

Enhancing Agricultural Vitality New Programs Make a Difference

In the mid-1990s, state departments of agriculture in Massachusetts and Minnesota created a new kind of program to improve the vitality of local farms. Since then, Connecticut, Maine, New Jersey and New York adapted these models into programs of their own. Jay Healy, then Massachusetts commissioner of agriculture, explains his motivation to create the state's farm viability program. "I wanted to set up a program to work in conjunction with APR (the state's farmland protection program) to focus on the farmer as well as on the farmland. A dual focus is what we needed, and the program couldn't succeed if we did one without the other."

Agricultural viability programs provide technical assistance and, in some cases, grants to improve farm vitality. Their purpose is to relieve the unprecedented pressures facing family farmers—pressures ranging from consolidation to urbanization to globalization. They try to remove the barriers to profitability, such as the cost of a better piece of equipment, getting into value-added products or preventing manure from running off into a brook. Viability programs bridge the gap between traditional farmland protection and agricultural economic development initiatives. Healy says, "I wanted to make sure that we still have farmers on all our APRs in the next 50 years. Profitability and preservation are mutually supportable and should both be part of the vision."

Preservation and Profitability

The Massachusetts Farm Viability Enhancement Program (FVEP) was created in 1994 to improve the economic productivity and environmental integrity of participating farms. It is farmer directed and volunteer. Mentoring is a key component of the program, which has both a planning and an implementation phase. "Farmers work so hard; if you can hire the successful farmers as consultants, that mentoring piece helps get the word around that the practices can work in different parts of the state," says Healy. *continued on page 2*

Across the Nation Purchase of Agricultural Easement Programs

State and local governments and some land trusts have spent close to \$2 billion purchasing agricultural conservation easements on nearly two million acres. A new national study finds these programs are most prevalent in counties with populations of more than 100,000 that have been growing rapidly for years. "What all of the programs have in common is that they were launched by a strong public support for farmland protection," says project director Alvin D. Sokolow.

Most Purchase of Agricultural Conservation Easement (PACE) programs depend on state governments for the majority of their funding, use numerical scoring systems and have little or no connection to community planning. These are among the major findings of the first report from the National Assessment of Agricultural Easement Programs, a joint project of American Farmland Trust (AFT) and the Agricultural Issues Center of the University of California. *continued on page 6*

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Connecticut

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Julia Freedgood
Editor

Contributing Writers:
Beth Holtzman
Jesse Robertson-Dubois
Al Sokolow
Anita Zurbrugg

Jennifer Dempsey
LandWorks Manager

Geraldine Unger
Graphic Designer

Doris Mittasch
LandWorks
Services Coordinator

For subscription information and publication orders contact:

LANDWORKS
American Farmland Trust
One Short Street, Suite 2
Northampton, MA 01060
(800) 370-4879
LandWorks@farmland.org

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Enhancing Agricultural Vitality *continued from page 1*

In Phase I, the farmer works with a team of consultants to develop a plan to increase on-farm income and preserve the farm's environmental resources. They analyze the current operation and look for ways to improve efficiency, such as improved management practices, diversification, direct marketing, value-added initiatives and agri-tourism.

In Phase II, funding is available to participating farmers to implement the plan. Farmers can apply for grants of \$20,000 or \$40,000 in exchange for five- or ten-year term easements. Grants of up to \$60,000 are available to farms placing 135 acres or more under restrictive covenant and implementing plans that will increase net income and agricultural employment.

The pilot FVEP was funded with APR money. The current program was launched officially in 1996 with a \$5 million allocation from a \$150 million statewide open space bond bill. In 2000, it received an additional two-year appropriation of \$2 million. Depending on how funds are appropriated, an environmental bond bill approved in 2002 could provide nearly \$5 million per year through fiscal year 2005.

Healy supports the idea of additional funding. "No thoughtful smart growth strategy can succeed without a commitment to farming and farmland. Our farms are the key to our open space corridors. New England is based on wonderful down-towns and villages and the beautiful corridors between them. These are the number one priority in terms of tourism; just on tourism alone, it warrants the investment."

So far, more than 150 farms have participated in the program, placing more than 13,000 acres under restrictive covenant. Roughly the same number of acres of rented land and APR farms have also been enhanced by FVEP business plans, for a total of more than 26,000 acres. Their average net income has increased by roughly \$19,000/year. And only one of these farms is no longer being farmed. According to Healy, "the farmers have really rolled up their sleeves and done something significant." Plus, he adds, the program has encouraged banks to invest in agriculture again. "We'd lost the banks in Massachusetts agriculture, and farm viability brought the banks back."

