

## APPENDIX

## New Jersey Farm Viability: It is Time to Act

Brian J. Schilling, Director, Rutgers Cooperative Extension

New Jersey Senate Committee on Economic Growth Hearing on New Jersey Farm Viability, Dec. 15, 2022.

The USDA's National Commission on Small Farms, empaneled in 1997 by U.S. Secretary of Agriculture Dan Glickman, examined the status of the Nation's small farms and advanced strategies to support their needs in its report, aptly titled *A Time to Act*. The Commission commented that “[h]aving gone through the process of developing this report, we are now even more convinced of the necessity to recognize the small farm as the cornerstone of our agricultural and rural economy.”

Decades later, the words of the Commission still ring true—nationally and locally. In New Jersey, the challenges facing small (and mid-size and large) farms have intensified and are exceeded only by the essentiality of a sustainable and prosperous agricultural industry. Recent years have starkly demonstrated the vulnerability of the state's agricultural industry to the persistent and intensifying challenges of rising costs, low market prices for wholesale commodities, labor costs and availability, land access and affordability, transportation and logistics challenges, and the costs of regulatory compliance. These factors couple with the common vagaries of unpredictable weather, pests, and disease. Further compounding recent challenges, the fragility of supply chains and distributions systems—across industry sectors—was laid bare by the COVID pandemic. The agricultural and food system was not immune to these new pressures.

No New Jersey farm—large or small—is unaffected by these stresses. However, arguably the direst consequences of the confluence of these many challenges are being seen in commercial farms marketing products through wholesale channels. Many of the state's farms have found innovative ways to capitalize on proximity to large, affluent, and culturally diverse consumer markets through various forms of direct marketing, niche markets, agritourism, and other strategies. However, many other farms—sometimes characterized as “agriculture in the middle”—are too large to move substantial volumes of agricultural products into local direct marketing channels and too small to penetrate large wholesale distribution channels or face market prices for their products that do not cover production, marketing, and distribution expenses.

According to federal data, New Jersey's agricultural industry—currently comprising 9,883 farms of all scales who operate and manage more than 730,000 acres of land—produces and sells more than \$1.1 billion of agricultural products. But consider the following: **New Jersey's 104 largest farms generate 50% of the total farmgate value of agricultural products sold. Only 383 farms account for 75% of agricultural products sold in the state.**

The three largest (by market value) agricultural sectors in New Jersey are (1) nursery, greenhouse and floriculture (\$498 million in sales), (2) vegetables (\$222 million), and (3) fruit and berries (\$141 million). Across these sectors, the state's 383 largest farms noted above produce:

- 84% of the nursery/greenhouse/floriculture sector's sales,
- 79% of vegetable sales, and
- 82% of fruit and berry sales.

Attrition within this cohort of New Jersey farms—a proverbial heart of the commercial farming industry—would have irreparable impacts on the economic viability and the physical and cultural landscape of agriculture in New Jersey. The threats to many of these farms' continued operation are very real.

To borrow from the National Commission on Small Farms, we find ourselves again at *a time to act* amid pressures that present significant and immediate threats to the viability of many New Jersey farms.

Due to economic conditions and current weather conditions, accounts are proliferating of growers unable to profitably sell their products plowing bountiful crops under or contemplating cover crops rather than, for example, their normal fruit or vegetable crops. An alarming number of growers openly question their ability to continue farming in the coming years—or even through the end of 2022. Of continuing concern is the number of commercial scale farmers who cannot identify an heir or future successor for their farms when they retire, a challenge exacerbated by current conditions.

New Jersey's agricultural community has a long history of innovation and adaptation, as evidenced by the adoption of new technologies and innovative cultural practices, and market adaptability. New Jersey has also been an innovator and a leader in agricultural retention efforts for more than 70 years, with the industry itself often being the catalyst for driving necessary discourse to identify and address issues affecting its viability. New Jersey agriculture has a long history of mobilizing to effectuate policies and programs to support the industry. In the 1950s/60s, farm industry and legislative leaders worked to remove constitutional barriers to the practice of "use-value assessment" as the basis for farmland taxes (paving the way for what is today known as farmland assessment—a cornerstone achievement in the state's agricultural retention efforts). The industry organized in the 1970s and 1980s to lead the way in developing in the strong farm legal protections and agricultural land preservation programs created in 1983 through the concurrent passage of the Right to Farm Act and Agriculture Retention and Development Act. In the early 1990s, the New Jersey Department of Agriculture and State Board of Agriculture, Cook College/New Jersey Agricultural Experiment Station experts, New Jersey Farm Bureau, and agricultural leaders across the state formed the FARMS Commission, whose efforts culminated with a strategic vision and plan for a prosperous and adaptive agricultural industry in the Garden State.

As has occurred multiple times over the past decades, it is time for industry leadership, agency and legislative leadership, and university expertise to again mobilize and focus attention on the immediate, stark realities of the state's farming industry and establish a bold and progressive plan of action to ensure its prosperous future.

Simply put, **sustaining farm economic viability is the key to agriculture's survivability in the Garden State.**

The NJAES leadership team and the Board of Managers recognize the critical roles that the experiment station has in supporting the state's agriculture industry as we continue to advance objectives outlined in our Vision 2025 plan. We further recognize and embrace our role in providing research and extension work that informs sound and progressive policies that support farming, helps the industry modernize through development and adoption of new technologies, improves farm management production practices, advances sound natural resource stewardship and management, explores market opportunities, combats evolving disease, pest, and weed pressures, and responds effectively to challenges presented by shifting climate conditions.

