

*NEW JERSEY DEPARTMENT OF
AGRICULTURE*

2005

**ECONOMIC DEVELOPMENT
STRATEGIES**

NEW JERSEY DEPARTMENT OF AGRICULTURE
ECONOMIC DEVELOPMENT STRATEGIES

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PRODUCE INDUSTRY
ECONOMIC DEVELOPMENT STRATEGY

BACKGROUND

New Jersey's growers harvest about \$279 million worth of fresh fruits and vegetables each year. In 2002, New Jersey's top 17 vegetable commodities were valued at \$152 million and New Jersey's fruit production of apple, blueberry, cranberry, peach and strawberry production was valued at \$93 million. New Jersey's produce industry supplies our residents with some of the healthiest and freshest fruits and vegetables available anywhere.

Local access to large affluent markets has long been an advantage for the marketing of those products. While our markets are still there, competition for those markets has become tougher. New Jersey's produce industry must continually work to rediscover its competitive advantages – access to nearby markets and consumer loyalty.

In 2004, over 2,500 retail supermarkets, community and farmer's markets received Jersey Fresh point of sale advertising materials. On a national level, the Department began working with such national organizations as Wal-Mart, Dole, Melissa's Produce, Ready-Pac and Fresh Express to explore ways that New Jersey can improve its position within the national 52-week supply cycle dominated by an increasingly consolidated produce industry.

In 2005, working with the Department of Corrections, and the School Lunch Program, government purchases of New Jersey produce are targeted to increase for the fourth straight year. The Department also will continue working to open new community markets, providing growers greater direct access to consumers. As a cornerstone to quality assurance, the Department will also be continuing to provide affordable third-party farm certifications.

The successes of the department's produce promotion program are now being expanded to include other agricultural industries through the development of new brand extensions such as Jersey Grown, Jersey Bred and Jersey Seafood.

1. PRODUCE STRATEGIES

1.1 Jersey Fresh Hospitality Industry Program

1) STRATEGY – Develop a “Jersey Fresh Hospitality Industry Program.” The program will work closely with the industry and include many elements to strengthen the marketing of “Jersey Fresh” produce to hotel, restaurant and institutional food service industries. The program will;

- 1- Involve members of the N.J. Restaurant Association, Slow Food of Central New Jersey and local chapters of the Professional Chef's Association.
- 2- Promote participating restaurants to the public via the Internet and other means, including the NJDA website.
- 3- Provide suppliers directories and point of sale advertising to the industry.
- 4- Promote “Jersey Fresh” produce and menu themes to restaurants and culinary contests.

1.2 Increase Produce Branding

2) STRATEGY – Through the distribution of Jersey Fresh twist ties and other packing materials to growers and marketing cooperatives, the department will continue to expand the branding of Jersey Fresh produce at the point of sale

1.3 Promote Vertical Integration

3) STRATEGY - Encourage attendance at national produce industry trade shows, continue to work with representatives of nationally marketed produce brands and seek new methods to better integrate New Jersey's produce industry into the year-round supply model.

4) STRATEGY - Promote centralized packing and increased participation in marketing cooperatives. This will provide better economies of scale to meet the packing, storing and regulatory requirements of big buyers, seeking quality standardization and better customer service.

1.4 Continue to Seek New Markets

5) STRATEGY - Continue working with the Department of Corrections to facilitate state Treasury purchases of over-produced and under-valued New Jersey farm products. Seek to have 2005 produce purchases by the Department of Corrections exceed \$250,000 while increasing the numbers of growers registered to sell produce to state institutions. Continue to increase New Jersey farm products purchases for school lunch and school breakfast programs.

6) STRATEGY - Continue supporting fresh exports of New Jersey agricultural products to Canada. Maintain industry contacts and promotion of the Jersey Fresh brand through displays at produce industry trade shows in Canada.

1.5 Strengthen Existing and Seek New Community Markets

7) STRATEGY – Promote Community Market opportunities to growers. Maintain a current list of existing and new community farm markets seeking increased farmer participation. This list will be made available on the department website, distributed at grower meetings and printed in grower oriented publications.

8) STRATEGY - Promote the existence of community farm markets to the public. Maintain the interactive directory of community farmers markets on the department's website and continue to offer community farmers market lists for publication in local papers. Distribute community farmers' market lists to agencies responsible for distributing Farmers Market Nutrition coupons to seniors and participants in the Women, Infants & Children (WIC) nutritional program.

1.6 Expand Jersey Fresh Program

9) STRATEGY – Continue to strengthen the appeal of the “Jersey Fresh” brand to retail supermarket chains. Increase efforts to use the “Jersey Fresh” brand name to decrease the use of the “Locally Grown” product claim. The value added to the “Jersey Fresh” program by the Department's leading third-party food certification program will be promoted to retailers as a part of the renewed brand promotion.

10) STRATEGY – Award Jersey Fresh matching-funds grants to applicants with the best past performance and greatest potential industry impact.

11) STRATEGY – Continue to broaden the “Jersey Fresh” promotional program to be more inclusive of all New Jersey produced fruits and vegetables, especially herbs, hydroponics and greenhouse produced fruits and vegetables and update “Jersey Fresh” Quality Grading standards to include non-traditional produce items if necessary.

1.7 Continue Third Party Farm Certifications

Continue providing affordable third-party farm certifications required by the produce industry. As consolidation continues in the retail produce industry, so will the trend toward requiring third-party farm certifications. In addition to high quality controls, consolidated retailers will be requiring the improved trace-back ability third-party certifications offer.

12) STRATEGY – Seek to provide cost effective and affordable third-party farm certifications and seek improved methods to communicate the benefits of the Quality Grading Program and Third-Party Farm Certifications.

