing effort to communicate with and educate its constituencies, the department hosted the second food waste symposium during Farmers' Week. This year, 20 states sent representatives to the two-day session where the group drafted a mission statement and objectives, the first steps in becoming a national organization dedicated to the advancement of commercial food waste recycling.

A conference concerning emergency livestock management was also held. The conference was co-sponsored by NJDA, the New Jersey Veterinary Medical Association, the State Police Office of Emergency Management and USDA with assistance from the American Red Cross. New Jersey's efforts to prepare for livestock care and health management in the face of a disaster continues to be an important undertaking and is gaining attention around the country. Institutionalizing the program is critical because the infrastructure used in a natural disaster program can easily be modified to handle livestock disease outbreaks as well.

In addition, this year the department collaborated with the New Jersey Association of Equine Practitioners to launch a newsletter for New Jersey horse owners. The purpose of the newsletter is to provide horse owners and horse clubs with information on current health and regulatory issues affecting the horse industry in the state.

Department personnel also worked closely with the American Horse Council and the American Horse Protection Association to draft industry recommendations for federal regulations to enforce the Safe Commercial Transportation of Equine to Slaughter Act, passed as part of the 1996 Farm Bill. Recommendations by this working group are now under consideration by USDA for publication in the Federal Register for comment.

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Division Director
(609) 292-5575

Dairy and Commodity Regulation

Dairy Industry
(609) 292-5646

Dr. Dhun Patel, Director

Dairy Data and Analysis
(609) 984-2511

The Division of Dairy and Commodity Regulation serves many facets of the agriculture industry. One of its primary goals is to help retain a healthy economic environment for a viable, competitive dairy industry where consumers are assured of adequate supplies of milk at reasonable prices.

Dairy Enforcement
(609) 292-6382

Through other activities, the division oversees the Jersey Fresh Quality Grading Program and the commodity inspection and grading programs to help maintain a constant supply of high quality, properly labeled fruits, vegetables, eggs, poultry, fish and seafood products for consumers in New Jersey and elsewhere. Certificates issued through the inspection and grading programs make it possible for Garden State farmers and agribusinesses to sell the inspected commodities in national and international markets.

Dairy Licensing and Bonding
(609) 292-5646

Milk Pricing Regulations
(609) 292-5648

Agricultural Chemistry
(609) 984-2222

In addition, the division provides services to New Jersey farmers, consumers and the food industry related to the production, storage, packing, marketing and sale of high quality agricultural products and works to protect against unfair, illegal and improper trade practices.

Commodity Inspection and Grading
(609) 984-2225

Commodity Licensing and Bonding
(609) 292-5577

The Dairy Industry

Fruit and Vegetable Grading
(609) 453-3870

New Jersey's dairy industry is an important segment of its agricultural economy. The industry includes dairy farmers, animal breeders, dairy cooperatives, milk handlers, processors, distributors and retail stores, all of which are served by the department. In FY98, the state's 198 commercial and seven institutional dairy farms produced just over 288 million pounds of milk valued at \$41 million. New Jersey dairy farmers also produced heifers, cull cows, calves, grain, hay and other agricultural items, including breeding supplies such as calf embryos and semen.

Jersey Fresh Quality Grading Program
(609) 292-5577

Maintaining the Viability of Dairy Farms in the Garden State

The last decade has been an era of extreme economic distress for the dairy industry, nationwide and in New Jersey. During early FY98, with the cost-price dichotomy exacerbated by the drop in minimum prices set at the federal level for raw milk, dairy farmers and cooperatives petitioned NJDA for price relief.

In November, the department scheduled a public hearing to take testimony from representatives of the dairy industry and others in an effort to determine the severity of the problem and assess possible relief measures which could be instituted by the department. Testimony from dairy farmers clearly indicated that, for some time, most of them had been receiving less for a hundredweight of Class 1 fluid milk than it cost to produce it, despite often dramatic increases in the amount of milk they produced and the overall efficiency of their operations.

To provide some temporary relief, the department implemented a six- month emergency regulation which set a minimum farm price of \$16.89 per hundredweight for Class 1 milk processed in New Jersey. The regulation garnered \$662,232 above the federally-mandated payments for New Jersey dairy farmers. Despite this very positive impact on the state's dairy farmers, the emergency price had no effect on prices paid by consumers for beverage milk.

The department continued to offer a variety of projects aimed at improving both the short- and long-term viability of the dairy industry. Whole herd health and management programs, including Johne's disease and mastitis control; financial management training; nutrient and crop management; and waste management improvements were all part of a comprehensive effort to help the state's dairy farmers become more profitable.

In FY98 the department provided staff support and a \$100,000 grant to the New Jersey Farm Bureau to continue the dairy self-help program for milk producers. The effort is a continuation of the Garden State Milk Quality Initiative begun in 1995 as a joint effort with Rutgers Cooperative Extension to help dairy farmers improve milk production and quality.



Fifty-eight dairy farmers participated in the voluntary dairy self- help program recommended last year by the New Jersey Dairy Task Force. Bulk tank samples were collected and cultured to test milk quality and those results suggesting a health problem in a herd were then followed up with samples from each cow. Average somatic cell counts (SCC), indicators of milk quality and herd productivity, were taken for each herd since high SCC suggests less than optimum milk quality and herd productivity.

Thanks to this program, the average SCC in participating herds has continued to drop. Given the improved milk yield resulting from lowered SCC, participating farmers received an average return of \$12,000 through the program this year. Milk quality bonuses given by some cooperatives and processors raised the figure for some farmers.

Through the financial management program launched this winter, 18 producers have completed in-depth analyses of net worth, cost of production and cash flow. Several producers used the data to obtain new financing for herd expansion and capital improvements such as new barns, milking parlors and machinery. The program will be expanded statewide next year.

Dairy Licensing, Bonding and Enforcement

In keeping with the mandate to maintain competition among New Jersey milk marketers, the department licensed 10,947 milk dealers, milk processing plants and retail stores and collected \$369,391 in fees and penalties during FY98. Penalties collected from stores and dealers for a variety of infractions increased by \$2,648 over the total for FY97.

Among the services provided by the department to New Jersey's dairy industry were the licensing and

bonding of milk dealers to assure payments to producers, the dissemination of information needed by the milk industry and the mediation of disputes within the milk processing and distribution industry. Field investigators conducted inspections of 2,500 retail outlets to ensure that they were licensed and adhering to the milk control laws and regulations.

Data Collection and Information Dissemination

In order to assess activities in the marketplace and to provide information for program and performance analysis, the department collects, processes and disseminates information on prices received by dairy farmers, milk production, milk sales, supermarket milk prices and other pertinent market data.

Dairy Organizations and Activities

The department continued to provide administrative support for the Garden State Milk Council and the Dairy of Distinction Program. Department employees helped assess candidates for the Dairy of Distinction award, staffed dairy industry meetings, and served as guest speakers at schools around the state to acquaint New Jersey youngsters with the state's dairy industry.

Dairy of Distinction Honors Awarded

Two New Jersey dairy farms received the Dairy of Distinction award this year. The honor is awarded annually to those dairy operations that are deemed the best representatives of the industry by virtue of general farm maintenance, farm efficiency, creativity, dedication and achievement in a rapidly changing marketplace. This year's honorees were the Wagner Farm in Bordentown, operated by the state Department of Corrections, and the Yellow Frame Dairy in Newton.

Commodity Regulation

Through NJDA's inspection and grading programs, growers obtain the certification they need to sell produce and plants to other states and nations. The Jersey Fresh Quality Grading Program and the commodity inspection and grading programs are among those offered by the department to help ensure a constant supply of high quality, properly labeled produce, poultry, red meat and seafood products for consumers, in New Jersey, throughout the nation and around the world.

Jersey Fresh Quality Grading Program

The Jersey Fresh Quality Grading Program is a voluntary program designed to increase sales of more than 70 New Jersey agricultural products, including fruits, vegetables, salad mixes, fresh herbs, shell eggs and cut flowers. After registering with the Quality Grading Program, growers are permitted to use the Jersey Fresh logo on their packages, indicating that the contents have been inspected and meet quality standards equal to or better than U.S. No. 1. The use of the Jersey Fresh logo in any manner requires a license from the Quality Grading Program.

This inspection standard adds a quality assurance note to the overall Jersey Fresh marketing program that is welcomed by wholesale produce buyers and consumers who want high quality products uniformly sized and packed. In addition, the Jersey Fresh Quality Grading Program helps Garden State growers stand out in an increasingly competitive regional and national marketplace.



The economic benefits of joining the program were reflected by the record-setting 227 growers who enrolled in the program in FY98. This year

more than 128.6 million pounds of product were packed under the Quality Grading Program. The program continued to supply Jersey Fresh twist ties to licensees at cost, thus bringing the Jersey Fresh logo into the consumer's home.

