## **REAL ESTATE**

## The race to save New Jersey farmland from millions of feet of warehousing

New Jersey has spent \$1.8 billion on farm preservation. But municipalities have approved building permits for more than 121 million square feet of



Kelsi Mecouch pets Black Angus cattle she is raising on her family's 134-acre farm in Quinton, Salem County, N.J. Her family recently entered the state's Farmland Preservation Program.Read moreRose Mecouch

by <u>Frank Kummer</u> Published Oct. 31, 2023, 5:00 a.m. ET

Kelsi Mecouch beckoned five black Angus cows on her family's farm in rural South Jersey. They dutifully trod over for her to pet.

The only sounds that recent day on the 134-acre farm on Waterworks Road in Quinton, Salem County, were a distant rooster and a swish of wind through woods. Already harvested soybean plants browned under a warm fall sun.

"We'd hate to see everything we put all this work into turn into a bunch of houses or factories," Mecouch said. "We love walking out our door and seeing the land."

She no longer worries. On Oct. 5, Mecouch Farms entered New Jersey's Farmland Preservation Program, marking not only the 40th year of the program but the 250,000th preserved acre. The Mecouch land is now permanently protected from development even if it's sold.

Development is pressuring much of rural South Jersey. These days, that means warehousing. In the past five years, New Jersey municipalities have approved building permits for more than 121 million square feet of storage space, according to an Inquirer analysis of Department of Community Affairs data. Storage includes warehousing, parking garages, and other types of facilities.

A lot of that is being built in the communities that gave the Garden State its nickname.

More than 25 million square feet of storage has been approved in Burlington County, known for its cranberry farming and Pinelands, making it the top county for such space from 2018 through 2022. More than 10 million square feet has been approved in Gloucester County and nearly 5 million in Salem County. All the counties have key farming communities that grow everything from peaches to tomatoes.

Of course, not all development, including housing, is built on farmland. And not all farmland is zoned for those uses. But New Jersey's flat, ready-to-build-on rural communities are prime ground for developers if the zoning is right.

ldmans Township in Salem County, a community of 1,800, already has 20 warehouses between I-295 and Route 130. But in June, the township's planning board <u>voted unanimously to deny</u> a developer's application to construct 5 million square feet of warehouse space in nine new buildings on what is now farmland, wetlands, and woods. Residents applauded.

The sale prices for land can be tempting to farmers. About 335 acres of a Pilesgrove, Salem County, sod farm sold last year for nearly \$58 million, or about \$172,000 an acre, according to county property records. The sale traces to a Kansas City firm that specializes in industrial and multifamily development.

Data show the farmland preservation program run by the state Department of Agriculture pays about \$4,400 on average per acre in Salem County, though the farmers retain ownership of the land.

## 'Everything is timing'

New Jersey has about 9,900 farms remaining covering 750,000 acres in 2022, <u>according to the U.S. Department of Agriculture</u>. The state's goal is to reach 550,000 acres of preserved farmland.

Mecouch's mother, Rose, said she and husband, Cliff, both entering their mid-60s, wrestled with selling the land but decided to keep farming in their family. They received \$536,353 through the state Farmland Preservation Program, which is overseen by the state Department of Agriculture's State Agriculture Development Committee (SADC). The program is funded through a voterapproved corporate tax. Counties also chip in.

Rose Mecouch said it's difficult to make a living from farming. Her husband works outside the farm. The couple own another farm in Pennsville, also in Salem County. Kelsi, for example, rises early, tends to brief farm work, leaves for a full-time job in Delaware, and returns in the afternoon to farm.

"It's the old joke," Rose said. "If you want to make \$1 million farming, you've got to have \$2 million to start."

Typically, the state's preservation program pays farmers for the development rights to their land. Farmers don't get paid what a developer might pay per acre because they will still own the land and can live and work there. The preservation price is based on the difference between what a developer would pay and what the land is worth for agriculture. Or, the state can buy the farm outright.



Rose Mecouch (left) and her daughter Kelsi, at the 134-acre family farm in Quinton, Salem County, N.J. The family, Cliff and Rose Mecouch, along with their other daughter, Amand, and son, Kyle, recently entered the state's farmland preservation

program, bringing total preserved farmland in the state to over 250,000 acres over 40 years.Read moreFrank Kummer

## \$25 million a year on farmland preservation

The value of land is subject to market conditions, zoning, and other factors, said Susan Payne, executive director of the SADC.

From the 1980s through the recession that started at the end of 2008, Payne said, farmland was at a premium because of the demand for single-family housing with big lots. As a result, the Farmland Preservation Program was paying more because of that demand — about 70% of the full value of the farm. Demand for big tracts for single-family development has softened, and the state now pays about 50% of the value.

Industrial developers might be willing to pay big money, Payne noted, but many municipalities and counties limit where warehouses and industry can be built, leaving many farmers out of that land rush. Farmers can't just have land rezoned in order to profit.

The state spends about \$25 million a year on farmland preservation. In August, <u>a state auditor criticized</u> the SADC for moving so slowly. The auditor said that based on the SADC's performance so far, "it would take an additional 54 years to achieve the goal of preserving 550,000 acres."

Payne agrees the program needs to speed up.

"One thing that we know is that once farmland is developed, you're not getting it back," Payne said.

So far, the state has spent more than \$1.8 billion on preservation at an average of \$15,000 per acre, with farmland in North Jersey communities, where available land is scarce and more expensive, skewing the number up. Of that pot, \$1.2 billion came from the state and \$649 million from counties, municipalities, and federal programs.

The SADC recognizes that farmland is being gobbled up for big box stores, warehousing, and other industrial use and is pursuing preservation where that's happening. The SADC and counties are targeting the preservation of approximately 221,000 acres over the next 10 years.

Eric Buzby, 42, whose family owns the 190-acre A.T. Buzby Farms in Mannington Township, Salem County, works hard to market produce the farm grows for wholesale, including cantaloupe, corn, eggplant, peppers, and strawberries.

A.T. Buzby farm was started in 1981 by Eric's parents, Andrew and Dawn, and is part of the Farmland Preservation Program. Its trucks travel each weekend to farmers markets in Collingswood, Ocean City, and Philadelphia's Head House Square Shambles. It also runs a Community Supported Agriculture program (CSA). People join CSAs by paying an up-front sum for a share of that year's harvest.

Buzby, who has a degree in bioresources engineering, said a lot of forces work against farming, especially the cost of migrant labor, which has risen dramatically in the past few years. Regulations and increased paperwork add to costs. At the same time, farms in Mexico can hire workers for a lot less and ship produce to the East Coast within days to compete on the same supermarket shelves as New Jersey-grown products. Dairy farms have rapidly dwindled in the state.

Despite that, Buzby said there is a lot positive about farming in New Jersey, including a unique mix of soils that make it great for growing a range of produce. To him, that's worth saving.

"Sometimes people criticize the farmland preservation program because they feel like farmers are getting taxpayer money," Buzby said. "Well, they almost certainly could get more money by selling it to a developer. But is that what we want?"