1.8 Improve Retailer Coordination

13) STRATEGY – Continue weekly dialogue involving Department representatives, growers, producers, wholesalers and retailers of New Jersey agricultural products. Conduct farmer and buyer meetings to bring retailers, processors and growers together. Assist growers in identifying local and regional fresh market processors and determining the needs of those processors.

1.9 Explore Contract Growing

14) STRATEGY – Continue working to identify the economics of contract growing to enable growers to establish a market price prior to production thereby reducing their exposure to market and price volatility.

1.01 Identify Alternate Crops

15) STRATEGY - Expand the search for alternate crops that can be produced in New Jersey and identify channels of distribution for those crops. Continue the “Demographics and the Marketing of Ethnic Produce in the Mid-Atlantic States” research project that will identify new crops that can be grown in New Jersey and targeted at specific communities.

1.02 Value-Added Produce

16) STRATEGY - Evaluate Ethanol Plant Flash Freeze Co2 applications for a Value-Added Products Grant to study a possible ethanol plant flash freeze facility and conduct marketing research to evaluate flash freeze applications for vegetable & fruit products. In particular, marketing research will be conducted to evaluate the implications of flash freezing products for the school, institutional and foodservice markets.

17) STRATEGY – Continue to promote the availability of value-added grants and develop new proposals for the Value-Added Grant Program.

18) STRATEGY – Following on the model of the Peach Marketing Taskforce, focus on a commodity item to benefit from the establishment of a marketing task force to address challenges associated with the production, distribution and marketing of that commodity.

HORTICULTURE INDUSTRY **ECONOMIC DEVELOPMENT STRATEGY**

BACKGROUND

Horticulture, including greenhouse, sod, nursery and floriculture operations, is New Jersey's leading agricultural sector, representing almost 40 percent of the state's agricultural production with more than \$337 million in cash receipts. In 2002 New Jersey had 19 million square feet of greenhouse space plus another 14.8 million square feet of film plastic structures. New Jersey's horticultural products offer esthetic value, providing shade and a cooling effect, re-charging the air with oxygen while providing wildlife habitats.

The 2004 strategies greatly expanded the television advertising of New Jersey horticultural products through the "Jersey Fresh" marketing program and saw the development of the "Jersey Grown" quality-grading program along with an upgraded retail nursery and garden center listing on the Jersey Grown website.

To increase demand for New Jersey nursery stock, the New Jersey Department of Agriculture is continuing to expand the "Jersey Fresh" marketing program to include more horticultural crops. In addition to cut flowers, the Department is currently seeking to expand the developing "Jersey Grown" quality inspection program to a wider range of ornamental horticultural products.

The Department will continue to inspect and certify nurseries, enabling growers to sell certified disease-free material in and out of state, and conduct seed certification and seed control testing programs to ensure high quality turf grass seed for New Jersey sod growers.

In 2005, the Department's horticultural economic development strategies will be focusing on implementing the "Jersey Grown" brand program. A Jersey Grown website will be built, and inspections for harmful pests and certifying seed will be continued.

2. HORTICULTURE STRATEGIES

2.1 Ensure Plant Health

19) STRATEGY – Work to have a comprehensive approach to ensuring plant health. The following methods to be employed include:

- Continue inspections for harmful pests and disease.
- Seek ways to increase use of new methods of pest control and beneficial insects
- Inspect and certify nurseries, enabling growers to sell certified disease-free material in and out of state.
- Conduct seed certification and seed control testing programs to ensure high quality turf grass seed for New Jersey sod growers.
- Encourage the New Jersey Agricultural Experiment Station to continue its research in identifying new varieties of agricultural products resistant to pests, diseases and new plant introductions.

20) STRATEGY- Work toward establishing a drought emergency protocol for implementation of predictable, effective and sound restrictions for future emergencies. Work with the Nursery and Landscape Industry, the NJ Dept. of Environmental Protection, and the Department's Agricultural Water Working Group prior to future drought emergencies, to develop drought emergency water use restrictions.

2.2 Increase Consumer Awareness

21) STRATEGY - Continue work to strengthen the "Jersey Grown" brand name to enable the industry to benefit from a common trademark identifying locally produced horticultural products.

- Work with growers and independent garden centers and nurseries to strengthen their efforts to promote "Jersey Grown" products through the use of point of sale advertising such as product stickers, labels, tags and signage.
- Continue to include horticultural crops in the "Jersey Fresh" marketing program.
- Maintain the retail nurseries and garden center listings on the "Jersey Grown" website.

22) STRATEGY - Develop fact sheets and/or articles of interest to educate and inform consumers about the availability, variety and use of "Jersey Grown" horticultural products. Work with the New Jersey Nursery and Landscape Association to distribute fact sheets and horticultural articles of interest.

2.3 Improve State and Public Contract Requirements

23) STRATEGY- Work with state agencies, including the Department of Transportation, through its highway planting program, and the Department of Environmental Protection, through its forestry program, to use New Jersey produced products whenever possible and ensure that all products meet the pest-free standards of the New Jersey Nursery Law and satisfy the quality standards set by the Jersey Grown Rule as established by the Department.

24) STRATEGY - Lead in the use of Jersey produced plant material in bioengineering and cost share projects supported by the Soil Conservation Service.

2.4 Develop an Industry Recognition Program

25) STRATEGY - Explore the feasibility of creating a program to recognize outstanding uses of "Jersey Grown" nursery material grown and used in the state. A comprehensive award program that promotes both growers and end users of "Jersey Grown" nursery products will create increased awareness of the ornamental horticulture industry in the state.