Commodity Inspection and Grading

With food quality uppermost in consumers' minds, the commodity inspection and grading service offered by the department is particularly important. Most such inspection services are paid for by those for whom the grading and inspections are done. In a time of shrinking state resources, this kind of self-sustaining program is particularly important. In FY98, the program collected over \$1.2 million in fees for services rendered.

Inspections performed for the poultry industry certified 1,166,182 cases of shell eggs as Grade A while 44,313,789 pounds of turkey and 11,265,230 pounds of chicken also met specified standards. Over 558 million pounds of liquid or frozen egg products and more than 9 million pounds of dried egg product were processed under departmental inspection supervision.

The inspection and grading unit also worked with growers, shippers, receivers and processors of fresh produce marketed through inter- or intrastate commerce. Inspections were made at shipping point on 7,407,226 pounds of produce, including most fruits and vegetables grown commercially in New Jersey, to ensure that it met specific standards. Terminal market inspections were also performed on 43,158,432 pounds of fresh fruits and vegetables received from other growing areas.

Inspections and certifications at two packing sheds enabled growers to ship over 2.9 million pounds of blueberries to Canada, a \$3 million addition to New Jersey's agricultural economy. Tomato processing facilities also contracted with the department for grading of nearly 38,835,300 pounds of tomatoes to ensure that they met grower-processor contract specifications.

Even the youngest consumers in the state benefited from the department's inspection efforts as inspectors at several plants certified over 270,630 pounds of diced chicken under USDA specifications for use in the federal school lunch program.

The fish and fisheries products inspection program, begun in 1986 and operated in cooperation with the United States Department of Commerce, enables the department to provide a broad range of inspection and grading services to New Jersey's commercial fishing industry, including plant sanitation surveys, product quality grading and export certification. During FY98, 15,024,300 million pounds of fresh, frozen and canned fish were certified and inspected at the wholesale level.

The Bureau of Commodity Inspection and Grading continued to maintain contact with the state Office of Consumer Protection and the Office of the Regional Director for the federal Perishable Agricultural Commodities Act in order to provide timely and proper responses to misbranding complaints.

Commodity Licensing and Bonding

Under the commodity licensing and bonding program, the department offers economic protection for New Jersey farmers who sell perishable agricultural commodities or hay, grain and straw to dealers and brokers on a credit basis. Licenses were issued to 130 produce dealers, 21 hay, grain and straw dealers, 13 shell egg dealers and two live poultry dealers. Bonds totaling \$4,413,409 were received and posted by the division. More than \$4,000 worth of growers' claims against buyers for payment for product delivered were settled.

Agricultural Chemistry

Approximately 442,280 tons of animal feed, over 193,247 tons of fertilizers and more than 231,712 tons of liming material were sold in New Jersey last year. Through inspection, sampling and

laboratory analysis of these products, coupled with enforcement actions against producers of mislabeled or substandard products, the department protects crop yields and promotes animal growth.

This year, 809 feed, fertilizer and lime manufacturers and distributors registered with the department. Field inspections covered 1,983 lots of feeds, fertilizers and liming materials to determine compliance with labeled guarantees. Of the 208 feed samples and 149 fertilizer samples collected for laboratory analysis, just over two percent of the feed samples and 10 percent of the fertilizer samples failed to meet the minimum nutrient levels stated on their labels. Of the 27 liming materials sampled, one failed to meet the nutrient label. Label or registration violations found during field inspections resulted in those items being removed from sale.

Through the agricultural chemistry program, a total of \$79,810 in registration fees and \$99,675 in tonnage inspection fees was collected. In addition, penalties totaling \$7,088 were assessed for fertilizer content violations, of which \$1,100 was refunded to farmers. Remaining penalty dollars were transmitted to the State Treasury.

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Export Market Development
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(609) 259-0170

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(609) 292-8853

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(609) 453-3870

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(609) 292-8830

Temporary Emergency Food Assistance Program (TEFAP)
(609) 292-0337

Markets

Dr. Vance Young, Director

The Division of Markets plays a critical role in the marketing and promotion of New Jersey farm products and the development and expansion of markets both here and abroad. The division also promotes New Jersey's racing and pleasure horse industry and coordinates the distribution of federally-donated foods to public feeding sites, schools, hospitals and other institutions.

Marketing

Jersey Fresh and You - Perfect Together

Highlighting the availability of the myriad of products produced on New Jersey farms is the focus of the nationally-known Jersey Fresh advertising and promotional program. With a FY98 budget of just over \$1 million, the Jersey Fresh campaign reached cable and network television viewers from the mid-Atlantic states to New England and eastern Canada, where blueberries, sweet corn, peaches and other Garden State fruits and vegetables find their largest "export" market.



From April through October, the Jersey Fresh message was seen by almost 42 million households via three 30-second seasonal television commercials and 10 commodity-specific infomercials for dairy products, nursery/greenhouse products, spring greens, blueberries, sweet corn, peppers, herbs, peaches, tomatoes and squash.

The three seasonal spots featured new tag lines in which Governor Christie Whitman joined Secretary Art Brown in saluting "Jersey Fresh and You, Perfect Together," an appropriate re-wording of New Jersey's newly revived state marketing theme, "New Jersey and You, Perfect Together."

The Jersey Fresh infomercials coincided with commodity availability and featured Secretary Brown offering information about selection, storage, nutritional value and preparation. At more than 500 of their favorite markets throughout the tri-state area, consumers could identify Jersey Fresh farm products through price cards, banners, bin wrap, stickers and posters.

In addition to these traditional, colorful point-of-purchase items, produce buyers for major retail chains also received a variety of advertising materials to support Jersey Fresh promotions in their stores throughout the growing season, including graphics packages on CD for use in print ads.

The innovative CDs gave retailers a choice of several configurations of the Jersey Fresh logo, as well as product pictures, retail information, and recipe suggestions. Radio was revisited at the end of the fiscal year with the department sponsoring weekend traffic reports for the shore areas of New Jersey. On-air announcers reminded listeners of Jersey Fresh products in season and encouraged them to stop at farm markets on the way home from the shore to stock up on fresh, locally-grown fruits and vegetables.

During the growing season, the department joined promotional forces with the New Jersey Peach Council, the Vegetable Growers' Association of New Jersey, and the New Jersey Blueberry Council to revitalize the popular Jersey Fresh sampling program. More than 120 stores were visited during the season, enabling tens of thousands of shoppers to sample seasonal Jersey Fresh products available in the produce section of the store that day.

Throughout the summer, print advertisements ran in major magazines and daily newspapers serving the tri-state area as well as in national trade papers to keep Jersey Fresh produce in the minds of retail buyers and over six million consumers alike.

During the year, \$150,000 in Jersey Fresh matching grants were awarded to 64 New Jersey agricultural organizations to create advertising and promotional programs worth well over \$300,000. Recipient agricultural organizations used their grants to incorporate the Jersey Fresh program in promotional efforts tailored to meet their specific marketing needs.

Special events played an important role in presenting Jersey Fresh to consumers in different and interesting ways, ranging from the 14th annual Vineland Jersey Fresh Festival in Cumberland County to regional festivals, county fairs, wine tastings and food shows. There was even a special Jersey Fresh horse-and-carriage driving hazard at the annual National Driving Championships in Gladstone, Somerset County, which was seen by thousands of on-site spectators and millions of television viewers.

The department also worked closely with community organizations in the state's urban areas to further the development of 35 farmers' markets. Held several times a week, the markets attracted farmers who welcomed the additional marketing opportunities and enthusiastic customers who appreciated the friendly, informal outlets for locally-



grown produce in their towns. Governor Christie Whitman's proclamation of September as "Farm Market Month" highlighted the role of these markets in the revitalization of downtown areas now re-emerging as business centers.

Many of the vendors at the urban farmers' markets joined their counterparts around the state in the fourth year of the WIC/Farmers Market Nutrition Program (FMNP). A joint venture between NJDA, the state Department of Health and Senior Services (DHSS) and USDA, the FMNP distributed \$93,000 worth of checks to over 4,600 Head Start children, pregnant or nursing women. These checks were redeemed for fresh fruit and vegetables at more than 90 authorized roadside markets and 30 farmers' markets throughout the state. This important program offers another venue for the sale of farm products while giving thousands of nutritionally at-risk children and women a convenient, affordable way to add fresh fruits and vegetables in their diets.

NJDA and DHSS also remained partners in the 5-A-Day for Better Health program. This year the 5-A-Day Coalition was reorganized. Comprised of representatives from both departments as well as individuals from the health services and retail food industries, the coalition will work to promote to New Jersey residents the nutritional benefits of eating more fruits and vegetables.

