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HIGHLANDS REGIONAL MASTER PLAN MONITORING PROGRAM AGRICULTURAL RESOURCES TECHNICAL ADVISORY COMMITTEE MEETING

DATE: December 16, 2015

TIME: 9:30AM – 11:30AM

LOCATION: Highlands Council Office
                 100 North Road
                 Chester, NJ

ATTENDEES:

First Name	Last Name	Organization
Bruce	Barbour	Rutgers Cooperative Extension - Warren County
Dale	Davis	Stony Hill Farms
Marcus	Gray	North Jersey Resource Conservation & Development (NJ RC&D)
Helen	Heinrich	New Jersey Farm Bureau (NJFB)
Hank	Klumpp	Land Owner
Carrie	Lindig	United States Department of Agriculture Natural Resource Conservation Service (USDA NRCS)
Peter	Nitzsche	Rutgers Cooperative Extension – Morris County
Harvey	Ort	Ort Farms
Monique	Purcell (*by phone*)	NJ Department of Agriculture (NJDA)
Dave	Shope	Land Owner
Richard	Vohden	NJ Highlands Council – Member
Margaret	Nordstrom	NJ Highlands Council – Executive Director
Kim	Ball Kaiser	NJ Highlands Council – Staff
Chris	Danis	NJ Highlands Council – Staff
John	Maher	NJ Highlands Council – Staff
Corey	Piasecki	NJ Highlands Council – Staff
Judy	Thornton	NJ Highlands Council – Staff
Alex	Belensz	Regional Plan Association (RPA)
Courtenay	Mercer	Regional Plan Association (RPA)

MEETING PURPOSE:

Technical Advisory Committees (TACs) serve to engage those with specific technical content knowledge across the ten topic areas included in the Highlands Regional Master Plan (RMP). TAC membership represents academic institutions, business and industry, regulatory agencies, and non-government organizations each providing a unique perspective on its area of expertise. Each TAC will meet twice over the course of the RMP Monitoring Program project.

The purpose of TAC Meeting 1 was to review the draft indicators proposed to date, as well as sample indicator reports demonstrating the type of output anticipated to be included in the Monitoring Program Recommendation Report (MPRR). As time allowed, the TACs were also to discuss potential milestones.

MEETING SUMMARY:

The meeting opened with welcome remarks by the MPRR project consultant, Courtenay Mercer, New Jersey Director at Regional Plan Association (RPA). After attendees introduced themselves, Ms. Mercer provided an overview of the meeting purpose and an explanation of the meeting materials, which included the Agenda, RMP Goals information sheet, Briefing Memo, and Draft Indicator Spreadsheets.

Participants were presented with several general questions regarding implementation indicators in the MPRR, including:
- Do the indicators adequately analyze the Agricultural Resources goals and policies of the RMP? Are there any missing indicators, or are any indicators listed in an inappropriate tier?
- For the sample indicators, does the proposed MPRR format present the indicator clearly (in its narrative, tables, charts, and maps)?
- For each indicator, what may serve as the appropriate corresponding milestone?

The TAC discussion began with an examination of the draft proposed Tier 1 indicators (those with the strongest nexus to the goal and policies of the RMP) to be analyzed as part of the MPRR.

For the Agricultural Economics Index, participants expressed concern that the analysis was conducted at a county level, as this includes significant areas outside the Highlands Region and does not distinguish between Planning and Preservation Areas. Ms. Mercer explained that the United States Department of Agriculture (USDA) Census of Agriculture only provides detail at the county level. Ms. Purcell suggested that as a Science and Research Agenda item, the Highlands Council and NJDA could work with the USDA to provide a more refined analysis of the Highlands Region, similar to what was provided during the drafting of RMP.

In addition to the items already included in the Agricultural Economics Index, participants suggested that the analysis also include direct sales to consumers, as well as net farm income (gross income minus expenses). There was discussion as to whether net farm income should be depicted on a per acre basis, but it was ultimately decided that this distinction was unnecessary and could be misleading, particularly since the data is county-wide and includes farms outside the Highlands Region.

Acknowledging that many farm operators rely on income from sources unrelated to farming, participants also agreed that it is important obtain information on actual income derived from farming. This will provide a better understanding of the viability of farming as a career. Ms. Mercer relayed that this information is not currently available. Ms. Purcell suggested, as a Science and Research Agenda item, that a request could be made to the USDA to include these questions and/or conduct a targeted Highlands Region survey.

Ms. Mercer clarified that the agritourism component of the Agricultural Economics Index includes the number of farm operations engaged in agritourism activities, as opposed to the overall number of agritourism activities. It was suggested that Brian Schilling of the Rutgers Cooperative Extension may be able to provide supplemental information about agritourism.

