Protecting Farms and Ranches

Protecting agricultural lands safeguards the future of farming economies and communities.

Carolyn Fannon

Located in rolling, coastal hills north of San Francisco, the dairy farm of the Straus Family Creamery occupies some of the potentially most valuable land in California. In the 48 years that Ellen and Bill Straus have owned their Marin County farm, they have seen other farms give way to development up and down the California coast. "But we think farming is important, and we love this land," Ellen Straus says. So the couple has turned down many lucrative offers for the land and hopes to pass the farm on to their children.

To protect her land, Ellen Straus became an open space advocate. In 1980, Straus cofounded the Marin Agricultural Land Trust (MALT), established with the help of the Trust for Public Land. MALT and other agricultural land trusts use public or donated funds to purchase the development rights to agricultural land. The purchase of development rights reduces the taxable value of the land so that a family can afford to keep it in agriculture. The purchase reimburses the farmer for the economic benefit the open land brings to the community. Some farmers use the funds to buy new equipment or upgrade the farm.

Using such techniques, MALT has helped protect 38 farms, totaling more than 25,000 acres of agricultural open space in Marin County since 1980—including the 660-acre Straus farm, which has since become the first organic dairy and creamery west of the Mississippi. [82]

In addition to protecting farms, vistas, and the character of rural communities, MALT's work has protected an irreplaceable economic asset. Marin County generated more than $57 million in agricultural production in 1997, including $35 million in milk and other livestock products. Two decades after Marin County pastures were first threatened by encroaching development, milk remains the county's most important agricultural product.[83]

Steven Samuels

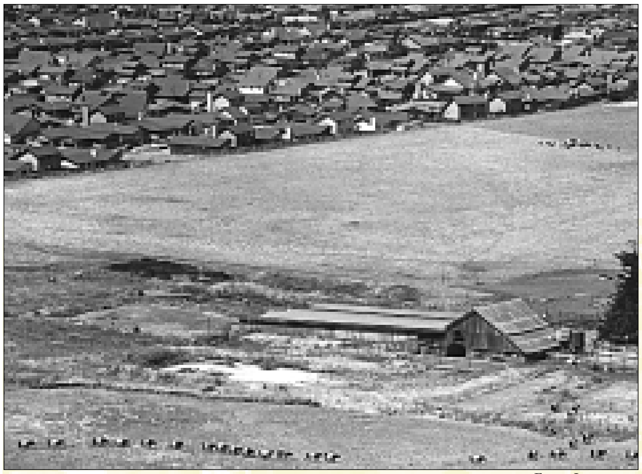
Conservation easements safeguard Marin County, California ranches from development. The county, which adjoins San Francisco, generated $57 million in agricultural products in 1997.

Fresno's Choice

Fresno County, in the heart of the fertile San Joaquin Valley of California, is the nation's top producing agricultural county, generating $3.3 billion in gross agricultural revenues each year. But if current development patterns continue, the county's population is expected to triple over the next 40 years, consuming nearly 20 percent of agricultural land.

In response, farm and business groups have formed the Growth Alternatives Alliance to work against farmland loss. In a 1998 report, "A Landscape of Choice: Strategies for Improving Patterns of Community Growth," the Alliance proposed a plan that would direct development away from valuable farmland and into somewhat denser, mixed-use, pedestrian-friendly neighborhoods in existing communities.

According to the report, "Each acre of irrigated agricultural land should be considered a factory that produces between $6,000 to $12,000 per year for the local economy. The loss of even 1,000 acres of agricultural land can remove as much as $15 million from our local domestic product." [84]



EVAN JOHNSON

Productive farmland is being lost to development at a rate of 50 acres every hour. Sonoma County, California.

Let them eat sprawl?

A recent report by the U.S. Department of Agriculture documents the loss of U.S. farmland. During 1992-1997, the report found, nearly 14 million acres of farmland were taken out of production—nearly 320 acres every hour.[86]

Reaction to the report singled out sprawl development as a prime culprit.

"There's a market force at work that makes it more and more difficult for the farmer," banker Jim Kommertzheim told Kansas's *Wichita Eagle*. "Demand for land for home development increases the price to the point where a farmer can't afford to buy it for agricultural production."[87]

Scott Everett of the Michigan Farm Bureau also blamed urban sprawl for driving up the price of farmland. "Once the erosion of our land base begins to affect production," he said, "you're never going to be able to turn it around."[88]

The Value of Endangered Farmland

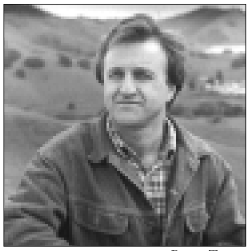
The nation's farms and ranches are often referred to as "working landscapes" because of the food and fiber they produce. The best of these lands are literally irreplaceable, their agricultural productivity the result of geologic and climatic factors that cannot be reproduced. Even though they also have value as developable land, their highest economic use derives from their long-term productivity as farms and ranches.

