

**State of the State of Agriculture – Address by Secretary Douglas H. Fisher at the 97<sup>th</sup> Annual State Agricultural Convention – Atlantic City, N.J. – January 18, 2012**

Good morning, and thank you for the privilege of again addressing you, our assembled delegates and other guests, on the state of the state of agriculture in New Jersey.

If ever a year has epitomized how our industry can either rise or fall at the mercy of both natural and economic forces, 2011 would surely be that year.

The most obvious example of that would be Hurricane Irene and Tropical Storm Lee in August and September. Depending on your area of the state, the damage ranged from significant to catastrophic. While those storms didn't have the wind levels of ones from the past, the amount of rain they brought, coming atop already-wet conditions, created more problems for agriculture than any of us needed.

However, as is so often the case in agriculture, this industry, and emergency responders from all levels, including our Department, pulled together to help each other through this disaster.

Neighbor helping neighbor, with efforts like getting water to those whose wells were without electric power; providing hay or generators to livestock farms whose animals would otherwise be compromised; addressing the massive flooding that threatened crops and washed out access roads to fields; or simply getting out the word that, far from being "wiped out," New Jersey's farmers did indeed have products they were able to protect and would be bringing them to market for consumers to enjoy. All those efforts and more showed why this industry, above all others in this state, is able to rise above troubled times.

At last year's convention, I touched on how it was my strong belief that agriculture is a leader in America's economy, being one of the strongest remaining industries that still produces goods and services bought and used in America. That was, in fact, seen for much of 2011, with strong commodities prices being one of the few global economic highlights.

Although there were concerns as the year ended about rising worldwide supplies of some commodities pushing those prices back down, expert sources like the *Economic Times* have reported recently that the overall trend should be toward maintaining good commodity prices in 2012.

On a state level, if you're looking for an indication of how valued agriculture is to our overall economy, a strong sign is how often we are approached by the state's other economic-development agencies who want to encourage agricultural growth and small farms.

Agencies like the Department of Community Affairs, the New Jersey Redevelopment Authority and the Economic Development Authority, to name just a few, have worked with us over the past year on various projects.

And I'm pleased that Governor Christie is scheduled to speak at tonight's dinner, the second time in three years that will have happened. Agriculture has enjoyed unwavering support from the Governor and from First Lady Mary Pat Christie, who features "Jersey Fresh" in one of the four key areas of her website.

**There's Agriculture and then there's Farming**

New Jersey agriculture's great fortune is its diversity of farms and their family-run, community-rooted nature.

As large-scale "industrial agriculture" elsewhere finds itself under constant attack, New Jersey's farms retain a connection to their customers and communities that positions our industry well for capitalizing on the strong demand for locally grown food and the desire to enjoy a farm experience through agri-tourism.

That makes many of our farms actually two businesses in one. There's the *agriculture* side – the actual planting, cultivating and harvesting of crops for sale to wholesalers, retailers, restaurants, food processors and other large-scale buyers – and then there's the *farm enterprise* side – which is all those other things you do to enhance your viability, like pick-your-owns, home-grown farmstands, educational tours, on-farms activities for customers, developing value-added products, and participating in our ever-growing number of community farmers markets.

This makes it essential that as you *farm the ground*, you also keep your ear *to the ground*, in order to pick up on the latest trends that would best suit your agricultural *and* farming businesses.

That's not to advocate jumping on every fad that comes along, but there is a level of tapping into solidly rooted trends that most certainly can improve your bottom line. That's not only a responsibility of you, the business owner, but also more broadly of us at the Department of Agriculture.

Our research, economic-development efforts and advocacy for you, both in Trenton and Washington, all rely on us being solidly aware of those trends that have staying power.

### **Trends are in New Jersey's Favor**

The good news about local, regional, national and even worldwide agricultural trends is that many of them are in New Jersey's favor. As I had mentioned, the growing consumer preference for products from known, nearby farms fits very well with New Jersey's agricultural and food-business framework.

The enthusiasm level for cooking shows, farm-to-school media requests, and the burgeoning general interest in knowing where our food comes from and how it was grown are all trends that work to the advantage of the kind of agriculture found in New Jersey and states like ours.

In my days as a grocer, the large, centralized food processors had an overwhelming amount of control over what any given store could offer its customers. They were consolidating more and more under larger corporate ownership, giving them power over a wider array of products. Stores were forced to carry overprice-compared products whose demand was created by mega-advertising budgets, through which the food manufacturers targeted consumers through mass media.

