

Final copy
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1992 Annual Report
of the
**STATE AGRICULTURE
DEVELOPMENT COMMITTEE**



NEW JERSEY
DEPARTMENT OF AGRICULTURE

CN 330 Trenton, New Jersey 08625

Jim Florio, Governor
Art Brown, Secretary

STATE AGRICULTURE DEVELOPMENT COMMITTEE

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Donald D. Applegate

EXECUTIVE SUMMARY-FISCAL YEAR 1992

BACKGROUND:

The State Agriculture Development Committee (SADC or Committee) was established by the Right to Farm Act in 1983. Eleven members make up the Committee, six public members appointed by the Governor and five commissioners or their designees, representing Department of Environmental Protection and Energy, Community Affairs, Treasury and Cook College, Rutgers University. The Secretary of Agriculture chairs the Committee. Essentially the duties of the Committee are to implement and oversee the Farmland Preservation Program.

POLICY DEVELOPMENTS:

-The SADC adopted Policy P-30 which outlined a procedure for evaluating applications for requests to divide permanently deed restricted properties.

EASEMENT PURCHASE: PURCHASE OF DEVELOPMENT RIGHTS

-Between June 1991 and March 1992 the 74 farms granted preliminary approval for the purchase of their development rights under the 1991/1992 application round were appraised.

-On June 5, 1992, the SADC certified the fair market value of the development rights on these 74 farms.

-During FY 1992 the SADC purchased the development rights on 29 farms totaling 4,434.13 acres in the 1990/1991 application round.

-At the end of FY 1992 the total number of easements purchased totaled 107 on 15,461.03 acres.

FEE SIMPLE ACQUISITION OF FARMLAND FOR RESALE WITH DEED RESTRICTIONS

During FY 1992 the appraisal process was initiated on three farms:

- a 130 acre farm in Hopewell Township, Mercer County.
- a 127 acre farm in Hopewell Township, Cumberland County.
- a 116.84 acre farm in Franklin Township, Hunterdon County adjacent to other deed restricted property.

MONITORING:

During FY 1992 a total of 54 eight year program properties were inspected along with 52 permanently preserved farms. In addition all 34 farms granted SADC final approval for purchase of a development easement under the 1990/1991 application round were inspected and detailed baseline studies prepared.

EIGHT YEAR PROGRAMS:

- 26 farms enrolled in eight year programs totaling 1,586.14 acres
- At the end of FY 1992 there were 357 farms totaling 39,770 acres enrolled or eligible for soil and water benefits:
 - 248 farms enrolled in eight year programs on 24,256.63 acres
 - 83 permanently deed restricted farms also enrolled in eight year programs totaling 12,663.77 acres
 - 22 permanently preserved farms eligible for soil and water cost share benefits but not enrolled in an eight year program.

SOIL AND WATER CONSERVATION PROJECT COST SHARE GRANTS:

- 26 obligations approved for soil and water conservation projects at a 50% state cost share of \$234,032.30.
- 45 full or partial payments made for completed soil and water conservation projects totaling \$205,889.38 of state cost share funds.
- \$273,157.56 of unexpended obligations earmarked for specific soil and water conservation projects were returned to the general soil and water fund.

BACKGROUND

History

The State Agriculture Development Committee (SADC) was established by the Right to Farm Act, N.J.S.A. 4:1C-1 et seq., P.L. 1983, c. 31. In general the Committee's mandate is to advocate and promote the interests of productive agriculture and farmland retention. Specific duties and responsibilities towards achieving this mandate are detailed in the Right to Farm Act, N.J.S.A. 4:1C-1 et seq., P.L. 1983, c. 31 and the Agriculture Retention and Development Act, N.J.S.A. 4:1C-11 et seq., P.L. 1983, c. 32 as amended.

Funding for the NJ Farmland Preservation program has come from two bond issues passed by the voters in 1981 and 1989. Both the the original Farmland Preservation Bond Act of 1981 and the Open Space Preservation Bond Act of 1989 provided the program with \$50 million each.

PURCHASE OF DEVELOPMENT RIGHTS

Program Definition

The most familiar aspect of the Farmland Preservation Program involves the Committee's ability to give grants to counties to purchase the development rights or easements on farmland from landowners. This voluntary transaction results in the placement of a permanent deed restriction on the preserved property, prohibiting all future nonagricultural development. The landowner retains ownership of the deed restricted property, while the easements are held by the County.

The cost to purchase the easements is generally shared by the SADC and the county. Several municipalities however have shared in the cost. Cost share grants to counties for the purchase of development rights represent the primary expenditure of funds by the SADC. Although counties are authorized to establish their own independent farmland preservation programs, their primary efforts to date center around state cost share funding to leverage county funds.

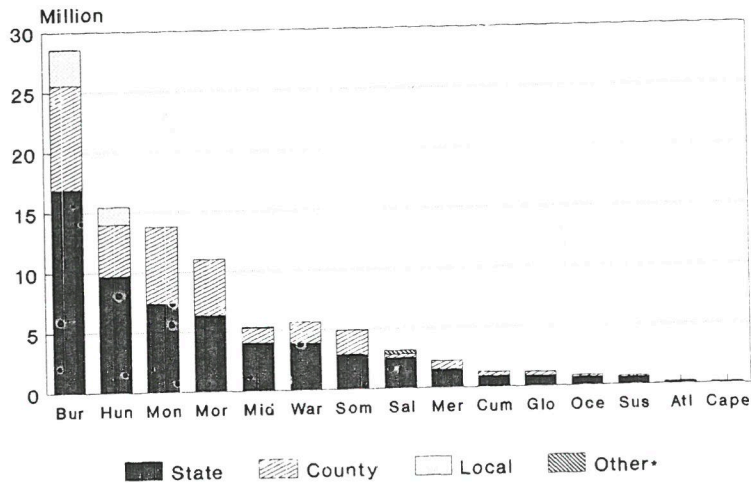
Table 1. and its accompanying graph 1A illustrate the breakdown of expenditures between the various entities for the easement purchase program as of the end of FY 1992.

