



American Farmland Trust

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**FLORIDA'S GROWTH MANAGEMENT PLANS:
WILL AGRICULTURE SURVIVE?**

**A REPORT
ON THE IMPACT OF
CONTINUED POPULATION GROWTH
ON FLORIDA'S FARMLAND**

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AN EXECUTIVE SUMMARY

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SUMMARY

Overheard from an Orange County farmer:

"This used to be all citrus groves. Now every time it rains, it sprouts Yankees."

Florida is one of the most important agricultural states in the nation. It leads the country in the production of oranges, grapefruit, fresh tomatoes, watermelons and sweet corn. Some tropical fruits and vegetables -- such as mangoes, papayas, passion fruit, lychees and carambolas -- can be grown in no other place in the continental United States. In addition, the state produces 230 other agricultural commodities.

With sales topping \$6.2 billion, the state ranks second nationally after California in receipts from crop sales, and eighth in receipts from all its agricultural products.

More than any other industry, agriculture is dependent upon land -- good land -- for its existence. Many planners like to point out, however, that good land is good for a lot of things. And in Florida, the competition for land is intense.

More than 30 percent of the Florida's total land area is currently in agricultural production. Another 45 percent of the state's land area is considered "environmentally sensitive" -- and includes natural treasures such as the Everglades, Big Cypress Swamp, the Florida Keys and Fisheating Creek.

In addition, Florida is one of the fastest growing states in the nation. Only three states -- California, Texas and New York -- have more residents. But Florida is catching up fast. Nine of its communities are among the 12 fastest-growing metropolitan areas in the nation.

The rapid growth of Florida's population -- nearly 800 new residents each day -- will have a profound impact on the state's landscape for years to come. More people need more land on which to build houses, shopping centers, roads and office buildings. But more people also need more food. And land now being used for food production is being converted at a higher rate than in any other state in the nation -- an unprecedented 150,000 acres per year. Growth pressures are also putting a squeeze on public services, natural resources and state and local budgets.

These issues are of critical concern to the American Farmland Trust (AFT), a private, nonprofit membership organization founded in 1980 to stop the loss of productive farmland and to promote farming practices that lead to a healthy environment.

During the mid-1980s, AFT participated in the Farmland Mapping and Monitoring Assembly, which used satellite images and ground-based measurements to document the loss of agricultural lands statewide. AFT also joined with the Florida chapter of the Soil and Water Conservation Society to conduct a poll of urban residents, farmers and rural landowners to determine attitudes concerning the need for additional efforts to protect the state's farmland. The poll showed overwhelming support for farmland protection initiatives. For example:

- * Nearly 6 out of 10 farmers (59%) and 73% of the general public said that good farmland should not be used for houses and industry.
- * Six out of 10 farmers and 77% of the general public agreed on the need for a governmental policy to protect Florida's best farmland from urban growth.
- * Overwhelming majorities (72% of farmers and 65% of the general public) agreed that farmers should receive economic incentives to keep their land in farming.

In 1985, the Florida legislature enacted the Local Government Comprehensive Planning and Land Development Regulation Act -- commonly referred to as the Growth Management Act. The law attempts to confront Florida's runaway growth, to help planners and citizens answer questions such as: What can we do about traffic congestion? Can we overcome water shortages? How do we balance economic growth and preservation of fragile ecosystems?

Unfortunately, the law provides little guidance on how agricultural lands are to be treated -- a major oversight since the law effectively ignores 30 percent of the state's land area. As a result, Florida continues to be one of very few major agricultural states without a clearly defined state policy stipulating the need to conserve its agricultural resources.

In March 1991, The American Farmland Trust received funding to conduct an assessment of the continued population growth in Florida and the resulting impacts on the state's farmland.

As part of this assessment, AFT contacted each of Florida's 67 counties in an attempt to answer two primary questions. First, was public support for farmland protection being reflected in the comprehensive plans being prepared by the leading agricultural counties in Florida -- Palm Beach, Polk, Orange, Hillsborough, Dade, Lake, Manatee, Hendry, St. Lucie and Collier, among others? And second, will these counties be able to maintain their agricultural production in the face of growth?