## New Jersey Farm Viability Initiative: Preliminary Context Data

Exhibit 1: Characteristics of New Jersey's Largest Farms. (\*not for citation\*)

	All Farms	Fewest Number of Farms Accounting for:	
		50% of Sales	75% of Sales
<b>Number of Farms</b> (% of total farms)	<b>9,883</b>	<b>104</b> (1.1%)	<b>383</b> (3.9%)
<b>Land in Farms, acres</b> (% of total acres)	<b>734,084</b>	<b>84,513</b> (11.5%)	<b>220,611</b> (30.1%)
Average farm size, acres	74	813	576
Total cropland, acres (% of acres)	463,019	60,972 (13.2%)	172,720 (37.3%)
<b>Market Value of Machinery &amp; Equipment</b> (% of total value)	<b>\$855.2 million</b>	<b>\$118.7 million</b> (13.9%)	<b>\$277.2 million</b> (32.4%)
Avg. value of M & E per farm	\$86,352	\$1,140,942	\$723,744
<b>Est. Market Value of Land &amp; Buildings</b> (% of total value)	<b>\$9.9 billion</b>	<b>\$737.5 million</b> (7.5%)	<b>\$2.4 billion</b> (23.8%)
Avg. value of L & B per farm	\$1.0 million	\$7.1 million	\$6.2 million
<b>Market Value of Products Sold</b> (sales/ac, \$)	<b>\$1.1 billion</b> \$1,496	<b>\$550.0 million</b> \$6,508	<b>\$824.2 million</b> \$3,736
Vegetables (% of category sales)	\$222.5 million	\$99.7 million (44.8%)	\$176.6 million (79.4%)
Fruit/berry (% of category sales)	\$141.3 million	\$78.4 million (55.5%)	\$115.8 million (82.0%)
Nursery/greenhouse/floric./sod (% of category sales)	\$498.1 million	\$324.5 million (65.1%)	\$420.1 million (84.3%)
Grains/oilseed/dry bean (% of category sales)	\$92.2 million	\$11.8 million (12.8%)	\$41.0 million (44.5%)
Milk from cows (% of category sales)	\$24.0 million	N/A	\$15.3 million (63.8%)
Poultry and eggs (% of category sales)	\$31.2 million	N/A	\$26.9 million (86.2%)
Organically produced commodities (% of category sales)	\$13.0 million	\$4.6 million (35.0%)	\$10.0 million (76.5%)
<b>Farm Production Expenses</b> (% of total expenses)	<b>\$1.0 billion</b>	<b>\$433.0 million</b> (42.6%)	<b>\$645.9 million</b> (63.5%)
Hired labor (% of category expenses)	\$312.6 million	\$152.9 million (48.9%)	\$229.0 million (73.2%)
Fertilizer/lime/soil conditioners (% of category expenses)	\$68.3 million	\$31.3 million (45.9%)	\$47.0 million (68.9%)
Gasoline/fuel/oil (% of category expenses)	\$51.2 million	\$20.4 million (39.9%)	\$30.6 million (59.7%)
Chemicals (% of category expenses)	\$43.1 million	\$18.2 million (42.2%)	\$30.6 million (71.1%)

Source: USDA-NASS, 2017 Census of Agriculture.

Exhibit 2: New Jersey Farms Presented by Economic Class, 2017. (\* not for citation \*)

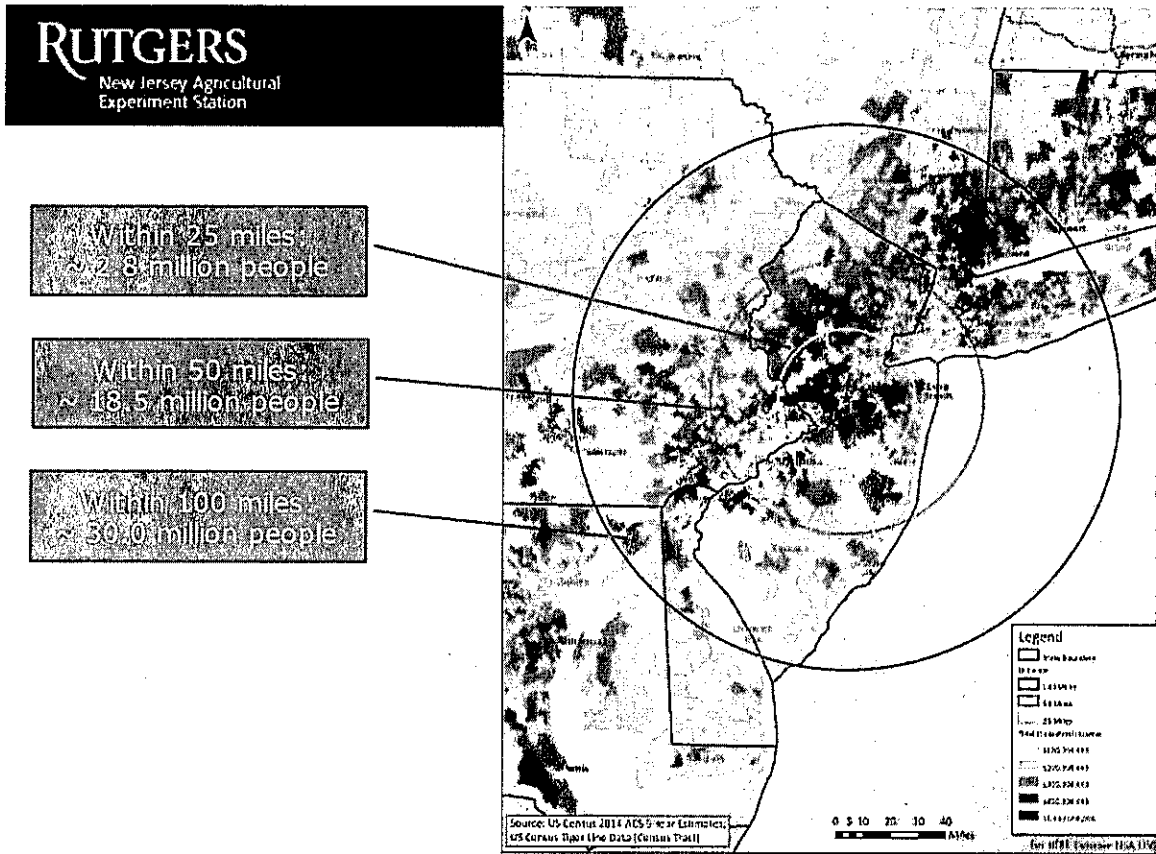
	All Farms	Farm Economic Class*					
		<\$10,000	\$10,000 to \$99,999	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1 million+
Number of Farms	9,883	6,564	2,180	442	277	199	221
(% of farms)		(66.4%)	(22.1%)	(4.5%)	(2.8%)	(2.0%)	(2.2%)
Land in Farms, acres	734,084	171,674	148,350	96,903	83,648	93,493	140,016
(% of total acres)		(23.4%)	(20.2%)	(13.2%)	(11.4%)	(12.7%)	(19.1%)
Mkt. Value of Ag. Products Sold	\$1.1 billion	\$14.8 million	\$74.5 million	\$69.0 million	\$96.4 million	\$139.0 million	\$704.3 million
(% of total \$)		(1.3%)	(6.8%)	(6.3%)	(8.8%)	(12.7%)	(64.1%)
Net Cash Income	\$172.6 million	(\$73.0 million)	\$4.5 million	\$15.6 million	\$26.1 million	\$34.6 million	\$164.8 million