Improving the nutritional content of school lunches was the focus of NJDA's continuing cooperative effort with the U.S. Department of Defense (USDOD) and the USDA. Funding for the project was provided by the USDA as part of New Jersey's \$15 million school lunch entitlement. Under this project, NJDA used the USDOD's tremendous purchasing power to buy \$400,000 worth of fruits and vegetables. Over one-third of this amount was spent on Jersey Fresh produce for distribution to children through the school lunch program. All told, more than 700 recipient agencies shared thousands of cases of tomatoes, cucumbers and peaches grown in the Garden State.

Export Development

The department's successful international trade development program continued to support the export and promotion of New Jersey's agricultural products and processed foods in many nations around the world. Through a multi-tiered export education and resource support network, NJDA helps companies with every facet of their export experience, from their first export contact to foreign sales maintenance.

Participation in both domestic and international trade shows is key to the development and maintenance of any company's successful export program. Accordingly, NJDA works closely with state, federal and regional export development agencies to encourage and underwrite exhibits at such venues for New Jersey food companies and agricultural producers.

With over \$25 million worth of fruits and vegetables shipped from Garden State farms to Canada every year, our northern neighbor ranks as the single largest export market for New Jersey farm products. In an effort to maintain and expand that significant market, this year the department sponsored a Jersey Fresh exhibit at the Canadian Produce Marketing Association trade show in Halifax, Nova Scotia. Visits to Canada's wholesale and retail produce industry underscored the availability of New Jersey's many fruits and vegetables during the growing season.

The department also helped 12 New Jersey companies exhibit at the 1998 U.S. Food Export Showcase in Chicago, Illinois, in the spring. The show is the country's largest supermarket trade exposition as well as America's largest international trade show for food and agricultural products. More than 30,000 domestic supermarket buyers and 7,000 foreign buyers visited companies in the New Jersey pavilion during the three-day event.

In addition, NJDA coordinated the participation of seven mid-sized food processors and distributors in the ANUGA trade show in Cologne, Germany, this year. ANUGA is the world's largest international food show where 6,000 exhibitors attracted more than 200,000 international buyers. New Jersey companies attending the six-day trade show toured German retail food stores and met with numerous

European food product importers.

As a member state of the Eastern United States Agricultural and Food Export Council, NJDA distributed \$926,310 in federal Market Access Program (MAP) export development grants to 21 New Jersey food companies.

MAP, a matched funds foreign market development program, enabled the companies to expand their sales in over 25 different international markets.

Market News

The Market News Service, a cooperative federal-state venture, provides a readily accessible source of unbiased and reliable agricultural market information for New Jersey's growers and buyers.

Because access to more and better marketing information helps New Jersey growers to be more competitive, the Market News Service collects price and supply information from the Vineland Produce Auction by laptop computer. This data is then transmitted to the Bridgeton Market News Office. From there, the information goes out to New Jersey growers, farm marketers and county agents via fax, e-mail and telephone.

Faxed reports continued to grow in popularity, showing an increase of 15 percent over FY97. Even with nearly 23,000 individual reports distributed electronically, the service still logged 15,000 phone inquiries during the year. These reports, along with 700 other USDA market news reports, are also available on the internet at www.ams.usda.gov/marketnews.htm. Reports cover local, regional, national and even international markets for fruits, vegetables, grain, livestock, poultry, eggs, dairy, tobacco, cotton and specialty crops.

Fairs and Shows

The 20 agricultural fairs, certified as such by NJDA, hosted well over one million visitors in FY98. Residents of the Garden State and tourists from around the country always enjoy the variety of competitions, food, amusements and countless agricultural displays offered. Agriculture, agribusiness and agriculture education play an important part in each fair. NJDA continues to offer organizers technical assistance as well as special exhibits and promotional materials.

Equine Programs

Horse Breeding and Development

The Horse Breeding and Development Program supports the state's growing pleasure horse industry through a variety of programs, including breeder incentive awards, youth programs, educational clinics, Girl and Boy Scout badge programs, and other equine activities. Through these efforts, both children and adults learn to appreciate all that the horse industry offers to the state's individual horse fanciers and to New Jersey's economy and quality of life.

The Horse Breeding and Development Program provides financial support for the pleasure horse



industry through the New Jersey Bred All Breed Horse Show, which presented awards valued at \$33,500 in FY98, and through the Non-Racing Breeder Awards program. The latter was valued at \$85,000 this year as a result of the strong continued support of the program and the

industry.

In providing these services, the department seeks the advice of the New Jersey Equine Advisory Board (EAB), a unit of NJDA, which is composed of 48 members representing 14 different breed group organizations plus additional agricultural interests.

New Jersey's equine and agriculture industries were both highlighted during the 1997 Equine Expo in Gladstone. The event was held in conjunction with the 1997 Gladstone Driving Event, the middle jewel in the EquiSilk Triple Crown of Pairs Driving. During the Equine Expo a variety of educational clinics were presented by NJDA, the EAB and the Gladstone Equestrian Association. These clinics were geared towards Girl Scouts' horse lover, horse sense and/or horseback rider badges, Boy Scouts' animal science (horse) badge and to members of pony clubs, 4-H clubs and FFA. Additional Expo activities for both days included presentations on the different breeds of horses; various workshops covering horse health care, grooming and showmanship; and a petting farm.

Horse Park of New Jersey

The 147-acre Horse Park of New Jersey at Stone Tavern in Monmouth County is the result of years of cooperative effort involving the horse industry, state government and private not-for-profit organizations. The Horse Park of New Jersey, Inc., is a not-for-profit entity which operates the Horse Park under contract with NJDA.

In FY98, the Park marked its tenth year of operation with more than 76 days of activities scheduled from March through November. The year closed on a bright note with the dedication of the new covered grandstand and vendor area near the east show ring. Future development plans include extensive work on the outside hunt course and event course and planning for the covered work area and indoor arena outlined in the Horse Park's master plan.

Since its opening, the Park has hosted 1.2 million visitors and competitors and proven itself as one of the area's most important economic assets. Show dates, including the 1999 Regional Dressage Championships, have been reserved well into the year 2000.

New Jersey Sire Stakes

New Jersey sired Standardbreds have long been at the forefront of the industry when yearly honors were announced and the 1997 racing season proved to be no exception when \$1,000,000 Hambletonian winner MALABAR MAN was named 1997 Harness Horse of the Year by the United States Trotting Association (USTA) in conjunction with the United States Harness Writers Association (USHWA). In the past 16 years, 14 Harness Horses of the Year were either New Jersey sired or stallions who later went to stud in New Jersey.

MALABAR MAN, a son of SUPERGILL, was a sensational three-year-old colt trotter who graduated from the New Jersey Sire Stakes Fair Program where he was undefeated as a two-year-old. In the 1997 season, he won 13 of 16 starts, earning \$1,679,862. His other wins included the \$100,000 Sire Stakes Championship Final at The Meadowlands and a season-ending victory in the \$594,000 Breeders Crown.

In addition to being named Harness Horse of the Year, he was also honored by USTA/USHWA as Three-Year-Old Colt Trotter of the Year and as Trotter of the Year. He also swept the state Sire Stakes awards at the end of the season, being named Three-Year-Old Trotter of the Year, Sire Stakes Horse of the Year and New Jersey Standardbred of the Year.

MALABAR MAN was bred and is owned by Malvern Burroughs of Flemington, who, behind MALABAR MAN, became the first amateur driver to win the Hambletonian in the race's 49-year history.

Several other New Jersey sired performers also earned year-end honors in the USTA/USHWA poll, including two-year-old pacer SEALED N DELIVERED (sired by FALCON SEELSTER), who took top honors in his division, and his filly counterpart CLOVER HANOVER (sired by NO NUKES) who captured the championship in her division.

STEINAM's PLACE (sired by ARTSPLACE) was the top three-year-old filly pacer on the continent, winning in the Jugette and the Breeders Crown, while the older pacing mare MYSTICAL MADDY (sired by MATT's SCOOTER) won the honors in her division.

The New Jersey Sire Stakes Program and related programs were worth \$10,128,203 in 1997. Over \$6.7 million in purses were available at the pari-mutuel tracks plus another \$599,800 in fair events. The reminder came from restricted overnight (non-stakes) races and breeder awards.

New Jersey sired yearlings continued to bring top dollar at the fall yearlings sales where 939 yearlings were sold for a total of \$22,120,500, an average of \$23,558, well over the national average of \$14,972. The total for New Jersey sired yearlings amounted to almost 37 percent of all yearlings sold in the United States in 1997.

Of the 23 Standardbred yearlings who sold for \$150,000 or more in 1997, 12 were by New Jersey sires. Of the 12, ten were sired by VALLEY VICTORY whose 32 yearlings sold at public auction for an average \$129,781. Another over-\$150,000 yearling was by the leading pacing sire ARTSPLACE. Both stallions stand at Southwind Farm in Pennington. The remaining \$150,000 yearling was by MATT's SCOOTER who stands at Perretti Farms in Cream Ridge.

