

Economic Development

BACKGROUND

PRODUCE INDUSTRY

ECONOMIC DEVELOPMENT STRATEGY

BACKGROUND

New Jersey's growers annually produce nearly \$300 million dollars worth of the healthiest and freshest fruits and vegetables available anywhere. In 2007, New Jersey's vegetable commodities were valued at \$138 million and New Jersey's fruit production of apple, blueberry, cranberry, peach and strawberry were valued at \$158 million. Local access to large, affluent markets has long been an advantage for the marketing of those products. While those markets are still there, competition has become tougher. New Jersey's produce industry must continually work to rediscover its competitive advantages, improving access to nearby markets and strengthening consumer loyalty.

The *Jersey Fresh* campaign is one of the country's leading state agricultural promotion programs and it continues to be the primary method of branding and supporting New Jersey fruits and vegetables as locally grown. The campaign's message, "*Jersey Fresh, as Fresh as Fresh Gets*" was advertised in print and through radio advertisements in 2009, as budget constraints precluded the use of television. To reinforce the media buys, over 2,500 retail supermarkets, community and farmer's markets received *Jersey Fresh* advertising materials to brand New Jersey produce at the point of sale. Through industry visits and involvement with the Eastern Produce Council and other trade groups, the Department continues to closely coordinate advertising with our region's major buyers and retailers. In partnership with the New Jersey Restaurant Association, approximately 350 restaurants participated in the "Proud to Offer Jersey Fresh" signage program. Working closely with the Produce News, Produce Business and the Packer national industry publications, the Department continues to keep the *Jersey Fresh* program in the national spotlight. Through active membership and participation in the United Fresh Produce Association and the Produce Marketing Association trade shows, the *Jersey Fresh* program's high profile was supported and maintained at the national level. A similar *Jersey Fresh* program is envisioned for 2010.

Quality assurance is an important component of the *Jersey Fresh* brand. Each year hundreds of New Jersey growers of fresh fruits and vegetables voluntarily register for quality and grade inspections under the Department's *Jersey Fresh* Quality Grading Program. To ensure retailers of good farm management practices and product traceability, the Department will continue providing grower accreditation for third-party food safety certification. In 2009, mock third-party food safety audits continued to be available to provide grower training prior to initiating their third-party farm certifications. As food safety increases in importance, and consolidation continues in the retail produce industry, the benefits of the Department's affordable third-party farm certifications will continue to grow, as retailers require the improved trace-back ability that third-party certifications offer. Working in conjunction with Rutgers University extension agents, the Department has trained more than 1,500 farmers in the basics of food safety and many of those in the requirements of third-party audits.

Work will continue to open new community farmers markets, providing growers greater direct access to consumers. Currently, there are more than a hundred community farmers markets throughout the state, many in urban areas where the populations are underserved by

supermarkets. The Department also will continue to integrate WIC, Senior Farmers Market coupons and food stamps into the purchasing options at farmers markets. This will be facilitated where possible by incorporation of Wireless Electronic Benefit Transfer technology.

1. PRODUCE STRATEGIES

1.1 JERSEY FRESH

Expand Jersey Fresh Program

Continue to strengthen the appeal of the *Jersey Fresh* brand and communicate the benefits of our state's produce food-safety program to supermarket chains and all other retailers. Discourage the use of the "Locally Grown" product claim and increase the use of the *Jersey Fresh* brand name. Through the use of Specialty Crop Block Grant funds, expand the budget for the *Jersey Fresh* matching-funds grant program and continue to award grants to applicants with the best past performance and greatest potential industry impact.

Improve Retailer and Processor Coordination

Continue weekly dialogue, including weekly updates, 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. Improve coordination and communication with the USDA Market News that collects information on the current supply, demand and prices on fruits, vegetables, and ornamental and specialty crops.