"If agriculture is going to be a vital part of a community or valley or region, then it's vitally important that a critical mass of farmland be permanently protected," says Ralph Grossi, president of the American Farmland Trust (AFT), which works to preserve the nation's farmland.

American agriculture is an industry of great value. According to the U.S. Department of Agriculture, farm receipts reached a record $202.3 billion in 1997, generating approximately $50 billion in farm income that was cycled through local communities. That same year the U.S. exported $57 billion in agricultural products, which accounted for a $21 billion balance-of-trade surplus for such products.

Unfortunately, the land that supports this valuable industry faces increasing pressure from suburban growth and second-home development. The AFT estimates that 13 million acres of open land were converted to urban uses between 1982 and 1992. Of this, 32 percent—4.2 million acres—was prime or unique farmland. During these years, prime farmland was lost to development at the rate of nearly 50 acres every hour.[85]

"Farms are often the most stable part of the local economy," says AFT's Ralph Grossi. "They have been passed down for generations and tend to stay put rather than move around as other jobs and businesses do. Agriculture lends economic stability to a community, providing a net inflow of dollars—year in, year out—from the sale of agricultural products."



Rick Tang

Ralph Grossi.

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–Ralph Grossi
President, American Farmland Trust

Lands under the most imminent threat of development produce 79 percent of the nation's fruit, 69 percent of its vegetables, 52 percent of its dairy products, 28 percent of its meat, and 27 percent of its grain. AFT estimates that if present trends continue, by 2050 farmers and ranchers could be required to produce food for 50 percent more Americans on 13 percent less land, and that the nation might eventually become a net food importer.[89]

Protecting Ranchlands

In the West, where "wide open spaces" aren't as wide or as open as they used to be, communities are scrambling to protect land that supports the economic engines of ranching, tourism, and business growth. The West has experienced explosive growth in recent decades. As land values rise, ranching families are pressured to sell what is often a region's most beautiful and productive lands for development. Typically, a family may be forced to sell to finance education or retirement or to pay crushing inheritance taxes on steeply appreciating property. As a result in some areas, open range is fast disappearing. As fences go up, the health of the grasslands is compromised and wildlife corridors are cut.

Although communities across the West are working to preserve ranches, activity is particularly intense in Colorado, which is losing 90,000 acres of ranchland each year.[90] In 1992, the state launched Great Outdoors Colorado (GOCO), a grants program funded by state lottery revenues that supports wildlife preservation, recreation programs, and open space acquisition. Since 1994, GOCO has awarded $145 million in grants to state agencies, counties and municipalities, park and recreation districts, and nonprofit land conservation organizations. Of these funds, $35 million helped protect more than 60,000 acres of open space.[91] ▶

Minding your PDRs

States and communities use several techniques to help keep farmland and ranchland in agriculture. In some instances farmland may be taxed at a special lower rate so long as it is used for farming. But states and communities are increasingly purchasing the development rights to agricultural land and restricting this land to farm, woodland, or other open space use.

Purchase-of-development-rights (PDR) programs began on the East Coast and have since spread across the country. Fifteen states and dozens of county and municipal governments now sponsor PDR programs, with funds for some transactions coming from both state and local sources. State PDR programs alone have protected more than 470,000 acres.

Maryland, among the first states to launch a PDR program (in 1977), has protected nearly 140,000 acres of farmland. Other states with major PDR programs include Vermont, New Jersey, Massachusetts, and Connecticut.[92]

Terry W. Phipps

Traverse City, Michigan's orchards are losing ground to development.

Eric Swanson

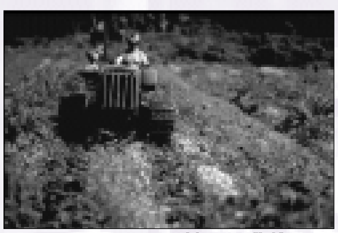
David Harp

Recreation and tourism bring both dollars and development. Gunnison County, Colorado, and other rural communities are trying to balance growth and their traditional way of life.