For the Agricultural Property Values indicator, participants expressed concern that the value of houses on farmland may be artificially inflating the true value of agricultural lands in the Highlands Region. However, sale prices of agricultural lands do not distinguish between housing and farmland. Others requested that farms in the Planning Area be compared to those in the Preservation Area, as well as preserved farms versus non-preserved farms.

For the Agricultural Employment Index, participants recommended the indicator be combined with the Farmland Characteristics Index due to the degree of overlap between the two. Participants discussed whether United States Department of Labor Quarterly Census of Employment and Wages (QCEW) data was appropriate to use in analyzing agricultural retail employment, as many unrelated jobs are included in the dataset. Ultimately, it was agreed that the QCEW information is the best dataset known to exist. It was further suggested that wholesale agricultural operation employment also be included. Participants requested that the analysis of major agricultural activities (available at municipal level) be broken down by Planning Area, Preservation Area, and split Planning and Preservation Area.

Participants suggested removing the Farm-to-School Programs Indicator, as data regarding these programs is not reliable and it is not seen as a primary indicator in any event.

For the Agricultural Land Use and Preservation Index, participants requested that the indicator report provide a more detailed description of Moderate and High Priority Agricultural Resource Areas. It was also suggested that Important Farmland Soils be removed from the index, as important soils are a component of the Priority Agricultural Resource Areas. Members recommended that the stand-alone Important Farmland Soils indicator be eliminated for the same reason.

Participants felt that the Highlands Development Credit (HDC) Receiving Area indicator is more appropriate in the Land Owner Equity topic area.

For the Farm Loans indicator (previously a Tier 0 indicator), participants noted the importance of farm loans in sustaining agricultural operations and recommended this indicator be moved to Tier 1 within the Agricultural Economics Index. Data for farm loans may be available from the USDA Farm Services. It was suggested that the analysis include a discussion on collateral used for farm loans, but it was generally felt that this information would not be made publicly available. Accordingly, the group agreed that a review of Farm Credit (e.g. First Pioneer Bank) loan activity

and defaults may be the most appropriate indicator to analyze. Depending on availability of data, this may be a Science and Research Agenda item for future analysis.

Ms. Mercer then reviewed the final proposed changes to the Agricultural Resources indicators:

Agricultural Economics Index:
- Add an analysis of farm gross income, expenses, and net income
- Add an analysis of direct sales to consumers
- Add Farm Loan defaults

Agricultural Property Values:
- Compare agricultural property values for Preservation Area and Planning Area farms

Agricultural Employment Index:
- Merge into Farmland Characteristics Index

Farm Characteristics Index:
- Merge with Agricultural Employment Index
- Add an analysis of agricultural wholesale operation employment
- Breakdown analysis of major agricultural acreage by Planning Area, Preservation Area and split Planning and Preservations Area.

Agricultural Land Use and Preservation Index:
- Provide a more detailed description of Moderate and High Priority Agricultural Resource Areas (per Highlands Land Preservation and Stewardship Technical Report, 2008)
- Eliminate Important Farmland Soils

Farm-to-School Programs:
- Move to Tier 0 due to lack of reliable data

HDC Receiving Areas:
- Analyze as part of Land Owner Equity topic area

Farm Loans:
- Move to Tier 1, merge into Agricultural Employment Index
- Depending on data availability, analyze farm credit defaults

REVISED DRAFT AGRICULTURE INDICATORS LIST:

TIER 1 INDICATORS:

- **Agricultural Economics Index**: Measures change in farm gross income, expenses, and net income, the market value of major agricultural products (e.g., cropland, fruit, cattle, and equine) and direct sales to consumers, the number of farms and income from agritourism or recreational services, the number and percentage of agriculture producers engaging in value-added activities, and farm loan defaults.

- **Agricultural Property Values**: Measures change in median per acre value of property sales for preserved and non-preserved farmland.

- **Farm Characteristics Index**: Measures change in the number of farms, total and average acreage of farms, acreage of land used for various major agricultural activities, number, average age and primary occupation of farmers, farm tenure, number of farm labor workers, and agricultural retail and wholesale operation employment.

- **Agricultural Land Use and Preservation Index**: Measures change in acreage of preserved farmland, share of total farmland that is preserved, acreage of preserved farmland by Land Use Capability Zone, and the change in land use or preservation of Moderate and High Priority Agriculture Resource Areas.

TIER 2 AND 3 INDICATORS

- **Agricultural Resource Area**: Measures change in land use or preservation in the Highlands Agricultural Resource Area.

- **Farmland Assessed Values**: Measures change in the assessed property value of farmland.

- **Managed Woodland**: Measures change in acres of farmland-assessed non-appurtenant woodland.

- **Small Farms**: Measures change in the number of farms smaller than SADC priority size by county.