



American Farmland Trust

PROTECTING FARMLAND THROUGH
PURCHASE OF DEVELOPMENT RIGHTS:
THE FARMERS' PERSPECTIVE

Technical Report

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A Survey Sponsored by the American Farmland Trust

and Conducted by

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The American Farmland Trust (AFT) is a national, private non-profit organization dedicated to protecting America's best farmland. Since 1980, the organization has promoted the conservation of agricultural resources and the economic conditions essential to their sustained, productive use. In the process, AFT has become a leader in efforts to resolve the conflicts between long-term conservation needs and short-term economic pressures that threaten our farmland resources.

To accomplish its objectives, AFT is engaged in a three-part program of public education, policy support, and model land protection projects. AFT staff members work closely with farmers, community and conservation groups, and decision makers at all levels of government to stimulate public and private conservation action.

The American Farmland Trust extends its gratitude to those farmers who agreed to participate in this study. Their commitment to agriculture and farmland protection is an inspiration.

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Introduction

For nearly a decade, Connecticut and Massachusetts have been engaged in programs to purchase development rights on agricultural land as a means of preserving agricultural productivity, maintaining open space, and offering an alternative to development. The sale of development rights on an agricultural parcel in essence "locks in" the land for agricultural use in perpetuity. The owner of the land obtains capital and the satisfaction of knowing that he or she has preserved farmland for future generations; the state guarantees that land currently in agricultural use will remain so.

Several hundred Massachusetts and Connecticut landowners have sold development rights under these "Purchase of Development Rights" (PDR) programs, but to date, no one has surveyed the participants in order to chronicle their experiences, whether good or bad, and to assess their satisfaction or lack of satisfaction with the PDR program. Such was the purpose of the survey whose results are discussed in this report.

The Survey

In late 1987, the Social and Demographic Research Institute of the University of Massachusetts, Amherst, was approached by the American Farmland Trust and asked to undertake a survey of PDR participants in Massachusetts and Connecticut. A survey instrument was developed for this purpose and distributed to all 279 known PDR participants in the two states. A copy of the study questionnaire is available from the American Farmland Trust's Northeastern Field Office.

Subject matter covered in the survey included descriptive information about participating farms and farmers, data on how and where the PDR funds were spent, satisfaction of the participants with PDR, attitudes about PDR as a potential national program, and changes in land use that had occurred subsequent to the sale of development rights.

The American Farmland Trust identified 279 PDR participants in the two study states. All 279 known participants were mailed copies of the questionnaires in late February, 1988. There were two follow-up mailings before data collection was halted in April, 1988. Among the 279 original respondents were 18 whose questionnaires were returned by the Post Office with bad addresses, leaving a net original sample of 261. Of these, 167 questionnaires were ultimately returned, for a response rate of 64%--more than respectable for a mailout/mailback survey.

Several of the returned questionnaires, however, were unusable (for example; were returned after the deadline or by surviving spouses of respondents who had died) and so the effective sample size for the analysis is N = 159. Of these, 112 are farmers in Massachusetts, 44 are farmers in Connecticut, and 3 failed to identify their state.

Results

(1) Who Participates in PDR?

Table One shows descriptive data on the farmers and farms represented among the PDR participant sample, first for the total and then separately by state. PDR participants in both states are relatively old (average age = 60); nearly three-quarters are married; they average three children apiece (3.2 in Massachusetts, 2.5 in Connecticut).

Nearly all of the farmers in the sample (91%) intend to continue farming, presumably until retirement or death. On average, respondents have owned their farms for about 30 years. Large majorities (60% in Massachusetts, 75% in Connecticut) report that their children (or other family members) will take over the operation of the farm upon their retirement; in almost all cases, ownership of the land will be transferred as part of that process. Large majorities are very satisfied with being a farmer, with most of the remainder being "somewhat" satisfied; any degree of dissatisfaction with being a farmer is registered by very few (about 4%).

The survey also obtained details on the farms themselves. Most farmers sold development rights after 1983, with Connecticut farmers being more recent participants in PDR than Massachusetts farmers. In about half the cases (55% in Massachusetts, 51% in Connecticut), the entire farm is under the PDR restriction; in the remaining cases, only a portion of the farm is under the restriction. The average restricted acreage is 125 acres, with the restricted parcels in Connecticut being larger (174 acres) than in Massachusetts (106 acres). Roughly three-fifths of these farms are farmed by the owners themselves; virtually all of the remainder are farmed by renters. The average farm in the sample employs 2.1 full-time workers, 1.6 part-time workers, and 3.2 seasonal workers.

Among those farms in PDR that are actually in agricultural production, the average acreage in production is 161 acres; again, the Connecticut farms are somewhat larger. Most of the productive acreage (146 of the 161 acres) is owned by the farmer himself, although the "average" farmer rents an additional 35

acres from someone else, and rents about 20 acres to someone else.² (These averages are somewhat misleading, of course, since only a minority of the respondents rent land: all told, 39% reported renting at least some land from someone else and about the same proportion, 41%, reported renting at least some land to someone else.)