KEY FINDINGS

It is clear from the responses AFT received to its questionnaire that there is a strong interest -- and need -- to step up efforts to conserve Florida's remaining farmland. Here's a summary of what AFT found:

1. Florida still has a large amount of highly productive farmland. In 1990, the state had 10.9 million acres in production, on which it produced 240 different commodities. With sales topping \$6.2 billion, the state ranks eighth nationally in receipts from all its agricultural products, and second nationally -- after California -- in receipts from crop sales (\$5 billion in 1989).
2. The economic effects of farming are felt throughout local communities, since farming supports a variety of other businesses and services. Studies in Palm Beach, Dade and Hillsborough counties indicate that the value of this additional economic activity is worth as much as -- or more than -- the cash value of the agricultural sales themselves.
3. Agricultural lands help alleviate local government costs of providing public facilities and services. These lands do not require the level of public facilities and services that are necessary in urban areas. Therefore, tax returns to local governments from farmlands typically exceed the outlay required for public facilities and services -- sometimes by as much as 79 cents for every \$1 of tax revenues. As a result, agricultural lands help pay for the public facilities and services enjoyed by urban residents.
4. Florida's farmlands are also valuable in other ways: They provide an important buffer between urban development and the state's natural areas. They provide scenic and open space. They assist in the retention and detention of floodwaters. They recharge groundwater aquifers. And they protect wildlife corridors and provide wildlife habitat.
5. Many of the fastest-growing metropolitan areas in the country are in Florida. The nation's fastest-growing area is Naples, which had a 77% increase in its population between 1980 and 1990. The state is projected to continue growing by an average of one new resident every two minutes for the next 10 years.
6. Farmland is being squeezed throughout the state. The rules enacted to carry out Florida's 1985 Growth Management Act require all counties to limit urban sprawl and to designate environmentally sensitive areas to be protected. Neither the Act nor the rules specifically mention -- nor require

-- the protection of farmland. Hence, any additional land designated for urban development is likely to come from the agricultural land base.

7. Florida has the highest rate of farmland conversion in the nation -- an average of one acre lost every three and a half minutes!
8. Much of Florida's farmland has been zoned for low-density residential development -- a density of one dwelling unit per five acres is common among the fast-growth counties; in some cases, densities of one unit per acre are also allowed.
9. Banking practices in the state encourage agricultural lands to be zoned for development. Contrary to other major farm areas of the country, many banks in Florida have begun to base agricultural production loans on the development value of the land, rather than on the farmers' ability to repay from farm income. There is variance of opinion in how prevalent this practice is. Nevertheless, it is a risky banking practice. And it has caused many farmers to press county planners to zone their land for residential use to boost their borrowing power with local banks.
10. Agricultural landowners are not always supportive of measures that might be taken to preserve land. There are three reasons for this:
 - a) Agricultural landowners tend to view all government and private actions as negative or positive depending upon how these actions affect the asset value of their land. The 1985 Growth Management Act, for example, is generally seen as negative; because of restrictions that have been placed on the development of rural lands, it has been perceived as holding down (and, in some cases, lowering) property values -- and the landowners' borrowing power -- without compensation.
 - b) Agricultural landowners insist that they "want to keep their options open." Translated, this means they want to be able to sell their land or develop it at the highest possible price if they get tired of farming or if farming ceases to be profitable. Most landowners do not realize that several farmland protection programs actually increase their options by allowing them to cash in on the value of their land without borrowing against it, without selling it, and without converting it out of agriculture into another use.
 - c) Agriculturalists maintain a deep skepticism toward most government actions -- even those that are intended to "help" agriculture. Past experience has been bitter. People in government change. Programs

come and go and are modified with simple majority votes. And far too many programs -- including those billed as "good" for agriculture -- are designed and carried out without consulting agriculture and without taking the effects on agriculture into consideration.

11. Many county planning departments and state agencies see the pressing need for conserving the state's farmlands and are seeking ways in which these lands can be preserved. However, very few policymakers and planners have the personal background or training to understand agriculture. As a result, agriculture -- and its needs and impacts -- are often misunderstood.

Some policymakers and planners see agriculture as a temporary use, that can be replaced once land can be developed to its "highest and best use" -- residential subdivisions. Some see it as a place where the troublesome, "where do we put this?" uses -- such as junk yards, land excavations and landfills -- can be located. And some believe that agriculture can always relocate, if not in their county, then in some other county, or state.

Very few policymakers recognize that agriculture is a large outdoor industry which is distinct from -- but sensitive to -- other land uses. Far too few policymakers and planners appreciate the economic importance of agriculture; understand what is necessary to maintain (or improve) its economic viability; recognize its needs for support services and industries, farm worker housing, tractor lanes along highways and local distribution networks; or realize how the failure to plan for agriculture -- with considerably more depth than simply marking an "A" on a land-use map -- and to prevent conflicting uses from locating where they will interfere with agricultural operations, could lead to the demise of agriculture in many of the state's fast-growth counties.