Profitability, Productivity and Efficiency

Minnesota has two programs to address agricultural vitality: Minnesota Dairy Development and Profitability Enhancement Program and a more intensive Business Planning Grant Program.

The Dairy Development and Profitability Enhancement Program was created in 1991 and implemented statewide with 1997 legislation. Its goal is to help small- and medium-sized dairy farms enhance their financial success and ensure their long-term sustainability. To accomplish this, the program provides one-on-one technical assistance including expert "dairy diagnostic teams" to provide consultation and technical assistance in appropriate technologies, including rotational grazing and other sustainable agriculture methods.

The diagnostic teams typically include a variety of experts: Extension educators, lenders, Minnesota state college and university farm business management instructors, nutritionists, successful dairy farmers, milk processors, AI technicians and veterinarians. Additional team members may be added or subtracted from this list. One member, typically the Extension educator, is identified as the team facilitator and bears responsibility for maintaining momentum and reporting on progress. Dave Weinand, Dairy Development and Profitability Enhancement Program coordinator, says the program is "taking research that is being done at the University and elsewhere that farmers haven't adopted yet and providing hands-on assistance so farmers can use that research to improve their profitability, productivity and efficiency." *continued on page 7*

National Parks as Havens for Working Lands

From Minute Man National Historic Park near Boston to Point Reyes National Seashore in California, farmers across the United States lease land from the National Park Service. Lease arrangements vary, reflecting the way agricultural land use complements each park's mission and management plan.

At Revolutionary and Civil War parks—where farm fields were the sites of historic battles—maintaining agricultural land use is implicit to “preserving historic structures and landscapes.” At others, such as Point Reyes National Seashore, the park's enabling legislation explicitly encourages the continuation of agriculture in the park.

Now a few parks are cultivating the idea of conserving the local working landscape. The National Park Service (NPS) and community groups are collaborating to create legal and management structures to support those efforts. In 2001, Cuyahoga Valley National Park (CVNP), located between Cleveland and Akron, Ohio, launched an unprecedented initiative to offer long-term leases to restore and rehabilitate 30 historic farms on park land. “It's a new approach for the park service to incorporate a new type of farming into an entire landscape of a park,” says Darlene Kelbach, farming coordinator at CVNP. “I think the entire national park service is keeping an eye on us to see what we do and how it goes.”

Indeed, the NPS' experience leasing land to farmers may offer models for other large landowners—public and private—whose primary mission is not agricultural. Holding more than 83 million acres at 384 park units, the park service is dedicated to “preserving unimpaired the natural and cultural resources and values of the national park system for the enjoyment, education, and inspiration of this and future generations.” NPS does not track total acreage in agricultural use. *continued on page 4*



Photo by Alexandra Kruse

McClure Ranch,
Point Reyes National Seashore

Preserving agricultural land use patterns is implicit in the mission of the Minute Man National Historical Park in Massachusetts. Minute Man was established in 1959 to preserve historic structures and landscapes associated with the beginning of the American Revolutionary War. In 1775 approximately 95 percent of the land within the park's boundaries had been cleared and was in agricultural production, according to Park Resource Specialist Chris Davis. Vibrant agriculture continued through the 1800s but began to decline in the mid-1900s. Only 76 acres are currently enrolled in agricultural special use permits, down from 135 acres in 1996.

Restoring a Farmscape

“Agriculture, which is important for maintaining the historic scene in accordance with the park's purpose, has decreased over the years,” says Davis. “We have about 150 acres of fields left. The park has not been able to maintain all areas that were previously agricultural, and they've been overgrown by mostly non-native shrubs and trees.” Davis says.

“I've been trying to work with farmers and community members to enhance agriculture at the park,” says Davis, noting that rocky soils, invasive species and the general challenges of farming in an urbanized area make renting Minute Man land difficult. Davis is trying to change that. “Beginning this year, permits run for five years instead of one year. We've also been clearing field edges that have been overgrown by non-native shrub and have approved the removal of rocks in several fields.”

Farming Historic Sites

At the Gettysburg National Military Park (GNMP) 15 farmers rent about 2,200 of the park's 6,000 acres under special use permits, which are awarded annually. A 1991 study found that leasing land to commercial farmers makes economic sense. Without the agricultural permits, the park would spend about \$240,000 a year to manage the crop fields, pastures and wooded areas of the park.

