

Agricultural Preservation Programs

“The federal government has had only a very small role in the direct protection of farmland. ... The 1996 Farm Bill included \$35 million in grants to state and local governments for the purchase of development rights to farmland. This money [was] spent or committed by the end of 1998, and additional funding has not yet been authorized.”¹

Given the local focus of land use and lack of federal protective action, it then falls to the counties and municipalities to decide whether they want agriculture to remain an active part of their culture and community. Protecting agriculture not only protects a heritage and a means of economic support, it can also foster good growth patterns and protect important environmental functions through open-space preservation. In short, finding ways to ensure that we do *not* grow in areas where agriculture is successful and desirable can be a very effective growth strategy. However, with today’s fierce pressure for many landowners to sell for development, active farms often need assistance to survive; states and localities across the nation have provided this assistance through agricultural preservation programs, designed with the community’s specific goals in mind. Participation in all of these programs is voluntary, and they are all made more effective when combined with well-conceived local land use planning that supports regulatory protection of agricultural and open-space preservation as well, such as restrictive agricultural zoning and urban growth boundaries.

Farmland preservation programs may work in a number of ways. The most common are programs that either: (1) remove all the rights from a property except the right to farm, leaving title to the land and the right to farm with the property owner; (2) purchase the right to develop from the property and allow those rights to be used elsewhere; or (3) create incentive programs such as tax abatement or financial assistance.



Application of an agricultural easement to a property removes the right to use the property in a manner other than agriculture, allows existing and future agricultural practices on the property, often provides the current owner with funds to compensate for this decrease in property value, and decreases the taxable value of the land due to this decrease in property values. This first form of preservation program can help protect existing agricultural operations, particularly those of heritage farms, since the land remains with the original owners and becomes more affordable to maintain in active agriculture. Easements may be either given voluntarily or may be placed on a property through purchase. Programs in which easements are purchased are also referred to as Purchase of Development Rights (PDR) programs, since, unlike a TDR program, these programs do not relocate the development rights allocated to the property from which they are purchased but are held by a land trust, government agency, or other preservation organization. Communities that have used this form of

¹ Daniels, Tom. 1998. *The Purchase of Development Rights, Agricultural Preservations and Other Land Use Policy Tools—The Pennsylvania Experience*. Online. Available from: www.farmfoundation.org/1998NPPEC/daniels.pdf

agricultural preservation program include the State of Maryland, State of Delaware, Forsyth County in NC, and the City of Virginia Beach.¹

A second option for agricultural preservation are programs such as Transfer of Development Rights (TDR) where active agricultural areas are identified as the “sensitive areas” to be protected and virtually moves the units that would have been legally allowed to the agricultural property to another location that is desirable for development. These programs typically “move” purchased units to a virtual bank from which developers can purchase and place into designated development areas. This does not decrease the overall residential density of the subject locality but still removes development pressure from existing agricultural properties. Communities that have used this form of agriculture preservation program include Montgomery County in Maryland, the Commonwealth of Massachusetts, and the State of New Jersey, including its municipalities.

The purpose of the Voluntary Agricultural District Ordinance is to encourage the voluntary preservation and protection of farmland from non-farm development. This is in recognition of the importance of agriculture to the economic and social life of the county.

- Caldwell County, North Carolina

The third method of agricultural protection may be utilized by creating agricultural districts that address taxing, public facilities, or nuisance issues. These voluntary districts often exempt active agriculture from being required to pay for public service improvements unless the improvement in service is directly required by the agricultural operation. This protects agriculture from having to pay for improvements associated with increasing commercial or residential development in the region. Lighter nuisance restrictions for agriculture-oriented practices are also common, as are lowered taxing requirements. Communities that have used this form of

¹ American Farmland Trust. August 2006. *Fact Sheet: (PACE) Purchase of Agricultural Conservation Easements*. Available from: www.farmlandinfo.org/documents/27751/PACE_2006.pdf

preservation include the State of Maryland, State of Delaware, Sonoma County in CA, and Orange County in NC.²

Each of these programs has its own strengths and weakness; which will work most successfully will depend upon the specific goals and capacities of the implementing community. All of these programs require a certain amount of public funding in order to succeed, but the level of monetary commitment is significantly different, depending upon which program is selected. Often multiple programs are selected in order to fully meet the needs of the community.³ Programs that purchase land or conservation easements require a significant pot of money from which the funds for purchase may be drawn. Tax-abatement programs require little or no startup capital but result in decreased earnings from the taxes of these properties. Programs such as TDRs require significantly less in terms of public funds commitment, but are also less assured of success, since they are market-based and program participation is dependent upon a well-set-up market system as well as the funding availability and willingness from the local development community.

Additional Resources:

Farmland Information Center Home Page.

<http://www.farmlandinfo.org>

American Farmland Trust. *The Farmland*

Protection Toolbox. Oct 2002. Available from:

http://www.farmlandinfo.org/documents/27761/FS_Toolbox_10-02.pdf

(USDA) U.S. Department of Agriculture. *Natural Resources Conservation Service, Farm and Ranch Land Protection Program (FRPP)*

<http://www.nrcs.usda.gov/programs/frpp/>

² American Farmland Trust. Nov 2006. *Fact Sheet: Agricultural District Programs*. Available from: www.farmlandinfo.org/documents/27763/Ag_Districts_11-06.pdf

³ The State of Maryland uses agricultural districts that may decrease taxes as a short-term assistance measure and purchases easements for long-term protection. The Maryland Environmental Trust. *Land Conservation Center*. Available from: www.conservemd.org/purchased/malpf/index.html