ANALYSIS OF SPENDING BREAKDOWN FOR THE PURCHASE OF EASEMENTS
Through June 1992

COUNTY	STATE COSTS	COUNTY COSTS	LOCAL COSTS	OTHER COSTS*
Burlington	\$16,893,240	\$8,649,195	\$2,990,723	\$52,007
Hunterdon	\$9,673,794	\$4,292,165	\$1,474,468	\$0
Monmouth	\$7,391,367	\$6,382,534	\$0	\$0
Morris	\$5,936,249	\$4,474,606	\$0	\$0
Middlesex	\$3,984,915	\$1,259,453	\$51,443	\$0
Warren	\$3,918,391	\$1,552,318	\$0	\$0
Somerset	\$2,893,252	\$2,040,777	\$0	\$0
Salem	\$2,544,900	\$306,124	\$0	\$306,124
Mercer	\$1,494,374	\$720,934	\$0	\$0
Cumberland	\$901,023	\$367,313	\$0	\$0
Gloucester	\$850,684	\$342,107	\$0	\$0
Ocean	\$685,122	\$182,431	\$0	\$0
Sussex	\$570,184	\$165,792	\$0	\$0
Atlantic	\$164,607	\$41,168	\$0	\$0
Cape May	\$56,570	\$36,590	\$0	\$0
	\$57,958,672	\$30,813,507	\$4,516,634	\$358,131

*Other Costs- Includes landowner contributions, Green Acres funding, or other third party contributions.

Breakdown of Easement Purchase Costs
As of June 30, 1992



Source: State Agriculture Development Committee
*Incl. landowner donation, non profit, contrib., Green Acres

FY 1992 closings-1990/1991 round

During FY 1992 development easements were purchased on 29 farms totaling 4,434.1 acres. These purchases were part of the 1990/1991 application round, the first to be funded through the 1989 Open Space Bond Act. The total state cost for the round as of June 30, 1992 was \$15,297,087.83, which calculates to an average per acre cost for the SADC of \$3,449.85.

Table 2. Easements Purchased during FY 1992 1990/1991 Round-(1989 Bond Funds)

County	# farms	Acres	State Cost
Atlantic	1	189.640	\$ 164,670.50
Burlington	3	585.943	1,600,464.20
Cape May	1	109.600	56,570.28
Cumberland	3	476.210	725,098.20
Gloucester	1	221.541	456,000.00
Hunterdon	3	440.479	1,419,500.54
Middlesex	3	272.530	2,391,720.30
Monmouth	3	445.199	1,897,241.88
Morris	2	167.215	939,698.40
Ocean	1	137.707	685,122.48
Salem	2	553.520	918,372.60
Somerset	2	325.026	2,076,268.20
Warren	4	509.520	1,966,360.25
	29	4,434.130	\$15,297,087.83

ANALYSIS OF ROUND

Pending the completion of the 1990/1991 application round 5,427 acres will be permanently deed restricted at an estimated state cost of \$17,393,515. This round represented the first time that, applications were evaluated simultaneously at the time of preliminary approval, certification, submission of offers and later at the time of final approval.

This type of review cycle was important since the Agriculture Retention and Development Act requires that in addition to considering the survivability of a farm in productive agriculture and the degree of imminence of change of the land from productive agriculture to nonagricultural use, both measured at the time of preliminary approval, the Committee must also give priority consideration, in any one county, to landowner offers with higher numerical values . The formula for establishing the numerical values is identified below:

$$\frac{\text{certified value} - \text{landowner's offer}}{\text{certified value}} = \text{formula index}$$

On March 21, 1991, 38 landowners submitted confidential offers that were opened at a public meeting of the SADC. Applications were ranked according to the formula index from highest index (greatest discount from the certified value) to lowest. The \$19 million available through the appropriation bill was to be spent in order of the index. The increased competition resulting from the formula index ranking further extended an estimated \$3,939,269 in governmental moneys--\$1,231,721 of SADC funds and \$2,707,547 of County funds. Unexpended moneys are made available for future application rounds.

CLOSINGS AND REIMBURSEMENTS-1981 BOND FUNDS

During FY 1992, development easements were purchased on the last two farms from the 1988 application round. These two farms located in Hunterdon County, totaled 396.9 acres, and were fully funded with County funds. With these two purchases, the total number of farms permanently preserved with 1981 Bond funds increased to 78 and totaled 10,919.9 acres.

As in FY 1991, payments were made in FY 1992 to reimburse counties for development easement and ancillary costs. These payments were made in accordance with Policy P-25, adopted January 19, 1989, which expressed the Committee's intent to provide additional cost share moneys to four counties: Mercer, Somerset, Sussex, and Warren. In January 1991 the Committee officially authorized the use of available 1981 funds to reimburse these counties for up to 80% of their cost to purchase the development easements and ancillary expenditures. The following reimbursements were made during FY 1992:

Table 3. Reimbursements during FY 1992 with 1981 Bond Funds

County	Landowner	Amount	Purpose
Mercer	Stuart Country	\$ 15,317.84	Ancillary
Mercer	Stuart Country	259,286.16	Easement
Somerset	Totten	97,816.00	Easement
Sussex	NJCF	15,317.84	Ancillary
		\$387,737.84	

At the close of FY 1992 one reimbursement from the 1981 Bond funds for Sussex County remained unpaid.

CUMULATIVE RESULTS-ACRES PERMANENTLY DEED RESTRICTED

With the easements purchased as of June 30, 1992, from the 1990/1991 funding round, the total number of properties permanently deed restricted increased to 110 on 16,019.97 acres. This included the 524.1 acres restricted via the fee simple program, the 141.7 acre easement that was donated and the 10,919.9 acres preserved with 1981 Bond Funds. The total cost to purchase the easements through the easement purchase program totaled \$91,645,069.73, with \$56,156,281.79 paid by the SADC. Historically the total average per acre value is \$5,968.80 with an average state cost per acre of \$3,657.43. This calculates to a 61.28 % state cost share.

Table 4. shows the difference in per acre values between the funding rounds funded through the 1981 Farmland Preservation Bond Act and the 1990/1991 round funded through the 1989 Open Space Preservation Bond Act.

Funding Source	Total cost per acre	State Cost per acre
1981 Bond funds	\$6,285.91	\$3,741.72
1989 Bond funds	\$5,187.83	\$3,449.85
Program Average	\$5,968.80	\$3,657.43

Several factors may have been instrumental in creating this value shift. First, the 1990/1991 application round marked the first time that several counties, namely, Atlantic, Cape May, Cumberland, Ocean and Salem participated in the easement purchase program. As can be seen in the table below the easement values in those counties tended to be significantly lower than those in the remaining counties represented. In addition, during the appraisal period the real estate market underwent a significant downturn while concurrently there was more evidence, via comparable sales, that deed restricted properties depending upon their location and size had increased value.