Promote Vertical Integration

Encourage industry 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. Continue supporting fresh exports of New Jersey agricultural products to the New England states and Canada. Through industry visits and participation in such shows as the New England Produce Council and the Canadian Produce Marketing Association trade shows, keep key industry contacts current on New Jersey agriculture and the latest promotions of the *Jersey Fresh* brand.

Develop and adopt standards for the use of "*Made with Jersey Fresh*" labeling utilized on appropriate processed foods.

1.2 PRODUCE FOOD SAFETY

The Produce Safety Task Force will continue to guide the Department's efforts assisting New Jersey's fruit and vegetable growers to offer the highest quality locally grown products while adapting their operations to new food-safety standards. As food safety increases in importance, and consolidation continues in the retail produce industry, the importance of the Department's affordable third-party farm certifications will continue to grow, as retailers require the improved trace-back ability that third-party certifications offer. The Department will work to:

1. Influence the regulatory process to ensure that it is relevant to small-, medium- and large-scale producers.
2. Ensure that all types of agriculture, including traditional in-ground, above-ground and tree fruit growers are considered in the development and implementation of food safety standards and regulations.
3. With funding from the USDA Federal-State Marketing Improvement Program and increased Farm Bill Specialty Crop funds aimed at food safety, provide funding to Rutgers University to conduct mock third-party food safety audits to provide grower training prior to their actual third-party farm certifications to be conducted by the

Department.

4. Use the *Jersey Fresh* brand to promote the food safety of New Jersey agricultural products to supermarket chains and all other retailers.

1.3 DIRECT MARKETING

Work to communicate the best practices and the costs and benefits of direct marketing to growers. Maintain a current list of existing and new community farm markets, especially those that seek increased farmer participation.

Promote the existence of community farmers markets to the public. Maintain an 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. Promote the use of wireless electronic bank transfers technology and expand the availability of seafood products at community farmers markets.

ORNAMENTAL HORTICULTURE INDUSTRY

ECONOMIC DEVELOPMENT STRATEGY

BACKGROUND

Ornamental horticulture – including greenhouse, sod, nursery and floriculture operations – is New Jersey's leading agricultural sector, representing almost 42 percent of the state's agricultural production with \$381 million in cash receipts. New Jersey's horticultural products offer aesthetic value, provide shade and a cooling effect, and re-charge the air with oxygen.

To increase demand for New Jersey nursery stock, the Department is continuing to expand its marketing program to include more horticultural crops and is working to develop and adopt standards for greenhouse-produced products. The year 2009 saw the continuation of the *Jersey Grown* quality-grading program promotion of Christmas trees. The upgraded retail nursery and garden center listing on the *Jersey Grown* website features an interactive search feature to assist consumers to locate garden centers and nurseries by county, town, business name or product.

The Department continues to work with New Jersey's horticultural producers to produce our state's high quality of 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 2010, the Department's ornamental horticulture economic development strategies will continue to focus on expanding the promotion of the *Jersey Grown* brand. The *Jersey Grown* website will continue to expand, and inspections for harmful pests and certifying seed will be continued.

2. ORNAMENTAL HORTICULTURE STRATEGIES

2.1 Ensure Plant Health

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

1. Continue inspections for harmful pests and disease.
2. Seek ways to increase use of new methods of pest control and beneficial insects.
3. Inspect and certify nurseries, enabling growers to sell certified disease-free material in and out of state.
4. Conduct seed certification and seed control testing programs to ensure high quality turf grass seed for New Jersey sod growers.
5. 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.

2.2 Increase Consumer Awareness

Strengthen the *Jersey Grown* brand name to enable the industry to benefit from a common trademark identifying locally produced horticultural products.

1. Work with growers and independent garden centers and nurseries to strengthen their efforts to promote *Jersey Grown* products with advertising tools such as point of sale materials.
2. Distributing a new *Jersey Grown* banner for use at the point of sale and also to identify growers participating in the program.
3. Continue to include horticultural crops in the Department's marketing program and communicate the benefits of buying *Jersey Grown* products.
4. Maintain the retail nurseries and garden center listings on the *Jersey Grown* website. Continue efforts with major area retailers to coordinate the promotion of locally produced *Jersey Grown* products
5. Publish the list of certified *Jersey Grown* growers on the Department's *Jersey Grown* website.