2.5 Strengthen Communication with Industry Leaders

26) STRATEGY - Meet at least once annually with horticultural producers to discuss items of mutual interest, and meet at least once annually with floriculture leaders to address challenges in their industry.

NEW JERSEY SEAFOOD INDUSTRY ECONOMIC DEVELOPMENT STRATEGY

BACKGROUND

As the world's leading supplier of surf clams, ocean quahogs and mackerel, New Jersey's commercial fishermen have been supplying the world's finest seafood for over 300 years. The variety of New Jersey seafood is impressive: clams, scallops, blue crabs, squid, monkfish and flounder, and many others. New Jersey's ideal seaboard location allows for ready access to over 100 Northern and Southern species which are in demand all around the world. In 2003, over 170 million pounds of seafood valued at \$120 million was landed in New Jersey's six thriving ports, Cape May, Atlantic City, Belford, Point Pleasant, Point Norris and Barnegat Light. In 2003 Cape May was the sixth largest port in the nation landing \$74 million dollars of seafood. With annual retail, import and export sales in excess of \$2 billion, New Jersey Seafood is important to our state's economy

Our state's more than 150 aquaculture farms' total sales were estimated to be \$5.8 million in 1988. This includes 86 hard clam farms, 34 oyster farms and 14 finfish farms that include trout, koi, hybrid striped bass, sport fish species, and tilapia. Four farms also produce hundreds of species of aquatic plants. New Jersey has the second highest number of molluscan farms in the Northeast and ranks third in sales from those farms estimated to be \$3.3 million in 1988. The total acreage of aquatic farms in New Jersey is 1,466 of which 1,402 are saltwater and 64 are fresh water.

New Jersey is strategically located in one of the nation's largest, and culturally diverse, upscale consumer seafood markets. But stiff competition from other states is resulting in lower prices and lost markets for New Jersey' seafood and farm-raised products, especially shellfish.

In 2004, the Department embarked on a program to brand locally harvested seafood. The "Jersey Seafood" branding program allows consumers to identify local seafood while also meeting new country of origin label requirements. Through promotional materials, point of sale advertising, an enhanced website, and work with strategic partners, awareness is expanding for the "Jersey Seafood" brand name. With 70 percent of seafood consumed in restaurants, the Jersey Seafood brand promotion is also heavily targeted at chefs who are the opinion leaders in the industry.

New Jersey's coastal tourism annually contributes \$15 billion to our state's economy. Tourism statistics indicate that restaurants are a key component of a successful tourism industry in New Jersey. Recognizing this, our program will identify strategic partnerships and a comprehensive promotional plan to support the positive branding of the New Jersey Shore along with "Jersey Seafood."

3. SEAFOOD STRATEGIES

3.1 Promote and Develop "Jersey Seafood" Brand

27) STRATEGY- Continue to promote locally grown products as distinct from, and of higher value, than competing products by establishing the "Jersey Seafood" brand.

28) STRATEGY – In order to develop a high quality brand image for New Jersey Seafood, as well as maintain a safe and high quality supply of Jersey Seafood products for New Jersey residents:

- 1 NJDA staff and seafood industry members will develop and implement a new grading and quality assurance program to support the branding and marketing of farm-raised New Jersey shellfish.
- 2 Twenty farmers will adopt a quality grading program for farmed clams & oysters that will allow the use a “ Jersey Seafood” logo on packaging and promotional materials.
- 3 Five farmers will participate in a Shellfish Quality Assurance Program.
- 4 Seafood handling programs for supermarket retail personnel will be held twice yearly.
- 5 One hundred farmers will adopt the Recommended Agricultural Management Practices and Aquatic Organisms Health Management Plan.
- 6 Ten Agricultural Extension Agents will be trained to assist current and potential aquatic farmers.
- 7 An additional 100 acres of bottom will be available for aquaculture lease.
- 8 Signage and outreach materials will be developed to protect shellfish farmers from vandalism.

It is estimated that this support of the orderly growth of New Jersey’s aquaculture industry will increase farm gate sales by approximately 10 percent annually.

29) STRATEGY –Develop and identify strategic partnerships to support the positive branding of the New Jersey Shore and Jersey Seafood. Develop a strategic plan to align with Jersey Shore branding strategies and the promotional opportunities of the Casino Redevelopment Authority (CRDA), NJ Travel & Tourism/Department of Commerce and targeted seafood festivals.

30) STRATEGY- NJDA seafood marketing programs will continue to promote locally grown and harvested fish and seafood as an integral part of a healthier, more active lifestyle utilizing:

Promotional materials and the NJDA seafood website will continue to be utilized to promote the availability of Jersey Seafood. Utilizing local chefs, the website will also continue to promote preparation techniques of “Jersey Seafood.” NJDA will continue to support the branding of Jersey Seafood through our Jersey Seafood Website as well as point of sale materials developed and distributed to “Jersey Seafood” retailers, community markets and restaurateurs.

3.2 Developing Restaurant Promotions & Branding

31) STRATEGY- NJDA will continue to establish promotional relationships with professional culinary organizations such as the New Jersey Restaurant Association, Professional Chefs’ Associations, and Slow Foods Organizations of New Jersey. Through these relationships, “Jersey Seafood” Suppliers directory, information about our “Jersey Seafood” website and other materials designed to connect buyers with sellers will be distributed.

32) STRATEGY- In conjunction with the members of the NJDA Jersey Fresh marketing staff, Garden State Seafood Association, New Jersey Restaurant Association and Professional Chefs Associations, develop a Jersey Fresh Seafood Culinary event to showcase our local produce and seafood products. This will be implemented to highlight the quality of these items to our region's consumers, tourists and seafood buyers. Winning recipes and participating chefs and restaurateurs will be posted on the "Jersey Seafood" web site as well as considered for inclusion in future cookbooks.