Source: Data compiled from USDA-NASS, 2017 Census of Agriculture.

\*The Economic Class of farms is defined as the market value of agricultural products sold and the value of federal government payments received.

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Exhibit 3: Depiction of Market Area – 100 Miles from Central New Jersey. (\*not for citation\*)



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Farm Viability Points delivered by Paul J. Hlubik

Madame Chairwoman and Committee Members,

I appreciate the opportunity to address you on the issue of farm viability. Today I speak as an individual farmer, although I am currently a member of the New Jersey State Board of Agriculture.

My entire life has been spent in New Jersey's farming industry. I grew up the grandson of immigrant farmers; milked cows and managed my parents' dairy; then, I bought my first of eventually 3 farms at age 23. Today, I farm hay, grain, & oilseeds across three counties.

My sector covers a higher amount of farmland than the other sectors; but our sheer farm size does NOT mean we are the most profitable sector. For one thing, our prices are set by The Chicago Board of trade and are influenced only somewhat by local demand. We as farmers don't get to set those prices. With limited infrastructure to accept our goods, we have less opportunity to shop for a better basis.

I served as New Jersey State Director of USDA's Farm Service Agency (FSA) in both the Bush (43) and Obama (44) administrations. I was the lender of last resort for some operations and the lender of first opportunity for others. We also administered many other price support and disaster recovery programs, however, federal price supports are more generally available to row crops (corn, wheat, etc) and some livestock and NOT to specialty crops (nursery, vegetables, fruit, shellfish, etc), the predominance of New Jersey's farm gate sales.

Through my work as chair of the State Board's Policy Committee, we tackle issues facing all New Jersey agriculture sectors. Not coincidentally, most of those issues are related to farm viability.

In general, New Jersey agriculture is a robust industry that covers 9,100 farms across about 700,000 acres. Our leading sectors are nursery, inclusive of greenhouses and sod which accounts

for about half a billion dollars a year in farmgate receipts. The vegetable and fruit sectors also account for a large portion of the overall \$1.2 billion in farmgate sales. Hay & grain, livestock production, aquaculture, equine, dairy and agri-tourism also contribute to the overall farm-gate receipts.

However, there are considerable challenges to people continuing to farm in a high-cost state like New Jersey. It seems every year, we see significant increases in the cost of production inputs (seed, fertilizer, wages, etc.) and environmental and other regulations. There's a labor shortage in the farm sector despite producers paying above minimum wage, plus housing, and so on.

When there are dozens of states whose input costs for farmers pale in comparison to ours, it puts our growers and producers at a competitive disadvantage trying to survive in a marketplace where they are undercut on price not only by other domestic producers but also by foreign competitors.

This is where one of the major concerns lies. Our bigger, wholesale-level producers have reached the point where costs outpace market prices. Fewer than 300 farms in New Jersey account for about 70 percent of the \$1.2 Billion in annual farm-gate sales and only about 100 farms account for nearly half. A few larger growers already auctioned off their assets or have scaled down production in recent months.

One significant consequence of the larger growers facing hardships is that New Jersey's ranking in the Top-10 states nationwide for producing about a dozen fruit and vegetable items is incredibly important in securing federal funding for those "Specialty Crops", the name given by the USDA, even though they are everyday items like bell peppers, eggplant, tomatoes, and lettuce.

If several of these larger growers can no longer compete with lower-priced produce shipped in from other states or countries, and New Jersey slips out of the top rankings for certain items, that translates into less federal funding and a downward spiral begins.

The good news is our growers are highly adaptable and have the ability to move in different directions if the markets they have traditionally served shut them out. But that ABSOLUTELY requires flexibility in policy and legislation that enables those necessary changes to their operations. Many of the larger growers tell us a big impediment to their sales is the inability, because of our northern winters, to be year-round suppliers to large retail customers.