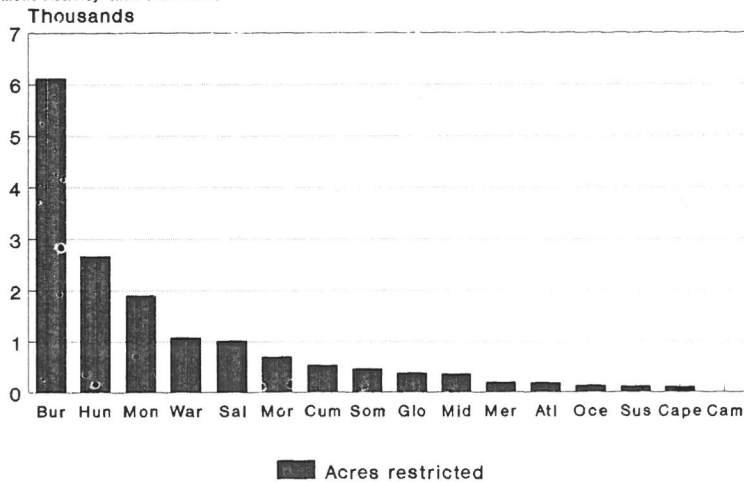
Table 5. Comparison on a county basis of the average per acre values found in the first application round and the 1990/1991 application round.

County	1981-1989 Avg. Total per/ac	1990/1991 Avg. Total per/ac.	Cumulative Avg. per/ac.
Atlantic	N/A	\$ 1,124.00	\$ 1,124.00
Burlington	\$ 4,689.59	\$ 4,552.40	\$ 4,676.47
Camden	N/A	N/A	N/A
Cape May	N/A	\$ 850.00	\$ 850.00
Cumberland	N/A	\$ 2,293.97	\$ 2,293.97
Gloucester	\$ 3,000.00	\$ 2,805.00	\$ 2,925.00
Hunterdon	\$ 6,313.02	\$ 5,114.04	\$ 6,104.27
Mercer	\$11,302.59	N/A	\$11,302.59
Middlesex	\$22,000.00	\$12,124.60	\$14,586.92
Monmouth	\$ 7,583.66	\$ 6,010.73	\$ 7,216.80
Morris	\$16,709.21	\$ 8,157.50	\$14,045.63
Ocean	N/A	\$ 6,329.28	\$ 6,329.28
Salem	N/A	\$ 2,212.20	\$ 2,212.20
Somerset	\$10,293.79	\$10,594.51	\$10,501.82
Sussex	\$ 6,100.60	N/A	\$ 6,100.60
Warren	\$ 4,226.64	\$ 6,340.62	\$ 5,217.54
Average	\$ 6,285.91	\$ 5,187.83	\$ 5,968.80

Table 6. shows a comparison of the total number of acres permanently deed restricted in each county as of June 30, 1992.

Distribution of restricted acres by county

Easement Activity-thru June 1992



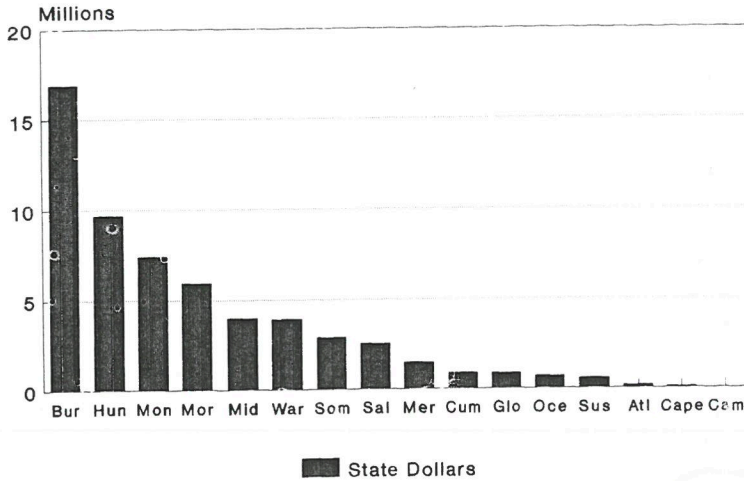
Easement Purchase Activity thru June 1992

County Sort based on acreage restricted

County	Farms	Acres	State	\$\$ Spent
Bur	35	6118.3	\$16,893,237.20	
Hun	19	2671.4	\$9,673,793.72	
Mon	14	1908.6	\$7,391,367.18	
War	6	1086.8	\$3,918,391.05	
Sal	3	1018.8	\$2,544,900.17	
Mor	10	708.4	\$5,936,249.14	
Cum	4	535.1	\$901,023.12	
Som	5	469.8	\$2,893,252.20	
Glou	2	386.0	\$850,684.80	
Mid	4	363.0	\$3,984,914.54	
Mer	3	196.0	\$1,494,373.90	
Atl	1	189.6	\$164,670.50	
Oce	1	137.7	\$685,122.48	
Sus	2	120.6	\$570,184.00	
Cape May	1	109.6	\$56,570.28	
Cam	0	0	\$0.00	
Total	110	16019.7	\$57,958,734.28	

Table 7. shows a comparison of the amount of state dollars spent to permanently deed restricted the above acres in each county as of the end of FY 1992.

Distribution of state \$\$ by county
Easement Purchase Activity-thru June 1992

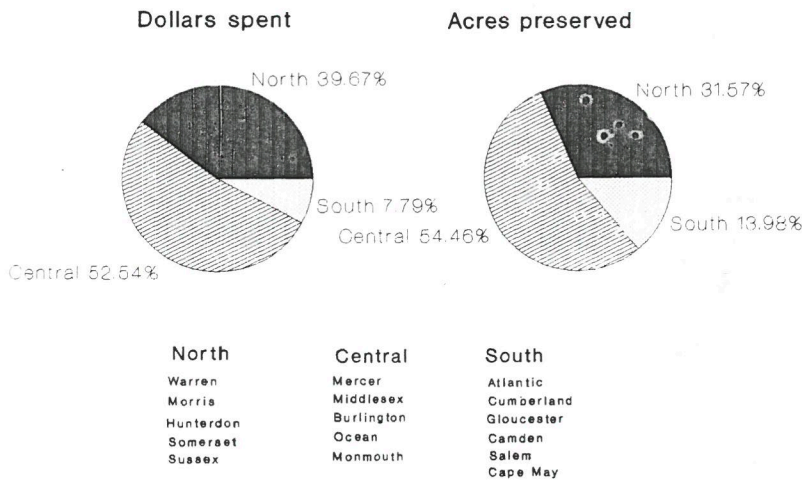


County Sort based on State Dollars expended

County	Farms	Acres	State \$\$ Spent
Bur	35	6118.3	\$16,893,237.20
Hun	19	2671.4	\$9,673,793.72
Mon	14	1908.6	\$7,391,367.18
Mor	10	708.4	\$5,936,249.14
Hid	4	363.0	\$3,984,914.54
War	6	1086.8	\$3,918,391.05
Som	5	469.8	\$2,893,252.20
Sal	3	1018.8	\$2,544,900.17
Mer	3	196.0	\$1,494,373.90
Cum	4	535.1	\$901,023.12
Glou	2	386.0	\$850,684.80
Oce	1	137.7	\$685,122.48
Sus	2	120.6	\$570,184.00
Atl	1	189.6	\$164,670.50
Cape May	1	109.6	\$56,570.28
Cam	0	0	\$0.00
Total	110	16019.7	\$57,958,734.28

Table 8. illustrates the comparison between acres preserved regionally and the state dollars required to do so.