In all, 53 farmers reported renting at least some acreage from someone else. A special question sequence was directed to these 53 (data not shown in the table). About a fifth reported that at least part of their rented acreage was also under a PDR restriction. Illustrative of the fierce development pressures on agricultural land in New England, nearly three-quarters (72%) thought it very or at least somewhat likely that the unrestricted land they now rent will be sold for non-agricultural purposes sometime in the next five years. Only about a third of those responding (N = 38) thought that the current owner of the rented land would be "definitely" or "probably" interested in selling development rights under a PDR program. Farmers renting land were also asked to characterize the competition among farm operators in their area for rental or purchase of agricultural land. On a scale from 1 (no competition at all) to 5 (very strong competition), the mean response was 3.3 (N = 49), or slightly above the midpoint of the competitiveness scale. Competition for farmland was assessed as more intense in Connecticut (mean = 4.1) than in Massachusetts (mean = 3.0).

The average (median) respondent in both states derives 55% of his annual gross income from his farming operation. About half the farmers (46% in Massachusetts, 51% in Connecticut) derive 70% or more of their annual gross income from farming; a bit less than a third derive 10% or less. In terms of principal products (defined here as any product producing half or more of the respondent's annual farm income), dairy farms constitute the largest category in both states, followed by forage, and then vegetables. Differences between states in the product "mix" of participating farms are modest: there are somewhat more vegetable farms participating in PDR in Massachusetts than Connecticut, and somewhat more forage farms participating in Connecticut than Massachusetts, but the overall "mix" is nearly identical in the two states. Most farmers (about four-fifths) report no change in the distribution of their farm income across products subsequent to their sale of development rights.

²Thus, the "average farmer" works 161 acres. He owns 146 of these acres, rents an additional 35 for his own use (= 181 acres), but rents out another 20 to someone else (= 161, the average farm size in this sample).

As I will stress later, the general run of opinion about PDR is very favorable among the participants. Indicative of this is the high percentage (about 82%) who would welcome a Newsletter with information about the PDR program and other participants. In addition, the majority (57% overall) would be willing to have a small sign on their property announcing their participation in the PDR program.²

Most farms in both states (69 - 70%) are still owned by the person who initially sold the development rights; these are referred to as "original owners" throughout the remainder of this report. About 12% of the respondents had sold the restricted land since their original PDR participation; these are "recent sellers" throughout the remainder. Some 16% had bought the land since the original sale of development rights (recent buyers); the remainder, about 3%, fell into none of these categories (most having inherited the land from the original owner).

The findings sketched above let us depict the "average PDR" participant in the two New England states. He is a sixty year old dairy farmer with three children who will continue the farm after his retirement. He has farmed his 160 acres for thirty years and derives more than half his income from farming. Development rights to about 80% of the farm were sold in 1984 or 1985. He is very satisfied with the life that farming has provided him, and he is interested in learning more about other farmers who participate in the PDR program.

(2) How PDR Money Was Used

Original owners and recent sellers were asked how much money they had received for the sale of development rights and how and where that money was spent. All told, usable answers were obtained from 97 respondents--from 73 in Massachusetts and from 24 in Connecticut. Results are shown in Table Two.

The average PDR participant in the two states received about \$215,000 in exchange for his development rights. Since the average PDR-restricted parcel is 125 acres, the average price-per-acre is thus $\$215,000/125 = \$1,720$. There are significant differences between the two states in this respect. The average Massachusetts participant sold development rights to 106 acres and received about \$209,000, for an average price-per-acre of \$1,972; the average Connecticut participant sold rights to 174 acres for \$231,000, for an average price-per-acre of \$1,327.

²Several respondents indicated that they would not be willing to have such a sign for fear that people would assume that the farm was public land.

How was the PDR money spent? Table Two presents two different versions of the data. The first column shows the percentage of all respondents who spent any of their PDR money in the category listed in the rows. Thus, 45% of the respondents spent at least some of their PDR money retiring farm debt. The second column shows the average amount spent in the category for those who spent any. Thus, among the 45% of respondents who spent any money retiring farm debt, the average amount spent for the purpose was about \$62,000. Columns three and four show the identical data for Massachusetts respondents; columns five and six, for Connecticut respondents. Data on 19 different categories of expenditure are given. (There was a residual "any other" category that is not reflected in these results.)

Looking first at the relative proportions spending any money on each category, the highest figure listed (54%) is for general savings and investments, followed by income taxes (50%), retiring farm debt (45%), establishing a retirement fund (33%), and purchasing new farm equipment (32%). These are the only categories in which a third or more of the respondents spent at least some of their PDR money. Other fairly common expenditures were for improvement of existing buildings (26% spending at least some PDR money for the purpose), retirement of other (non-farm) debts (24%), and general living expenses (22%). In general, the distribution of expenditures across categories is very similar in both Massachusetts and Connecticut.

In terms of average dollars spent per category among persons spending any, the figures shown in the table are rather "iffy" for two reasons. First, sample sizes are low, especially for Connecticut, such that one or two respondents spending a large sum on any category greatly inflates the mean expenditure within that category. Secondly, these data were obtained in very wide categories, such that the means reported in the table cannot be taken too literally.³ The mean expenditures probably rank the categories correctly, but should otherwise be interpreted with caution.