12. County comprehensive plans vary greatly in the approaches that have been taken to minimize the effects of development on agricultural lands. More can be done to conserve farmland in all of the state's fastest-growing counties.
13. Florida has a mind-boggling series of state and local regulations, fire and building codes, assessments and restrictions that apply to agriculture. Some are necessary for public health and safety and protection of the environment. But some overlap, some conflict with each other, some are arbitrarily enforced, some are targeted to other land uses and should not be -- but nevertheless are -- applied to agriculture, and some simply make no sense. The result is a time-consuming, costly burden for agriculture, which cuts into profits, discourages innovation on the part of agriculturalists to come up with

cost-effective solutions, and fuels a needlessly contentious relationship between agricultural operators and regulators.

14. Economic development agencies throughout Florida spend hundreds of millions of dollars on "economic development," competing with other states -- and each other -- to attract factories and urban construction projects. Yet not a single economic development agency in Florida invests in agriculture -- neither to attract it, nor to keep it -- even though agriculture is already in place, requires very little infrastructure and is one of the state's biggest businesses.
15. There is legitimate concern about the impact that international trade policies -- such as free trade with Mexico -- may have on the profitability of some farm commodities grown in Florida. Dire predictions about the possible repercussions of these trade policies, however, are being used by developers and would-be developers as an argument against measures that might be taken to conserve farmland. Fact is, the actual impact of these policies is still a matter of speculation. Similar concerns were voiced prior to the Caribbean Basin Initiative -- but were largely unfounded. If one commodity becomes unprofitable, a farmer always has the option of converting to other crops. In addition, an affirmative market development strategy (including an expansion of the "Fresh from Florida" campaign, national advertising, and low-interest economic development loans to improve local distribution, make agricultural operations more efficient and, if necessary, respond to market forces and convert to other crops) could enhance the profitability of Florida's agricultural industry and allow it to compete much more effectively in the local, national and global markets.
16. Florida lacks a state-level policy that will stipulate the need to conserve its agricultural resources, encourage the donation of agricultural conservation easements, direct state agencies to take farmland into consideration in planning capital projects, and provide clear direction and incentives to local communities to protect farmland.
17. Florida's agricultural contribution to the U.S. -- and the world -- is likely to become even more important in the future. A United Nations study group reported in May 1992 that: a) current population projections indicate that the world's population will double by the year 2050, b) two-thirds of the people in today's world are inadequately fed, c) agricultural production will have to quadruple in the next 50 years in order to adequately feed the world's people, and d) the world cannot depend on technology alone to boost yields (particularly since many of the recent increases have been accompanied by environmental problems). Hence, protection of existing

agricultural areas should be a priority.

18. Each American requires an average of 1.5 acres of cultivated farmland to produce the food and fiber that he or she consumes in one year. The U.S. population is presently increasing by 2 million people per year as a result of natural childbirth (births minus deaths), and by another 500,000 as a result of net immigration. Consequently, the U.S. should be adding farmland. Instead, it is losing more than 2 million acres per year -- mostly as a result of urban expansion. Yet as much as 20 percent of the urban land in the top-producing agricultural states, such as California, is vacant and could accommodate population increases well into the next century.

The same is true of many areas in Florida. Those areas already designated for development are projected to accommodate Florida's population allocations through the year 2010 -- and, in many cases, well beyond that. Unfortunately, existing policies may not be sufficient to encourage growth in these areas -- over other areas where land prices are cheaper. Additional incentives are needed, both to encourage urban infill and to conserve Florida's most productive agricultural areas.

NEEDED: A BETTER WAY TO PROTECT FLORIDA'S AGRICULTURAL LANDS

Presently, most Florida counties rely on zoning ordinances and regulations to control development in agricultural areas. Regulations, however, can always be changed. Sometimes they can be strengthened. But more often, when there is strong development pressure, they are weakened.

All Florida counties either have enacted or are in the process of enacting land development regulations to carry out the policies set forth in their comprehensive plans. The next step for these counties is to consider amendments to their comprehensive plans which, if adopted, will lead to amendments in the land development regulations.

Adopting -- and retaining -- strong policies and regulations, however, is only the beginning. These regulations are effective only if they are enforced. Virtually every zoning ordinance and land development regulation allows for variances. If the zoning appeals board which hears applications for variances is sympathetic to development, then even good farmland conservation regulations can be compromised -- or rendered meaningless. In fact, significant changes in land uses can often occur on a 3-2 vote.