Many of our farms have found some success in operating on-farm retail markets, or regularly taking their produce to community farmers markets, or supplying local restaurants with the freshest raw ingredients they can find. Others have added Agricultural entertainment to their retail operations. It however, would create a glut of competitors if every wholesale producer in the Garden State adapted those business models. At the same time policy support is essential for the viability of those operations where it fits. Furthermore, it's our volumes of produce that largely provide relief to regional food deserts and improve our environmental footprint by producing close to the population centers.

Both wholesale- and retail-sized farms are vital to food security, resolving food deserts, and improving our environmental footprint. The COVID pandemic shone a bright light on how important it is to have locally produced food items, especially fresh farm products, when supply chains fail and getting things close to home becomes critical.

Any loss of growers, though, doesn't just affect the farms impacted. Locally grown, fresh, wholesome farm products have health and environmental benefits that can't be replaced by trucks, railcars, or ships bringing out-of-state or foreign produce into New Jersey.

First, there are the obvious benefits of people eating healthier. With nutritionists, doctors, and academic leaders all urging people to eat more fresh fruits and vegetables for better health, we are working with Congressional leaders to bring more direct-subsidy funding into the Specialty Crops program, making it more along the lines of the price supports and other funding that goes to traditional Farm Bill row crops.

Why do we need to address the fundamental existence of Specialty crop farms? Because if they go out of business, we lose even more on the health front. We'd lose the vast expanses of productive, tax-paying open space that serves to help recharge groundwater, provides habitat for wildlife, and improves residents' overall quality of life. With recently passed legislation, farms also are becoming places to find more alternative, renewable energy production, and with that "dual use" legislation, farmers can even continue growing crops around or even under energy installations like solar panels.

The way things are going these days, any farm lost to development will likely become a warehouse – with its high percentage of impervious cover, increased truck traffic on local roads, and the carbon emissions that come with those trucks. Nursery, grain, produce, and other crops, on the other hand, provide vital carbon sequestration and aquifer recharge.

Agriculture, like any industry, does not exist in a vacuum. Creating a future where farms have sufficient support infrastructure is crucial. These needs range from large-animal veterinarians, to support industries of supplies and equipment, to new markets and processing facilities for

everything from meats to vegetables, to transportation and shipping infrastructure, to hemp-fiber fabrication facilities.

The Legislature took an important first step on that last issue by appropriating \$655,000 in the most recent budget to help the Department of Agriculture and institutions of higher education develop a hemp-fiber industry from which hemp building materials and hemp-based replacements for petroleum plastic packaging will be created. We thank the Legislature. With the CBD market for hemp glutted, providing a future in NJ hemp farming will depend upon developing products that use fiber hemp instead.

To be sure, nothing helps an industry thrive and survive like support from state and federal government. Agriculture as an industry is fortunate to have active searches for ways to improve its future, be it by the Department of Agriculture, Rutgers NJAES, New Jersey Farm Bureau and other Commodity organizations. We're even more fortunate that all those groups work together well to achieve mutual goals.

In 8 short weeks, we will gather to fulfill a constitutionally mandated annual meeting with county agricultural boards, commodity councils, support organizations and Rutgers NJAES to debate concerns in the industry and ways to overcome them.

Farmer delegates from throughout the State gather at that Convention to debate and vote on resolutions that serve as a guide for the Department of what the industry wants it to accomplish in the coming year. Those resolutions largely reflect the same issues that are brought to the Board throughout the year, and they, too, center to one degree or another on farm viability, both individually and as an entire industry. Farm viability will be our first resolution addressed. Last year the delegates voted as their top priority to provide further studies to address the bigger issue.

That is what a joint NJDA, NJFB, and NJAES working group have been focused on this past year. Resource allocation and a funding source will be vital to that effort.

After the Convention each year, the Department forwards to all legislators the policy resolutions that are debated and passed by the delegates. When you receive them in the coming year, please dig into them, with an eye toward seeing the solutions to challenges that farmers have identified. To be successful, they often rely on action by this Legislature, whether it is to change a law or to fund a worthwhile program that will advance agricultural viability in this state.

Again, I appreciate the opportunity to discuss this issue of farm viability with you, the people who can help ensure that the Garden State's farms remain viable as we move into the future.

New Jersey is blessed with excellent natural components necessary for farms to remain viable – highly productive soils of all types, water resources for ensuring crops can grow to harvest, and geographic location that puts us a few hours away from about 35 million consumers between Washington, D.C., and Boston .

If public policy aligns with agriculture's needs just as well as those natural resources do, this legislative body will go a long way toward paving the way for future farm viability.

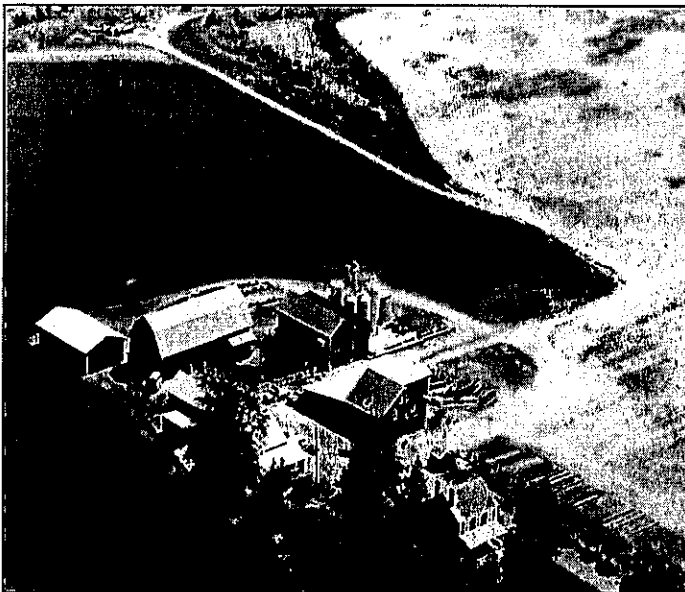
Thank you. I can answer any questions you might have if that's appropriate at this time.

