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

2012 was, in many respects, a good year for New Jersey agriculture. Of course, we had our rough moments, as farmers always do. Those included Hurricane Sandy, which caused significant damage to many farm buildings, fences and other property. Sandy’s biggest impact was felt along our shoreline. Aquaculture and fishing operations, particularly, face an uphill battle in rebuilding, and we are continuing to help them get the assistance they need.

Compared to Hurricane Irene a year before, our farms did not lose as many crops, since Sandy hit later in the year after much production and harvesting had been concluded. However, when safety concerns were raised about produce that was still in the field, we worked with the New Jersey Food Council and the relevant auctions in the state to ensure that markets weren’t lost.

Just as in Hurricane Irene a year before, so many in this industry pulled together to help each other through this disaster. Those with generators helped those who didn’t have back-up power. Neighbor helped neighbor to remove downed trees and fences. Those efforts and more showed why our ag industry, above all others in this state, is able to rise above troubled times.

While we are so successful at helping each other in New Jersey, I wanted to address you more this year about whether you are doing everything you can to help yourself. Are you truly maximizing all the possibilities of what your farm business can become?

In the past, agriculture as an industry has relied upon the world’s growing need for food, feed, fiber and fuel from agricultural products to be the driving engine of demand. While you might have been able to depend upon that in the past, too many events are occurring now on a global scale to make that a reliable business model any longer.

Emerging foreign economic power and production unheard of before, and a worldwide instant communications system in which information is available to everyone, are making it possible for farmers everywhere to learn, develop and afford techniques to help them become as efficient as America’s farmers. The efficiency methods it took American agriculture decades to develop are so accessible and affordable now to farmers worldwide in a fraction of the time.

And, by the way, using labor at a fraction of the cost that the American farmer must pay.

How fast are things changing?

I’m far from the most tech-savvy person you will meet here this week. But last week, I deposited my check using my cell phone. Just took a picture and “deposited” the e-mail version into my account. There’s also a small device you can now plug into the end of your I-phone and use it to swipe a credit-card payment.
Farm Futures magazine recently ran an article about tractors that can “talk” to your tractor dealer, alerting them to emerging problems before they become something you’ll need to spend significant time and money on.

A few years ago, people talked about “biofuels” as if they were science fiction, years and years in the future. Now we’re hearing biofuels may be surpassed by “Microbial Fuel Cells,” a type of battery that will trap the electrons plants release into the soil through their roots as part of photosynthesis.

Today, trends develop quickly and can die at the same pace. So it’s important to track trends to help you choose which ones are worth your time and which are mere nano-fads to be ignored.

Devout “foodies” may be fickle and move from trend to trend, but the idea of foodies themselves is clearly here to stay. Look at the success of the Food Network. And even that’s being refined down to concepts like “The Taste,” a new show in which chefs compete based on judges taking just one bite of a dish.

For the past half-decade, we’ve become comfortable in the popularity of the “locavore” movement, with people wanting to experience food grown as close to their homes as possible. But we should be prepared for so many out there looking to redefine their own version of “local.” An increasingly globalized world will create local consumers who want exotic tastes, but insist that the ingredients be grown in some form of “local.”

It used to be about “just around the corner.” Now it is about “around the entire world.”

**Efficiency and consolidation**

Global efficiency and consolidation will continue to be watchwords that define agriculture in a way we may not have dealt with in the past. Yes, farmers are becoming more efficient, and we’ve all witnessed the consolidation of the infrastructure that refines, processes, distributes and markets what farmers produce.

Consider these stats from a recent University of Missouri report: Today, 50 percent of the food market is controlled by six – SIX – food chains, and the largest 10 percent of U.S. farms account for more than TWO-THIRDS of the total value of domestic agricultural production.

So, should the smaller, family-owned farmer just throw in the trowel? Not by a long shot.

The key is finding your sweet spot in this ever-changing, more-efficient, tightly consolidated and GLOBAL food market in which we are now firmly ensconced.

Recently, much attention has been given to the projections that there will be 9 BILLION people in the world, all needing to be fed, by about 2050. Agriculture has occupied itself with questions of whether we can feed, fuel and clothe the world without degrading the natural resources beyond redemption. Ultimately, an equally important question for you is: “How will my farm survive so I can provide for my family and be a sustainable operation?”

Operating by the seat of our pants, or by doing things because “they’ve always been done that way,” just aren’t workable options anymore. A well-thought-out plan is just as important a tool as any machinery parked in your barn. If you haven’t had much experience in that kind of long-range strategizing for your farm, you should consider a business consultant to be an important and worthwhile investment.
So what about you?