This is why more must be done to protect Florida's agricultural lands. Local land use plans and regulation are the foundation of any comprehensive farmland conservation program. But they are not the complete answer -- for any state -- and particularly not for Florida. Here's what needs to be done in Florida to augment local regulations and improve farmland conservation:

1. State laws need to be enacted to stipulate the need for farmland conservation and provide clear direction and incentives to local communities to protect farmland.
2. Local land use plans and regulations need to be strengthened and improved to encourage farmland conservation.
3. Private options for farmland conservation -- including donations of conservation easements, bargain sales of conservation easements, establishment of local land trusts and estate planning to prevent farmland from being sold to pay estate taxes -- need to be promoted.
4. Incentive programs -- which encourage landowners to conserve farmland, but which are voluntary -- need to be implemented. Two of the most effective incentive programs are:

Voluntary Agricultural Districts

These voluntary districts are distinct from and not to be confused with zoning or land use districts. They offer landowners incentives in exchange for their agreement to keep land in agricultural uses for a stipulated period of time, typically seven to 10 years. Districting agreements usually require a minimum acreage enrollment ranging from 10 to 500 acres. The larger acreage requirements allow for the formation of districts by more than one landowner, assuming that larger areas will remain more economically viable to farm. Voluntary district programs offer:

- * Protection from nuisance complaints and lawsuits (often greater than provided by right-to-farm laws);
- * Exemptions from ad valorem levies and special assessments for urban-type facilities and services;
- * Greater degrees of protection from annexation and condemnation actions of government agencies;
- * Relief from government ordinances, regulations and codes with negative impacts on agriculture; and
- * Limits on the annual rates of increase in tax levies.

In addition, special uses which will support agricultural operations may be allowed. Developments adjacent to agricultural districts may be regulated to reduce potential conflicts. Public expenditures to promote non-farm development may be restricted. And additional property tax incentives may be provided, with the stipulation that tax incentives must be repaid if the agreement is broken.

Purchase of Development Rights (PDR)

A purchase of development rights program compensates farmers for the equity in their land in return for a deed restriction which precludes use of the land for development or non-agricultural purposes. This provides farmers with a way to get cash out of their land without selling it for development. The advantages of PDR programs are:

- * Participation is completely voluntary;
- * Valuable farmland is permanently protected;
- * The land remains in private use and ownership;
- * Landowners are compensated for the difference between the land's fair market value for development and its agricultural value;
- * The proceeds can be used in any way the farmer wishes -- to retire debt, improve their farms, set up savings plans, pay for college educations, or

- provide for a comfortable retirement;
- * Farmland is kept affordable for young farmers entering into agriculture;
- * Local economies -- and the tax base -- benefit by retaining agriculture.

In addition, PDR programs help farmers plan their estates and reduce inheritance taxes.

5. Finally, a way to pay for incentive programs -- especially PDR programs -- needs to be developed. Several Florida counties have passed referendums to purchase environmentally sensitive lands through property tax assessments. PDR programs can also be funded through property tax assessments. Unlike the outright purchase of environmentally sensitive lands by government agencies, PDR programs keep land in private ownership and on county tax rolls, while preserving agriculture.

This, however, is only one way in which PDR programs can be funded. Other approaches are:

- * A farmland conversion tax. If farmland is sold and converted to another use, a tax is levied on the sale. This is often referred to as the Sell-A-Farm, Save-A-Farm program. If one farm is sold, it helps to generate the funds to save another farm.
- * Taxes on some agricultural products -- such as cigarettes and liquor. Pennsylvania, for example, expects to receive at least \$20 million per year for its PDR program from a two-cent tax that was recently added to cigarettes.
- * Sales taxes. Sonoma County, California, has just earmarked 1/4 of one percent of its sales tax for the next 25 years to fund its PDR program. This will generate \$800 million -- enough to protect most of the county's remaining farmlands, and its famous vineyards.
- * Other counties are exploring impact fees and tax-free land exchanges as ways to pay for -- or compensate -- landowners for PDRs.

And these are just a few of the possibilities.

20 WAYS LOCAL GOVERNMENTS CAN RETAIN FARMLAND

Here are a few steps local governments can take to retain agricultural lands, protect agricultural operations from the negative impacts of nearby developments and preserve the economic viability of agricultural areas:

First, support agriculture and encourage its economic viability. Five ways local governments can do this are:

1. Low-interest loans or economic development grants to improve farm operations and enhance their profitability.
2. Technical assistance programs to reduce costs associated with production and marketing.
3. Agriculture financing for annual crop production supported by direct county involvement to eliminate the tendency of some banks to use the development value of land as collateral for these types of loans.
4. Farmers' cooperatives, farmers' markets and local distribution networks to provide farmers with a better return on their crops, make local produce more easily available to local consumers, and provide savings to consumers.
5. Review all state and local regulations, fire and building codes, assessments and restrictions related to agriculture. Exempt agriculture from: restrictions that are targeted to other land uses or industries, but are not directly applicable to agriculture; special assessments that do not directly benefit agriculture; and restrictions not necessary for public health or safety or protection of the environment.