Ebey's Landing National Historical Reserve, on Whidbey Island in Washington state, has used a unique approach to protect the working landscape, one modeled after English "greenline" parks. Instead of purchasing land in fee, the NPS has purchased easements from willing sellers on about 2,200 acres of the 17,400-acre reserve. The reserve is managed by the Trust Board of Ebey's Landing National Historical Reserve, a partnership of federal, state and local governments.

Instead of Leases, Easements

"We're protecting historic patterns of land use, which are very broadly ingrained on the land," observes Gretchen Luxenberg, an NPS historian at Ebey's Landing and liaison between the NPS and the Trust Board. She emphasizes that the park service has tried to have a minimal presence in the reserve, with interpretive signs at roadside pull-outs.

"We make a big distinction between visual access and physical access to the farmland," Reserve Manager Rob Harbour said in a recent newspaper article. "You can view it, but don't assume you can walk all over it. People are living here ... they're not on display."

Permit conditions are shaped largely by the park's mission—"preserving the resources associated with the battle of Gettysburg and providing an understanding of the events that occurred there"—as well as contemporary environmental concerns.

"The historic landscapes of the battlefield are critical for us in telling the story of the battle of Gettysburg, and one of the ways we have preserved those landscapes is by preserving traditional agricultural land use," says park spokeswoman Katie Lawhon. Preserving Gettysburg's barns, pastures, orchards and forests is a high priority because they shaped the battle. "Only by seeing the fence lines and walking the fields can you see the battle through the soldiers' eyes," Lawhon says.

Permit conditions include measures to protect both cultural and natural resources. For example, the park service requires farmers to manage their land to prevent non-native invasive species. Rental prices, by law tied to fair market value, are adjusted to reflect the unique conditions the park service imposes, the lack of privacy and other consequences of having 1.9 million visitors a year at Gettysburg. GNMP officials are considering lengthening the permit term to as much as five years—the maximum allowed under NPS rules—both to cut down on paperwork and to offer the farmers improved security.

Ranching Point Reyes

At Point Reyes National Seashore (PRNS), more acreage is leased to farmers and ranchers than at any other park in the nation. The park's founders have achieved their goal of protecting the cattle and dairy operations that had been a feature of the Marin landscape since the mid-1800s. Along with protecting the dramatic and environmentally sensitive Pacific coastline, PRNS' 1962 authorizing legislation provided for the retention of the region's existing ranches in a designated pastoral zone. The NPS purchased the ranches within the park boundary, then rented them back to their previous owners through long-term use and occupancy leases and special use permits for cattle grazing.

Today, 20,000 of PRNS' 71,000 acres are leased to 15 dairy farms and cattle ranches, many of which are operated by descendants of the original Point Reyes dairy families. Their 20-year lease agreements provide for updates, including adjustments in rental fees and other provisions, every five years.

Each lease is unique, reflecting the cultural and natural resources values on each ranch, says PRNS spokesman John Dell'Osso. Permit conditions often reflect environmental concerns such as exclusionary fencing to protect water quality and habitat. The park has committed significant resources to preserving ranch structure, many of which are in active use. "The leases do a good job, but you really need more than the leases to accomplish our goals," says Dell'Osso. "It's literally a one-on-one relationship that we have with each ranch family. You have to have that dialogue."

Some credit the presence of a vital agricultural base with preserving open space on the peninsula. When the PRNS was created, there was an approved county plan to increase

Marin's population by 150,000 people. Today, some 7 million Bay Area residents live less than an hour's drive from the Seashore. "If the ranchers hadn't been here and had a stronghold, what would this place look like today?" asks Dell'Osso. "Would there have even been an opportunity to create a Point Reyes National Seashore?"

Preserving Cuyahoga's Working Lands

To restore and protect historic, rural land use patterns, the Cuyahoga Valley's Countryside Initiative is designed to support small-scale farms that rely on intensive fruit and vegetable production, intensive grazing and integrated crop and livestock techniques that are environmentally responsible and appropriate for urban fringe communities.

Countryside Initiative leases include: 60-year terms, provisions that establish a legal basis for the farmer making capital investments and incentives to carry out stewardship practices that build and maintain soils and other agricultural resources, and separate rental of the residence from the agricultural land. The lease fee is tied to gross income, with the rate increasing by half a percent a year from 5 percent of gross income in the first year to 10 percent after 10 years.

Key to the endeavor is the Countryside Conservancy, a nonprofit partner created specifically to help CVNP conceptualize and manage the program. It helps inventory and evaluate agricultural resources; prioritizes properties for offerings; recruits, screens and evaluates farmers; helps negotiate leases; assists farmers with operating plans; and provides outreach and public relations services for the initiative. Approximately 40 percent of the conservancy's budget comes from the NPS, and 60 percent is raised from foundations.