**Testimony to the New Jersey Senate Economic Growth Committee  
Caroline Etsch, Etsch Farms, Monroe Township, Middlesex County**

To Senators Cruz-Perez; Singleton; Corrado; Pennacchio and Turner:

I would like to say thank you for taking your time and for agreeing with the agricultural community that farm viability in the Garden State is a topic of utmost importance. I was asked to come here to offer up a view into farm life in New Jersey and am honored to do so. I would like to bring you to the farm in words and pictures, to help you visit our 4<sup>th</sup> generation family farm, located in Monroe Township in Middlesex County.

George and Myrtle Etsch came to New Jersey in 1931 when the Grand Central Parkway was being planned though their farm in New York. They raised 4 children in the farmhouse among the barns you see here that we still use today.



Their son Roy Etsch was the only child who was interested in farming the homestead; uncommon odds for the time, since many farm children remained in the business. But in the 1940's life was changing on the farm, as it was all over American towns. Roy went to Rutgers

College and worked off the farm as a teacher continuing to farm vegetables and cattle with his dad when he could. When Roy and his wife Mary had the 3<sup>rd</sup> generation of Etschs, there was only one child, Jim, who remained in farming as well. Upon graduating from Cook College, Rutgers University, Jim returned to the farm full-time and established a retail hay, straw and grain business in 1981.



Located on the original farmstead on the main road between Jamesburg and Englishtown, the corn produced was a natural fit for a diversification into Agri-tourism with a seasonal corn maze

business. For the past 17 years, I have run a value-added fall destination to our farm, as the world has changed all around us and we move with it.

Currently, only one of our sons has chosen agriculture as his profession and is now the 4<sup>th</sup> generation to work the land in the same location. We hope to attain "Century Farm" status in 2031 and feel the pride and responsibility of that quite strongly.

I have described to you a pretty typical farm family history. What is different about our story is that I did not grow up on a farm. In fact, I was raised in Fair Lawn in Bergen County and had a classic 1960's suburban American youth experience. Going to the farm meant driving down the street to the garden center where there were flowers or pumpkins to buy, depending upon the season. If we were lucky, there was apple cider or a pony ride. Although there was one "Farmland" Dairy left in our town, the farmer had to reduce the herd and move to the other side of town to limit complaints from neighbors. Even though this was the era of *Elsie the Borden Cow* visiting the World's Fair in 1964, no one wanted to live next to the dairy. Somehow I grew up with an appreciation for the country life though; I always said I could put up with any job in the city as long as I could go home to a house in the country!

The unique characteristic about family farms is that there is no separation between work and the home. We live amongst our barns, plants and animals. We store our Christmas decorations in tubs in the barn; crops which pay our bills grow all around our houses and are homes for wildlife; machinery decorates our lawns as tractors and equipment are left outside and we hear the chickens and cows yelling for more food right outside our doors when it's meal time. It's an amazing lifestyle and most of us wouldn't trade it for anything. That's why we welcome this opportunity to discuss our farm viability with you.

Our conventional agriculture family farm business is a corporation; something that surprises many people not involved with farming. Our tax burdens are great and Roy Etsch was advised by his accountant to incorporate in 1968. In addition to this, our farm carries many insurance policies which add to our financial burden each year. Make no mistake about it; farming businesses in New Jersey stay viable because we pay attention to the bottom dollar and where the next one is coming from.

Farmers have a long history of active community involvement and the same holds true with our family. My husband Jim Etsch sits on the Open Space Committee in our town; both of our sons attained the Eagle Scout award in the Boy Scouts of America from Monroe's Troop 3; I run farm camp in the summer as a program in the Monroe Township's recreation department offerings and we donate eggs each winter to the food pantry at the Jamesburg Church and the Monroe Township Senior Center.

The Etsch Family has long assumed leadership roles in New Jersey Agricultural Organizations and now nationally as well. My personal involvements include serving on Governor Murphy's transition team; serving as New Jersey Farm Bureau's Women's Leadership Chair from 2016-2022 and being the farmer's voice at a sustainability think tank in NYC in 2019 with Monsanto and non-profit leaders from around the world. I currently serve as the Middlesex County Board of Agriculture President. In addition, I am Program Leader for New Jersey Agriculture in the Classroom and serve on the Executive Committee of the National Agriculture in the Classroom Organization.

Jim is currently 1<sup>st</sup> Vice-President of New Jersey Farm Bureau; Director to Grain and Forage Producers' Association of New Jersey; Member Emeritus of the New Jersey Agricultural

Experiment Station Board of Managers; Trustee of the Middlesex County Fair; Princeton Agricultural Association member and received the Distinguished Service to Agriculture Award to New Jersey Agriculture in 2020.

Our son Peter serves on the Middlesex County Agricultural Development Board, he is a delegate to the New Jersey State Agricultural convention and is completing a 2-year Agricultural Development Leadership Class.