But in more recent years, it's been the retailers' turn to consolidate into more powerful entities. Now, store owners and managers get to call more of the shots of what they stock. Of course, price cost concerns and profit-margin are still king. However, since the owners and managers are the ones with **daily** contact with their customers, that means there is more opportunity to fight for locally-driven consumer demand that is pushing the decisions to meet **consumers preferences** about what is on those store shelves.

That growing power of the consumer to dictate what stores offer locally is why it is so important that you put in the time and effort to tell **your** story about **your** farm operation. And the retailers will re-tell it for you.

It also is why so much of what the Department does is about driving brand recognition and loyalty among the consumer base. Starting with *Jersey Fresh* and moving through all the related brands that have followed – *Jersey Grown*, *Jersey Seafood*, *Made With Jersey Fresh* and all the others – the constant reminder that what we produce right here in the Garden State is of the highest quality and is most desirable means consumers will tell their local stores to stock it, and they will seek it out on their own at your farmstands and community farmers markets.

### **More than Advertising**

However, driving consumers' desires for what is produced in New Jersey is about more than the 7 million localized media impressions through advertising and news coverage we generated last year, along with the countless other messages created by the private and non-profit sectors.

It's also about the ways in which we offer products to shoppers. A recent article in the business magazine *The Hub* talked about the paths-to-purchase consumers take in reaching a buying decision.

For instance, the article cited Ocean Spray's adding of a handle to its large drink jugs – making them easier to pick up – as a key to being a more frequent choice by consumers. It also mentioned how the “Burt's Bees” natural personal-care products do an excellent job of appealing to nature-conscious consumers on an emotional level.

And it talked about how the health and beauty aisles of a retailer are notable for how those products' packages make their benefits known in just a few short words or even a couple of letters, communicating to the consumer in a simple and effective way.

For New Jersey agriculture, there are four very important points to feature to consumers:

1. We grow it **right here** where **we are**
2. Our operations are geared to be sustainable stewards of natural resources
3. People **feel good** about what we do
4. There is a **deep, family** relationship between our farms and our communities

### **The Department's Role**

So that brings us, as it always should, to what the Department can do to better position you for success in both the agriculture **and** farm enterprise sides of your businesses. I believe that can best be explained by looking back at some of the things the Department, working in tandem with you in the industry and our valuable state and federal partners, did in 2011.

In no particular order, some of the highlight accomplishments included:

- The drafting of an Agriculture Management Practice for agri-tourism operations, which you will see here for your further input at this Convention, and the adoption of a solar-energy AMP.
- The introduction of *Made With Jersey Grown* products, such as birdhouses and wreaths, that expand marketable options for wood harvested on our woodlands appurtenant to our farms

- Working with wine-promotion groups, individual wineries, and other agricultural interests to get a direct-shipping bill passed by both houses of the Legislature. Last year, we said we **could not** lose our winery outlets, and now we **will not**.
- The expansion to even more products under the *Made With Jersey Fresh* brand, including products developed for use in our schools through a federal grant
- Expanding the venues for *Jersey Fresh* produce with the addition of our first *Jersey Fresh* wholesale club, BJ's, and the direct connections made between our farmers and C.H. Robinson Worldwide Inc.'s produce-sourcing division, and a host of others
- Passage by both the Assembly and Senate of a bill that you as delegates have been seeking for quite some time – which will give the Department equal enforcement authority to immediately address issues where out-of-state produce is branded as *Jersey Fresh* or otherwise advertised to imply it comes from New Jersey when, in fact, it does not.
- Expanding the number of operations, and the *types of operations*, participating in our Specialty Crops grants to 20, including, for the first time, the New Jersey Garden Club and the Christmas Tree Growers Association.
- Collaborating with Education Commissioner Cerf on ways to expand school breakfast participation by getting over the hurdles of making it logistically possible for schools to accomplish in the first period of the day
- Beginning a discussion with Ready-Pac about that company creating fresh fruit and vegetable products in a convenient and student-preferred package that will be a model for the country
- Collaborating with the Department of Community Affairs to provide additional foods to our community feeding programs this past fall, identifying funding sources to help move innovative dairy-processing projects forward, and moving toward a mobile unit that will bring *Jersey Fresh* products to areas desperately underserved by retailers carrying healthy, nutritious foods
- Began working with the SADC to create greater flexibility for the use of existing barns and other structures on preserved farms so that farmers can maximize the array and extent of ways to enhance their bottom line
- Working with legislators and the New Jersey Farm Bureau to find a workable and fair update to our state's Farmland Assessment program that will strengthen the high public support for farmers that exists in this state
- Becoming part of an FDA commission network that will mean NJDA receives sensitive food-safety information from the federal government that it previously would not have been given until made public