³The categories of response were: none; less than \$1,000; \$1,000 - 10,000; \$10,000 - 100,000; and more than \$100,000. Since each category-specific mean is calculated only for respondents spending at least some money on that category, those spending none and those who failed to respond are omitted. For purposes of calculating means, we coded less than \$1,000 as \$500; \$1,000 - 10,000 as \$5,000; \$10,000 to 100,000 as \$50,000; and \$100,000 or more as \$100,000.

The average sums spent per category among those spending any rank the categories of expenditure in much the same way as above. Again, the largest categories of expenditure are to retire farm debt, for general savings and investment, and to establish a retirement fund. The data on mean expenditures do suggest two additional points of interest, however. First, while half of all respondents used at least some of their PDR money to pay income taxes, the average dollars spent on taxes was relatively modest, about \$37,000 (which equals, incidentally, about 17% of the average PDR payment). Likewise, while only about 10% used any PDR money to buy additional land, the average expenditure in that category for those spending any was relatively high, about \$52,000.

Nine of the expenditure categories shown in the table reflect investments of PDR monies back into the farm itself (those listed from "diversify" through "improve buildings"). None of the nine considered singly represents a major category of expenditure in the data, but summing across the nine categories, reinvestment in the farm emerges as an important usage of PDR funds. All told, 45 of the 97 respondents, or 46%, reported at least some expenditure in one or more of these nine "reinvestment" categories, and among these 45, the average expenditure in all nine categories combined was about \$52,000 (somewhat higher in Massachusetts than Connecticut). Treating these nine expenditure categories as a single category, reinvestment in the farm is the third most common usage of PDR funds, exceeded only by general savings and the payment of income taxes.

In general, the patterns of expenditure shown in the table suggest prudence, not frivolity or profligacy. Most PDR participants spent at least some of their PDR money on retiring present obligations (debt, taxes), and most also invested at least some in their futures (retirement, general savings and investment); about half spent a good-sized proportion to enhance their existing farm operation (new buildings, additional land, new equipment, and the like).

About 40% of the respondents said that all of their PDR money was spent in their local area; an additional 24% spent "most" of it locally. More PDR money was spent locally in Massachusetts than in Connecticut. Very few (about 13%) spent none of their PDR funds locally. (In Connecticut, however, the proportion spending none locally was significantly higher, at about a quarter.)

Original owners and recent sellers were also asked a series of questions about the effects of PDR on their farming operation. We asked, for example, whether there had been "any major changes in the use of the restricted land since PDR took effect." The answer was yes in only 10% of the cases. However, a larger

proportion (27%) indicated that the size of their farming operation had changed since PDR, consistent with the proportions spending at least some of their funds to purchase new land or equipment, to diversify into new products, to increase acreage in production, and the like. In a similar vein, about 15% reported that PDR allowed them to expand the size of their farm labor force. About 10%, as indicated in an earlier sequence, had bought at least some new land since their PDR restriction took effect. Interestingly, of the 12 respondents who indicated at this point that they had indeed purchased additional land, 5 said that their new land was also PDR-restricted. The proportions actually buying new land (about a tenth) are considerably smaller than the proportions stating that they now need additional land for their farm operation (28%), indicative of the competition for land in New England that was remarked earlier in this report.

In sum, most PDR funds were "plowed back" into the local economy, being used to retire debt or tax obligations, to create financial security, or, in a significant proportion of cases, to enhance the farm operation. The average age of PDR participants, sixty years, must of course be kept in mind in assessing these results. Most PDR participants are nearing retirement age (indeed, many of them are already well past retirement age), and so it is to be expected that most would use large shares of their PDR proceeds to prepare for their retirement or to enhance their general financial security, as, indeed, they did.

(3) Buying, Selling, Borrowing

One criticism of PDR programs that is sometimes voiced is that the development restrictions greatly complicate the buying and selling of the restricted property. In some sense, this is true by definition. Since development rights are already sold, the land cannot be sold for development; if nothing else, this complicates the sale by reducing the number of potential buyers. There are also some restrictions enforced by the state as to changes in land use upon sale of PDR properties, on the addition of non-farm buildings, and the like. Finally, it is possible that PDR complicates the financing of the sale (or borrowing in general), since banks may not always completely understand the terms and consequences of the PDR restriction.

Separate question sequences about buying, selling, and borrowing were asked of original owners (N = 97), recent sellers (N = 13), and recent buyers (N = 25); results are shown in Table Three. Original owners were first asked a general question, whether, in their opinion, the PDR restriction would make their land more difficult to sell, less difficult, or that PDR wouldn't make much difference. Most respondents (65%) thought that PDR would make it more difficult to sell the land, and most of the remainder felt it wouldn't make much difference. The opinion

that PDR would make it more difficult to sell was more widespread among original owners in Massachusetts (70%, N = 66) than in Connecticut (52%, N = 25).

