LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 4029
STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: OCTOBER 26, 2026

SUMMARY

Synopsis: Authorizes county agricultural development boards to contractually purchase supplies for sale to New Jersey farmers.

Type of Impact: Annual State expenditure increases; potential annual State revenue increases; annual county expenditure and revenue increases.

Agencies Affected: Department of Agriculture; State Agriculture Development Committee; county agriculture development boards.

Office of Legislative Services Estimate

Fiscal Impact	
Annual State Expenditure Increases	Indeterminate
Potential Annual State Revenue Increases	Indeterminate
Annual County Expenditure Increases	Indeterminate
Annual County Revenue Increases	Indeterminate

- The Office of Legislative Services (OLS) finds that county agriculture development boards will experience an indeterminate increase in annual expenditures and revenues related to their role in the new Farmer Supply Link Program. The magnitude of the cost increases will principally depend on the prices paid by county boards for the purchase of bulk agricultural supplies, which cannot be known until the program is operational and contracts are negotiated.

- Revenues for the county boards will increase by an indeterminate amount annually. In the first year that a county board participates in the program, revenues will increase from State grants. After this initial grant funding, county boards will receive annual revenues from fees paid by farmers participating in the program.

- The State Agriculture Development Committee will incur an indeterminate amount of one-time costs to provide grants to county boards participating in the program. State costs thereafter should be limited to workload increases related to administrative functions.

- There is a potential for annual revenues to accrue to the State as any revenues collected by a county board in excess of the minimum fees established are to be deposited as a credit to the Preserve New Jersey Farmland Preservation Fund.

BILL DESCRIPTION

This bill requires the State Agriculture Development Committee, with the Department of Agriculture, to establish the Farmer Supply Link Program to support New Jersey farmers in purchasing bulk agricultural supplies, developing agricultural capital, and accessing agricultural assets at a discounted rate. The program will be administered by the county agriculture development boards and may be organized by a non-profit agency. Each county board will develop rules, fee schedules, goals, and formats for the distribution of agricultural supplies. These rules must include guidelines for practicing opportunity buying strategies for off-contract purchases of agricultural supplies from an agricultural product aggregator and are permitted to prioritize new or beginning farmers or farmers with demonstrated financial need.

A county board is authorized to enter into a contract with an established non-public vendor, known as an agricultural product aggregator, to purchase bulk agricultural supplies at a discount to be sold to farmers for a fee. Fees are required to be reasonable, adjusted annually for inflation, and sufficient to recover all of the county board's costs associated with the implementation and enforcement of the purchasing contract. Any revenues collected by a county board in excess of the minimum fees established by the board are to be deposited as a credit to the Preserve New Jersey Farmland Preservation Fund.

In the first year a county board participates in the program, it is to request grants from the State Agriculture Development Committee to fund its purchase of bulk agricultural supplies. The grants are to be made from the Preserve New Jersey Farmland Preservation Fund. After the first year of the program, any contract entered into by a county board with an agricultural product aggregator will be payable only from amounts derived from the collection of fees.

County boards are authorized to participate in programs administered by federal agencies and other State agencies in administering the program.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that county agriculture development boards will experience an indeterminate increase in annual expenditures and revenues related to their role in the new Farmer Supply Link Program. The magnitude of the cost increases will principally depend on the prices paid by county boards for the purchase of bulk agricultural supplies, which cannot be known until the program is operational and contracts are negotiated. Any additional costs to the county boards, including the potential need for new employees to administer the program, also cannot be estimated.

Revenues for the county boards will increase by an indeterminate amount annually. In the first year that a county board participates in the program, revenues will increase from State grants. After this initial grant funding, county boards will receive annual revenues from fees paid by farmers participating in the program. The bill's requirement that the fees set by county boards be adjusted annually for inflation and be sufficient to cover all of their costs under the purchase contract, including administrative costs, should ensure that revenues collected by the county boards are sufficient to cover their expenses.

The State Agriculture Development Committee will incur an indeterminate amount of one-time costs to provide grants, from the Preserve New Jersey Farmland Preservation Fund, to county boards participating in the program. As mentioned above, the costs to county boards under the new program are not known at this time, so the size of the State grants in the first year of the program cannot be estimated. State costs will largely be eliminated in the second year that a county board participates in the program as the program will become fee supported, although the committee and the department will continue to incur some additional expenses related to their administrative functions under the bill.

There is a potential for annual revenues to accrue to the State as any revenues collected by a county board in excess of the minimum fees established by the board are to be deposited as a credit to the Preserve New Jersey Farmland Preservation Fund. The OLS lacks the informational basis to estimate the size of these annual revenue increases, if any.

To the extent that county boards are able to leverage federal funding in support of the program, costs under the bill will be reduced.

Section: *Environment, Agriculture, Energy, and Natural Resources*

Analyst: *Anna Heckler*
Associate Fiscal Analyst

Approved: *Thomas Koenig*
Legislative Budget and Finance Officer

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).