



New Jersey Legislature
★ Office of LEGISLATIVE SERVICES ★
OFFICE OF THE STATE AUDITOR

EXECUTIVE SUMMARY

DEPARTMENT OF AGRICULTURE STATE AGRICULTURE DEVELOPMENT COMMITTEE (SADC) July 1, 2020 to June 30, 2022

The Agriculture Retention and Development Act was enacted in 1981 as part of New Jersey's efforts to counteract the loss of farmland throughout the state. The SADC makes grants available to local governments and landowners to purchase development easements and funds soil and water conservation projects, as well as the installation of deer fencing.

We observed that it is debatable whether the SADC's stated farmland preservation goals would be achieved in a reasonable amount of time. In making that determination, we noted the farmland preservation program could be more effective and efficient toward achieving the farmland preservation goal with changes to the SADC's Planning Incentive Grant (PIG) program and the farmland preservation cost-sharing formula. We also found the SADC was in compliance with the requirement to effectively monitor development easements.

AUDIT HIGHLIGHTS

- As of June 30, 2022, New Jersey had preserved 2,800 farms totaling 247,517 acres at a cost of \$1.8 billion, of which \$1.2 billion was from state cost-share and \$649 million from counties, municipalities, and federal cost share. When we analyzed the efforts of the preservation partners over a seven-year period, we noted 39,006 acres had been preserved for an average of 5,572 per year. Based on this prior performance, it would take an additional 54 years to achieve the goal of preserving 550,000 acres of farmland.
- We reviewed PIG funding from all 18 counties and 45 municipalities that participated in the PIG program during fiscal years 2009 through 2017 and identified \$49.4 million that had not been spent. It is possible changes in program regulations or market forces could provide opportunities for some of the less active partners to increase their activity in purchasing easements. We spoke to representatives of several county partners and found that some counties would like to preserve more farmland through the PIG program. However, they are unable to find enough farmland that meets the current minimum eligibility requirements of the program. Additional flexibility in how funds are reprogrammed could potentially mitigate this issue.
- We observed the PIG program cost-share formula may be outdated. The current cost-share formula, established in 2017, is comprised of 11 tier-based formulas based on per acre cost of easements. As the cost increases, the percentage of the cost the SADC contributes to the preservation of an easement decreases for most tiers of the cost-share formula.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report or to print this Executive Summary, click on the attached files.