2.3 Improve State and Public Contract Requirements

Continue to work with government agencies including the National Resource Conservation Service, 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.

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, sea scallops, blue crabs, squid, monkfish, tuna, flounder and many others. In 2007, approximately 154 million pounds of seafood valued at \$152.2 million was landed in New Jersey's six thriving ports. With annual retail, import and export sales in excess of \$2 billion, *New Jersey Seafood* is important to our state's economy

The state also has 186 aquatic farms including 107 hard clam farms, 43 oyster farms and 15 finfish farms, producing trout, koi, hybrid striped bass, sport fish species and tilapia. Four other aquatic farms produce a variety of aquatic plants destined for ornamental ponds and

remediation projects. According to USDA's Census of Aquaculture, the number of acres devoted to saltwater aquaculture in New Jersey rose from 1,402 in 1998 to 4,466 in 2005.

New Jersey is located in one of the nation's largest and culturally diverse, upscale consumer seafood markets. But stiff competition from other states, and from around the world, is resulting in lower prices and lost markets. In fact, nationwide, about 80 percent of all seafood consumed by Americans is imported from overseas. To combat this trend, the Department is working closely with industry to help consumers better understand the quality and availability of local seafood.

3. SEAFOOD STRATEGIES

3.1 Support the Aquaculture Education Programs

Recognizing the exigencies of the current budget; continue to build public-private partnerships to develop energy-efficient and economically viable models to offset operational costs, develop strategies that allow expertise/resources to be shared among the various institutions that offer training in aquaculture, identify strategies to bring in additional expertise on an "as needed" basis, and help to identify a part-time academic development director to secure additional support.

3.2 Development of a Supportive Regulatory Path for Aquaculture

Continue to assist in crafting a supportive policy and a regulatory path that will allow a viable aquaculture industry to grow in New Jersey, including the revision of the aquaculture rule that provides for the Aquatic Farmer License program, and assist the industry and NJDEP in utilization of the Aquaculture Development Zones, revision of the current traditional shellfish leasing program, development of land-use permitting customized for aquaculture, establishment of a harmonized import program for aquatic species, and better utilization of current state resources to address finfish and shellfish health needs.

3.3 Provide Health Certification to Allow Interstate Transport of Live Fish

Working closely with the Division of Animal Health, identify a revenue stream to develop testing/certification for finfish to allow the transport and sale of New Jersey live farm-raised fish to markets in other states and expand the program to meet the needs of ornamental koi hobbyists.

DAIRY INDUSTRY

ECONOMIC DEVELOPMENT STRATEGY

BACKGROUND

In 2007, New Jersey's commercial dairy producers marketed 168 million pounds of milk valued at \$34 million. New Jersey's estimated 10,000 cows produced on average 16,800 pounds of milk per cow and are primarily located in the counties of Salem, Sussex, Warren, and Gloucester. Those four counties represent 85 percent of New Jersey's milk production. Sustaining New Jersey's dairy industry is imperative in order to provide a fresh and healthy source of dairy products to all New Jersey residents, young and old, as well as maintaining open space and productive agricultural lands.

Today, the number of commercial dairy farms statewide totals approximately 93 farms. This number has not changed much in recent months but the number of cows per farm has fallen

compared to previous years. In 2009, several New Jersey dairy farmers participated in the national “CWT” program to reduce the number of dairy herds in order to lower overall milk supply with the goal of boosting prices paid to farmers for their raw milk.