3.3 Facilitating Retail Promotion & Sale of Jersey Seafood

33) STRATEGY- Ten new retail markets will feature locally harvested New Jersey finfish and shellfish. Consumer friendly "Jersey Seafood" point-of-sale materials will be provided to targeted retail markets. Develop and distribute an updated Seafood Suppliers Directory to seafood buyers of New Jersey's major supermarket chains.

3.4 Supporting Direct Marketing Opportunities

34) STRATEGY –NJDA will continue to support and assist in expanding the sale of aquaculture products at community farm markets. A USDA grant funding the development and distribution of Value Added branded clams will identify five new markets for product distribution. NJDA staff will work with other state regulatory agencies to develop a plan that provides for the safe handling of seafood products in farm markets. Promotional and packaging materials will also be developed to support the branding and sale of New Jersey's seafood products in targeted upscale farm markets. It is also anticipated that five new farmers will begin marketing products on the Internet.

3.5 Development of Value-Added Seafood Products

35) STRATEGY – In 2005, through the USDA Value Added Grant Program, a comprehensive business plan will be developed by the New Jersey Seafood Marketing Group. Department staff will continue to work with and inform agricultural and seafood industry members about the availability of grants to promote value added product development and product innovation.

3.6 Export of New Jersey Seafood Products

36) STRATEGY – In partnership with USDA Food Export USA programs for 2005, promote the development of export marketing opportunities for New Jersey's seafood products.

DAIRY INDUSTRY ECONOMIC DEVELOPMENT STRATEGY

BACKGROUND

New Jersey's milk production in 2003 totaled 216 million lbs. valued at \$27.6 million. Milk production in 1991 totaled 349 million lbs. valued at \$54 million. New Jersey's estimated 11,000 milk cows are primarily located in the counties of Salem, Sussex, Warren and Burlington. Those four counties produce 76 percent of New Jersey's milk. New Jersey's Dairy industry provides a fresh and healthy source of dairy products to all New Jersey residents young and old.

Over the past decade, New Jersey witnessed the closure of more than half its dairy farms. Today, the number of commercial dairy farms statewide totals approximately 119. Farmers' decisions to abandon dairy farming are largely attributable to the high cost of doing business, coupled with volatile pricing in the federal milk marketing system, which results in low profits. Though the number of farms has rapidly decreased, milk production has declined at a slower rate due to herd expansion and improved dairy herd production and management.

In 2004 the Department worked with Rutgers Food Innovation Research Center on a value-added dairy project. The project identified cheeses as the market to enter with a base of 10 percent of the raw milk until the market was established for the short term. The study identified that the use of the Jersey Fresh logo to identify locally produced fluid milk would garnish a reasonable profit for the remainder of the raw milk fitting the program standards. The project will continue to look at new packaging and new products such as flavored milk. The nutritional benefits of drinking milk at a young age were promoted to schoolchildren through the Healthy Choices, Healthy Kids initiative. To allow for milk to be branded as "Jersey Fresh" new guidelines were developed to define, "Jersey Fresh Milk," "Jersey Fresh Flavored Milk," "Made with Jersey Fresh Milk," and "Made with Premium Jersey Fresh Milk."

In 2005, the Department will be seeking to increase demand for New Jersey milk, working to evaluate the potential of value-added dairy products, evaluating new legislation to provide stable on-farm milk pricing, and looking at ways to ensure quality milk production and food safety.

4.0 DAIRY STRATEGIES

4.1 Evaluate Legislation and Regulation

37) STRATEGY – Continue tracking possible federal legislation that encompasses the Milk Income Loss Contract (MILC) program to ensure more stable short-term on-farm milk prices. Work with the State's Ratification Committee to continue moving that process forward while considering other new options.

38) STRATEGY – Explore options related to creating a unified New Jersey Dairy Council to meet the needs of both North and South Jersey producers and allow for greater local control over advertising budgets.

4.2 Increase Demand for Milk

39) STRATEGY- Develop a strategy to promote dairy product sales at community and retail markets throughout the State.

40) STRATEGY – Explore value-added products and the market potential for flavored milk, yogurt and other dairy products. Evaluate the concept of marketing low-fat flavored milk in New Jersey’s schools. Pursue a value-added grant for this project.

41) STRATEGY - Work with the Garden State Dairy Alliance to support the dairy industry with technical assistance to coordinate a multi-disciplinary team of State and Federal partners to cooperatively address issues related to animal health, milk quality, nutrient management, bio-security and dairy industry development. The alliance will work to help sustain a viable and thriving dairy industry in New Jersey

42) STRATEGY – Support the branding and distribution of milk as “Jersey Fresh,” “Made with Premium Jersey Fresh Milk,” “Made with Jersey Fresh Milk”, “Jersey Fresh Flavored Milk” and “Jersey Fresh Milk.”

43) STRATEGY – In conjunction with the Healthy Choices, Healthy Kids initiative, continue to promote the nutritional benefits of drinking milk at a young age. The Department and producers will work with the North Dairy Council to promote the initiative.

44) STRATEGY - Work with producer groups to market fluid milk products to co-packers and establish a processing facility to produce high-end soft cheeses and other products.

4.3 Ensure Quality Production and Food Safety

45) STRATEGY - Continue working to protect the health of the dairy industry from the threat of devastating and economically damaging diseases. Seek to secure funding for Rutgers Milk Quality Program to document the quality of raw and processed milk and milk products to assure the safety and wholesomeness of dairy products. Continue working with Rutgers and NJ Farm Bureau to promote the FIN Pak Program, a software program for dairy farmers that promotes good business practices through financial management analyses.