Second, create incentives for farmers to keep their land in agriculture and keep land affordable so young people can go into farming. Six ways local governments can do this are:

6. Set up a purchase of conservation easement (or PDR) program.
7. Encourage estate planning so farms don't have to be sold to pay inheritance taxes.
8. Pass a resolution to encourage the donation of agriculture conservation easements, so these donations can more easily qualify for federal income tax savings.

9. Consider providing farmers who will form voluntary agricultural districts and agree to keep their land in agriculture for at least 10 years with additional property tax relief.
10. Urge the Florida Legislature to enact the Blue Belt Law, which allows for a preferential tax assessment (similar to the agricultural exemption) for land left undeveloped if the land can be utilized as a water recharge area. To date, this program has been implemented on a trial basis in only a few counties. But it has the potential to keep land that presently is not used for agricultural purposes undeveloped until it can be brought into production, thereby keeping more land available for farming and avoiding the premature conversion of land to non-agricultural uses.
11. Encourage equity sharing and bargain sale arrangements through private land trusts to help farmers increase the size -- and, in turn, the efficiency -- of their operations and help young farmers purchase land at agricultural land prices.

Third, discourage nearby land uses that put pressure on or conflict with agricultural operations. Five ways local governments can do this are:

12. Ensure zoning in agricultural districts allows for the construction of farm-related buildings, migrant worker housing and support industries, but limits other types of development to uses that are compatible with agriculture or are for farm family use.
13. Pass an ordinance to supplement Florida's Right to Farm law to provide farmers with better protection from nuisance complaints.
14. Limit condemnation of agricultural land by public bodies.
15. Encourage infill on vacant parcels within existing urban and suburban areas prior to extending services to allow the development of rural lands. A recent survey in California indicates that 20 percent of the land in the state's urban areas is vacant and could accommodate development well into the next century. The same is true of many parts of Florida
16. Require agricultural buffer zones as part of any non-agricultural development that is located in an agricultural area or near an existing agriculturally-related operation. These buffer zones should provide ample separation between agricultural and non-agricultural uses to prevent non-farm uses from interfering with normal agricultural operations and to prevent conflicts with

and nuisances to non-farm uses that might arise as a result of dust, smells, chemical drift, and noise generated during normal agricultural operations, including night-time and early-morning operations. Planted buffers of as little as 100 feet may be sufficient in some cases; however, with some agricultural operations, buffers may have to be half a mile or more in width. Agricultural buffers should include settling ponds or sufficient provisions for stormwater recapture to ensure that runoff from non-agricultural uses does not include pollutants that could pose a hazard to agricultural operations, and visa versa.

Fourth, ensure that support services and facilities necessary for agricultural operations are allowed to locate in agricultural areas and are planned with the same care and attention as is given to the facilities and services required by other land uses. Four ways local governments can do this are:

17. Ensure that roads constructed in agricultural areas have provisions for tractor lanes -- and, if necessary, underpasses or overpasses -- so farm equipment can be easily and safely transported to and from fields, groves and pastures.
18. Provide security patrols to prevent pilfering, poaching and vandalism, which increase dramatically when residential subdivisions locate near agricultural operations.
19. Make provisions to promptly repair or replace fences damaged in traffic accidents before farm animals escape, or before wild animals enter fields and groves and damage crops.
20. Offer economic incentives -- and, where possible, regulatory relief -- to improve existing and encourage new support industries such as packing plants, processing plants and seed drying plants; feed, seed, chemical, parts and equipment suppliers; irrigation and drainage systems; and transportation systems to connect producers and processors with local, regional, national and international markets.

Finally, form an Agricultural Retention Task Force with local, state and national representation to look at model programs in other areas, consider local options and work with planners to design and implement a package of conservation techniques to retain agriculture -- and strengthen its contribution to the local economy.

The **American Farmland Trust (AFT)** is a private, non-profit, membership organization founded in 1980 to protect our nation's farmland. AFT works to stop the loss of productive farmland and to promote farming practices that lead to a healthy environment. Minimum annual membership is \$20.



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