The Department will continue to support value-added products through the *Jersey Fresh* Quality Grading Program and promote the nutritional benefits of milk and milk products through programs such as “Eat Right, Move More.” Farm profitability and infrastructure redevelopment will continue to be a priority, and legislation and regulations that affect the industry will be monitored. In 2010, educational programs for the general public and elected officials on the value of the industry to the State of New Jersey will be continued, as will outreach through the Garden State Dairy Alliance in the areas of animal health, bio-security and food safety. The Department also will work with New Jersey’s Congressional Delegation to lead efforts to reform the federal Milk Marketing Order system, aiming to provide a more stable price to farmers for their milk.

4. DAIRY STRATEGIES

4.1 Evaluate Legislation and Regulation

Continue submission of concepts and ideas for possible federal legislation to ensure more stable short-term on-farm milk pricing program. Work with the State’s Ratification Committee to continue to seek alternatives that will update and improve the regulations that affect the dairy industry that encompasses, but is not limited to, the Milk Income Loss Contract (MILC) program, Clean Air and Water legislation, and establishing a Northeast compact- type pricing program, as well as working with licensed milk dealers to provide a sound productive market within New Jersey.

Continue to monitor 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.

Create a new industry working group of distributors, processing and retail representatives, which will be responsible for identifying and evaluating practices and programs that will help to sustain the entire New Jersey’s dairy industry and marketing channels.

4.2 Increase Demand for Milk

Continue to support the distribution of milk and milk products as “*Jersey Fresh*,” “*Made with Premium Jersey Fresh Milk*,” “*Made with Jersey Fresh Milk*,” “*Jersey Fresh Flavored Milk*” and “*Jersey Fresh Milk*.” Integrate the sale and promotion of *Jersey Fresh* dairy products at community and retail markets throughout the state.

In conjunction with the “Eat Right, Move More” initiative, continue to promote the nutritional benefits of drinking milk at a young age. The Department and producers will work with the New Jersey Dairy Council as well as the American Dairy Association/District Council and Mid-Atlantic Dairy Promotion Council to promote the initiative.

4.3 Ensure Quality Production and Food Safety

Reorganize and redefine the Garden State Dairy Alliance so that it is better able to assist in the support the dairy industry with technical assistance and to coordinate a multi-disciplinary team of state and federal partners to cooperatively address issues related to risk management, animal health, milk quality, nutrient management, bio-security and dairy industry development.

1. The Alliance will work to aid in the sustainability of a complete, viable and thriving dairy industry in New Jersey.
2. The Department will seek full membership in the Northeast Dairy Leadership Team, as well as other federal and state agencies within the northeast region to develop relationships beneficial to New Jersey's dairy industry and the wholesale and retail of milk and milk products. Continue working to protect the health of the dairy industry from the threat of devastating and economically damaging financial losses.
3. Seek to secure funding for the Garden State Dairy Alliance Milk Quality and Risk Management Program. Establish benchmarks for the industry and develop methods to increase productivity of the entire dairy industry. Document the quality of raw and processed milk and milk products produced processed and marketed to the consumers of the state and assure the safety and wholesomeness of dairy products.
4. Continue working with Rutgers and New Jersey Farm Bureau to promote the FIN PAK and risk-management programs so that producers are able to understand and utilize all financial tools available in the management process.

The dairy-quality benchmarks when implemented will help position dairy operations to compete and sustain a viable, thriving, highly productive and high quality dairy industry in New Jersey.

Establish a balanced health and safety standard for the sale of raw milk directly to consumers should the New Jersey Department of Health and Senior Services allow such sales, including: A strict Animal Health testing program implemented at the cost of the producer, which would cover all the communicable and transmittable diseases to humans; strict daily sanitation testing and recordkeeping required to provide a level of food safety; and requirements for a label informing the general public that "Raw Milk may be hazardous to the health of the consumer," or similar language pointing out that safety of the product cannot be guaranteed.

FIELD AND FORAGE CROPS INDUSTRY

ECONOMIC DEVELOPMENT STRATEGY

BACKGROUND

In 2007, New Jersey harvested more than 320,000 acres of field crops worth an estimated \$153.2 million. The leading field crops harvested were 115,000 acres of hay, 80,000 acres of soybeans, 93,000 acres of corn for grain and silage, 28,000 acres of winter wheat, plus additional acreage of barley. Contributing to the state's agricultural economy, field crops provide animal feed and help to maintain New Jersey's working agricultural landscape.