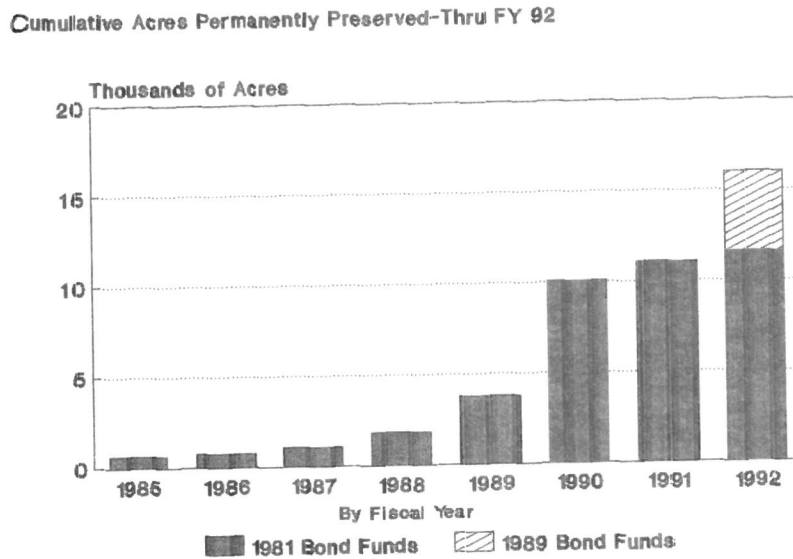
A regional comparison of distribution of \$\$ versus acres
Total Easement Program Activity-thru June 1992



County Sort based on Regional distribution of funds

County	Farms	Acres	State \$\$ Spent
NORTH			
Som	5	469.8	\$2,893,252.20
Mor	10	708.4	\$5,936,249.14
Sus	2	120.6	\$570,184.00
Hun	19	2671.4	\$9,673,793.72
War	6	1086.8	\$3,918,391.05
Total	42	5057.0	\$22,991,870.11
CENTRAL			
Bur	35	6118.3	\$16,893,237.20
Mid	4	363.0	\$3,984,914.54
Mer	3	196.0	\$1,494,373.90
Mon	14	1908.6	\$7,391,367.18
Oce	1	137.7	\$685,122.48
Total	57	8723.6	\$30,449,015.30
SOUTH			
Glou	2	386.0	\$850,684.80
Cape May	1	109.6	\$56,570.28
Cum	4	535.1	\$901,023.12
Sal	3	1018.8	\$2,544,900.17
Cam	0	0	\$0.00
Atl	1	189.6	\$164,670.50
Total	11	2239.1	\$4,517,848.87
Total	110	16019.7	\$57,958,734.28

Table 9. shows the cumulative acres permanently deed restricted as of the end of FY 1992 and notes the breakdown of the easement acres purchased with 1981 or 1989 Bond Funds.



STATUS OF 1991/1992 ROUND/CERTIFICATION

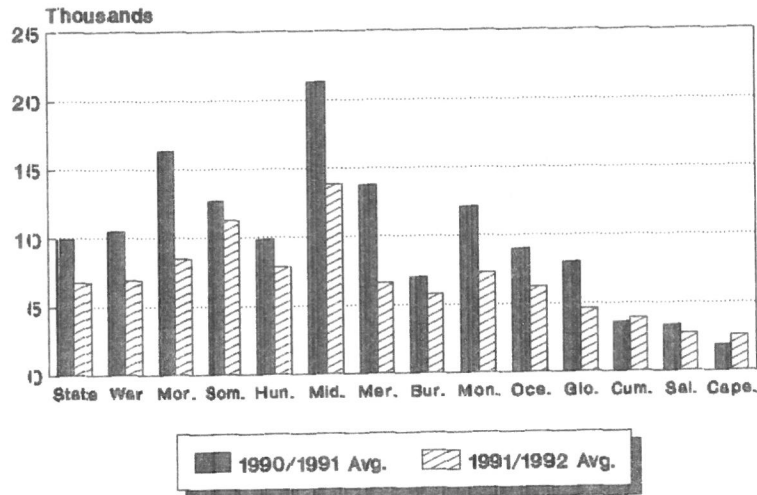
On June 5, 1992, the State Agriculture Development Committee certified the fair market value of development easements for 74 farms in the 1991/1992 application round. As compared to the previous application round, development easement values were significantly lower. Only Cape May County experienced an increase (158%).

Overall, the easement values were 24.07% less than the certified values in the previous round. Comparing all counties, but excluding Cape May, the easement values were 39.25 % lower. Further analysis reveals that the Before values decreased by an average of 23.4%, while the After values decreased less dramatically by only 6.15%. Two counties experienced increases in the Before values whereas, three counties experienced increases in the After values.

Below are several bar charts reflecting the results of the 1991/1992 appraisal process. Some are on a county by county basis, while others represent the round regionally.

Table 10. Compares the average per acre Before values by County in both the 1990/1991 and 1991/1992 application rounds.

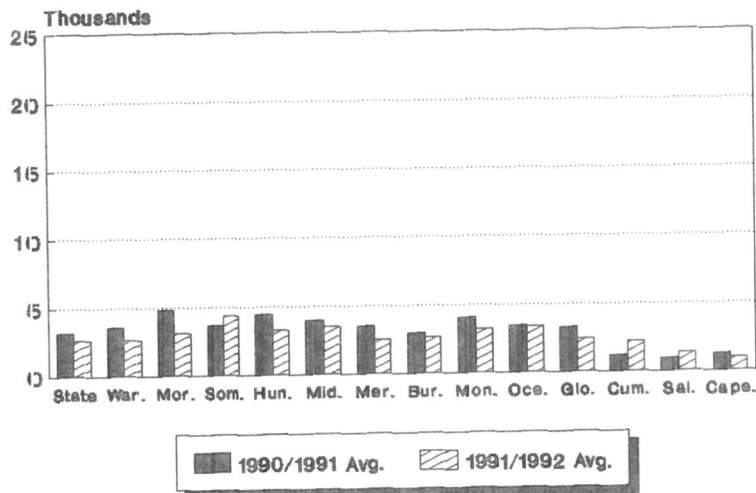
COMPARISON OF AVG BEFORE VALUES BY CNTY-90/91 & 91/92 ROUNDS



Revised as of July 2, 1992/Final Report

Table 11. Compares the average per acre After values by County in both the 1990/1991 and the 1991/1992 application rounds.