As New Jersey's farms continue to provide for the masses in and outside of our state, the work of maintaining the family farm goes on. Sometimes pushed to the bottom of the "important pile" while the field work gets done, topics like passing the farm to the next generation; on-farm safety, as well as the ever present need to educate the public about why we farm the way we do – these things are no less important, yet farmers often don't get around to them until pressed to do so.

The stressors of running a farm in New Jersey mount daily: economically, farmers are price takers, not price makers. Our grain price is set in Chicago at the Board of Trade and the monies we will receive are spent more quickly in the most densely populated state in the Union, as the average price of land is \$14,400 per acre and rental land can be as much as \$100 per acre. Machinery to complete our work can cost upwards of \$250,000 and our input costs such as fertilizer and seed are at an all-time high. We are at the mercy of the weather on a daily basis, which can lead to our farms being classified as part of a natural disaster program such as in this year's drought. In our case, we normally produce about 140-160 bushels of corn per acre; this year our average corn harvest was 58 bushels per acre. Crop Insurance will help since we enrolled before we planted our corn but those payments will in no way make up the difference as

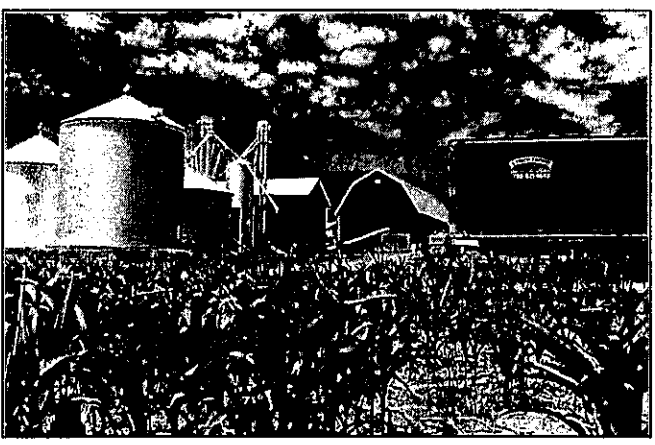
in a normal year. My husband has taught me that economic farm viability should be looked at over a five-year average so no doom and gloom here; just practical evaluation.

Finding agricultural employees in New Jersey somehow seems more evasive than ever: if you can find someone with a good work ethic, they often need to be given a lifetime of agricultural knowledge just to handle daily chores. While there seems to be much support of our life choice to farm, often the reality of winter, the death of livestock or the long days of harvest dissipate the new hire's desire to stay.

I would also like to address the urban sprawl we see in New Jersey and how it affects farmers' viability in New Jersey. While I live in Middlesex County and see development pressure here since our farm is located between exits 8 and 8A on the New Jersey Turnpike, I realize that there are many other counties in our state that may have a different viewpoint. As I described to you my pastoral life as a child, change in our towns is inevitable and many urban and suburban residents relocate to those townships left with open spaces. "Open spaces" can mean different things to different people. To our neighbors who moved to a house at the corner of our road and walked their dog to eliminate and not pick up the remains, it meant an abandoned field. That's what it meant to me before I met and married my farmer and learned to see life from a property rights viewpoint. To a hay farmer, it is a working hay field that carries liability concerns. What if the homeowner next door does not see the ground hog hole and falls into it twisting her ankle? Who does she seek restitution from? Likewise, this summer we heard a car driving into our field going around and around in circles on the open land; we call it "doing donuts". When we went to talk to them, they continued their joy ride with more enthusiasm and the end result was the offender driving their car into our truck, causing thousands of dollars of damage to both our field and our vehicle.

The simple explanation is that those who move to open areas do not understand that there is precious little ground in the Garden State that is not owned by someone, and in agricultural areas, it is how we make our living; we do not take it for granted and protect it. The more detailed explanations go into the breakdown of societal norms with respect to property rights and respect for fellow humans; I will not start that conversation here but moving social mores affect us daily as populations who have never owned land move to areas where others hold it as our most valued possession.

One other conversation that should be brought up is the challenge of day-to-day farming operations as it exists in New Jersey. COVID-19 brought a greater understanding of local farm products to the population, helping vegetable, nursery and floriculture farmers stay viable. But I fear the psyche of the average New Jerseyan has returned to the impolite, impatient consumer of before. We hear over and over how much the customers have great memories of days on grandma's farm; how grateful folks are that we were still in Monroe; not only that our farm is well maintained so when they drive by they see the big red barn against the pretty blue sky, but that there is still land in our town like the "old days" before all the development.



18x

We hear they want to support us because the money goes back to the farmer and we take the time to listen to them and answer their questions about farming. But our customers also tell us we are inconvenient, as witnessed when we try to move machinery from field to field and drivers on the road take death threatening risks to beat the tractor to the traffic light. This is a big enough problem that the Department of Agriculture made a video on Farm Vehicle Road Safety to depict the interactions of farmers and their neighbors when moving machinery. You can view it here: <https://fb.watch/hn3xCWhk8q/>



One neighbor came into our farmyard because a piece of corn husk from the field above the development flew down the hill, wrapped itself around his back door light and caught fire. He came to see if we could be held liable for it; I quietly told him his homeowner's insurance would take care of it.

We seem to represent goodness, fond memories and simpler times yet we are not as important to our neighbors as we need to be for their thoughtful acceptance. The average person is now three generations removed from the basics of daily farm life – that is 90 years! Such a big gap is bound to cause misunderstandings; nonetheless if we are valued by our neighbors then we

cease to be a burden but become a friend and trusted member of their community circle. This is paramount to our viability in the New Jersey.