Racing Industry Study

The Racing Industry Study Commission appointed last year by Governor Whitman analyzed the needs of the horse racing industry this year, after examining statutes and regulations, in-state competition for the gambling dollar and legislation in neighboring states that impacts the economic growth and prosperity of New Jersey's horse racing industry.

With a membership that included the Secretary of Agriculture and representatives from the Thoroughbred and Standardbred associations, the New Jersey Sports and Exposition Authority, racetrack permit holders and others, the Commission brought a wide range of experience to the task.

Following a series of public hearings, combined with a review of racing in the Garden State, the Commission recommended that the Governor and State Legislature allow the Legislature to regulate racing, authorize account wagering, adopt limited off-track betting locations, consider allowing live racing operations the option of operating as off-track betting sites and provide at least \$20 million annually to augment racetrack purses and other horse industry programs and activities, including an annual revenue contribution for the support of compulsive gambling services in New Jersey. The Commission also suggested pursuit of other regulatory reforms and initiatives.

Food Distribution Programs

NJDA administers the federally-sponsored donated commodity distribution program, through which a variety of foods reach over 700 eligible recipients, including school districts, summer feeding programs and institutions. This program also serves in excess of 250,000 needy families through NJDA's needy feeding program. In FY98 the department once again accepted New Jersey's fair-share entitlement of these federally-donated foods and met its acceptance goals for all program categories served.

NJDA accepted almost 28 million pounds of USDA foods with a commercial value of more than \$16 million for use in a variety of feeding programs other than The Emergency Food Assistance Program

(TEFAP). These commodities were particularly important to the school lunch program, which provided monthly allocations of frozen, canned and dry foods to more than 2,200 schools throughout New Jersey feeding over 500,000 students daily.

The department worked with 28 commercial food processors to process approximately 6 million pounds of foods into more easily used, cost-effective, oven-ready products such as hamburgers, sandwich steaks, pizza, and a variety of turkey and chicken products. This planned and monitored conversion of bulk foods increased the value-added usefulness of federally-donated foods and helped local school districts reduce preparation time and purchase costs.

The commercial conversion of these donated foods was enhanced through the implementation and refinement of the processor selection system (PSS), which allowed recipient school districts to select foods to be processed before the start of the new school year. Both processors and schools were able to make better use of donated foods. Moreover, the system encouraged competitive pricing, improved delivery time and ensured greater consistency in product quality.

The Emergency Food Assistance Program

During FY98, federal program budget increases for TEFAP meant an increase of 800,000 pounds in foods allocated to TEFAP, enabling New Jersey to receive over 7.6 million pounds of TEFAP food. These foods were distributed through the six non-profit emergency feeding agencies to food banks, hot meal sites and pantry feeding sites which served more than 225,000 of the Garden State's neediest citizens. Typical of the 40 different federally-donated foods were canned fruits and vegetables, peanut butter, rice, instant dry milk, pasta, cereal, fruit juice and frozen beef.

Throughout the year, the department worked on development and implementation of a revised software program to serve the School Lunch Program, TEFAP and PSS. Improved data processing services were necessary to control costs, increase efficiency, and update NJDA's food distribution programs. Using cutting-edge technology, the new data system will enable the program to meet current reporting requirements. System improvements were funded through a monthly assessment to school districts and federal funds combined with program cost reductions achieved through improved management. The program will be fully operational in the fall of 1998.

Child Nutrition Programs

In July 1997, the Bureau of Child Nutrition Programs (BCNP) moved to NJDA from the Department of Education making NJDA the first state agriculture department in the nation to include child nutrition programs within its responsibilities. In its new home, BCNP enjoyed a very successful year as both the number of participating sponsors and the average number of meals served per day statewide increased compared to last year.

BCNP is responsible for reimbursing to sponsor organizations more than \$175 million in federal funds authorized for five child nutrition programs C National School Lunch, School Breakfast, Special Milk, Child and Adult Day Care and Summer Food Service. Sponsoring organizations include public and non-public schools, residential and non-residential child care institutions, day care centers, adult day care centers, family day care homes, recreation centers and other agencies that qualify for federal and state child nutrition funds.

The bureau's primary responsibilities are developing, disseminating, evaluating and approving all pertinent program documents required for participation in the programs; providing technical assistance in implementation; facilities improvement; food service methods and overall program effectiveness to sponsors of child nutrition programs; on-site monitoring of programs for compliance with state and federal regulations; and providing financial assistance.

Coordination of program operations and communications with the Food Distribution Section was eased by BCNP's transfer to NJDA. In addition, BCNP is able to communicate more effectively with the

sponsoring organizations and continues to explore many new initiatives in all of its child nutrition programs, thanks to its organizational proximity to other food distribution programs and the Jersey Fresh program.

BCNP's Summer Food Service Program, which began at the end of the fiscal year, was expected to serve 1.4 million breakfasts, 1.9 million lunches, 112,000 dinners and 210,000 supplements to over 63,000 eligible children a day at 1,136 feeding locations statewide. This is a significant increase over the number of feeding locations available last year (1,007). This year's sites were sponsored by 109 organizations, including schools, municipal governments, residential camps and non-profit private organizations.

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**Plant Laboratory
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**Seed Certification and
Control**
(609) 292-6075

Plant Industry**Robert J. Balaam, Director**

The Division of Plant Industry's goal is to safeguard New Jersey's plant resources from injurious insect and disease pests. Through its detection, inspection, eradication and control programs, the division helps to ensure that farmers and others who buy and sell plants and plant products enjoy high quality, pest-free products.

The division also oversees programs that certify plant stock for interstate and international shipments, protect forested communities from defoliation and tree loss caused by the gypsy moth, inspect honeybees for harmful bee diseases and pests, regulate the quality of plant seeds, and produce and release beneficial insects to reduce crop and environmental damage and decrease dependence on chemical pesticides.

Biological Pest Control

Under the department's biological control program, exotic and native beneficial insects are raised for release into the field to control pests of forests, fruits, vegetables, ornamental plants, field and forage crops. The release of beneficial insects reduces the need for pesticides, thereby minimizing the amount of pesticide residue in the environment and delaying pest resistance to costly pesticides. Fewer pesticide applications in the field also allows the native population of beneficial insects to increase, putting more pressure on the pest population.

This year, the department conducted eight biological control programs, four of which required laboratory rearing of beneficial insects for release into the field. The goal was to reduce specific pest populations below economically significant levels and to establish new beneficial insect species in the state.

The four programs which released laboratory-raised beneficial insects included beneficial wasps that attack the Mexican bean beetle, a pest which feeds on soybean and snap bean foliage; a new

predatory beetle which feeds on the hemlock woolly adelgid, a pest that is devastating native hemlocks in the state; a predatory beetle and two parasitoids which feed on euonymus scale, a pest of many varieties of the ornamental euonymus shrub; and two beetles which feed on purple loosestrife, an aggressive wetland plant which is displacing native plants.

During the 1997 growing season, 134,000 acres of soybeans were produced by New Jersey farmers. Approximately 107,000 of those acres (80 percent) are susceptible to feeding by the Mexican bean beetle. Small beneficial wasps which cannot withstand New Jersey winters are raised in the laboratory and released into the field each summer to kill the Mexican bean beetle larvae.

The pest population has been so significantly reduced by the parasite release program that no pesticide applications were required on any soybean acreage to control the Mexican bean beetle in 1997. This resulted in estimated savings to growers of between \$382,000 to \$1,377,000, depending on the severity of the problem. No grower participating in NJDA's biological control program has had to spray for the Mexican bean beetle since 1985.

Hemlock trees of all ages that are found in natural stands throughout the state are being decimated by the hemlock woolly adelgid (HWA) with some study sites showing mortality rates of more than 80 percent. While chemical control of the pest is relatively easy in small trees found in ornamental plantings and nurseries, it is impossible to treat most native hemlock stands due to site inaccessibility and the dense vegetation canopy over the trees.



After many years of research by NJDA and foreign exploration by USDA's Forest Service for beneficial insects that prey on this Asian pest, a biological control program focusing on three ladybug species from Japan and China is under evaluation at several locations in the Northeast.

In cooperation with USDA, this year NJDA began development of a HWA biological control program requiring establishment of a laboratory colony of one of the potential predators, *P. tsugae*, and development of a more efficient method of predator mass production. NJDA's efforts were phenomenally successful, resulting in the trial release of 75,000 beetles at 15 sites by the end of the fiscal year. Observations at many of the release sites have verified field colonization and host feeding by the beetles.

For several years, the department has been investigating beneficial insects which may be useful in combating euonymus scale, a major pest of ornamental plants. Because one type of ladybug has already proven its effectiveness on plants in landscaped areas, a pilot project was initiated this year to determine its control capabilities against other types of scale under nursery conditions. Two commercial nurseries in Cumberland County were chosen as test sites. The ladybug controlled the scale populations in the field, reduced pesticide applications and proved to be effective against several different types of scale. Unfortunately, they did not overwinter at the nursery. Additional trials will continue.