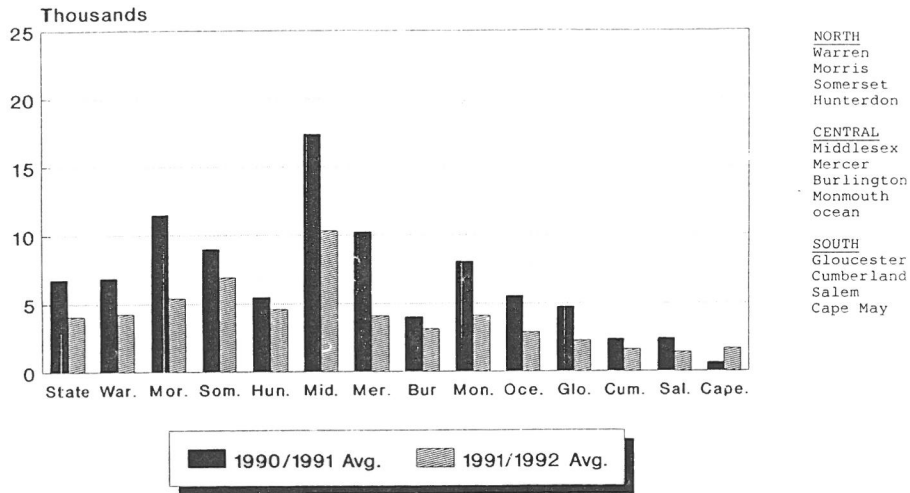
COMPARISON OF AVG AFTER VALUES BY CNTY-90/91 & 91/92 ROUNDS



Revised as of July 2, 1992/Final Report

Table 12. Compares the average per acre Easement values by County in the two application rounds.

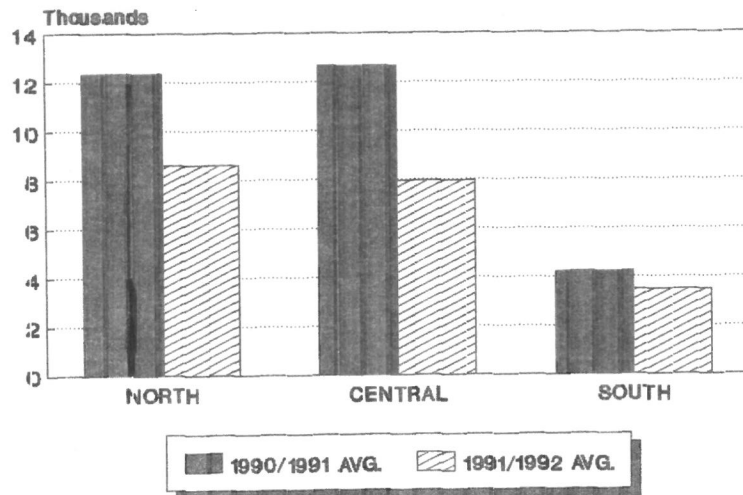
COMPARISON OF AVG EASEMENT VALUES BY COUNTY-90/91 & 91/92



Revised as of July 2, 1992/Final Report

Table 13. Compares the average per acre Before Value between the three regions of the state.

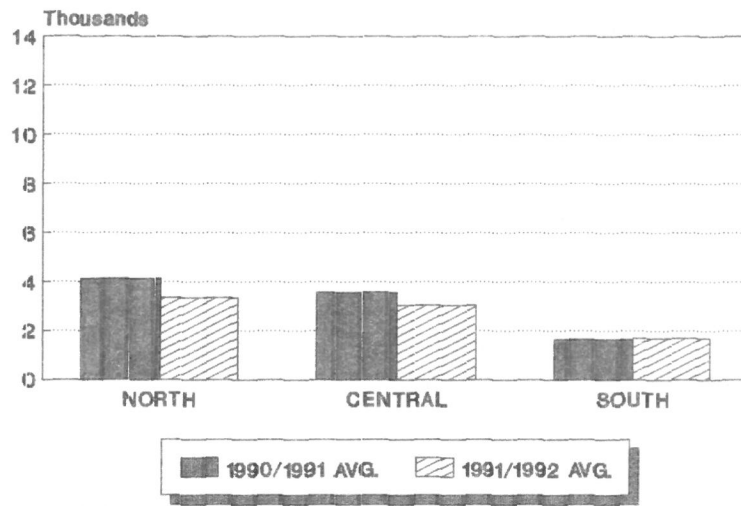
REGIONAL COMPARISON OF AVG. BEFORE VALUES-90/91 & 91/92



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Table 14. Compares the average per acre After value regionally.

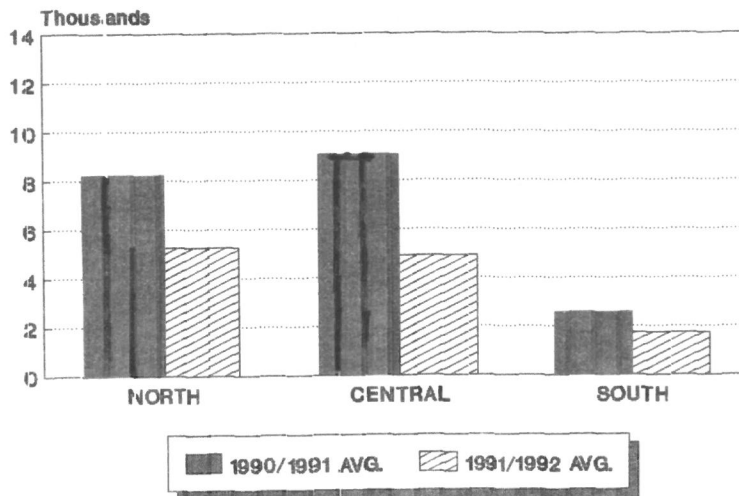
REGIONAL COMPARISON OF AVG AFTER VALUES-90/91 & 91/92 ROUNDS



Revised as of July 2, 1992/Final Report

Table 15. Compares the average per acre Easement value regionally.

