The availability and affordability of farmland in NJ – issues and ideas

Background, context, issues – Agricultural land in New Jersey is among the highest priced in the nation – an average of $15,346/acre according to the 2007 Ag Census. The state’s Farmland Preservation Program helps make farmland more affordable by removing the development value from the land, however even preserved farmland can be expensive. Farmers sometimes find themselves in competition with non-farmers – who may be attracted by the rural, residential value still associated with the land – and can be priced out of the market for preserved farmland. Competition from farmers who are relocating, or growing higher-value crops, may also be factors. In 2005, the average resale value of preserved farmland was $11,334/acre.

Over the past five years, the SADC has heard from an increasing number of farmers and members of the public concerned about the availability and affordability of preserved farmland. Considering the success of NJ’s farmland preservation program in terms of protecting a significant agricultural land base from development – more than 180,000 acres of farmland, or 24% of all of NJ’s agricultural land, has so far been preserved – the question has been raised, how available is this land? If farmers cannot always afford the land, how readily available is it to them? This has led to more questions, such as: Who’s buying preserved farmland, and does ownership matter? What contributes to higher values? What impact does non-farmer ownership have on the availability and stewardship of the land? What impact does it have on the public’s perception of the preservation program? And if we reach a point where farmers become dependent on rented ground, what does that mean for the agricultural industry?

Our work in this area – In 2004, the NJ Secretary of Agriculture convened a working group to discuss these types of issues and recommend ways to make farmland more available and tenure-secure to NJ farmers. This working group developed an initial package of recommendations for the agricultural community to consider. In 2007, as a follow-up to this effort, the SADC met with 15 county agriculture boards from around the state to further discuss some of the trends and issues it has seen and to hear directly from farmers about what they thought.

Farmer feedback – and program and policy ideas – The overall response from the agricultural community was that availability and affordability (as well as tenure and stewardship) were issues and that something should be done to address them. On some topics, such as the “use of preserved farmland,” farmers were in agreement: This land should be actively farmed, and the deed language should be changed to require that the land be retained “in” rather than “for” agricultural production. Regarding ownership of preserved farms, some added that it didn’t matter so long as the land remained available, while others countered with concerns about land being minimally-farmed. Applying “house size limits” and preserving some land just by itself (without any housing opportunities) were two additional ideas debated, as was the “Option to Purchase at Ag Value” affordability tool used in MA and VT.