Another question asked whether the respondent had in fact tried to sell the restricted property since the PDR restriction took effect. Most farmers (about 90%) in both states had not; about a tenth had. Those who had tried to sell the land were asked whether the PDR restriction interfered in any way with the attempted sale; among the 17 respondents who did try to sell the land, 53% said that PDR had interfered. This was much more of a problem among Massachusetts respondents (among 13 Massachusetts respondents who had tried to sell the land, 61% said that PDR had interfered in some way) than among Connecticut respondents (3 of the 4 Connecticut respondents said that PDR did not interfere). Thus, while only a few of the original owners have tried to sell the restricted land since PDR took effect, many who have tried report some problems with the sale related to their PDR restrictions, especially in Massachusetts.

Those who reported some problems along these lines were asked how PDR interfered with the attempted sale. This was an open-ended question to which only a few responses were received. (Most original owners had never tried to sell in the first place and, therefore, were directed to skip this question.) No common pattern emerged in the open-ended responses. One respondent mentioned "confusion" as the problem; another elaborated on the same theme: "To whom [can the land be sold]? For what? How much? Do they [the prospective buyers] have a right to erect their own buildings? A home?" Another remarked on the "very low offers" that had been received; still another mentioned that "some parties lost interest" when they learned of the restriction and its implications. Some other remarks were:

"[PDR] reduced value [of the land] to the buyer, therefore unable to complete sale."

"[The buyer] wanted to build a house for herself and one for help, and was refused."

"Difficult to find someone that has no other options or plans for the land [than continuing to farm it]."

Finally, one original owner stated the ultimate complication in the attempted sale: "They wanted to build a housing development" (!)

(For the record, all but one of the respondents who provided open-ended comments about how PDR had interfered with the attempted sale were from Massachusetts.)

Original owners were also asked whether, in their opinion, the PDR restriction makes borrowing money more or less difficult. Most (63%) felt that it made no difference in their ability to borrow; most of the remainder (29%) thought PDR made borrowing more difficult; only 8% thought it made borrowing easier. The proportion saying PDR makes "no difference" was lower in Massachusetts (59%) than in Connecticut (75%); the proportion who felt PDR made borrowing more difficult was higher in Massachusetts (34%) than in Connecticut (15%). The follow-up question asked whether the respondent had in fact attempted to borrow money (with the restricted land as collateral) since the development rights were first sold; only a few had, almost all of them in Massachusetts. These few (amounting to 16 persons) were asked some additional questions. First, 12 of the 16 reported that they had not had any trouble obtaining the loan; 4 reported some difficulties (all of them Massachusetts respondents). All four agreed that their credit difficulties resulted from the reduced collateral value of the land due to the sale of development rights.

The responses summarized above, of course, pertain only to farmers who still own the restricted parcels. A few respondents (N = 13) had in fact sold the restricted parcels subsequent to the original sale of development rights. These "recent sellers" provide additional perspectives on many of the topics just covered.⁴

Recent sellers were asked whether they thought the PDR restriction made the property more attractive or less attractive to the buyer. The plurality (38%) thought it made no difference; the remainder were split evenly (31% thinking that PDR made the property more attractive, 31% thinking the opposite). Most (62%) also felt that the restriction reduced the price they got for the parcel; 31% felt that PDR increased the price (doubtlessly, in comparison with what they might otherwise have obtained on the sale of the land for agricultural use). Most (62%) also thought that PDR made no difference in the financing of the sale, although nearly a quarter (23%) said that PDR had made the financing more difficult. Most (80%) felt that their ability to borrow on the land (when they still owned it) was not effected by PDR.

⁴Since the number of recent sellers is so small (N = 13), differences between the two states are meaningless and are therefore not reported in the table, and likewise later with recent buyers, who number 25.

Recent buyers of PDR-restricted land have somewhat, although not entirely, different opinions on these issues. Note first, consistent with program intentions, that all recent buyers (N = 25) said that they had purchased the land for agricultural use. Three-quarters of them said that PDR had made the property more attractive to them; all of them (100%) said that PDR had reduced the price they had to pay. Slightly more than half of the recent buyers (56%) had owned other farmland when they purchased the restricted parcel, but for a sizable minority (44%), the PDR parcel was the first piece of farmland they had ever owned. A very large majority (84%) said that they were only able to purchase the land because the PDR restriction was in effect; only 16% thought they would have bought the land anyway. Contrasting the opinions (and experiences) of sellers, the recent buyers felt that PDR either made no difference in the financing of the sale (44%) or that PDR had made the financing less difficult (36%). Finally, the credit experiences of the recent buyers are similar in all respects to those of original owners and need not be discussed further.

(4) Opinions about PDR as a Whole

The preceding covers a number of specific topics and issues, but what are the more general opinions of participants about the PDR program as a whole? Numerous questions along these lines were included in the survey; results are shown in Table Four.

First, we asked both original owners and recent buyers whether they were pleased or displeased that the PDR restriction existed on their property. Most respondents (about 70%) were either very or at least somewhat pleased. Some degree of displeasure was indicated by only about one respondent in five; the remainder said they were neutral. Thus, despite some problems, the general attitude towards PDR is clearly favorable.