REGIONAL COMPARISON OF AVG EASEMENT VALUE-90/91 & 91/92



Revised as of July 2, 1992/Final Report

Table 16. Provides statistics for the 1990/1991 and 1991/1992 application rounds. Applications considered prior to the 1990/1991 application round were grouped into 1985-1989.

County	Round	# Easements	Total Acres	Avg. Farm Size	Total Avg. Farm	Total Avg. State
					Avg. Esmt.	Cost share
Atl.	1985-1989	0	0.00	0.00	\$0.00	\$0.00
	1990/1991	1	189.64	189.64	\$1,124.00	\$899.20
	1991/1992*	0	0.00	0.00	\$0.00	\$0.00
Bur.	1985-1989	32	5532.40	172.88	\$4,689.59	\$2,764.22
	1990/1991	3	585.90	195.30	\$4,552.40	\$2,731.43
	1991/1992*	2	340.00	170.00	\$2,979.49	\$1,787.70
Can.	1985-1989	0	0.00	0.00	\$0.00	\$0.00
	1990/1991	0	0.00	0.00	\$0.00	\$0.00
	1991/1992*	0	0.00	0.00	\$0.00	\$0.00
Cape	1985-1989	0	0.00	0.00	\$0.00	\$0.00
	1990/1991	1	109.60	109.60	\$850.00	\$520.00
	1991/1992*	1	70.10	70.10	\$2,600.00	\$1,560.00
Cun.	1985-1989	0	0.00	0.00	\$0.00	\$0.00
	1990/1991	3	476.21	158.74	\$2,993.97	\$1,522.64
	1991/1992*	2	238.80	119.40	\$1,721.50	\$1,032.90
Glou.	1985-1989	1	164.50	164.50	\$3,000.00	\$2,400.00
	1990/1991	1	221.54	221.54	\$2,850.00	\$2,280.00
	1991/1992*	1	172.70	172.70	\$2,000.00	\$1,400.00
Hun.	1985-1989	15	2089.20	139.28	\$6,313.02	\$3,950.94
	1990/1991	3	440.48	146.83	\$5,114.04	\$3,222.63
	1991/1992*	5	872.54	174.51	\$4,521.20	\$2,712.72
Mer.	1985-1989	3	196.00	65.33	\$11,302.59	\$7,624.35
	1990/1991	1	143.31	143.31	\$8,287.00	\$5,800.90
	1991/1992*	2	251.83	125.92	\$3,597.50	\$2,338.38
Mid.	1985-1989	1	90.52	90.52	\$22,000.00	\$17,600.00
	1990/1991	3	272.53	90.84	\$12,602.67	\$9,030.20
	1991/1992*	3	339.96	113.32	\$9,065.00	\$5,847.33
Mon.	1985-1989	11	1463.40	133.04	\$7,583.66	\$3,754.36
	1990/1991	3	455.20	151.73	\$6,010.73	\$4,261.56
	1991/1992*	3	466.27	155.42	\$3,081.67	\$1,919.75
Mor.	1985-1989	8	541.20	67.65	\$16,709.21	\$9,232.35
	1990/1991	3	244.74	81.58	\$8,157.50	\$5,380.74
	1991/1992*	2	182.44	91.22	\$5,924.50	\$3,104.70
Oce.	1985-1989	0	0.00	0.00	\$0.00	\$0.00
	1990/1991	1	137.07	137.07	\$6,300.00	\$4,975.32
	1991/1992*	2	270.00	135.00	\$3,022.50	\$1,813.50
Sal.	1985-1989	0	0.00	0.00	\$0.00	\$0.00
	1990/1991	6	1339.63	223.27	\$1,912.85	\$1,376.18
	1991/1992*	4	892.60	223.15	\$1,277.99	\$766.79
Som.	1985-1989	3	144.80	48.27	\$10,293.79	\$5,642.16
	1990/1991	2	325.03	162.51	\$10,594.51	\$6,388.01
	1991/1992*	5	810.39	162.08	\$6,752.88	\$4,051.73
Sus.	1985-1989	2	120.60	60.30	\$6,102.62	\$4,727.89
	1990/1991	0	0.00	0.00	\$0.00	\$0.00
	1991/1992*	0	0.00	0.00	\$0.00	\$0.00
War.	1985-1989	2	577.30	288.65	\$4,226.64	\$3,381.31
	1990/1991	4	509.52	127.38	\$6,340.62	\$3,859.24
	1991/1992*	4	258.65	64.66	\$3,852.50	\$2,356.50

* Results are estimated as the 1991/1992 round is not completed.

FEE SIMPLE ACQUISITION OF FARMLAND FOR RESALE WITH DEED RESTRICTIONS

DEFINITION

To date the Committee, has earmarked a total of approximately \$8 million for fee simple projects--\$3.1 million from the 1981 Bond funds and \$5 million from 1989 Bond funds. The fee simple program permits the SADC to purchase properties outright and then resell the parcels permanently deed restricted prohibiting any future nonagricultural use. As of June 30, 1992, two farms totaling 524.1 acres had been purchased at a net cost to the SADC of \$1,802,452.49.

Table 17. Fee Simple Purchases

County	# of farms	Acres	Net Cost to Acquire	Per acre
Salem	1	58.91	\$ 175,924.92	\$2,986
Cumberland	1	465.34	1,626,527.57	3,495
		524.25	\$1,802,452.49	\$3,438

1992 ACTIVITY-FUTURE PROJECTS

During FY 1992 no new fee simple properties were purchased.

The Committee continued to pursue the acquisition of a 130 acre farm in Hopewell Township, Mercer County. This project involves a joint venture between Mercer County and the SADC, the New Jersey Department of Environmental Protection and Energy, Green Acres and the Delaware & Raritan Greenway, Inc. Appraisals on the property are expected at the beginning of FY 93.

During FY 1992 the Committee evaluated and granted approval to pursue a fee simple acquisition on two farms--one in Cumberland County and the other in Hunterdon County. The Cumberland County parcel is a 127 acre farm located in Hopewell Township.

The 116.84 acre Hunterdon County farm borders two previously deed restricted farms in Franklin Township. It is anticipated that appraisals of both farms will be completed in early FY 1993.

EIGHT YEAR PROGRAMS

PROGRAM DEFINITION

An integral part of the overall farmland preservation effort continues to involve the enrollment of lands in eight year programs. There are two types of eight year programs: Farmland Preservation Programs which require an agreement between the landowner and the CADB; and Municipally Approved Farmland Preservation Programs which require an agreement among the landowner, the CADB and the municipality.