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 can be less profitable to produce commodity items in New Jersey than elsewhere. However, in 2007 prices for New Jersey field and forage crops were strong.

In 2010 efforts will be continued to support organic crop production, farm income diversification, the establishment of bio-fuels businesses and grower education about agri-tourism opportunities.

5. FIELD CROPS STRATEGIES

5.1 Ensure Plant Health

Through the implementation of the Mexican Bean Beetle parasite program, soybean rust monitoring surveys and the release of beneficial insects to control tarnished plant bug and mile-a-minute weed, the Department will continue working to protect the health of the field and forage crops from the immediate threat of devastating and economically damaging plant pests and diseases.

Aid in the development of strategies to improve New Jersey production and yield per acre for corn, soybeans, small grains, grass hay, alfalfa hay, pasture and other alternative forage and feed crops. Work to support improved management practices, increased economic and environmental sustainability of forage-livestock systems, and improved production and quality of conserved feeds, including alfalfa and other hays and silages.

Work with Rutgers Cooperative Extension and NRCS to:

1. Provide regional producer workshops that will emphasize the benefits of good pasture and cropland management and preservation of water quality.
2. Explore the use of demonstration plots that will emphasize renovation and intensive management systems to improve yield per acre.
3. Further develop opportunities to produce crops that can be pelletized for use in energy systems.

5.2 Support Organic Field Crop Production

Continue to encourage the production of certified organic soybeans, corn and wheat to increase the value of these crops.

Continue to assist in linking growers with organic food processors, retailers, animal feed suppliers and all other handlers 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

Continue to facilitate and support efforts to construct bio-fuel plants in New Jersey. These plants could create a major new local market for the state's agricultural production and has the potential to elevate the price paid for regionally produced grain or other agricultural products.

LIVESTOCK AND POULTRY INDUSTRY

ECONOMIC DEVELOPMENT STRATEGY

BACKGROUND

With an estimated value of \$ 82 million, including the value of egg production, 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.

In 2010, 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. LIVESTOCK AND POULTRY STRATEGIES

6.1 Ensure Animal Health

Through the continued 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.

6.2 Encourage Production of Goat Products

Continue to work to match the farm management practices of new and beginning farmers to include the feed out of 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 benefits of rougher grasslands. Assist in the expansion of New Jersey's goat production through support for a goat purchasing program established through the New Jersey Junior Breeder's program.

6.3 Work with Markets

Continue to support 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.

Support the sale and marketing of locally produced poultry meat and eggs. Monitor the health code and market regulations that affect this industry to ensure that they address current industry models of production and distribution. Distribute, and communicate the principles contained in, the guidance document "Chapter 24 and You: A Practical Guide to Selling Safely at Farmers Markets" to ensure the safe and legal sale of poultry and eggs at community farmers markets.

6.4 Support Youth Programs

Continue to support the New Jersey Junior Breeders' Fund loan program, which is helping future generations of agricultural education/FFA students and 4-H members to continue to advance the breeding of purebred livestock and the production quality of grade livestock.

ORGANIC INDUSTRY

ECONOMIC DEVELOPMENT STRATEGY

BACKGROUND

The Organic Trade Association's 2009 Organic Industry Survey reports organic sales in the United States reached \$24.6 billion in sales in 2008. Organic food is the largest segment of organic products, totaling \$22.9 billion in sales and accounting for 93 percent of all organic product sales. The growth rate for food and non-food organic products combined was 17.1 percent between 2007 and 2008. The growth rate for organic food products in 2008 over 2007 was 15.8 percent. Organic food now accounts for 3.47 percent of all food products sold in the U.S.