Original owners and recent sellers were also asked, "Knowing what you now know, if you had it to do all over again, would you choose to participate in the PDR program or not?" Very large majorities in both states said they probably or definitely would participate; the proportion who would not, although a minority in both cases, was larger in Massachusetts than in Connecticut.

A great deal of dissatisfaction is nonetheless registered with some of the specific aspects of the PDR program. In all, recent sellers and original owners were asked about their degree of satisfaction with seven specific aspects of the program. The greatest source of dissatisfaction is with "the time involved in finalizing the sale of the PDR." Only 18% of the respondents (19% in Massachusetts, 15% in Connecticut) were very or at least somewhat satisfied with the time it took; thus, the very large majority in both states were not satisfied. A second major source of dissatisfaction is "the effect of your PDR participation on your ability to sell the land," with only 21% very or somewhat satisfied with this aspect of the program (consistent with other data discussed earlier). A final source of dissatisfaction is "the amount of money you received through the program," with only 36% very or somewhat satisfied. Thus, while most participants are pleased with PDR in general, the majority are also quite dissatisfied with some aspects.

Dissatisfactions with the time it took, the money received, and the effect of PDR on the ability to sell are offset by very positive attitudes towards other aspects of the program. The highest degree of satisfaction (81%) is with the effect of PDR on "your ability to keep the land under agricultural production." Majority satisfaction is also registered for the effect of PDR on one's ability to plan for the future (60% very or somewhat satisfied), for the effect of PDR on one's ability to expand, modify, or diversify the farm operation (53% satisfaction), and with "the PDR program as a whole" (70% satisfaction).

All respondents (regardless of current ownership status) were also asked a series of questions concerning their general attitudes about PDR as a whole. Again, in all cases, the responses were favorable, sometimes overwhelmingly so. Some 85% think that "PDR is a good idea and should be adopted nationally." Nearly 80% agree that PDR has had "a positive effect on the future of agriculture in my area." More than 90% agree that "PDR makes it possible to keep land in agricultural production," an equivalent proportion (87%) think that "PDR represents a viable alternative to the sale of land out of agricultural use." Two-thirds agree that "many of the farmers I know would participate in PDR if the funds were available."

Since most participants are satisfied with PDR as a whole; are pleased that the restriction exists on their land; would do it again if they had the chance; and have exceedingly favorable attitudes about the PDR concept; but are largely dissatisfied with the money they received and the effect PDR has had on their ability to sell the land, it follows that the principal motive to participate in PDR is not necessarily economic. The data suggest that most participants made wise and prudent use of the funds they received, but also that those funds were a secondary consideration in their decision to participate. The very high

level of satisfaction registered with the effect of PDR on one's ability to keep land in agricultural production and the general run of results discussed in the preceding paragraph presage a point that also emerges in the open-ended materials summarized below: The principal motive for most participants is to protect the land from development and to preserve farms and open spaces for future generations.

(5) Responses to Open-Ended Questions

Many of the survey questions were followed by open-ended prompts asking for additional details. No systematic analysis of these open-ended materials has been undertaken. The following, however, provides an indicative sampling of what the participants in the survey had to say:

*****"Knowing what you now know, if you had it to do all over again, would you choose to participate in the PDR program or not?" PROMPT: "Please give your major reason or reasons for your answer."

Comments by Those Who Would Not Participate Again

Opportunity to sell property arose after I had committed to program, raising a question as to whether I did the right thing.

The amount of money you could receive from a developer.

Too much red tape.

Too much interference from town and state on what you can and can't do. Local residents complain about what you raise, how it looks and smells, the noise you are making.

The land cannot be sold for a fair price.

[It is] more difficult to sell property.

The small amount they paid and the time it took to do it...the amount of money it cost me while they were sleeping in Boston!

Land values went up drastically during the finalizing period.

It took almost three years from time of sign-up until the money actually came. Many promises in between--during that time, land values increased considerably.

It is restricted--a white elephant. Can't build, can't farm.

I firmly believe that Massachusetts government has done more to harm Massachusetts agriculture than to help it (with the PDR program). Big money for open space and recreation for people from Boston does not help Massachusetts agriculture.

Comments by Those Who Would Participate Again

That it remain a farm.

It was our only chance to keep farming and [preserve] the farm.

Number 1: Wanted to save the land forever. Number 2: We needed the cash to buy more farm land. Number 3: We needed some retirement money because we had very little.

It is a way to obtain retirement money without having to sell the farm piece by piece.

I love farming and wanted it to stay as a farm.

We feel very strongly about the preservation of the land but we have taken a great financial loss by selling our rights.

I have been working the ground all of my life. I think it would be a crime to cut it up.

Wanted farm to remain in family as a farm--update machinery--repair barn-- pay off high interest mortgage.

We are very pleased to know that [the farm] is not going to be developed in the future.

To keep the best Connecticut River land in agriculture and not in development!

Pressure to sell the land for development would be irresistible for the next generation.

*****"What factors were most important in your original decision to participate in the PDR program?"

To retain land for farming and acquire capital for improvements.