Local land protection efforts are also under way in several rural Colorado counties that are threatened by development. In Gunnison County, home to the Crested Butte ski resort and mountain bike center, efforts have focused on preserving a critical mass of ranchland, especially private land that offers access to summer grazing allotments on U.S. Forest Service land. These lands also provide habitat for wildlife that attracts tourists, hunters, and anglers. Hunting and fishing alone contribute more than $62 million each year to the Gunnison County economy.[93]

Ranchlands and Tourism

Ranchland protection also helps safeguard the tourist economy by preserving the vistas and open landscapes tourists love, says Will Shafroth, executive director of GOCO, which has channeled more than $2.5 million of state lottery funds into



Michael K. Nichols

Higher density development could protect farmland and save billions in tax dollars in California's Central Valley.

Saving a billion dollar breadbasket

Each year, urban sprawl consumes 15,000 acres of farmland in the Central Valley of California, the nation's most productive agricultural region. At current growth rates and development patterns, the valley's $13 billion in annual production will be slashed by $2.1 billion a year by 2040—a reduction equivalent to the current agricultural production of New York, Virginia, Oregon, or Mississippi.

A 1995 study for American Farmland Trust examined two growth scenarios for the Central Valley. In one, development continued at its current density of three dwelling units per acre. In the other scenario, this rate of growth was doubled, to six dwelling units per acre. Among the study's finding are the following:

- **Compact, efficient growth would slash farmland conversion in half between now and the year 2040.**
- **While agricultural sales and related economic benefits would decline under both growth scenarios, compact growth would reduce this loss by more than half, saving communities $72 billion by 2040.**
- **Farmland protection and efficient growth would save 21,500 jobs, equivalent to the number of civilian jobs lost in California during the recent round of military base closings.**
- **Because low-density growth costs governments more to service than does high-density development, farmland protection and efficient growth could save Central Valley taxpayers $1.2 billion each year.[94]**

In Colorado communities lacking a land protection program, 63 percent of survey respondents wanted one; in communities that already had a program, 81 percent approved of it.

the purchase of agricultural easements in Gunnison County. "Surveys tell us that the people who come to Crested Butte to ski in the winter and mountain bike in the summer place a very high value on open space," Shafroth says. "They leave the airport and they don't have to drive through subdivision after subdivision to get to the ski area. Some ski areas may have great skiing, but their surroundings are less interesting because they're completely paved over."

GOCO's efforts in Gunnison County have been in cooperation with the Gunnison Ranching Legacy Project, a local group dedicated to ranchland preservation.[95] Other funding for land protection has come from county and local sources. In 1991, Crested Butte began collecting a real estate transfer tax that has raised more than $1.5 million for open space conservation, and in 1997 county residents passed a dedicated sales tax to fund open space protection.

In addition, more than 100 Crested Butte merchants collect an informal 1 percent sales tax and donate the money to the Crested Butte Land Trust and the Gunnison Ranching Legacy Program. The idea for this voluntary customer donation was generated by the merchants themselves. The donation program raised an estimated $100,000 for land protection in 1998. Working together, the town of Crested Butte and the Crested Butte Land Trust have helped protect more than 1,000 acres around their mountain community. "There're just a lot of people in this town that really value open space," says town planner John Hess.

Throughout Colorado, 29 counties and municipalities levy taxes or have approved bonds to fund the protection of agricultural lands and other open space, and the number is growing. An October 1998 poll of 600 randomly selected Colorado residents found strong approval for local land protection programs. In Colorado communities lacking a land protection program, 63 percent of the respondents wanted one; in communities that already had a program, 81 percent approved of it.[96] In Colorado—as across the nation—communities are recognizing that once farms, ranches, and other open space are gone, the economies they support are lost forever.

Farms keep taxes lower

- More than 40 studies from 11 states have found that farms can save communities money by contributing more in taxes than they demand in tax-supported services.

Examples include:

- Hebron, CT: Farms required $0.43 in services for every dollar they generated in taxes. In contrast, residential properties required $1.06 in services for every dollar contributed in taxes.
- Minneapolis-St. Paul, MN: In three nearby rural communities, farms drew an average of $0.50 in services for every tax dollar paid. Residential properties required an average of $1.04 in services for every tax dollar.
- Dunn, WI: Farms required $0.18 cents in services for every tax dollar; residential development cost taxpayers $1.06 for every tax dollar collected.[97]

Susan Lapides

TPL helped save the last working farm in Billerica, Massachusetts, from development as a discount chain store.