FIELD CROPS INDUSTRY ECONOMIC DEVELOPMENT STRATEGY

BACKGROUND

In 2002, New Jersey harvested more than 338,000 acres of field crops worth an estimated \$47 million. The leading field crops harvested were 115,000 acres of hay, 97,000 acres of soybeans, 88,000 acres of corn for grain and silage, 32,000 acres of winter wheat plus additional acreage of barley, white potatoes and sweet potatoes. Contributing to the State's agricultural economy, field crops provide animal feed and help to maintain open space.

Due to the state's high land values, property taxes and labor rates, production costs in New Jersey are higher than in most other production areas. With commodity prices based on national production costs, yields and demand, it is less profitable to produce commodity items in New Jersey than elsewhere.

In 2004 market opportunities for edible soybeans were investigated, progress toward the construction of an ethanol plant continued and a list of organic hay producers was created.

In 2005 efforts to support organic crop production, farm income diversification, the establishment of an ethanol plant, the prospect of commercially produced edible soybeans, and grower education about agri-tourism opportunities will be continued.

5.0 FIELD CROPS STRATEGIES

5.1 Support Organic Field Crop Production

46) STRATEGY – Encourage the production of certified organic soybeans, corn and wheat to increase the value of these crops.

47) STRATEGY – Assist in linking growers with organic food processors to help identify new market opportunities and take advantage of the growing demand for processed food products made from organic ingredients.

5.3 Support Plans for a Green Energy Initiative

48) STRATEGY – Continue to facilitate and support efforts to construct an ethanol plant in South Jersey. The plant will create a major new market for the state's grain growers, and has the potential to elevate the price paid for regionally produced corn. A market for distiller's grain, a by-product of the manufacturing process, will also be promoted.

49) STRATEGY- In support of New Jersey's soybean industry, the construction of a bio-diesel plant should be explored in New Jersey.

5.4 Seek New Markets for New Jersey Grain Crops

50) STRATEGY – Support New Jersey production research into edamame, a variety of vegetable soybean. Edamame does not require processing to be ready for human consumption, can be consumed fresh or frozen, and is high in protein and low in cholesterol and fat. Continue to investigate marketing opportunities and channels of distribution to capitalize on edamame's increasing popularity among all ethnic groups.

LIVESTOCK AND POULTRY INDUSTRY ECONOMIC DEVELOPMENT STRATEGY

BACKGROUND

With an estimated value of \$ 40 million, New Jersey's livestock and poultry sector is a significant contributor to the state's agricultural economy. The competitive pricing of the U.S. commodity market structure combined with New Jersey's higher than average feed and production costs can be disadvantages for our state's livestock industry. New Jersey's livestock industry is currently approaching a new marketing era with fewer commercial size operations and a trend toward alternative livestock and production methods. Direct or value-added marketing will be a driving factor for the livestock industry in New Jersey. The Department has worked to ensure that the existing structure of the industry is maintained and has facilitated growth in the emerging market structure.

The Department continues to work to protect livestock and poultry from disease. A healthy industry is also largely dependent upon well cared for animals. The New Jersey Department of Agriculture administers numerous disease control programs to ensure the health of livestock and poultry throughout the state. As a part of the Garden State Dairy Alliance, the Department offers voluntary animal health programs such as, "New Jersey Cattle Health Assurance Program" and the "New Jersey Sheep and Goat Health Assurance Program." These programs improve the management of livestock operations as well as assuring a safer food product for the consuming public.

Through education and inspections, the Department is active in avian influenza surveillance and eradication, periodically testing the live poultry markets, livestock auctions, and backyard flocks while helping owners to limit the risk of avian influenza in the markets.

With the introduction of the "Jersey Bred" logo, the successful Jersey Fresh brand has been extended to the livestock industry. The "Jersey Bred" brand will be promoted to the livestock industry in 2005.

In 2005 the Department will continue to implement the Federal-State Marketing Improvement Program grant to study the economics of raising and marketing goats. A significant new pool of goats, supported by marketing and educational programs, will result from this project.

In 2005 the Department will continue working to ensure animal health, enhance industry marketing, and encourage production while examining new and non-traditional New Jersey livestock products and markets for those products.

6.0 LIVESTOCK AND POULTRY STRATEGIES

6.1 Ensure Animal Health

51) STRATEGY – Through the implementation of best management practices for bio-security, the department will continue working to protect the health of the livestock and poultry industry from the immediate threat of devastating and economically damaging diseases. Work with owners of livestock to assure awareness of disease threats and general animal safety measures.

6.2 Enhance Marketing Efforts

52) STRATEGY- Evaluate the branding of goat meat products under the Jersey Fresh program.

6.3 Encourage Production of Goat Products

53) STRATEGY - Assist farmers to develop and promote the quality of meat goats and to identify markets for their products. Complete the marketing component of the Federal-State Marketing Improvement Program grant to study the economics of breeding and marketing meat goats. Work with dealers to coordinate the sale of goats to major retail distributors.

54) STRATEGY - Work to match the life style of the new and beginning farmer in New Jersey to feed out goats on a seasonal basis to maximize inputs and reduce costs associated with feeding these ruminant animals. This will also aid in maintaining the open space of rougher grasslands as well as maintaining water quality.

55) STRATEGY - Implement a Halal Certification program for New Jersey meat goats.