I wanted the land to stay in agriculture. It was a vital part of the town and community. I wanted to pass it on to my son.

Keeping farm as a farm.

Reduce mortgage.

Designs on the land by state, city, and other organizations.

Income for retirement.

To be debt free and able to plan for our retirement years.

Retirement money.

[To] any man that has farmed all his life and likes farming and wants to help some young farmer get started in farming, it is a good program because they [young farmers] can afford to buy a farm with the development rights gone.

Wanted to save the land for future generations.

Open space preservation and conservation, plus need for expansion capital.

Debts--mostly to keep development away--land is very productive--farm is very beautiful--wish to keep farm as is in family.

Age--inability to secure good help--did not want to sell to developers.

Money for buildings.

To keep out developers. How fast they hang up the phone when you say you are in the APR program!!

It was to protect the town's water supply--and I knew someday they would bring pressure on me to sell.

Without it, I might have had to give up farming.

The fact that it would not be developed, yet we realized an income for the future.

Concern for future population...poor economics of dairy industry...keeping farm as we enjoy it...

It allowed my sons to farm.

I do not want the farm developed.

We are going to need land in New England in years to come, and badly.

The soil is deep, stone-free, excellent, and too good for a developer to scoop it off and put up condos. I could write a humorous article on all the schemes those developers came up with. I would pretend I was so stupid that I needed twenty years to think it [the developer's "scheme"] over.

Its either cows or condos.

Farmland is a valuable asset that will always be needed.

To keep the land in farming. But the whole life of the farmer has changed in Massachusetts. He is disappearing because he cannot make a living.

*****"Based on your own knowledge and experience, in what ways do you feel that the PDR program could be improved?"

Farmer should receive the full difference between development value and farm value. There are too many deductions (example: developer's profit). The farmer could be the developer and should receive this money.

APR land should be bought in contiguous areas--program is too restrictive as to farm buildings and expansion.

[The process] takes too long. The bureaucratic procedure is discouraging, lengthy. An ordinary land sale can be completed in 45 days to six months. An APR deal takes 18 to 30 months. Too long!

The program should be expanded. Most farm sales in my area have [already] been to developers.

Consider smaller parcels. Make the process less cumbersome. Faster and more considerate response to requests and questions.

More money, quicker processing, and buy complete acreage.

Length of time to finalize [should be shortened].

Time involved in finalizing sale [should be shortened].

Need to speed up process.

Speed up processing time.

[Dozens of additional comments about speed of process]

There should be some provision for an owner-operator to build on a part of the land a residence in which he or his farm manager could live.

I had to pay a lot of money back to the state for this money they paid me. I don't think they should do that. [Reference is to state taxes paid on the PDR monies.]

Have the representative of the program be a person of his word and know what he is doing.

Have the state get good lawyers. Our lawyer had to completely rewrite their "agreement," otherwise 18 acres could have [been developed].

Be a little more realistic about what you could get to develop it.

Allow for changing times.

Price per acre should be higher since this is for perpetuity and land prices have soared in our area, increased ten-fold in the five years since we went into APR. Payments should be over a ten year or longer period if the farmer wishes, since taxes take a big bite!

Give owners guidance as to rentals, changing land use, and what grants or technical services are available from the state and USDA. It seems that once you have been paid, you are forgotten. A followup visit once a year would be good.

One should be able to sell small parcels to adjoining owners for agricultural purposes.

Taking payments in installments. Taxes are too high under present method of payment.

In my experience, I wish I didn't have to give [back] over a quarter [of the money] in taxes.

Time limit imposed where restrictions could be removed at some future time.

Do not wait for residential pressure to implement program. Be more responsive to farmer's needs.

More money available to have more land [protected].

Do not know [how to improve program] but I hope that it goes in a forward direction. We need it and need it badly.

I think the program is ideal. Do not change a thing!

TABLE ONE

Characteristics of Farms and Farmers Who Participate
in Purchase of Development Rights (PDR) Programs:
Total and by State

<u>The Farmers</u>	<u>Total</u>	<u>Massachusetts</u>	<u>Connecticut</u>
(N =)	(159)	(112)	(44)
Average Age (N =)	60 (147)	60 (106)	60 (41)
Marital Status (in percent)			
Single	7	7	7
Married	73	73	73
Divorced	6	6	5
Separated	1	--	5
Widowed	12	13	10
(N =)	(148)	(107)	(41)
Average Number of Children (N =)	3.0 (141)	3.2 (103)	2.5 (38)
Average Length of Ownership (in years)	29.5	29.4	29.8
(IF CURRENTLY FARMING)			
Do you intend to keep farming your land? (in percent)			
NO	9	10	4
YES	91	90	96
(N =)	(93)	(67)	(26)
Will children or family continue farming after you retire? (in percent)			
NO	36	40	25
YES	64	60	75
(N =)	(108)	(80)	(28)
(IF YES TO ABOVE): Will you transfer ownership to them? (in percent)			
NO	12	13	10
YES	88	87	90
(N =)	(64)	(45)	(19)

