

Being Number One in the Nation Starts with Meeting Local Needs

The largest state farmland preservation program in the nation is Pennsylvania's Agricultural Conservation Easement Purchase Program. Now 22 years old, the program has achieved its number one status by coupling a stable, dedicated source of funding with adaptation to the needs of local governments and landowners.

The program was created in 1988 to authorize a State Agricultural Land Preservation Board within the Pennsylvania Department of Agriculture to oversee similar boards at the county level. County boards receive applications from landowners for purchase of a conservation easement. The easement restricts non-agricultural development on the site in perpetuity.



Landowners are compensated for easements via a lump sum payment, 5-year installments or long-term installments, based on the needs of the individual landowner. Common uses for the proceeds include payment of debt, investment in the farming operation, and settlement of estate claims. Consequently, the sale of an easement not only protects the land itself, but also the viability of the farming operation and related businesses.

County boards rank parcels for easement purchase based on a variety of factors, including soil type, proximity to other preserved farmland, threat of development, and level of conservation practices installed, among others. At a minimum, farms must be at least 50 acres, or 35 acres at the option of the county. Land that produces crops unique to the area or that is adjacent to other preserved land may be as small as ten acres.

In order to be eligible for a conservation easement, land must first be enrolled in an Agricultural Security Area (ASA) by a local government. Agricultural Security Areas provide legal protection for "normal farming operations" and place limits on eminent domain actions. By creating an ASA, the local government demonstrates and publicizes its commitment to continuing

agricultural activity in the area. Similarly, by including a parcel's proximity to other preserved land in the ranking criteria, the program helps to encourage clustering of preserved acreage and retention of a critical mass of farming activity necessary to keep agriculture viable in the community.

By ranking parcels based on their level of soil and water conservation, the program provides an incentive for best management practice implementation and a net environmental benefit from the easement. All acres subject to a conservation easement under the program must have an up-to-date conservation plan with active implementation. Easements are subject to an annual inspection for compliance with the easement and conservation plan requirements, but limited local resources continue to challenge the ability of counties to conduct robust inspection programs.

A key to the program's long-term success has been a reliable dedicated funding source. In 1993, a portion of the Commonwealth's two-cent per pack tax on cigarettes was earmarked for the program. To provide even more funding stability, the earmark was changed in 2002 to provide a flat appropriation of approximately \$20.5 million per year.

Two supplemental funding sources for agricultural conservation easements are currently available through the Commonwealth's "Growing Greener" program. The Environmental Stewardship Fund, or "Growing Greener I," passed in 1999, provides 14.8 percent of its proceeds per year, which amounted to \$5.9 million for farmland protection in 2009. Additionally, the 2005 "Growing Greener II" bond initiative provided a total of \$80 million over five years.

County and local governments also provide matching funds. In 2009, 51 of the 57 approved county programs matched the state's \$23 million with an additional \$27.7 million. Another \$4 million was provided through the federal Farm and Ranch Lands Protection Program and almost \$1 million was provided by local governments. To date, over 441,000 acres of working lands have been preserved on 4,056 farms in the Commonwealth at a total cost of more than \$1 billion dollars. In addition, through full donations or "bargain sales" at less than appraised market value, \$200 million worth of easements have been donated by landowners. Easement donations are eligible for a charitable income tax deduction.

By addressing the needs of both landowners and local communities, the program remains popular. Currently, approximately 2,000 applications, representing 240,000 acres, remain on a waiting list for approval, pending allocation of future funds.