"We're making a careful, deliberate effort to help people make it," says Conservancy Executive Director Darwin Kelsey. Though the initiative is still in its infancy, proponents hope it will alter perceptions of working landscapes within the NPS and beyond. "There's been no tradition of placing the same kind of high value on agriculture as there has been on wilderness or historic battlefields or seashore. We've taken farmland for granted, that it will go on forever," Kelsey says. Early drafts of an environmental impact statement (IES) on the initiative suggest it is on target. "The bottom line [of the IES] is that the Countryside Initiative is the best approach we have for fulfilling the idea of the founders of the park and the congressional legislation." 🚜 B.H.

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—John Dell'Osso
Point Reyes National Seashore

Photo by Alexandra Kruse



Drakes Beach, Point Reyes National Seashore

For more information:

Cuyahoga Valley National Park Countryside Initiative
www.nps.gov/cuva/management/countryside

Ebey's Landing National Historic Reserve
www.nps.gov/ebla

Gettysburg National Military Park
www.nps.gov/gett

The National Park Service
www.nps.gov

Point Reyes National Park
www.nps.gov/pore

Public Participation

Public participation is a common element in most of these agricultural easement programs:

- Voters approved bond issues and revenue for 21 programs, on multiple occasions in some communities.
- 32 local and three state programs are overseen by citizen committees appointed by elected officials.
- The formation of 27 programs was preceded by a deliberative process with community discussion, study groups, public surveys and citizen advocacy.

Published with the support of the Farm Foundation, *A National View of Agricultural Easement Programs* profiles the experiences of 46 leading PACE programs in 15 states through descriptions and maps. The programs selected represent the great majority of both agricultural easements acquired and funds spent by the nation's 100 or so active PACE programs. They include some of the oldest programs in the nation, dating back to the late 1970s and early 1980s.

Other key findings are that agricultural easements:

- Are concentrated in just a few states—mostly in the Northeast, California, Washington and Colorado—with a few in the South and Midwest;
- Are primarily funded by state and local governments, but federal matching funds are expected to increase sharply due to funding in the 2002 Farm Bill;
- Rely on public participation;
- Average \$2,000/acre but range from a few hundred dollars in rural counties to more than \$100,000 in large metropolitan areas with intense development pressures; and
- Have the potential to complement local planning and land use policies but have not yet fulfilled their promise due to lack of coordination and limited planning.

"This study reveals a diversity of ways that farm conservation easement programs are conceived, managed and funded," says Sokolow.

Easement Funding

By 2002 the 46 sample programs had spent a total of about \$1.8 billion from all fund sources to purchase agricultural easements. The price of easements across all programs averaged about \$2,000 per acre. However, this average masks a great range in the amounts paid for individual transactions. "The per-acre cost of individual easement transactions ranges from a few hundred dollars in rural areas to close to \$100,000 in a few metropolitan locations with intense development pressure," says Sokolow.

Most programs rely on a mix of state funds and local taxes to fund acquisitions with state governments providing the dominant share. Local fund sources include annual appropriations from general funds, dedicated property taxes, local property transfer taxes and sales taxes. There is solid public support: voters approved revenue measures in 21 jurisdictions for bond issues and tax increases. Although widespread, federal funds are a minimal source of support for individual programs—in most cases less than 3 percent of total acquisition spending. With much expanded funding in the 2002 Farm Bill, the federal role is bound to increase in the future.

"This study reveals a diversity of ways that farm conservation easement programs are conceived, managed and funded."

**—Alvin D. Sokolow,
University of California-Davis**

Acquisition Strategies

With the exception of one program that "takes applications as they come," the sample programs apply more or less formal criteria in selecting easements for purchase. Thirty-four use quantitative ranking schemes, and 12 employ only qualitative or primarily subjective criteria.

Soil quality and productivity, a standard Land Evaluation and Site Assessment (LESA) factor, is the measure used most frequently in numerical rankings and is often given more weight than any other factor. But most programs have added to LESA by using criteria that reward farmers' capacity and skills, stewardship practices, conservation plans, proximity to other protected land and/or complementary community planning practices, such as agricultural zoning or urban growth boundaries.