According to the National Restaurant Association's 2007 Restaurant Industry Forecast, chefs ranked organic food as third on a list of the top 20 items for 2007. Also, more than half of fine-dining operators who serve organic food anticipated these items would represent a larger portion of sales. In addition, casual- and family-dining operators expected organic items to represent a larger proportion of their sales. (**Source: National Restaurant Association's 2007 Restaurant Industry Forecast**)

Global demand for organic products continues to grow, with sales increasing by over \$5 billion a year, according to *The World of Organic Agriculture: Statistics & Emerging Trends 2008*. It cited Organic Monitor estimates that international sales reached \$38.6 billion dollars in 2006, double that in 2000. The most important import markets for organic products continue to be the European Union, the United States, and Japan.

The New Jersey Department of Agriculture continues their accreditation with the National Organic Program to certify organic crops, livestock, wild crafting, and handling (*food processing*) operations. In 2009, the NJDA program certified or continued certification for 67 Farming Operations representing 1,875.262 acres of organic production. In addition 19 certified organic handling facilities continue organic certification with the NJDA, making various products from breads to bottled milk, coffees, and teas, and offering organic services in storage, produce packaging, and retail sales.

The Department provides New Jersey farmers and processors access to an affordable, quality organic certification program. Farmers who are transitioning to organic production have the ability to market their products under the Department's "Transitional Sustainable" label, which is not available under the NOP program.

In 2010, the Department will continue to promote and administer cost-sharing of organic certification fees for eligible operations, preparing informational brochures and fact sheets, and continue integrating organics into the Department's promotional programs.

7. ORGANIC STRATEGIES

7.1 Promote Cost-Sharing

Continue outreach efforts to educate growers about federal funds available to help offset organic grower 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 Promote the Marketing of Organic Agricultural Products

Encourage integration of the marketing of the *Jersey Organic* brand alongside of the *Jersey Fresh* promotional program. Represent *the Jersey Organic* brand at national produce industry trade shows and promote the availability of organic products and the use of the *Jersey Organic* promotional brand to wholesalers and retailers.

7.3 Encourage Technical Assistance

Encourage research and technical assistance for organic growers, including certification requirements, production practices and the harvesting and handling of organic products.

Update the certification process and allow for Department services to be accessed on-line.

EQUINE INDUSTRY

ECONOMIC DEVELOPMENT STRATEGY

BACKGROUND

During the past 30 years, the region's horseracing industry has faced many challenges, including the advent of casino gambling, an increasingly popular state lottery, the 2001 closure of Garden State Park, the loss of racing days at Atlantic City Racetrack and declining audiences at live races due to simulcasting and other on-line betting. To compensate, states neighboring New Jersey have combined different wagering technologies with horseracing. Delaware, Pennsylvania, and New York already have implemented either slot machines or video lottery terminals at tracks in their states. These efforts are attracting larger racetrack audiences and increasing purses for horses competing at those tracks.

Based on the most recent data, New Jersey's equine industry, composed predominately of pleasure breeds, accounts for an estimated 176,000 total acres of farmland, 96,000 of which are directly related to equine operations and 78,000 devoted to pasture and hay production. The 2007 Equine Industry Study by Rutgers University shows \$4 billion in equine-related assets with \$582 million of that value the value of the animals. The industry has a total economic impact of \$1.1 billion 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 horses 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.

New breeder programs have been established for standardbreds and thoroughbreds. The Equine Science center continues its research, and the New Jersey Equine Advisory Board continues to bolster promotion and education efforts that stimulate interest, attract new owners, and create career opportunities in the equine industry. As one of the most progressive equine states, New Jersey offers racing as well as riding trails, rodeos, active 4-H and handicapped riding programs, as well as many horse shows and competitions.

The Horse Park of New Jersey continues to grow and has become one of the largest equestrian venues in the Eastern United States. In 2007, the Horse Park hosted 121 days of activities, as well as the Garden State Standardbred Sale and three international events highlighted by the *Jersey Fresh CCI**/CCI**** (Contours Complete International) three-day event which also served as a final selection trial for the 2008 Pan American Equestrian Games, where the team was the Gold Medal winner.