6.4 Encourage Production of Grass-Fed Animals

56) STRATEGY – Apply for a second Federal-State Marketing Improvement Program grant to help develop marketing programs for the distribution of fresh and frozen grass-fed and organic grass-fed livestock products throughout the state. Support efforts toward offering grass-fed New Jersey meat products to farm markets throughout the northwestern part of the state.

57) STRATEGY – Research the feasibility of conducting an economic impact study to determine the benefits of offering fresh meat products to farmers markets statewide by Summer 2006.

6.5 Work With Markets

58) STRATEGY – Continue the progress being made with the state’s livestock markets to upgrade their facilities and adapt their operations to better meet the particular needs of both traditional and ethnic markets. Initiate a dialogue with the auction markets to conduct graded sales.

59) STRATEGY – Support the marketing of locally produced poultry meat and eggs. Review the laws and regulations that affect this industry to ensure that they address current industry models of production and distribution.

6.6 Promote an Annual Market for Sheep, Goats

60) STRATEGY - Evaluate the possibility of establishing a livestock sale at the Horse Park and other locations in New Jersey.

61) STRATEGY - Evaluate methods to enhance support for the sale of market lambs and 4-H animals.

ORGANIC INDUSTRY ECONOMIC DEVELOPMENT STRATEGY

BACKGROUND

Organic foods continue to be the fastest growing, and a very profitable, segment of agriculture in America, Europe and Japan. In the United States in 2003, sales of organic agricultural products exceeded \$10 billion dollars. Currently, there are 56 certifying agents throughout the country comprising various state and private entities and 41 foreign certifying agents.

In October 2002, the U.S. Department of Agriculture implemented new regulations mandating that any organic agricultural product meet USDA National Organics Program standards in order to be sold as organic, guaranteeing consumers purchasing organic products certified by USDA Accredited Agents the highest quality organic agricultural products. States also have the option to establish State Organic Programs separate from certification programs requiring enforcement of organic regulations at the State level.

For more than a decade, the New Jersey Department of Agriculture has worked with the Northeast Organic Farming Association of New Jersey (NOFA-NJ) to certify organic producers and handlers. In September 2003, legislation passed allowing the Department to establish rules and regulations for a New Jersey organic certification program. The certification program will provide farmers who are transitioning to organic production the ability to market their products as transitional sustainable. In doing so, farmers will not have to wait the required 36-month “free of prohibited materials” requirement to realize the increased prices this niche market supports.

Over the last several years the Department received USDA funds to help offset the costs of organic certification. In support of the marketing of organic products, the Department developed “Jersey Organic” proposed rules that are awaiting publication and public comment. Organic price cards will be distributed to help promote New Jersey’s organic products directly to area retailers.

In 2005, the Department will continue to promote and administer cost sharing of organic certification for eligible operations, preparing informational brochures and fact sheets, and fully integrating organics into the Department’s “Jersey Fresh” promotional program. The proposed regulations for the State Organic Certification Program and the “Jersey Organic” marketing program are targeted for simultaneous publication in the near future.

7.0 ORGANIC STRATEGIES

7.1 Promote Cost-Sharing

62) STRATEGY – Continue outreach efforts to educate growers and handlers about federal funds available to help offset organic certification costs. Through a cost-sharing agreement with the Department and USDA, each operation is eligible for a reimbursement of up to 75 percent of its certification costs, not to exceed \$500.

7.2 Improve Marketing

63) STRATEGY – Continue to promote New Jersey grown organic products as distinct from, and of higher value, than competing products by establishing the Jersey Organic brand. Continue to integrate organic products into the Department’s Jersey Fresh Marketing Program using a Jersey Organic logo.

64) STRATEGY –The NJDA will continue to support the branding of Jersey Organic through our website as well as point-of-sale materials developed and distributed to Jersey Organic retailers, community markets and restaurateurs.

65) STRATEGY - Evaluate the development of a marketing program to promote organic products to area restaurants.

7.3 Educate Growers About Regulatory Requirements

66) STRATEGY – Distribute fact sheets outlining the legal and regulatory requirements for production and sale of organic products, including livestock and livestock products. Make the fact sheets available on the NJDA website

67) STRATEGY – Continue working toward USDA accreditation of a State Certified Organic program to guarantee consumers the highest quality organic agricultural products. The program also provides farmers who are transitioning to organic production and are in the process of completing the three-year qualifying period the ability to market their products as transitional sustainable.

EQUINE INDUSTRY ECONOMIC DEVELOPMENT STRATEGY

BACKGROUND

During the past 25 years, the region's horse racing industry has faced many challenges including the advent of casino gambling, an increasingly popular state lottery, the 2001 closure of Garden State Park, and declining audiences at live races due to simulcasting. To compensate, states neighboring New Jersey are combining different wagering technologies with horse racing. Delaware, Pennsylvania, and New York already have either slot machines or video lottery terminals installed at tracks or they have recently passed legislation permitting them. These efforts are attracting larger racetrack audiences and enhancing revenues.

Based on the most recent data, New Jersey's equine industry, composed predominately of pleasure breeds, accounts for an estimated 81,000 acres of farmland across the state. The state's breeding stock alone has an overall value of \$168 million. Equine related assets including feed, bedding, fencing, equipment, transportation, insurance, blacksmith and veterinary services contribute \$672 million to the state's economy annually.

As part of its efforts to support the equine industry, the New Jersey Department of Agriculture administers numerous disease control programs to help keep livestock healthy. The Department is a leader in the research on West Nile Virus and its work has been used throughout the world to develop programs that address the disease.

In 2003, a new breeder program was advertised for standardbreds, work continued toward a thoroughbreds breeding program. The Equine Science center continued its research, and the NJ Equine Advisory Board continued its efforts to bolster promotion and education efforts to stimulate interest, attract new owners, and create career opportunities in the equine industry.