The quality and value of what you produce will always be a primary consideration for your customers. That won’t change. But today’s consumers also want to get something more, something other consumers can’t get because they don’t know you. This makes both your customer and you smarter by definition.

It could be something as simple as your customer knowing something about your approach to conservation or your methods of ensuring food safety that conveys upon you – and them by extension – a greater societal value. Be the most efficient or be the most loved, or, ultimately, both.

The produce industry is recognizing this. In the *Produce News* January edition, an article by Jennifer Nelis states that “consumers in 2013 are seeking a return to life basics.”

Sounds like she’s talking about consumers wanting to connect more with you folks. The article continues, “Positive energy and ‘happy-nomics’ are also part of the 2013 success matrix” and that consumers “are looking for similar and transparent corporate values that align with their green thinking.”

Some farmers never seem to tire of telling me why farming cannot exist in this state. That’s always amazing to me, since we have been seeing steady growth in farm-gate receipts, farmers innovating and diversifying in the types and numbers of items they produce, farmers adding value-added products and agri-tourism to their repertoire, and other signs that they recognize success won’t just happen. They have to make it happen.

So the most important thing I as Secretary and the NJDA staff can do is to plan for good results. Giving up gets you nowhere. Complaining for the sake of complaining gets you nowhere. People quickly give up on losing businesses.

Some of you may have heard me say at the Farm Bureau Convention that when it comes to government actions, find issues that are winnable, not whine-able. It is the same in business.

Department priorities

That leads us to where we, at the Department, are seeking “wins” for agriculture. Just to name a few:

- Assisting the equine industry with a plan for expanding the horseracing breeding awards to include horses whose mares were based in New Jersey, not only the stallions siring them.
- Adopting the *Jersey Annuals* marketing brand for bedding plants.
- Investigating possibilities to redevelop old barns into bases of additional business opportunities for farmers.
- Exploring rural enterprise zones to compete with other states for micro-business enterprises.
- Adoption of a new, updated *Jersey Fresh* marketing campaign attuned to today’s consumers.
- Continuing to lead the nation in developing more nutritious and appealing items for school menus, which builds lifelong customers for local agricultural products.
Continue developing school gardens and farm-to-school relationships that connect children to agricultural life at a young age and encourage their patronage of local farms and even their participation in farm-based careers.

Branch out into “new media,” like Facebook and Twitter to keep consumers of non-traditional media in the loop about your successes. (See the handout in front of your binders about how you can get started on those sites as well.)

So just where does your farm fit into the wide chances for success in New Jersey agriculture? As I said before, a quality, value product always is at the base of your success.

As T.J. Bauer of the Al Harrison Company was quoted as saying in a recent Produce Business News article, “Whether it’s field-grown, shadehouse or greenhouse shouldn’t matter if your supplier is giving you good product.” Strive to understand your customers so you can give them what they are really seeking.

Above all else, what will help you most is keeping your eyes and ears open for the trends, news stories, government actions and just plain consumer preferences that will guide you to the next growth opportunity, the next hot commodity. As a grocer in the 1980s, I remember when miniature pumpkins began to get noticed. A farmer I knew then used two acres – just two acres – to grow the minis, and it was liking striking gold.

You have an asset that, unlike many other businesses, you can rapidly shift from one focus to another. The hotel owner finds it hard to turn his hotel into any other enterprise. Likewise the seafood canner located near the docks. But you as farmers have highly adaptable assets in your land.

In New Jersey, where no one crop dominates and some farms produce dozens of products, your biggest asset can be adapted in many ways to fit whatever opportunities you find. The world is what it is. But your earth can be whatever you dream for it.

Finally, encourage the youth. Not only your own sons and daughters, but all the youth ambassadors you see here this week, and any young person your farm gives you the opportunity to have an impact upon. Young people today receive more bits of information in 10 minutes than we used to see in a day. Don’t ignore them. They can be the ones who can point to the future.

Remember, branding – a term that came from agriculture and the branding of animals – is the key to all our successes in a worldwide market where competing for name recognition can be as tough as competing for sales. These youngsters were born into a world where the importance of branding was impressed upon them from the time they could speak and listen.

There’s no telling where your next big idea will come from. But if you’ve got your eyes and ears open, and you’re listening, you’ll be ready to capitalize on any one of them that fits your farm.

###