8. EQUINE STRATEGIES

8.1 Ensure Horse Health

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.

Work with Rutgers University to continue development of a state-of-the-art research facility for its Equine Science Center. As an example, the cost-effective techniques for nutrient and waste management ensuring compatible co-existence of horse farms in urban and suburban environments, developed by the Equine Science Center, are also proving to be critical to other livestock industries.

8.2 Promote the Industry

Work to implement the recommendations of the Department's "Focus on New Jersey's Horse Racing Industry" report and seek to augment purse values, increase track attendance, and improve the industry's supportive infrastructure.

Continue to host Olympic-caliber events, training clinics, horse shows, festivals, industry meetings and auction sales, and to promote the state's many quality venues and prestige events.

Continue to improve the New Jersey equine website, highlighting the sectors of New Jersey's Equine Industry activities. The website will improve coordination of all equine activities in the state and feature schedules of events, horseback riding trails and other industry-related activities.

Bolster promotion and education of the pleasure horse and racing industries to increase interest, and work to stimulate new owners and create career opportunities. Re-design the New Jersey All Breed Horse Show to bring new people into the program and make it more user-friendly for owners and breeders of pleasure horses statewide

Continue working with youth programs to establish new 4-H clubs to expand the interest in standardbred racing, and work with computer-based programs for the Boy Scouts Horsemanship and Animal Science Badges and for the Girl Scouts including Horse Fan, Horse Sense, and Horse Rider.

The *Jersey Bred* logo will be promoted and work will continue on strengthening the *Jersey Bred* brand and logo.

8.3 Improve Right to Farm Protection

Promote and create general awareness of the development of Equine AMP (Agricultural Management Practices) to allow for increased right-to-farm protection for New Jersey's equine industry.

WINE INDUSTRY

ECONOMIC DEVELOPMENT STRATEGY

BACKGROUND

With approximately 35 operating wineries, New Jersey wines are becoming increasingly sophisticated, and the results are showing in their award-winning products. 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's agricultural sector offering agri-tourism opportunities while providing a value-added product.

New Jersey wines are an estimated \$30 million-a-year industry. Grape production continues to expand in New Jersey, but 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.

In 2007, New Jersey's Outer Coastal Plain, an area encompassing most of southern New Jersey, was granted a federal designation as an approved "American Viticulture Area" (AVA). Influenced by the Atlantic Ocean and Delaware Bay, the region's moderated winter temperatures and later frost dates, many cold-sensitive grape varieties, difficult to grow in other areas, excel there. It is known for its unique, well-drained soils of sandy loam, which are among the best on the East Coast for producing high-quality wine grapes.

The Department 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.

9. WINE STRATEGIES

9.1 Increase New Jersey Grape Production

In an effort to increase the local agricultural input of New Jersey's wine industry, promote the use of locally produced fruits in the making of New Jersey wines. Encourage support for new production research to increase the state's grape production and expand the locally grown content of New Jersey wines. To increase demand, support the industry's efforts to highlight the "*Made with Jersey Fresh*" origins of the wines. Promote products from the newly established "Jersey Coastal Plain" American Viticulture Area.

9.2 Promote Product Categories

Continue to support the wine industry's effort to obtain licenses to distill fruit-based spirits such as fruit brandies and grappa.

9.3 Expand Retail Outlets

Support the wine industry's effort to expand its number of eligible retail outlets and also the ability to sell their wines at farmer's markets.

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.

A National Agricultural Statistics Survey (NASS) study conducted in 2008 determined that the economic impact of agri-tourism upon New Jersey's economy was \$91 million in 2006. This quantitative information confirms the qualitative recommendations of a 2005 Rutgers University study that examined farmers' and farm leaders' perceptions of the opportunities and challenges associated with agri-tourism.