In 2004, the Department worked to ensure horse health, encourage new and improved training facilities and promote New Jersey's equine industry.

In addition to continuing the Department's programs to ensure horse health and promote the industry, in 2005 income from casinos will be increasing purses and supporting breeding programs. Major improvements are also being considered for Monmouth Park in preparation for the upcoming Breeder's Cup scheduled in 2007.

8.0 EQUINE STRATEGIES

8.1 Ensure Horse Health

68) STRATEGY - Work with horse owners to assure awareness of disease threats and animal safety. Continue working to protect the health of horses from the immediate threat of devastating and economically damaging diseases.

69) STRATEGY – Work with Rutgers University’s Cook College to continue development of a state-of-the-art research facility for its Equine Science Center. The Center is developing cost-effective techniques for nutrient and waste management to ensure the compatible co-existence of horse farms in urban and suburban environments.

8.2 Encourage Development of New Training Facility

70) STRATEGY – Facilitate and encourage development of a training facility for thoroughbreds. The closing of Garden State Park resulted in the loss of the only thoroughbred training facility in the state, forcing trainers to leave New Jersey at the end of racing season because they have no place to train or lodge for the winter.

8.3 Promote the Industry

71) STRATEGY – Continue working with the Horse Park to explore the possibility of hosting future Olympic equestrian events and other prestige events.

72) STRATEGY – Seek increased funding of the Equine Advisory Board through the legislative process.

73) STRATEGY – In 2005, the Horse Park of New Jersey will continue to host sales.

74) STRATEGY - Use the racetracks to highlight pleasure breeds with demonstrations and parades.

75) STRATEGY – Create a website to highlight the sectors of New Jersey’s Equine Industry activities. The website could feature schedules of events, horseback riding trails and other industry related activities. Use the website to link New Jersey Equine breeders to racing sites.

76) STRATEGY - Bolster promotion and education efforts to stimulate interest, attract new owners and create career opportunities. An example would be a Jersey Fresh festival to attract the public and create educational and public relations opportunities for the equine industry. Seek additional industry and governmental support to augment purse values, increase racetrack attendance and diversify the public support base for horse racing.

77) STRATEGY - Continue to offer new and innovative programs to the racetracks.

8.4 Improve Facilities

78) STRATEGY - Seek to complete improvements at the Horse Park of New Jersey to allow for public seating at sales and agricultural education programs. Support efforts of the Horse Park to expand its acreage.

WINE INDUSTRY ECONOMIC DEVELOPMENT STRATEGY

BACKGROUND

New Jersey's 24 wineries, occupying an estimated 500 acres, are becoming more and more sophisticated, and the results are showing in their award-winning wines. The state's wine industry has received countless awards locally, nationally and internationally. New Jersey's wine industry adds an important diversification to New Jersey agricultural sector offering agri-tourism opportunities while providing a value-added product.

But even as grape production continues to expand in New Jersey, it is not keeping pace with increased wine production. New Jersey's wine industry ranks fifth in production behind California, Oregon, Washington and New York. This means the industry is becoming less dependent on New Jersey grapes and more dependent on out-of-state grapes, and risks losing its legitimate claim as an agricultural concern in the state.

The New Jersey Department of Agriculture administers a promotion and research fund for the wine industry supported by per-gallon tax refunds collected by the New Jersey Wine Industry Advisory Council. The Council prints promotional materials, conducts publicity programs, funds promotional festivals and conducts varietal and production oriented research with the funds.

In 2004, the Department met with the Department of Transportation to begin the process of establishing a roadside signage program for wineries and farm markets. The Department also worked with the Horse Park of New Jersey to secure a new location for the New Jersey Wine Festival.

In 2005, efforts will be made to increase New Jersey grape production, improve roadside signage, and expand the Jersey Fresh Wine Festival to include the wine industry, restaurant industry, and farmers markets. The development of a joint marketing opportunity for New Jersey fruit wines such as raspberry, blueberry and cranberry should be considered. The fruit wines could be promoted as a product category unique to New Jersey.

9.0 WINE STRATEGIES

9.1 Increase New Jersey Grape Production

79) STRATEGY - Support new research into the potential for increasing the state's grape production, which would likely lead to an increase in the locally grown content of New Jersey wines.

80) STRATEGY – Consider increasing the minimum acres required to establish a plenary winery from three to five acres.

9.2 Improve Roadside Signage

81) STRATEGY – Establish a statewide standard for directional signage on New Jersey's roadways to heighten consumer awareness and provide a more visible marketing profile for the industry. Seek industry specific exemptions and changes in existing signage regulations to increase signage opportunities.

9.3 Support the Wine Industry at Trade Shows

82) STRATEGY – Seek opportunities at domestic and international trade shows for New Jersey’s wine industry to expand the marketing and promotion of its wines. Support these efforts with any available state, regional or national cost sharing programs such as the USDA Market Access Program.

9.4 Expand the Jersey Fresh Wine Festival

83) STRATEGY - Support the expansion of the Jersey Fresh Wine Festival to include the wine industry, restaurant industry and farmers markets.

9.5 Promote Wine Product Categories

84) STRATEGY - Consider the development of a joint marketing opportunity for New Jersey fruit wines such as raspberry, blueberry and cranberry. Promote them as a product category unique to local New Jersey fruit production.