In addition, this year two parasitic wasps and a tiny predatory beetle were laboratory reared and released against euonymus scale in an effort to increase the predator pressure on this economically significant pest.

An exotic freshwater wetland plant, purple loosestrife, is displacing the native flora of marshes around

the country and threatening many animals which depend on those native plants for food and shelter. Large stands of this plant can reduce ground water recharge, decrease water storage capacity of a wetland, reduce a marsh's ability to attenuate floods, reduce open water space and species diversity, and jeopardize the health and vitality of the ecosystem. Until recently the only methods of control were expensive and temporary and impacted non-target species.

USDA research of the plant's native European habitat have found four predatory insect species -- two leaf-feeding beetles, a root-mining weevil and a flower weevil -- which have been released in several states. As part of a cooperative program with the New Jersey Department of Environmental Protection's Division of Fish, Game and Wildlife, NJDA began raising the two leaf feeders with more than 180,000 released this fiscal year at six state wildlife management areas and at two preserves controlled by the New Jersey Natural Lands Trust. The beetles appeared to have overwintered at most of the sites. The effort will continue in the coming year.

Additional programs included evaluation of gypsy moth and alfalfa weevil parasites and a fly which feeds on Canada thistle, a weed found in cultivated crops and pasture.

Pest Surveys

Nursery Inspection

All nursery stock sold in New Jersey or exported to other states or countries is required to be free of injurious pests, ensuring that ornamental plants purchased by consumers are healthy and do not contain pests that could spread to other plants.

This year, the nursery inspection staff inspected 13,514 acres in 925 nurseries to certify freedom from dangerous insects and diseases. These inspections found a total of 481 active pest infestations that required treatment. The most frequently observed pests were bagworm, calico scale, white pine weevil and two-spotted spider mites, white peach/prunicola scale, hemlock woolly adelgid, cooley spruce gall adelgid and rose mosaic virus.

Major emphasis was placed on certifying as plant dealers all landscape firms which provide nursery stock through landscaping services. As a result, 720 establishments, including garden centers, retail outlets and landscape firms, were certified as plant dealers for 1998.

In addition, the department issued 518 state and 55 federal phytosanitary certificates, enabling export of plants and plant material to other states or countries.

Vegetable Transplant Inspection

Approximately 7.3 million vegetable transplants shipped into the state for use by New Jersey farmers in the spring of 1998 were inspected by the department. This inspection is conducted to ensure compliance with New Jersey regulations which require that only vegetable plants that are certified to



be free of plant pests be permitted entry into the state. The predominant crops inspected were pepper, leek, escarole and endive as well as cabbage, collard, kale and tomato plants. No lots were rejected for disease or insect problems during 1998 and plant quality was very good.

CAPS Program

The department remained an active participant in the Cooperative Agricultural Pest Survey (CAPS) Program, a joint effort involving USDA's Animal and Plant Health Inspection

Service Plant Protection and Quarantine (APHIS/PPQ), state universities and state departments of agriculture throughout the nation. Included under the program are the European spruce bark beetle, golden nematode, the Asian long- horned beetle and the brown garden snail.

The European spruce bark beetle, a serious pest of spruce and pine in Europe first found in southern New Jersey last year, was discovered this year by APHIS/PPQ inspectors in crates at an importer's facility in Bergen County. These bark beetles are frequently intercepted in dunnage and wood crating associated with shipments of steel and other materials from European countries arriving at seaports in the Northeast. In addition to continued monitoring of survey traps for the European spruce bark beetle and other foreign bark beetles in Camden County's port area, the department also inspected survey trap sites around the Bergen County location. Neither pest was found.

Soil samples were collected from 10 potato fields in Burlington, Monmouth and Hunterdon Counties and examined for golden nematode as part of the CAPS golden nematode survey project. This was the final year of a three-year survey of potato producing areas throughout the state. No golden nematodes have been found in any of the samples collected in New Jersey. Data gathered in these surveys will be used to support export certification of international shipments of USA-grown wheat, potatoes and nursery stock.

The Asian long-horned beetle (ALB), a foreign wood-boring cerambycid beetle discovered in New York in 1996 and in Illinois in 1998, poses a threat to the forests of the northern United States. A biometric survey of 318 sites in New Jersey was conducted last year in cooperation with APHIS/PPQ but no signs of infestation were found.

In May 1998, however, a warehouse in Middlesex County which received goods from China was found to be infested with live adults and larvae of a related foreign cerambycid beetle. The warehouse was fumigated under the supervision of USDA's APHIS/PPQ. Additional sites storing similar types of imports from China were inspected with more larvae of both types of cerambycid beetles found in Bergen, Camden, Ocean and Union Counties. All infested wood crating was incinerated.

In cooperation with APHIS/PPQ, the department placed a variety of insect traps near the Middlesex County site to determine if an infestation had developed outside the warehouse. Twelve weekly checks of the traps throughout the summer revealed no foreign species.

A serious plant pest that feeds on a wide variety of plant hosts, the brown garden snail was found for the first time in Atlantic County in the summer of 1998. Currently 11 states have quarantines or regulations prohibiting the introduction and/or distribution of live plant-feeding snails. Although New Jersey does not have such a quarantine, live plant-feeding snails can no longer be moved or raised in the Garden State and a survey and control program for brown garden snail is under way.

Blueberry Maggot

NJDA continued to work with specialists from the New Jersey Agricultural Experiment Station and Rutgers Cooperative Extension, representatives of the New Jersey blueberry industry, the Canadian Food Inspection Agency and APHIS/PPQ export certification staff to develop a new certification program for the movement of fresh blueberries into and throughout Canada while reducing the risk of further spread of the blueberry maggot. The blueberry maggot, a serious pest of fresh blueberries, is a quarantine pest limiting or preventing shipment of fresh blueberries to many parts of Canada, other countries and states. The new certification program is being developed in coordination with various Canadian Provincial Agricultural Ministries, other blueberry producing states and the USDA. The current program of exporting fresh blueberries to Canada under a U.S. No.1 grade certificate is slated to expire at the end of 1998.

Seed Certification And Control

The seed certification and control program protects farmers, vegetable plant growers, the turf industry and the general public from purchasing contaminated, mislabeled, and inferior seed products that result in lower crop production and economic loss. Unfair trade practices and untruthful seed labeling can result in the introduction of noxious weeds in sod or on golf course fairways, higher farm production costs, costly weed removal, increased food costs and decreased farm income.

Of the 1,224 samples of seed tested in the department's seed laboratory, 902 were analyzed to determine seed quality and germination standards as established by the New Jersey Seed Law. Violations in the required labeling and quality standards, especially seed unfit for planting and seed contaminated with noxious weed seed, occurred in just two percent of these samples.

With particular emphasis on increasing the sampling and testing of seed sold to farmers through direct sales and from New Jersey seed wholesalers, more than one-third of the 430 samples tested this year were comprised of vegetable, turf grass and field crop seed. Of the 37 samples, representing 663,692 pounds of agricultural seed, which were inspected only two percent were found to contain prohibited and restricted noxious weed seed. This seed was removed from sale in New Jersey and administrative penalties were assessed.

An additional 139 lots of vegetable seed sold to New Jersey growers were inspected and sampled and found to be of good quality although vigor testing of several different kinds of vegetables found lower germination under stressful conditions. This service provided valuable information to growers trying to establish early planting schedules.

New Jersey golf courses purchase large quantities of turf grass seed each year through direct sales. This year 21 samples of turf grass seed, representing 23,125 pounds, were inspected and sampled for quality. Laboratory analysis found four lots (2,400 pounds) in violation because they contained noxious weed seeds not listed on the label. A fine was levied against the seed companies involved.

Twenty-six turf seed samples were taken from lots of certified turf seed shipped to New Jersey from other states. These samples were tested to determine eligibility for the inter-agency certified seed program which made 81,100 pounds of high quality turf seed, mixed under strict supervision by the department, available to sod growers.

Conservation plant material developed by USDA for use primarily for coastal soil stabilization continues to play an important role in preventing beach erosion. Plant growers entered 25 acres of conservation plant material in the certification program. Fifty-two samples of several different kinds of soil conservation plants were also tested for the Cape May Plant Materials Center for distribution to growers in New Jersey and throughout the Northeast.

Gypsy Moth Suppression

The gypsy moth is a voracious and devastating insect pest of shade and forest trees in the Garden State. However, after nearly 30 years and three major cycles of the pest, there are signs that major biological control factors are diminishing its ravages. This year, just 760 acres in two municipalities and one county park required treatment under the department's gypsy moth suppression program compared to 4,448 acres treated in 18 municipalities in FY97. The reduction is primarily due to the department's aerial gypsy moth suppression program using the biological insecticide, *Bacillus thuringiensis* (B.t.), combined with the natural occurrence and widespread distribution of a fungal disease which attacks gypsy moth larvae. Treatment costs remained under \$12 per acre.