- Finalizing an Aquaculture Development Plan that centers on practical solutions that will actually help that sector grow
- Beginning the transfer of the Divisions of Plant Industry and Animal Health into the new NJPHEAL laboratory in West Trenton that opens new opportunities for New Jersey to enhance our leadership in plant and animal health testing and treatment methods
- Strategically promoting renewable energy use on farms without compromising our valuable productive soils

### **The Year Ahead**

I think we can all agree that this is a record of accomplishment that is geared, more than anything else, to help New Jersey agriculture and all its related industries thrive in the years to come.

And I would like to acknowledge the State Board of Agriculture, the Department staff, our partners in other state and federal agencies, our partners in agricultural-advocacy groups like Farm Bureau and the Ag Society, our county boards and extension community, and all the commodity groups and youth organizations, for all their hard work and support in helping us make it happen. No one person or group can do these things alone. But when New Jersey agriculture comes together as one unified force, our successes grow exponentially.

And we will need to continue that unified spirit as we head into 2012, because many challenges lie ahead. Foremost among them, in our view, is finding a way to address the desperate lack of seasonal labor for your operations. This year's special effort by the Board to dedicated to this issue is a great step.

It has become clear that Congress, as a whole, cannot summon the courage to address immigration in a comprehensive manner. That means we must do two things: First, lead an effort to get Congress to separate farm labor from the other issues related to immigration; and second, to explore every avenue possible at the state level to help you navigate the minefield of the current guest-worker program. We know how broken that current system is, and we must dedicate ourselves to helping you deal with it.

Right up there with Farm Labor is Food Safety. As I mentioned before, we are taking further steps to ensure we can influence how the FDA implements the Food Safety Modernization Act and, as the FDA, for the first time, begins making its presence known on **your** farms. I know how tempting it may be to simply want to declare yourself eligible for a Tester Amendment exemption for smaller farms and just opt out of the new law altogether.

But I encourage you to consider equally what the impact of such a move would be to your ability to sell your products into retailers who are increasingly telling us that food safety is not only an absolute necessity, but also a marketing opportunity.

Farmland assessment will almost assuredly bubble to the surface again, and we must be prepared to deal with a measured, rational response to a growing public sentiment that too many people are being granted this tax consideration when they shouldn't be.

And there is action beyond our state's borders that must be carefully monitored and influenced by New Jersey in the form of a new Farm Bill being crafted in Washington.

With the dual, some might say competing, interests of election-year politics and a worsening federal budget crisis, we will need to strategically pick which battles in the

Farm Bill's creation will bring the **most benefit** to New Jersey and states with agriculture like our, and expend every energy to **ensure** those elements are included in the new five-year bill.

As you embark upon the work of this convention – considering the resolutions that have been brought by the Resolutions Committee that includes industry, academic and governmental representatives – I would ask you to remember that much of the work the Department does comes directly from those “marching orders” that you give us each year.

New Jersey is unique in its level of participation with you, our industry delegates, through this convention, that the industry has in guiding the principles that its Department of Agriculture must bear in mind as it works through the year ahead.

We at the Department feel privileged that we have this cooperative arrangement with you delegates, our State Board of Agriculture members and county boards, agriculture's advocates like New Jersey Farm Bureau, the New Jersey Agricultural Society and all our commodity groups, Rutgers University and the Extension Service, and the youth-development groups that are forming the future of our industry.

The difficult economic times faced by our nation and world are far from behind us. But I continue to firmly believe that it is agriculture – and particularly agriculture as it is epitomized in New Jersey, with our diversity of products, proximity to customers and ability to innovate and constantly redefine our operations – that will allow the farming community to flourish, even in hard times.

I thank you all again for your attention this morning and I invite you to participate fully in the discussions that will guide us through our efforts in 2012.