TABLE ONE (Continued)

	<u>Total</u>	<u>Massachusetts</u>	<u>Connecticut</u>
Satisfaction with Being a Farmer (in percent)			
Very Dissatisfied	1	1	--
Somewhat Dissatisfied	3	3	3
Somewhat Satisfied	19	22	12
Very Satisfied	77	73	85
(N =)	(120)	(85)	(34)
 <u>The Farms</u>			
Year Development Rights Were Sold (in percent)			
Before 1980	2	1	3
1980 - 1982	29	33	18
1983 - 1985	37	38	35
1986 - present	32	28	44
(N =)	(134)	(100)	(34)
 Entire Farm in PDR or only a Parcel? (in percent)			
Entire Farm	54	55	51
Only a Parcel	46	45	49
(N =)	(152)	(109)	(43)
 Average Acreage Under PDR (Mean in Acres)			
	125	106	174
(N =)	(153)	(110)	(43)
 Who Farms the Land? (in percent)			
Respondent	60	58	64
Other	40	42	36
(N =)	(119)	(86)	(33)
 [FOR THOSE FARMING]			
Mean Total Acres in Production			
	161	145	198
Acres Owned	146	133	177
Acres Rented From	35	30	48
Acres Rented To	20	18	25
(N =)	(129)	(90)	(39)

TABLE ONE (Continued)

	<u>Total</u>	<u>Massachusetts</u>	<u>Connecticut</u>			
Percent of Annual Gross Income Derived from Farming						
Median Percentage	55	55	55			
Per Cent 70%+	48	46	51			
Per Cent 10%-	30	29	31			
Per Cent 10% - 70%	22	25	18			
(N =)	(117)	(82)	(35)			
Percent of Annual <u>Farm</u> Income from Each Source:						
	<u>% Any</u>	<u>% 50%+</u>	<u>% Any</u>	<u>% 50%+</u>	<u>% Any</u>	<u>% 50%+</u>
Dairy	38	35	38	35	38	34
Vegetables	30	12	32	14	24	7
Fruit	10	4	11	4	7	3
Orchard	8	6	9	6	7	7
Forage	31	17	29	15	38	21
Beef	14	1	12	1	17	--
Horses	5	3	6	4	3	--
Forest Products	15	2	15	1	14	4
Other	25	8	26	8	21	10
(N =)	(109)		(80)		(29)	
Has Distribution of Farm Income Changed Since PDR? (in percent)						
No	82					
Yes	18					
(N =)	(103)					
Labor Force (Workers)						
Average Full Time	2.1		2.0		2.2	
Average Part Time	1.6		1.8		1.1	
Average Seasonal	3.2		3.1		3.4	
(N =)	(111)		(76)		(34)	
Interested in PDR Newsletter? (in percent)						
No	18		20		15	
Yes	82		80		85	
(N =)	(146)		(105)		(41)	

TABLE ONE (Continued)

	<u>Total</u>	<u>Massachusetts</u>	<u>Connecticut</u>
Interested in PDR Sign on Property? (in percent)			
No	43	48	31
Yes	57	52	69
(N =)	(126)	(90)	(36)
Respondent is: (in percent)			
Original Owner	69	69	70
Recent Seller	12	13	11
Recent Buyer	16	16	16
Other	3	3	3
(N =)	(140)	(103)	(37)

TABLE TWO

How PDR Money Was Used:

Total and by State

(In Percent)

	<u>Total</u>		<u>Massachusetts</u>		<u>Connecticut</u>	
[ORIGINAL OWNERS AND RECENT SELLERS ONLY]						
Average Amount Received	\$214,784		\$209,370		\$231,250	
(N =)	(104)		(77)		(27)	
Expenditures by Categories	<u>%Any</u>	<u>Average</u>	<u>%Any</u>	<u>Average</u>	<u>%Any</u>	<u>Average</u>
Pay off farm debt	45	62K	48	54K	37	90K
Income taxes	50	37K	49	31K	56	51K
Other debts	24	43K	22	40K	27	51K
Retirement fund	33	55K	33	55K	33	56K
Diversify	7	24K	10	24K	--	---
New equipment	32	27K	34	27K	26	24K
More land	10	52K	10	46K	7	75K
More livestock	7	30K	6	31K	7	28K
Increase acreage	8	14K	8	10K	7	25K
New farm buildings	12	26K	17	26K	--	---
New marketing	--	---	--	---	--	---
Conservation	11	7K	12	8K	7	3K
Improve buildings	26	12K	29	13K	18	12K
Nonfarm equipment	7	11K	7	4K	7	27K
Savings, investment	54	56K	55	52K	50	70K
Living expenses	22	19K	20	16K	27	24K
Travel, recreation	17	12K	14	12K	26	11K
Education expenses	9	10K	9	11K	7	5K
Trusts for children	10	13K	10	15K	7	5K
About how much of your PDR funds were spent in your local area?						
All	40		42		32	
Most	24		25		20	
Some	24		23		24	
None	13		10		24	
(N =)	(98)		(73)		(25)	

TABLE TWO (Continued)

Have there been any major changes in the use of the restricted land since PDR took effect?