In partnership with the USDA's Forest Service, the department continued to offer municipalities the opportunity to participate in the gypsy moth suppression program. Through the annual program, the department locates gypsy moth-infested residential areas using aerial and ground survey techniques and supervises aerial B.t. treatments each spring. The department also prepares an environmental

impact statement each year, thereby enabling participating municipalities to qualify for federal reimbursement of 50 percent of the treatment costs.

The summer aerial survey indicated that gypsy moth defoliation of the state's forest and shade trees had increased slightly from 1,910 acres in 1997 to 1,995 acres in 1998 with the heaviest damage in Atlantic, Burlington, Camden, Cape May and Salem Counties.

Apiary Inspection

During the winter of 1997-1998, New Jersey lost as much as 15 percent of its domestic bees due to the Varroa mite, tracheal mite and winter weather, a tremendous reduction from the decimation suffered in 1996. A generally milder winter, combined with improved beekeeping management practices, kept mortality low.

Although reports of feral colonies are on the rise, the number of feral colonies is still substantially lower than prior to the 1996 season when Varroa mite populations exploded in the state. Mite levels for 1998 were moderate and, with proper treatments, beekeepers were able to maintain strong colonies into late summer.



A regional research initiative involving New Jersey, Pennsylvania, Delaware and Maryland continued to search for new methods to treat mites and broaden the industry's knowledge of how mites kill honey bees. In addition, this year an independent researcher at Rutgers began looking for alternative mite treatments.

The Beekeeping Advisory Board worked closely with the department to advise the Secretary of Agriculture and the apiary program of areas which most concerned the beekeeping and

related grower communities.

The department inspected 8,200 bee colonies that entered New Jersey from other states for commercial pollination of fruit crops, blueberries and cranberries to validate the sanitary certificates issued by the shipping states. No significant parasitic mite infestations were detected among the out-of-state colonies.

Plant Inspection Services

The plant laboratory services unit provides technical support for the regulatory programs concerning seed, apiary and related programs.

One of the laboratory's primary responsibilities is to monitor the quality of seed sold by seed companies directly to consumers, especially to farmers and golf courses, the two largest consumers of expensive seed. The laboratory conducts germination tests and analyses for troublesome or noxious weeds in samples submitted to the laboratory. The results of this year's tests indicated that seed sold in the state directly to purchasers is generally of high quality and accurately labeled.

Laboratory tests were also conducted on certified wheat seed grown in New Jersey this year. All had germination percentages above the specified standard of 90 percent and were free of weed seeds.

Requests by farmers for vigor testing of sweet corn and pepper seed increased this year. Vigor testing, unlike germination testing, can be used to differentiate seed lots from each other on the basis of physiology. A seed lot with a good germination percentage might not be physiologically fit to survive or flourish in less than optimal growing conditions. While the department's surveys of seed germination assured farmers that seed would perform at the germination percentages specified on the seed labels under ideal conditions, vigor test results enabled farmers to modify planting times as well as growing and storage conditions.

The laboratory also supported the apiary inspection program by analyzing bees for Varroa and tracheal mites and testing for American foulbrood, a bacterial disease of bees. This year a new laboratory test was developed to determine if varroa mites are resistant to the miticide fluvalinate.

Liquid chromatography enables the plant laboratory to identify plant varieties, plant toxins and fungi with gas chromatography playing an increasing role in insect and microbial identifications for both plant and animal diseases. DNA technology is also being incorporated into plant pest and disease identifications.

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Division Director
(609) 292-5532

Rural Resources

**Agriculture Economic
Development Programs**
(609) 984-2503

George Horzempa, Director

**Agriculture
Education/FFA**
**(609) 984-3732 or 1-
877-AG ED FFA**

The Division of Rural Resources is responsible for a variety of services and programs that maintain and enhance the viability of New Jersey agriculture and related agribusinesses.

**Aquaculture, Fish and
Seafood Development**
(609) 292-9663

The division administers policies and programs to conserve and develop the state's soil, water and related natural resources. The division continued to establish close interdepartmental cooperation on issues including non-point source pollution control, land application of biosolids, recycling, waste management and water resources.

**New Jersey Agricultural
Statistics Service**
(609) 292-6385

The division offered a wide range of services to the agriculture industry to promote greater economic development, including regulatory mediation and mitigation, disaster relief coordination, agricultural tax assistance and other special production assistance grant programs.

**Soil and Water
Conservation Erosion
and Sediment Control**
(609) 292-5540

The division also continued its work with New Jersey's commercial fishing and aquaculture industries to help them gain a larger share of both national and international markets for their products.

**Technical Assistance on
Farm Building Codes,
Farm Tax Programs and
Regulatory Compliance**
**(609) 984-2503 or
(609) 984-2506**

As the home of New Jersey's State FFA Association, a national organization for students enrolled in agriculture education in public high schools, NJDA works throughout the year to support the organization's many programs and the more than 1,800 FFA members statewide. NJDA is the only department of agriculture in the country which administers the FFA.

The New Jersey Agricultural Statistics Service, a joint federal-state program, collected and distributed agricultural production data and conducted special surveys of the industry throughout the year.

Natural Resources Conservation

The State Soil Conservation Committee (SSCC) is responsible for coordinating programs related to the conservation and development of soil, water and related natural resources in New Jersey through a partnership which includes the 16 soil conservation districts (SCDs), USDA's Natural Resources Conservation Service (NRCS) and Rutgers Cooperative Extension Service (RCES).

The SSCC establishes statewide policy and provides technical assistance and training,



creates technical and administrative standards, administers non-point pollution control and agricultural cost-sharing programs, and establishes measures to assure program accountability at the state and district levels. The SSCC also establishes standards for soil and water management practices on construction, mining and other land disturbance activities associated with development to protect water quality and avoid damage from storm water runoff. These standards are implemented at the local level by the SCDs.

Soil Erosion and Sediment Control Act

During the year the SSCC developed revisions to the Standards for Soil Erosion and Sediment Control in New Jersey for publication in the New Jersey Register. The revisions were prepared following consultation with an advisory group comprised of builders, planners, consultants, state and federal agency representatives and other stakeholders. These standards serve as the technical basis for approval of soil erosion, sediment and storm water controls on construction activities. They include seven new storm water runoff treatment standards, developed in cooperation with the New Jersey Department of Environmental Protection (DEP), which clarify agency jurisdiction and expedite project approvals. These special standards will be implemented in accordance with a revised interagency agreement with DEP.

During the year plans for soil erosion and sediment control for more than 3,800 construction and related land development projects involving over 25,400 acres of land were certified by local SCDs for compliance with SSCC standards for soil erosion and sediment control. Under a cooperative program with the DEP's New Jersey Pollution Discharge Elimination System, storm water discharge was authorized for 550 construction and mining projects. To assure compliance with the requirements of these programs, more than 61,000 site inspections were performed by the 16 conservation districts. Compliance with certified plans was required by all municipalities as a condition for certificates of occupancy.

The SSCC, in cooperation with the SCDs, performed a detailed evaluation of the 28 municipalities which independently implement state-approved soil erosion and sediment control ordinances to ensure that appropriate controls were applied to construction projects.

Storm Water Hydrologic Model Development

Under the direction of the SSCC, SCDs have collected and compiled storm water data for the development of models on a watershed area basis. Models will enable designers and engineers to predict the storm water runoff impacts from proposed development projects and provide a uniform basis on which state, county and local entities can evaluate storm water plans.

Conservation Assistance to Agriculture

To comply with recent amendments to the federal Coastal Zone Management Act, NJDA worked closely with DEP to finalize a memorandum of understanding incorporating non-point source pollution control measures for agricultural activities into the State Plan. A voluntary approach to implementation of conservation plans by farmers was adopted with enforcement planned only at sites where pollution-generating activities are verified and conservation planning assistance is refused.

Under the state Watershed Planning and Management Act, DEP approved funding for a \$1.3 million demonstration project developed by the SSCC for installation of conservation management practices in two watershed management areas involving Cumberland, Gloucester and Salem Counties. Landowners will receive cost-sharing assistance for planning and installing non-point pollution control practices in areas of the watersheds where water quality impairment has been documented by DEP. The project will be administered jointly by the SSCC and the county SCDs.

Through continuing programs carried out in cooperation with the NRCS, conservation plans were developed for 29,275 acres of farmland. Land treatment practices installed on 6,659 farmland acres

prevented the loss of nearly 19,000 tons of productive soil. In addition, conservation tillage techniques were used on almost 15,000 acres of farmland to reduce soil loss from wind and water erosion. Nearly 22,000 acres of conservation buffers and grazing land management practices and 40 animal waste management systems were installed.

