# New Jersey Farmland Preservation Program

### What is Farmland Preservation?

Farmland is vital to New Jersey's agricultural industry, landscape and way of life. Since 1983, when the Farmland Preservation Program was created, residents and landowners have demonstrated their support for the program, with more than 250,000 acres of farmland permanently preserved.

When preserving a farm, the landowner sells the non-agricultural development rights in exchange for recording a farmland preservation deed of easement. The land will be private property, forever protected for agricultural use.



Case Farm, Hunterdon County



Raferty Farm, Burlington County

### **Benefits**

Farmland preservation can help landowners:

- Have peace of mind, knowing their land will always remain a farm and can remain in private ownership;
- **Obtain capital** to invest in the farm, or acquire additional land to expand their agricultural operation;
- Meet financial goals, reduce debt or further estate and retirement planning;
- Apply for cost share grants to implement soil and water conservation projects and install wildlife fencing.

Preservation may also result in tax benefits for the landowner. Consult with an attorney, accountant and/or financial planner to develop a preservation strategy that works best for you.

### What is the SADC?

New Jersey's Farmland Preservation Program is administered by the State Agriculture Development Committee (referred to as the SADC or Committee), which supports and partners with County Agriculture Development Boards, Municipal Agriculture Advisory Committees, and Nonprofit organizations on farmland preservation projects. The SADC also purchases development easements directly from landowners. Farmland Preservation Right to Farm

In addition to land preservation, the SADC administers New Jersey's Right to Farm Program, oversees the Transfer of Development Rights Bank, supports Next Generation Farmers, and operates the Farm Link Program, which helps connect farmland owners with farmers seeking access to farmland and farming opportunities.

## Fair Market Value

Two independent appraisers are hired to determine the land value of the property under current market conditions based on factors including local zoning, state regulations, wetlands, soils and septic suitability. The appraisers evaluate comparable sales based on the use of the property for development and sales of preserved farmland in the geographic region. The difference between the value for development and the value as preserved farmland is the easement value using this traditional appraisal process.



Eastlack Farm, Gloucester County

SADC Appraisal Staff review the two appraisals and recommend values to the Committee, which approves a value that is utilized as the basis of an offer to purchase the easement. There is generally no cost to the landowner or obligation to accept an offer through the SADC Direct Easement Program and most County, Municipal and Nonprofit Programs.

Beginning in 2025, landowners are also offered a value determined by the new Statewide Formula in addition to the traditional easement offer. Recognizing that farmland has value beyond what the

market can capture, the Statewide Formula enhances payment based on the agricultural and natural resource characteristics of the property. Specialized appraisal and alternate valuation procedures are available for qualified farms in the Highlands and Pinelands.

#### Sample Traditional Easement Calculation

\$12,000 per acre (unpreserved value "before")

- \$6,000 per acre (preserved value "after")
- \$6,000 per acre easement value

## **Planning Ahead**

A carefully thought-out application will leave flexibility for current and future residential and nonagricultural needs which support the overall agricultural strength of the farming operation. SADC staff and local preservation partners can provide assistance in developing an application which meets the needs of the farming operation as well as current and future owners.



Ferrari Farm, Cumberland County

### **After Preservation**

A Deed of Easement will be recorded with the County Clerk's office that will run with the land and forever protect it for agricultural use. You are allowed to erect barns and other agricultural structures in accordance with the Deed of Easement, but nonagricultural uses are prohibited unless they are acceptable under the Deed of Easement or other SADC regulation.

Within one year of preserving your farm, you will need to obtain a farm conservation plan approved by your local soil conservation district. This plan provides guidance on the stewardship of the soil, water, and other agricultural resources of the farm. The preservation of your farm does not make your land public property. The public has no right to access or use your preserved farm without your consent.

Once a year, the easement holder will visit the farm to ensure the property is being maintained in accordance with the easement and answer questions you may have about preservation or programs that can support your agricultural operation.



Lombardi Farm, Atlantic County

## For More Information

SADC Guidance Documents, found at <u>www.nj.gov/agriculture/sadc/publications/guidance</u> or by contacting any preservation staff, offer more detail about many topics associated with preservation, including:

- Valuation Methods
- Things to consider when preserving, such as:
  - Exception Areas
  - Non-Agricultural Uses
  - Deed of Easement
- Considerations after preservation, such as:
  - Division of Premises
  - Special Occasion Events
  - Grants for Wildlife Fencing
  - Grants for Soil and Water Conservation Projects

## **Contact the SADC Preservation Team**

SADC staff are available to meet with you **at your convenience** to discuss preservation options which fit the needs of you and your business.

For General Information Contact:

Stefanie Miller Preservation Program Manager (609) 913-6572 stefanie.miller@ag.nj.gov



McAlonan Farm, Salem County

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For Specific Counties Contact: (609) 984-2504

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