A new interactive, GIS-based, agri-tourism industry website, visitnjfarms.org, allows for easy consumer mapping based on products, services and location, within a specified town or county, or within a specified driving radius of a user-defined beginning point. It also allows farmers password access to the site to provide updates to their own listing.

10. AGRI-TOURISM STRATEGIES

10.1 Expand Roadside Programs

Working to expand the participation of agri-tourism operations in the Tourist Oriented Destination Signage (TODS) program. Coordinate efforts to gain approval for a discounted agri-tourism rate and an expansion of the current maximum of three miles distance that an operation can be from a state road to be considered eligible for the program.

10.2 Consumer Promotion

Produce and distribute an inexpensive agri-tourism brochure with industry websites and contact information. This brochure would promote seasonal events, special attractions, and direct farm marketing opportunities. Create and disseminate regular press releases promoting the agri-tourism industry and related websites. Work to expand the promotion of the agricultural fairs in New Jersey. Continue to develop and promote the "visitnjfarms.org" website.

10.3 Industry Education

Coordinate an agri-tourism symposium to address common opportunities and challenges and to provide some basic tourism and hospitality industry training. Work with Rutgers Cooperative Extension to develop and implement this training.

Continue to review, comment, and support work towards the adoption of agri-tourism Agricultural Management Practices (AMP's) as proposed by the State Agriculture Development Committee. Compliance with the agri-tourism AMPs will aid grower protection under the Right to Farm Act.

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.

In 2010, the Department will continue 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's agricultural industry.

11. GENERAL STRATEGIES

11.1 Assist in Addressing Labor Issues

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. Create a listing of all training, agricultural and business development resources on the Department's website.

11.2 Farmland Assessment and Crop Insurance and Technical Assistance

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 assessors and to landowners. Update the document – New Jersey's Farmland Assessment Act – A Primer on Basic Requirements. Create documents to help farmers in filling out the applications for Farmland Assessment and for providing guidance to tax assessors in determining eligibility.

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.

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.

Provide technical assistance to farmers, architects, engineers, farm building consultants and agricultural contractors concerning the New Jersey Uniform Construction Code administered by the New Jersey Department of Community Affairs as it relates to farm buildings.

Assist farmers with interpreting the Real Property Appraisal Manual, Farm Building Section with changes in construction techniques and building materials as well as building specifications and cost schedules. Provide information on calculating replacement costs and accrued depreciation.

Increase participation in New Jersey's agricultural plastics recycling programs and assess the feasibility of expanding the program to include other materials generated by farmers and aquaculturists. Assist the state's food processing industry in finding markets or utilization for

soon-to-expire and expired food products and work closely with other agencies in matters that require creative recycling solutions for non-traditional materials.

Provide farmers and agribusinesses with information about the requirements concerning motor vehicle regulations and license plates for farm vehicles, requirements for the International Registration Plan, the International Fuel Tax Agreement, and commercial drivers' license provisions. The Department will identify federal and state motor vehicle laws and regulations that impact interstate and intrastate movement of agricultural commodities and distribute information to continue the orderly transportation of New Jersey farm products. Continue to update a user friendly website providing the necessary information about the motor vehicle registrations, fuel taxes and commercial driver licenses in an easily understood format.

Disseminate information and respond to inquiries on the availability of financing from federal, state, and commercial lending institutions for agricultural loans. Advise individuals on the importance of developing business plans, maintaining financial records, and asset requirements in obtaining financing.

11.3 Export Development

Through the Department's membership in Food Export USA, continue to provide export development services to over 600 food and agricultural companies in the Northeastern United States. In 2008, a total of 92 New Jersey companies documented a total of \$9.7 million increased export sales as a direct result of their participation in Food Export USA – Northeast programs and activities.

Work with New Jersey-based exporters of food products to secure a minimum of \$1.4 million in matched promotional grant funding from the USDA Market Access program for at least 25 New Jersey companies.

Provide export education and promote the federally funded export market research and development programs of Food Export USA – Northeast to New Jersey's fresh and processed food industries.