Lands enrolled in the eight year Farmland Preservation Programs are deed restricted to maintain the land in agricultural production and to prohibit any nonagricultural development for eight years. The landowner receives no direct monetary compensation for placing restrictions on the land but is eligible for cost share grants from the SADC for approved soil and water conservation projects. Lands under the Municipally Approved Farmland Preservation program accrue additional benefits such as protection from eminent domain actions, energy and water restrictions and nuisance suits.

ENROLLMENT FY 1992

Prior to January 1990, landowner enrollment in an eight year program was required for eligibility to sell development rights. Amendments to the Agriculture Retention and Development Act in January 1990, pursuant to P.L. 1989 c. 310 released landowners selling their development rights from this requirement. Upon the successful sale of a development easement, landowners are afforded the same benefits as those landowners enrolled in a Municipally Approved Farmland Preservation Program.

As a result of this revision, there are several categories of eligibility for soil and water cost share benefits. They are identified as: Landowners only enrolled in an eight year program, those in eight year programs who have sold their easements and landowners not in an eight year program but eligible for benefits because they sold their easements since 1990.

During FY 1992, 26 farms totaling 1,586.14 acres were enrolled in eight year programs. This brought the total eight year program enrollment to 248 farms on 24,256.63 acres. Additionally, development easements were purchased on 7 farms totaling 1,602.17 acres originally enrolled in eight year programs, bringing the total number of landowners enrolled both in eight year programs with permanent deed restricted properties to 87 farms and 12,663.77 acres. Finally during FY 1992, development easements were acquired, through the 1990/1991 application funding round, on 22 farms with 2,849.7 acres. As a result these landowners became eligible for soil and water cost share benefits. *The total number of farms eligible for soil and water cost share benefits as of June 30, 1992 was 357 farms totaling 39,770 acres.*

SOIL AND WATER CONSERVATION PROJECT

COST SHARE GRANTS

DEFINITION/ELIGIBILITY

Participants in both types of eight year programs and those applicants who sold their easements since January 1990, may be eligible to receive up to \$50,000 in 50% cost share grants from the state. A wide range of eligible projects as adopted by the State Soil Conservation Committee are available for funding provided there is a proven technical need and that the completed projects meet all required standards. The Committee earmarked \$3 million of the 1981 Farmland Preservation Bond Fund and \$3 million from the 1989 Open Space Preservation Bond Fund for Soil and Water Conservation Cost Share Grants.

Based on SADC regulations, the actual amount any one participant can receive during the eight year period is calculated on a sliding scale based on the total acres of the enrolled or permanently deed restricted farm. The SADC obligates funds at the time of project approval in the amount of 50% of the estimated eligible project cost not to exceed the landowner's eligibility limits. Payment to the landowner is made after successful installation of the entire project or when single independent components of the project are completed and functional.

EXPIRATION PERIOD

Generally each project obligation has a three year lifetime. If at the end of the three period the project costs were less than projected or the project was not installed, the unexpended moneys become available for use by other eligible applicants.

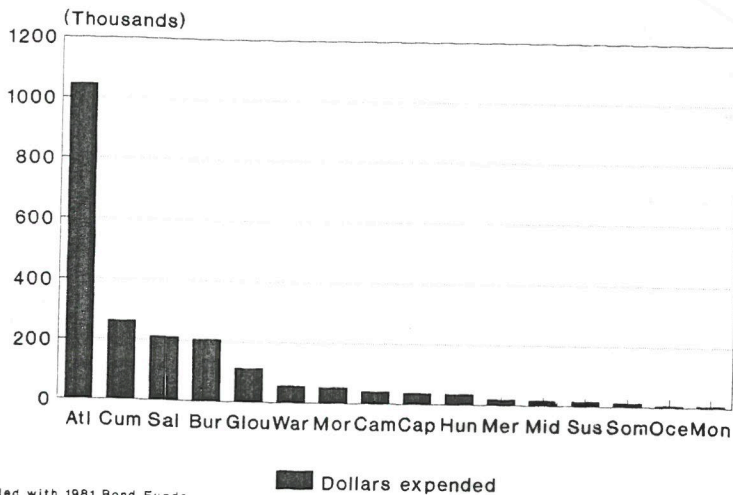
1992 ACTIVITY

At the end of FY 1991 the Committee had approved obligations for 278 projects at an estimated 50% state cost of \$2,855,719.63. Of those totals, 246 full or partial payments had been made at a 50% cost of \$1,941,865.12.

At the end of FY 1992 the Committee had approved obligations for 304 projects at an estimated 50% state cost of \$2,833,783.23. By the end of the year, 288 full or partial payments had been made at a 50% cost of \$2,147,754.50. The net activity for FY 1992 was approval of 26 projects at an estimated 50% cost of \$234,032.30, with 42 full or partial payments made for an actual annual expenditure of \$205,889.38. Expired obligations totaling \$273,157.56 were returned to the fund.

Table 18. and the accompanying graph below reflects the number of farms both enrolled in eight year programs or eligible for soil and water cost share benefits along with the soil and water project expenditures, by county, as of the end of FY 1992.

Soil & Water Cost Share Grants Through June 1992*
(incl. both 8yr prgms. and properties eligible for benefits)



* Funded with 1981 Bond Funds
Source: State Agriculture Development Committee

NJ Farmland Preservation Program
Expenditures for Soil and Water projects thru June 1992

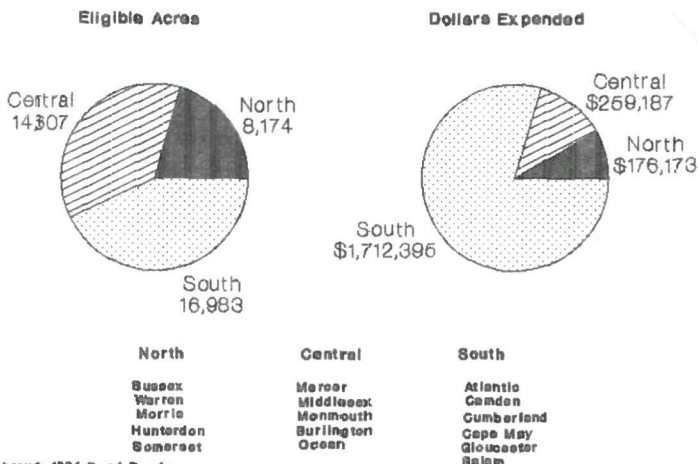
County	# of farms	Total Acres	Bond Funds Expended
Atl	97	6046.5	\$1,045,716.21
Cum	42	3641.0	\$261,666.63
Sal	18	4776.7	\$212,238.01
Bur	63	10781.9	\$207,858.43
Glou	14	1168.7	\$113,825.94
War	18	2487.3	\$56,827.65
Mor	20	1433.4	\$53,265.88
Cam	5	416.7	\$41,987.55
Cape	5	933.1	\$36,961.03
Hun	34	3296.0	\$36,439.80
Mer	6	860.1	\$20,240.83
Mid	5	385.5	\$18,610.12
Sus	4	406.4	\$17,022.50
Som	7	550.7	\$12,616.74
Oce	2	255.4	\$6,483.28
Mon	17	2330.7	\$5,993.90
	357	39770.1	\$2,147,754.50