While 14 programs that use quantitative ranking automatically accept the scoring results, 20 others allow decision-makers some discretion to use other factors as well. Quantitative scores often are used mostly to prioritize applications for funding. In a few cases, the final funding determination is based on the direct cost of acquiring the easement—so priority would increase if a landowner donated some of the easement value or funds were available from other sources. *continued on page 8*

LAY OF THE LAND

Cumulative farmland protection spending through 2002

For every \$1 invested by state programs*7¢ federal investment
For every \$1 invested by federal farmland protection program\$15.25 state investment*

Program funding available per capita (FY 2003)

New Jersey	\$9.31	Delaware	\$6.04
Vermont	\$8.43	Federal	29¢

*19 states with active PACE programs

Source: Farmland Information Center

Enhancing Agricultural Vitality *continued from page 2*

The farmer pays a \$200 registration fee to participate in the program, and the state provides \$600 to \$800 per year to make changes on the farm. Team meetings occur at least quarterly but usually no more often than monthly. The program can pay for service-related costs recommended by the team, including milk, feed and herd-health testing, business instruction, computer software and training, but generally cannot pay for equipment and other capital assets. Participation is typically limited to three years.

Enrollment has been strong. Since the initial \$1 million appropriation, an additional \$4.2 million has been granted. Funding in the past two years was \$1 million per year. So far, program monitoring indicates that increases in farm profitability are on the order of a 5:1 return on the grant funding investment. According to Weinand, "We've seen farmers 60 days from bankruptcy, and they were able to diagnose problems with the help of a team and save and improve their operation."

While the dairy diagnostic teams are intended to identify and help implement incremental improvements in the current operation, the Dairy Business Planning Grant Program is targeted at producers who need more involved planning assistance to make more significant, long-term changes to the nature of their operation. In this program, the state provides a 1:1 match to the farmer's planning investment, up to \$5,000. Like the dairy diagnostic teams, the Planning Grant program can only pay for services such as consulting, but has more flexibility (and funding) to conduct detailed analyses such as pre-engineering, marketing and feasibility studies. Both programs help farmers get through bottlenecks and improve their operations.

Wienand explains, "Our two programs address different types of issues facing dairy operations today. The diagnostic teams are a tactical approach to improving day-to-day management, while the planning grants provide assistance with strategic, long-term issues."

The Massachusetts FVEP also has been a boon to dairy farmers. According to Healy, a dairyman concerned about environmental regulations in the Quabbin Reservoir watershed made a "quarter turn." With help from the program, he bought a new piece of equipment that dried hay twice as fast and changed his operation to growing high quality hay and heifers. As a result, he is grossing less but making more money. He also bought another 100 acres of land. "He killed two birds with one stone: stayed in farming, preserved more land and reduced the environmental problems in the watershed," Healy says.

Whether they offer assistance with daily management, transition planning, value-added processing or retail marketing, and whether or not they include limits on development, agricultural viability programs represent a new approach to farmland protection—an approach that emphasizes that "it's not farmland without farmers."  J.F., J.R.

For more information:

American Farmland Trust
jrobertson@farmland.org

Massachusetts:
www.massgrown.org

Minnesota: Dave Weinand,
(651) 215-3946
www.mda.state.mn.us/dairyfood/diagnostics.html

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For more information: **Planning Connections**

Al Sokolow
ajsokolow@ucdavis.edu

Anita Zurbrugg
azurbrugg@niu.edu
(815) 753-9686

The study found most local PACE programs located in suburban and semi-rural parts of major metropolitan areas. While development has claimed much of their farmland, most of these communities still have major agricultural sectors that produce a variety of commodities including nursery, crops, poultry, dairy and directly marketed produce.

"While the potential exists to use easements to complement local planning and land use policies," says Sokolow, most programs do not work this way. PACE programs and community planning typically are managed by separate organizations. Less than half the programs studied are operated by the same local governments that have the planning and land use responsibilities. However, "several cases of collaboration suggest that the institutional differences are not always fatal," he adds.

A second obstacle to creating a complementary relationship comes in the reluctance of many local governments to adopt strong growth control measures to limit residential development in agricultural areas. The study finds that most agricultural areas lack zoning and other land use measures to protect farmland, which Sokolow says "leads to a greater likelihood of urban development outflanking farms under easement."

Where connections do exist, they appear in both explicit and indirect forms. In some cases, easement programs were formed expressly to implement local farmland preservation policies. Less direct examples are local government policies that, without referring to easements, set the scene for their effective location through land use restrictions in agricultural areas.  A.S., A.Z.

A National View of Agricultural Easement Programs is available at www.farmfoundation.org and www.farmland.org. Future reports will address the standards and strategies used to acquire easements and the programs' relationships to local planning. A final project report, scheduled for 2004, will analyze several different measures of program effectiveness.

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American Farmland Trust
One Short Street
Northampton, MA 01060

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