Pollution prevention control projects were implemented on 65 newly enrolled farms, involving nearly 8,500 acres of land in the Raritan/Delaware River and Musconetcong Watersheds as part of demonstration projects funded by the U.S. Environmental Protection Agency.

This year the SSCC developed a manual to help farmers identify non- point source pollution from agricultural operations and plan and install best management practices to correct such problems. On Farm Strategies to Protect Water Quality was developed as a self-help guide in conjunction with the New Jersey Association of Conservation Districts. The manual will be distributed to agricultural producers and educational seminars based on the manual will be scheduled.

Urban Area Conservation

Through the Urban Conservation Action Partnership (UCAP), a federal- state pilot program serving Bergen, Essex, Hudson, Morris, Passaic and Union Counties, several extensive and complex natural resource management projects in urban communities have been completed. Managed jointly by the SSCC and the SCDs for those counties, \$500,000 worth of projects were funded with public and private resources.

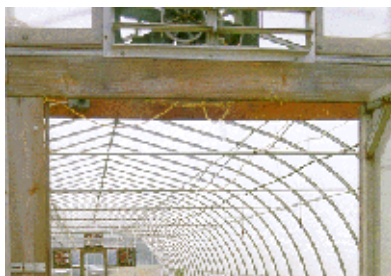
Projects included installation of vegetative stream bank buffers in Morristown and Denville, development of a plan for revitalizing the Rockaway River and establishment of farm markets in several urban communities. Renew America, a national environmental organization, gave UCAP their National Award for Environmental Sustainability in recognition of the program's achievements.

Rural Development

Streamlined Regulations

Regulatory issues remain among the most challenging hurdles to overcome in establishing or operating a farm or agribusiness. The department offers a wide range of services to help growers and businesses address individual or industry-wide issues as they arise. These services range from providing technical assistance in meeting requirements of state and local governments and locating funding sources for agribusiness expansions or starts to broad-based agricultural policy issues.

This year the farm community was particularly interested in modifications enacted to the sales tax exemption for farm operations. The statute originally provided that tangible personal property used "directly and exclusively" [emphasis added] in the production of agricultural or horticultural commodities was exempt from sales tax. As modified, the law now exempts from sales tax tangible personal property "used directly and primarily" [emphasis added] in agricultural or horticultural production.



Another tax issue addressed this year concerned the assessment of farm buildings by local tax assessors. The department worked with the Department of Treasury's Division of Taxation to amend the New Jersey Real Property Appraisal Manual as it relates to farm structures. The updated Farm Building Section of the Manual will be used by assessors during the 1999 tax year.

NJDA also worked closely with the Department of Community Affairs to modify the fact sheet for commercial farm buildings

included in the standards of the New Jersey Uniform Construction Code. Because the Code has undergone a number of changes over the last few years which have reduced construction code costs for farmers, the availability of the new document by December 1998 will be invaluable to farmers. Agricultural construction continues to thrive under the relaxed construction code, with construction of almost \$13 million worth of agricultural buildings undertaken.

To help farmers locate new or additional sources of funding, the department worked with the New Jersey Economic Development Authority, USDA's Farm Services Agency, and the Casino Reinvestment and Development Authority to develop A Financing Resource Guide for New Jersey's Farmers. The guide provides an overview of the various credit programs and contacts available to agricultural producers and businesses.

Expanded Partnerships

The department and Rutgers University co-hosted the first Food Industry Summit, attended by 140 representatives of the food industry, academia and government. New Jersey's food industry complex is one of the state's largest economic sectors with 22,000 firms, 313,000 workers, \$55 billion in sales, and a \$5 billion payroll. As a result of the conference, a New Jersey Food Industry Partnership was established which will explore and define ways to shape public policies to benefit the food industry.

NJDA, with a grant from DEP, continued last year's extremely successful pilot project to recycle clear nursery and greenhouse plastic, an effort for which the department received national recognition in 1997. To date, over 678,000 pounds of film have been diverted from landfills through the film recycling program.

Agricultural Grant Programs

In FY98, almost \$1 million in state funding was available for the department's Agriculture Economic Reinvestment and Development Initiative (AERDI), a program of economic and management training aimed at making New Jersey farms more profitable. To maximize the benefit of the available funds, it was allocated in two critical areas, revitalizing the Board of Public Utilities' (BPU) Business Energy Improvement Program (BEIP) and expansion of DEP's Division of Fish, Game and Wildlife's (FG&W) limited program to provide deer fencing to qualified farmers.

The BEIP program distributed grants and loans for investment in energy conservation measures on the farm such as renovations, equipment replacement and energy conservation and demonstration projects. Farmers were eligible for matching grants of up to \$20,000. Thanks to the NJDA's \$687,050 grant and an additional match of dollars by the BPU, 186 farmers around the state were able to participate in the program.



With the remaining \$300,000 in AERDI funds, NJDA worked with FG&W to make nearly one million feet of deer fencing available in time to protect thousands of acres of crops in the coming growing season. The grant enabled FG&W to completely eliminate the five-year backlog of farmer requests for the triple galvanized, hinged wire fence and fill new requests for the protective fencing.

In addition, the low-interest loan program, co-sponsored by NJDA and the Casino Reinvestment Development Authority, continued to make capital and operating loans to eligible farms in the nine southernmost counties.

State Plan Revisions

NJDA continued to represent the interests of the agriculture community during the State Plan revision process. The State Development & Redevelopment Plan: Reexamination Report & Preliminary Plan, the product of an extensive review of the current plan, retained as its first statewide policy the statement on preserving landowner equity. Moreover, the wording of the plan has been enhanced to promote greater support for agriculture as an industry, including a more realistic description of today's challenges.

In addition, four new agricultural policies have been incorporated into the plan covering the right to farm, wildlife management, agritourism and young/first-time farmers. These policies join the existing 16 agricultural policies.

The department also worked with agricultural interests to encourage local planning and implementation strategies that consider the needs of farmers.

Fish And Seafood Development

Although the Garden State is better known for its production agriculture, the commercial fishing industry remains an important part of the economic life of New Jersey, with almost 22,000 people working on boats, in processing plants and in the wholesale/retail sectors of the commercial fishing industry. The department is moving ahead with plans and programs that will supplement the state's \$600 million wild harvest with farm-raised fish and seafood products, an effort that is particularly important to revitalizing the oyster industry along the Delaware Bay.

Domestic and International Marketing

As other states launch major promotional campaigns aimed at New Jersey's fish and seafood markets, the department has focused its seafood promotion efforts on developing an identity for locally harvested and processed fish and seafood products. Special emphasis has been placed on promoting locally farmed clams and oysters.

This year, Governor Christie Whitman participated in the first television commercial in support of Jersey Shore seafood, a promotional effort supplemented by targeted radio spots. In addition, more than 10,000 copies of The New Jersey Maritime Heritage Cookbooklet were distributed and the department stepped up its participation in local food service and culinary trade shows.

Distribution of the New Jersey Seafood Suppliers Directory and the development and dissemination of trade leads were the cost-effective foundation of efforts to expand international markets for the state's seafood harvest. Supported by strategically placed print advertisements for the publication and its distribution at trade events, large audiences were reached at minimal expense.

Given the severe economic upheaval in traditional seafood markets, the department worked to help New Jersey fish and seafood exporters to develop a core base of buyers in diverse markets. This plan enables New Jersey companies to maintain a viable customer base while taking advantage of export opportunities offered by changes in the global economy. To assist both wild harvest fisheries and aquaculture operations, the department has begun to identify important ethnic niche markets stateside and abroad for little-known seafood products.

Aquaculture

Encouraging the fledgling aquaculture industry requires that a myriad of regulatory issues be integrated into a coherent framework that is both environmentally sound and business friendly. Many of these issues face land-based farmers as well. They include biological considerations, water supply

and quality, facility siting, use and control of near-shore land, licensing and regulations, predator control, waste discharge, financial access, technology and technical assistance and marketing. To meet this challenge the department drafted an aquaculture application, a set of best management practices and a guide book and initiated a test of the process by moving two commercial facilities, one land-based and the other open- ocean, through the regulatory process.

In addition, the department worked with the Aquaculture Training and Information Center at Cumberland County College in Vineland, to create a variety of educational efforts for both state regulators and potential entrepreneurs.

New Jersey FFA

The mission of FFA is to develop leadership and encourage personal growth and career success through agriculture education in public high schools. The agriculture education/FFA program has three components that provide a well rounded, practical approach to learning and help schools meet the state's core curriculum content standards. FFA members enrolled in secondary school agriculture courses study topics such as plant and animal sciences, horticulture, agri-marketing and natural resources. Students then apply knowledge and skills learned in the classroom to a supervised agricultural experience at home or at work. FFA, the third component, provides local, state and national opportunities in career and leadership development events. FFA connects the classroom to the workplace by providing incentive awards and scholarships for excellence.