Table 19. 8-Year Program Participation and Soil and Water Conservation Project Expenditures as of June 30, 1992

County	# Farms/ # Acres	Proj't. Apprvd.	Proj't. Compld.	Soil & Water \$\$ Spent
Atlantic	97/6,046	132	136	\$1,045,716.21
Burlington	63/10,782	33	32	207,858.43
Camden	5/417	7	5	41,987.55
Cape May	5/933	4	4	36,961.03
Cumberland	42/3,641	36	35	261,666.63
Gloucester	14/1,168	21	12	113,825.94
Hunterdon	34/3,296	12	12	36,439.80
Mercer	6/860	2	3	20,240.83
Middlesex	5/386	2	2	18,610.12
Monmouth	17/2,331	3	2	5,993.90
Morris	20/1,433	7	4	53,265.88
Ocean	2/255	2	2	6,483.28
Salem	18/4,777	27	24	212,238.01
Somerset	7/551	3	3	12,616.74
Sussex	4/406	3	2	17,022.50
Warren	18/2,487	10	10	56,827.65
	357/39,770	304	288	\$2,147,754.50

Table 20. and the accompanying graph illustrates the actual regional distribution of the soil and water cost share grants as compared to the acres enrolled or eligible for soil and water moneys.

Soil & Water Conservation Grants by Region-As of June 1992*



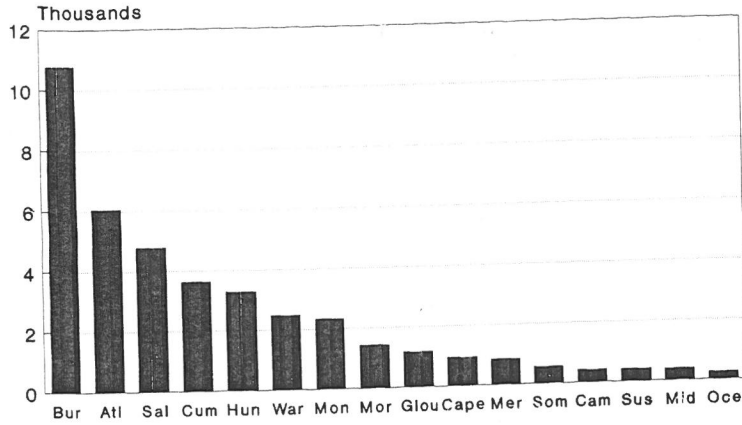
* Funded through 1991 Bond Funds
Source: State Agriculture Development Committee

**NJ Farmland Preservation Program
Soil and Water Conservation Grants by Region- As of June 1992**

County	# of farms	Total Acres	Bond Issue Dollars Expended
NORTH			
Mor	20	1433.4	\$53,265.88
War	18	2487.3	\$56,827.65
Sus	4	406.4	\$17,022.50
Hun	34	3296.0	\$36,439.80
Som	7	550.7	\$12,616.74
	83	8173.8	\$176,172.57
CENTRAL			
Mon	17	2330.7	\$5,993.90
Mer	6	860.1	\$20,240.83
Mid	5	385.5	\$18,610.12
Oce	2	255.4	\$6,483.28
Bur	63	10781.9	\$207,858.43
	93	14613.6	\$259,186.56
SCOUTH			
Cape	5	933.1	\$36,961.03
Glou	14	1168.7	\$113,825.94
Cam	5	416.7	\$41,987.55
Atl	97	6046.5	\$1,045,716.21
Sal	18	4776.7	\$212,238.01
Cum	42	3641.0	\$261,666.63
	181	16982.7	\$1,712,395.37
	357	39770.1	\$2,147,754.50

Table 21. and the accompanying graph compares the number of acres in each county eligible for soil and water cost share benefits.

Acres Eligible for Soil & Water Cost Share Benefits
As of June 1992*



*Funding from 1981 Bond Funds
■ Acreage Enrolled
Source: State Agriculture Development Committee

Acres eligible for Eight-Year program benefits-June 1992

County	# of farms	Total Acres	Bond Funds Expended
Bur	63	10781.9	\$207,858.43
Atl	97	6046.5	\$1,045,716.21
Sal	18	4776.7	\$212,238.01
Cum	42	3641.0	\$261,666.63
Hun	34	3296.0	\$36,439.80
War	18	2487.3	\$56,827.65
Mon	17	2330.7	\$5,993.90
Mor	20	1433.4	\$53,265.88
Glou	14	1168.7	\$113,825.94
Cape	5	933.1	\$36,961.03
Mer	6	860.1	\$20,240.83
Som	7	550.7	\$12,616.74
Cam	5	416.7	\$41,987.55
Sus	4	406.4	\$17,022.50
Mid	5	385.5	\$18,610.12
Oce	2	255.4	\$6,483.28
	357	39770.1	\$2,147,754.50

MONITORING

DEFINITION

Once the development easements are purchased on a farm or a farm is enrolled in an eight year program, monitoring the properties becomes critical to the integrity of the Farmland Preservation Program. The purpose of monitoring is to ensure landowner compliance with the provisions of the deed restrictions placed on the participating farm.

The Committee anticipates the monitoring of each of these farms once every twelve to eighteen months. These inspections/visits will become increasingly important as more properties change ownership and the new owners are unfamiliar with the restrictions on the premises. During the field visits, staff reviews the restrictions concentrating particularly on those affecting residential units, farm labor units and available Residual Dwelling Site Opportunities. Staff works closely with all County Agriculture Development Board staffs to coordinate these visits.

1992 ACTIVITY

During FY 1992 a total of 54 farms enrolled in eight year program were inspected along with 52 permanently preserved farms. In addition all 34 farms granted SADC final approval for the purchase of a development easement under the 1990/1991 application round were inspected and detailed base line studies prepared.

GEN/000066