No	90	88	94
Yes	10	12	6
(N =)	(69)	(51)	(18)

Has the size of your farming operation changed since the restriction took effect?

No	73	75	68
Yes	27	25	32
(N =)	(101)	(73)	(28)

Has PDR allowed you to expand your labor force?

No	85	85	83
Yes	15	15	17
(N =)	(72)	(54)	(18)

Have you purchased any additional land since the restriction took effect?

No	89	87	94
Yes	11	13	6
(N =)	(112)	(79)	(33)

Do you currently need additional land for your farming operation?

No	72	70	77
Yes	28	30	23
(N =)	(104)	(73)	(31)

TABLE THREE

Effects of PDR on Buying, Selling, and Borrowing:

Total and by State

(In Percent)

	<u>Total</u>	<u>Massachusetts</u>	<u>Connecticut</u>
<u>ORIGINAL OWNERS ONLY</u>			
Do you think the PDR restriction will make your land...to sell?			
More difficult	65	70	52
Less Difficult	1	--	4
No difference	34	30	44
(N =)	(91)	(66)	(25)
Have you tried to sell the property since the restriction took effect?			
No	90	89	92
Yes	10	11	8
(N =)	(97)	(71)	(26)
IF YES: Did the PDR restriction interfere in any way with the sale?			
No	47	39	75
Yes	53	61	25
(N =)	(17)	(13)	(4)
Do you think the PDR restriction makes borrowing...?			
More difficult	29	34	15
Less difficult	8	7	10
No difference	63	59	75
(N =)	(76)	(56)	(20)
Have you tried to borrow since PDR went into effect?			
No	83	79	92
Yes	17	21	8
(N =)	(93)	(68)	(25)

TABLE THREE (Continued)

RECENT SELLERS ONLY (N = 13)

Do you think that PDR made the property...to the buyer?

More attractive	31
Less attractive	31
No difference	38
(N =)	(13)

Do you think PDR...the price you got for the parcel?

Increased	31
Decreased	62
Made no difference	7
(N =)	(13)

Did PDR make borrowing...?

More difficult	10
Less difficult	10
No difference	80
(N =)	(10)

Did PDR make the financing of the sale...?

More difficult	23
Less difficult	15
No difference	62
(N =)	(13)

RECENT BUYERS ONLY (N = 25)

For what was this land purchased?

Agriculture	100
Other	---
(N =)	(25)

Did PDR make the land...?

More attractive	20
Less attractive	4
No difference	76
(N =)	(25)

TABLE THREE (Continued)

Did PDR ... the amount you had to pay?

Increase	--
Decrease	100
Made no difference	--
(N =)	(25)

Did you own other farmland when you bought this parcel...?

Yes	56
No	44
(N =)	(25)

Did PDR make the purchase possible?

Yes	84
No	16
(N =)	(25)

Did PDR make the financing of your purchase?

More difficult	20
Less difficult	36
No difference	44
(N =)	(25)

TABLE FOUR

Satisfactions and Dissatisfactions with PDR:

Total and by State

(In Percent)

	<u>Total</u>	<u>Massachusetts</u>	<u>Connecticut</u>
<u>ORIGINAL OWNERS</u>			
In general, are you pleased or displeased that the PDR restriction exists?			
Very displeased	11	13	4
Somewhat displeased	8	7	8
Neutral	12	15	4
Somewhat pleased	25	19	40
Very pleased	45	46	44
(N =)	(93)	(68)	(25)
<u>RECENT BUYERS</u>			
In general, are you pleased or displeased that the PDR restriction exists?			
Very displeased	8		
Somewhat displeased	20		
Neutral	--		
Somewhat pleased	32		
Very pleased	40		
(N =)	(25)		
<u>ORIGINAL OWNERS, RECENT SELLERS</u>			
Knowing what you now know...would you choose to participate in PDR again or not?			
Definitely not	14	17	7
Probably not	8	10	--
Probably yes	32	30	41
Definitely yes	46	44	52
(N =)	(107)	(78)	(29)

TABLE FOUR (Continued)

ORIGINAL OWNERS, RECENT SELLERS

How satisfied or dissatisfied are you with...?

	Percent Very or Somewhat Satisfied		
The amount of money you received	36	36	38
The time involved in finalizing sale	18	19	15
Effect of PDR on ability to sell	21	19	27
Effect of PDR on ability to plan future	60	56	72
...to keep the land in agricultural production	81	77	92
...to expand, modify, or diversify	53	57	43
the PDR program as a whole	70	67	77
(N =)	(107)	(81)	(28)

ALL RESPONDENTS

	Percent Agree or Agree Strongly		
PDR is a good idea and should be adopted nationally.	85	82	93
PDR has had a positive effect on the future of agriculture.	79	77	85
PDR makes it possible to keep land in agricultural production.	91	96	92
Many of the farmers I know of would participate in PDR if funds were available.	67	66	68
PDR is a viable alternative to the sale of land out of agricultural use.	87	84	93
(N =)	(107)	(79)	(29)