Chapter Development

At the national level, the state FFA dairy team from Woodstown, Salem County, won the dairy career development event during the National FFA Convention, the first time in 75 years that a New Jersey team has taken the top spot in such an event. Thanks to generous financial support from the New Jersey FFA Foundation, farmers, county boards of agriculture, agricultural councils and private industry, the team was able to represent the United States at the international competition in Scotland during the summer.

FFA in New Jersey and in the nation continues to grow with 1,800 members in 34 chapters in New Jersey and 449,500 members in 7,200 chapters across the nation.

Reinventing Agriculture Education for the Year 2020



NJDA, in cooperation with the state Department of Education and the W. K. Kellogg Foundation, played a key role in New Jersey's contribution to the national initiative to "Reinvent Agriculture Education for the Year 2020." The three-year process will chart a course for food, agriculture and environmental science education in the decades ahead to ensure that agriculture education prepares young people for productive careers, offers workers advanced training in their fields of choice, builds public awareness of the industry and develops leadership for the food, fiber and natural resource systems of the future.

Agriculturists, educators, school administrators, and agribusiness leaders from around the state participated in local workshops to set local education priorities. The ultimate goal of the

effort is to establish a shared common vision for the future of agriculture education at all levels and develop a strategic plan for long-term implementation of the state vision.

New Jersey Agricultural Statistics

The New Jersey Agricultural Statistics Service (NJASS) provides basic statistical data on agricultural production in New Jersey and across the nation. This information is used to make management decisions and to formulate plans and policies. This service is a joint effort of the state and federal departments of agriculture.

This year, approximately 170 statistical surveys were conducted to provide the basis for official estimates of crops, livestock, poultry, dairy, commodity prices, labor and related agricultural information. NJASS responded to over 2,800 requests for information from citizens, farmers, government, media educators, students, and others interested in an accurate picture of New Jersey agriculture.

NJASS determined that this year the state's 9,400 farms covered 830,000 acres of land and brought in cash receipts totaling \$777 million. The average per acre value of New Jersey farmland was \$8,290, the highest in the nation.

The nursery, greenhouse and sod industry remained the leading commodity group in New Jersey agriculture with cash receipts of \$255 million. Cash receipts for vegetables totaled \$166 million, followed by fruits and berries at \$109.6 million and equine at \$101 million. Field crops brought in \$66.5 million while cash receipts for the state's dairy industry were \$41 million and poultry and eggs brought in \$26 million.

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Executive Director
(609) 984-2504

State Agriculture Development Committee

Gregory Romano, Executive Director

Farmland Preservation
(609) 984-2504

Farm Link
(609) 984-2504

Right to Farm
(609) 984-2504

**Soil and Water
Conservation Matching
Grants**
(609) 984-2504

TDR Bank
(609) 984-2504

The State Agriculture Development Committee (SADC), chaired by the Secretary of Agriculture, administers and coordinates the state's farmland preservation programs. The SADC, which is in, but not of, the New Jersey Department of Agriculture, is also charged with specific right-to-farm responsibilities relating to agriculture and oversees the newly organized Transfer of Development Rights Bank.

State funding for the year's farmland preservation purchases and soil and water cost-sharing grants came primarily from three sources: the Farmland Preservation Bond Act of 1981, the Open Space Preservation Bond Act of 1989 and the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992. Each of the three bond issues provided \$50 million for farmland preservation efforts.

Farmland Preservation Program

FY98 was a record-setting year for the Farmland Preservation Program (FPP) with 55 farms covering 10,103 acres permanently preserved during the year at a total cost of \$36 million, including fee simple purchases. This is the most acreage and greatest number of farms preserved in a single year in the 15-year history of the program with the acreage nearly equaling the combined totals of the previous two years. Acquisitions completed in FY98 raised program totals to 305 farms on 47,301 acres.



During FY98, an additional 67 farms covering approximately 7,431 acres in 15 counties were approved for development easement acquisition. When these purchases are completed, the amount of protected farmland will total more than 62,000 acres on over 425 farms.

All of the farmland preservation programs administered by the SADC are voluntary. Although the specifics of the programs vary, each protects farmland by imposing deed restrictions which prohibit non-agricultural development. The terms of those restrictions can be either permanent or for eight years.

Landowners who permanently deed-restrict their farms against future non-agricultural development are compensated for the development value of the farmland and enjoy the same benefits that accrue to participants in the eight-year program. Future owners of those permanently preserved farms must comply with all deed restrictions as well.

Under the FPP, the SADC provides cost-sharing grants that cover from 60 to 80 percent of the purchase price for the majority of easement purchases. In FY98 the SADC provided an average of 68 percent of the purchase cost for development easements for a total of just over \$22 million. The remaining funding of \$10.5 million was contributed by the counties and, in some cases, municipalities.

In certain cases, the SADC may purchase farms directly - "in fee simple" - for resale at public auction with permanent deed restrictions. During FY98, the SADC purchased three farms covering 1,012 acres in this fashion and auctioned them to new owners. The SADC arranged three additional purchases in fee simple of farms covering almost 478 acres with final closings and resale slated for FY99.

For the second straight year, the SADC received a grant from USDA's Natural Resources Conservation Service under the Farmland Protection Program included in the Federal Agriculture Improvement and Reform Act of 1996. The \$200,000 grant went toward the fee simple purchase of a 561-acre farm in Warren County.

Under the eight-year program, landowners voluntarily place development restrictions on their farmland for a period of eight years. In exchange, participating landowners, while not directly compensated for the temporary restriction, become eligible for cost-sharing grants for soil and water conservation projects.

In addition, their farming operations are protected from nuisance complaints under the right-to-farm law and from fuel and water rationing in times of emergency and are less susceptible to eminent domain takings. The eight-year farmland program included over 22,000 acres on 277 farms at the end of FY98.

Soil And Water Cost-Sharing Grants

Funding administered by the SADC is also used to provide grants to landowners for up to 50 percent of the cost of certain long-range soil and water conservation projects. All FPP participants are eligible for cost-sharing grants to offset half of the cost of a wide array of soil and water conservation projects.

During FY98, 55 state grants for over \$540,000 were approved and another \$377,000 was paid to landowners for completion of 49 approved projects. In the last decade, the SADC has invested just over \$3.7 million in these conservation efforts while Garden State farmers have invested far more than that in conservation projects to increase productivity and protect finite soil and water resources.

Right To Farm Program

The Agricultural Right to Farm Task Force, established last year, completed their assessment of ways to strengthen the Right to Farm Act, drafted proposed amendments to the Act and implemented a strategy to execute these initiatives. The Right to Farm Task Force's proposal provided increased protection for eligible, responsible farm operations from municipal ordinances, public and private nuisance law suits and state regulations.

The proposals were incorporated in draft legislation which was approved by the State Legislature and signed by Governor Christie Whitman at a ceremony in Cumberland County at year's end.

The SADC continued to maintain a Right to Farm case registry and wrote, published and disseminated an informational brochure describing the protections and benefits of the program.

Farm Link Program

In June 1997, the SADC established the Farm Link program to match potential buyers with potential sellers of farmland. Farmers who want to expand their farms or individuals who want to start farming will be able to take advantage of Farm Link. The program will also be useful to retiring farmers or landowners who would like to make sure the land stays in agricultural production but have no family members who want to continue to farm.

A Farm Link database was constructed consisting of potential farmers as well as retiring farmers and relocating landowners. The information will be continually updated and made available at no charge to buyers and sellers. Both unrestricted and deed-restricted farmland enrolled in the FPP will be tracked through Farm Link. In addition, New Jersey's Farm Link program became an active member of the National Family Farm/Ranch Transition Network, a national clearinghouse for land-link programs to buyers and sellers across the country.

At the end of the fiscal year over 140 participants were enrolled in Farm Link. During the year, the program successfully connected a family farm operation based in Wrightstown, Burlington County, with a landowner in need of management of a 140-acre farm located in Mansfield and Chesterfield Townships.

Transfer of Development Rights Bank

New Jersey's Transfer of Development Rights (TDR) Bank Board of Directors is located in, but not of, the SADC which provides staff to the Board of Directors. The Bank provides financial and other assistance to landowners and to municipalities which enact TDR ordinances.

The TDR Bank Board presented its first planning assistance grant in the amount of \$10,000 to Lumberton Township, Burlington County, in October. In addition, an appropriation bill extending the original allocation of \$400,000 for administrative costs to December 27, 2001, was approved at the beginning of May.

The TDR Bank Board proposed new rules to develop procedures for purchasing development potential and for providing loan guarantees. The Bank also initiated a contract with an independent appraiser to develop an appraisal handbook for use by the TDR Bank Board and appraisers for the valuation of development potential. In addition, the Bank developed its by-laws for the conduct of its business.

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