One solution to this is agricultural education and it is sorely underrepresented in New Jersey's schools and communities. An agriculturally literate person is defined as someone who understands and can communicate the source and value of agriculture as it affects our quality of life. Informal education happens every day on every farm in New Jersey that has a direct sales business model and at farm markets throughout the state. Often customers tell us we are lucky to get reduced taxes on our farm and we educate them as to the accurate details of the farmland assessment tool available to farmers; one means that keeps us viable. Other folks wonder about our chickens and ask us if our eggs are organic or free-range. We have no problem at all explaining the labeling and marketing tactics that are often confusing and inviting our consumer to "visit the girls" to see for themselves, but we do remind them that chickens are not pets and our farm animals are well taken care of using best management practices. Since 2005 and our first corn maze, I have been educating students on field trips about the products we grow and how they fit into their life cycle. We grow the corn they see in the maze, someone buys it and feeds it to grow a chicken, that farmer then sells the chicken to McDonald's and they make chicken nuggets!



It seems very basic to us as farmers to have to do this but as I stated above, adults do not have enough on-farm connections or the basic information by exposure that their forefathers did. By starting the conversation we stay viable in our communities.

Just as the image of the American Farmer has changed through the years, Women's roles on the farm have evolved. Many of us work off the farm to provide finances for healthcare, childcare and retirement. As traditional farmsteads disappear, the need for marketing our products increases, requiring time and patience; both usually in short supply at the end of the farm day. The importance of the family meal hasn't waned just because life has become busier during harvest or planting. In fact, the strength of the nuclear family comes from parents who take the time for their children and regroup as a unit. Often we are convening a meal in the field on the tailgate of the pickup for 15 minutes of family time. But that quick meal can take up to 4 hours out of someone's day to prepare, pack up the food and kids, drive to the field through end-of-work-day traffic, re-connect with your loved one, drive home, wash the dishes and put away the leftovers for tomorrow. Would we trade it? Not likely...the time together during the madness of the day is priceless in our way of life.

My point here is the families of agriculture know the good stuff. That's why each farmstead in New Jersey is so iconic to those who don't have the privilege to live on a farm. But the good stuff needs to be protected by us through educating the public about what the norms are in modern agriculture. We need to support others less fortunate than ourselves through our continued work with hunger drives for soup kitchens and Ronald McDonald Houses throughout the state. We need to grow the invaluable connections with you, our legislators, so those with the means to form laws we abide by feel the need to support our choices as their own.

Thank you for this opportunity to relate what it means to me and my family to remain farming in New Jersey. I sincerely hope you will reach out should you need any details I can provide and to answer any questions that you may have in your efforts to ensure agriculture stays viable in New Jersey for many more generations.



## FARM CREDIT EAST, ACA

29 Landis Avenue, Bridgeton NJ 08302-4396  
800.219.9179 | 856.451.0933 | FarmCreditEast.com

December 13, 2022

The Honorable Senator Nilsa I. Cruz Perez  
Chair, NJ Senate Economic Growth Committee

Sent via email to: [enava@njleg.org](mailto:enava@njleg.org)

Dear Senator Cruz Perez:

Thank you for the opportunity to present testimony to the New Jersey Senate Economic Growth Committee about the Viability of Agriculture in the Garden State. This letter will summarize the key points of my testimony to be delivered on December 15, as well as provide additional background information on myself and my thoughts on the subject at hand.

My name is Keith Dickinson and I am a resident of Stow Creek Township, Cumberland County, New Jersey. I reside on property that is part of our family's farming business which has been farmed continuously by our family since 1872. I am still active in the family farm business on a part time basis, helping whenever possible with crop growing and harvest throughout the year.

My full-time employment is as a Business Consultant with Farm Credit East, ACA. Farm Credit East is a member – owned cooperative that provides credit and financial services to our customers, who are also owners of the cooperative. We are part of the national Farm Credit System, serving Farm and Agricultural Related businesses throughout New Jersey, New England and New York.

In my role as a Business Consultant, I work directly with Farm Business owners throughout the state of New Jersey on a wide array of financial and business management concerns. I assist clients with developing financial projections and budgets for their businesses and help analyze the past performance of the business to help them meet their business and personal goals. Based on this work, I have prepared a few observations about trends that I have seen across agricultural businesses in the state of New Jersey.

- Labor is the highest line-item expense for many of the farm businesses in the state. Labor expense has been on the rise at a rate greater than the underlying rate of inflation for several years.
  - For example, it has not been uncommon to see businesses with annual total labor expense growth of 15-20% for 2020, 2021 and 2022, while sales have not consistently grown at comparable rates.



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- Every time that I meet with a client that is highly dependent on hired labor, a part of our discussion involves working through the challenges of finding enough workers willing to perform the necessary work on their farms. This includes workers to help grow and harvest the crops and workers to help sell their crops for businesses who sell directly to the public. Many businesses have reported difficulty finding labor even at wage rates well above minimum wage, with many farm workers being paid between \$15-\$18 per hour as a starting wage.
- 2022 has been a particularly challenging year for farm businesses in the United States, and New Jersey farms have not been immune to these challenges.
  - Very dry weather in much of the state in the summer of 2022 led to either higher expense in the form of irrigation energy usage or reduced crop yields for those farmers without sufficient irrigation infrastructure. For example, on our farm a soybean field that we were unable to provide irrigation to in 2022 produced half of the crop on a per acre basis than a field across the street that we were able to irrigate.
    - Crop insurance is a valuable tool that is available for many, but not all crops grown in New Jersey. Our farm will likely recover some of the lost revenue from the summer drought via crop insurance payments.
  - The well documented high rate of inflation was particularly challenging for farm businesses, as some of the critical supplies used by farmers were impacted substantially by inflation and/or supply chain challenges. Fuel, fertilizers and agricultural chemicals all saw substantial increases in costs and at times reduced availability of preferred products.
    - I have observed increases of fuel expenses in the range of 25-35% , fertilizer expense increases of 50-60% and agricultural chemical expense increases of 35-50% in 2022 when compared to 2021.
  - Income for farm businesses in New Jersey in 2022 has been a mixed bag. Businesses that have the ability to have some level of control over their prices, such as wholesale plant nurseries and retail farm markets have had some success in raising their prices to help partially mitigate the rising expenses. Grain growers saw higher prices due to a rise in the commodity markets, which unfortunately was partially offset by the impact of dry weather. Wholesale fruit and vegetable growers did not see substantial increases in sales in 2022, which leaves them more vulnerable to the impact of cost inflation than others.