AGRI-TOURISM INDUSTRY ECONOMIC DEVELOPMENT STRATEGY

BACKGROUND

With New Jersey farmers facing rising costs and stagnant commodity prices, agri-tourism offers an important opportunity to generate additional farm income and keep farms economically viable. Agri-tourism presents opportunities for New Jersey growers seeking to add value to their crops and/or capture more of the market price of their products by directly accessing consumers. Many residents consider agriculture a novelty and something to be explored and enjoyed. They desire to share the agricultural experience while increasing farm income at the same time. New Jersey's agri-tourism industry provides for a great introduction to the agriculture of the Garden State. The educational and economic contributions of agri-tourism to the state's agricultural economy are many.

Other states have comprehensive agri-tourism programs that will be studied as work moves forward to more closely cooperate with the various agencies that share a common interest in promoting tourism in New Jersey. An example of another state success is Vermont, where \$19.5 million of farm income was created by agri-tourism in 2002.

To assist in the development of the agri-tourism industry, the Department will be focusing on three major objectives: developing Strategic Partnerships, Consumer Promotion and Industry Education.

10. AGRI-TOURISM STRATEGY

10.1 Develop Strategic Partners

85) STRATEGY – Support the newly formed New Jersey Agri-Tourism Industry Advisory Council in their charge to develop, support, and market this sector of the agricultural community

86) STRATEGY – Work with the Office of Travel & Tourism to incorporate agri-tourism research into their established travel industry research program. The study could identify existing agri-tourism and the current impediments and opportunities for future growth.

87) STRATEGY - Promote agri-tourism to the travel and tourism trade through participation in the annual Governor's Conference on Tourism.

88) STRATEGY - Coordinate an agri-tourism press familiarization tour to acquaint the regional travel and tourism media with New Jersey agri-tourism. This is a standard tourism practice and it should result in trade and consumer press.

10.2 Consumer Promotion

89) STRATEGY - Promote agri-tourism through the New Jersey Office of Travel and Tourism, an enhanced agri-tourism component on the Jersey Fresh website, and through consumer oriented printed materials, press releases and cooperative advertising. Produce an inexpensive Agri-Tourism brochure with website and contact information to be distributed at "Tourist Welcome Centers" and through other special events such as festivals. The brochure would promote seasonal events and special attractions.

90) STRATEGY- Develop a list of agri-tourism activities highlighting the various events throughout New Jersey. An agri-tourism listing on the Jersey Fresh website would include farm markets, agricultural festivals and special attractions like the New Jersey Museum of Agriculture. The locations, dates and a short description of the activities and events could be cross-referenced on an agri-tourism map.

10.3 Industry Education

91) STRATEGY - Coordinate an Agri-Tourism symposium to address common opportunities and challenges and to provide some basic tourism and hospitality training. Conduct outreach activities for agri-tourism operators to promote listings on the Travel & Tourism Calendar of Events. Promote the “Tourism Cooperative Grant Program” to New Jersey’s agri-tourism industry.

92) STRATEGY - Conduct a study in cooperation with Rutgers to determine the current status of agri-tourism operations in New Jersey and review municipal ordinances that might affect the agri-tourism industry in New Jersey.

93) STRATEGY - Seek funding for a farmer survey to be implemented by NJASS to assess the variety of activities, the size of industry, and the current challenges and opportunities.

GENERAL STRATEGIES
ECONOMIC DEVELOPMENT STRATEGY

BACKGROUND

Many different agencies, councils, and organizations working through a variety of programs, have the common goal of assisting New Jersey's agricultural community. Strengthened communication and coordination between agencies and programs can result in multiple benefits for the agricultural community.

As a new economic development initiative in 2005, the Department will be working on broad strategies and reaching out to better coordinate efforts with other agencies. In keeping with the goals outlined in its strategic plan; the Department continues to identify strategies to ensure the economic viability of the state agricultural industry as a whole.

11. GENERAL STRATEGIES

11.1 Inter-Agency Coordination

94) STRATEGY – Strengthen communication between the NJDA and County Agricultural Agents to improve program coordination.

95) STRATEGY – Work to strengthen the marketing and promotional coordination of the State Agricultural Commodity Councils. Evaluate the benefits of shared resources, such as cooperative advertising or other shared resources.

96) STRATEGY – Invite representatives from other agencies to Economic Development Work Group meetings. Guest representatives could be invited from such agencies as Rutgers, Division of Travel & Tourism, Economic Development Authorities, the Commerce and Economic Growth Commission, state agency web masters etc.

11.2 New Market Opportunities List

97) STRATEGY – Maintain a current list of “New Market Opportunities.” The list could be drawn from projects within the Economic Development Work Group and disseminated directly to growers through Rutgers’ plant and pest advisory.

11.3 Assist in Addressing Labor Issues

98) STRATEGY - Continue the commitment to programs that support worker training, worker health and safety, and farm labor housing. Support reform of policies and procedures addressing temporary agricultural worker visas at the federal and state level.

11.4 Farmland Assessment and Crop Insurance

99) STRATEGY – Provide support, policy analysis, and information on farmland assessment to the Farmland Evaluation Advisory Committee, the Director of Taxation’s Farmland Assessment Committee, agricultural organizations, municipal tax assessor’s and to landowners. Update the document – New Jersey’s Farmland Assessment Act – A Primer on Basic Requirements.

100) STRATEGY Implement the New Jersey Crop Insurance Education Initiative in partnership with the Risk Management Agency USDA and Rutgers Cooperative Extension to improve the financial health of all farmers, increase their skill and knowledge in using crop insurance, and to increase crop insurance participation as additional products and programs become available.

101) STRATEGY- Actively assist farmers as an advocate with issues related to agricultural production, taxation, regulations, economic development, value-added opportunities as well as a variety of other matters that impact the long-term viability of New Jersey agriculture.