- The wholesale vegetable industry in New Jersey has seen a multi-year challenge with the opposing forces of stagnant prices and rising costs. Many growers are restructuring or down-sizing their businesses while others have elected to liquidate their businesses.
  - Of particular concern is the influence of imported produce from other regions of the United States and even other countries on the price of produce sold on the wholesale market in New Jersey. Growers have reported to me that the wholesale price of Asparagus in New Jersey has been equal to or below their cost of production for the past 3 years.
- The ultimate impact of rising expenses without proportionate increases in income leave our farm businesses with a lower profit margin. Profits are used by farm businesses for owner compensation and reinvestment into the business for purchases of land, equipment and technology. Shrinking profit margins will limit the ability of farm businesses to maintain critical infrastructure which will further limit the productivity of the business.
- In spite of the many challenges that agricultural businesses are facing today, I continue to see great opportunity for the Agricultural Industry in New Jersey. Our proximity to several million consumers positions us with ample opportunity to sell products to consumers who are ready and willing to 'buy local'. The soils and temperate climate of much of New Jersey are suitable for our farmers to produce a wide variety of crops and livestock. With adequate support from the non-farming community, I have no doubt that our state can continue to live up the "Garden State" title.

Sincerely,



Keith Dickinson, CFP®, CAC  
Business Consultant





*Because Agriculture Matters!*

168 West State Street, Trenton New Jersey 08608

Phone: 609-393-7163  
Fax: 609-393-7072  
Email: [mail@njfb.org](mailto:mail@njfb.org)  
Website: [www.njfb.org](http://www.njfb.org)

December 13, 2022

To: Senate Economic Growth Committee  
Attention: Erika Nava, Committee Aide

A handwritten signature in black ink, appearing to read 'P. Furey', written over the 'From' line.

From: Peter J. Furey, executive director

Re: comments for Dec. 15 hearing on farm viability

The following points are submitted on behalf of our president Allen Carter and will be the basis of the in-person remarks by staffers Ed Wengryn and Ashley Kerr at the hearing on Thursday morning. They also reflect the observations of other Farm Bureau staff as they participate in monthly meetings of county boards of agriculture throughout the state.

- 2022 growing season contained shocking cost increases for most New Jersey farmers for critical inputs like fertilizer, packaging and similar items. Labor costs, always a high-cost item, also escalated greatly.
- The 2022 growing season included a pronounced 10-12 week period starting in late June of little to no rain. Significant yield losses were experienced for non-irrigated crops; farmers with irrigation facilities paid heavily for diesel fuel to pay for that unanticipated energy cost.
- Wildlife damage: deer are the primary culprit statewide, and should be the main focus, because deer impact farms everywhere. Black bear damage has risen dramatically in the northwest part of the state. New state cost-share funding for deer fencing is appreciated but is only a part of the deer management solution.
- Markets: New Jersey supermarket industry has largely abandoned New Jersey farmers, despite local farmers raising high quality produce between two of the largest metropolitan populations in the US. While cost of inputs to raise that produce has soared during the past twenty years, prices received by farmers for the produce at the wholesale level have largely remained unchanged. The perishable nature of the product undercuts the price-setting mechanism from the producer's side. Wholesale market produce grown in New Jersey may be approaching a profitability tipping point where larger-scale farmers reduce their size or cease operations altogether.

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- Federal immigration policies are dysfunctional and provide little meaningful help in assisting the farm industry's needs. The H2A program that can provide temporary ag visa workers managed by the USDOL is very expensive, excessively bureaucratic and riddled with legal problems for employers. While there is little state government can do in this regard, be reminded that farm profitability is the key to helping both the farm operator and the farm's employees.
- Ag chemical registration: farmers are concerned that longstanding chemical products used to produce a safe and nutritious food supply are being constantly challenged by zero tolerance advocacy groups. Farmers support the current procedures requiring rigorous testing before these products are certified for use. We insist that these same safeguards continue to be employed so that crop management methods sustain the yields needed for a safe, abundant food supply.
- Relief from nuisance interference/Right to Farm: farmers firmly believe that if they operate within "recommended management practices," there should be a presumption of legitimacy free of public and private interference. This is now enshrined for many years in the Right to Farm Act, and upheld by a test case before the state Supreme Court. Nonetheless, farm operators are still confronted by a wide variety of challenges to their farm practices that require constant vigilance and application of this law and its regulations. It is a key component of sustaining farm viability in a metropolitan state like New Jersey.
- A few ways the state could help include payment into UI fund, Jersey Fresh marketing funds, research/extension funding at Rutgers Ag Experiment Station, some targeted disaster assistance funds to supplement what the federal government does. Note: a fuller set of recommendations will follow in future weeks by the Rutgers task force on farm viability.

#

Cc: Allen Carter, NJFB president  
Ed Wengryn, Ashley Kerr – NJFB staff