



## FARM AND RANCH LANDS PRESERVATION

### *Background*

The 2002 farm bill authorized the Grassland Reserve Program, the Farm Viability Program, and the Farm and Ranch Lands Protection Program. While the statutory purposes of each program differ slightly, there is a common theme to each of the programs—protect the Nation’s agricultural lands, including its natural resources, from land fragmentation and transition to other land uses. Below is a brief summary of each program.

#### Farm and Ranch Lands Protection Program (FRPP)

Under the FRPP, the Secretary of Agriculture is authorized to purchase conservation easements for the purpose of protecting topsoil by limiting nonagricultural uses of the land. FRPP provides up to 50 percent of the appraised fair market value of the conservation easement. A participating eligible entity may provide a maximum of 25 percent, in cash, of the appraised fair market value of the conservation easement or 50 percent of the conservation easement’s purchase price. In some cases, farmers and ranchers reduce the purchase price below the appraised fair market value of their operation in order to receive a tax benefit.

The majority of FRPP easements acquired are perpetual. To be eligible for FRPP assistance, a State or local governmental entity or nonprofit organization must have the staffing and financial capabilities to acquire, hold, and manage conservation easements. USDA uses a Request for Proposals process to solicit FRPP participation. Upon receipt of proposals from an eligible entity, the USDA Natural Resources Conservation Service (NRCS) evaluates and ranks the proposals and the parcels contained within the proposals. Once the proposals and their parcels are prioritized, USDA awards funds to eligible entities. Contribution agreements are signed between the selected cooperating entities and NRCS to obligate FRPP funds. It is the responsibility of the cooperating entity to hold, manage, and enforce acquired easements.

From 1996 to 2005, 49 States received nearly \$371.5 million in FRPP funds. Approximately 449,000 acres on 2,290 farms, with an estimated cumulative easement value of nearly \$1.1 billion, have or are committed to have FRPP easements.

The demand for the program has exceeded available funds by approximately 300 percent. For every Federal dollar invested through FRPP, an additional \$3 has been contributed by the participating State and local governmental entities, nongovernmental organizations, and landowners. In fiscal year (FY) 2005, \$112 million was obligated for FRPP. In FY 2006, Congress authorized \$73.5 million for the program.

### Farm Viability Program

The Farm Viability Program provides authority for the Secretary to provide grants to eligible entities for the purpose of carrying out farm viability programs. Congress has not appropriated funds to implement this program.

### Grassland Reserve Program (GRP)

GRP is a voluntary program that helps landowners and operators restore and protect grassland resources, including rangeland and pastureland, while maintaining the land's suitability for grazing. GRP's emphasis is on supporting grazing operations, enhancing plant and animal biodiversity, and preserving land containing shrubs or forbs under the greatest threat of conversion. Eligible land includes tribal and privately owned land. Land also must (1) be grassland that contains forbs or shrubs (including rangeland and pastureland) or (2) be located in an area that has been historically dominated by grassland, forbs, or shrubs and has potential to provide habitat for animal or plant populations of significant ecological value if the land is retained or restored to a natural condition. GRP participants are required to follow a conservation plan on all acres enrolled in the program to maintain the viability of the plant community.

Participants have the opportunity to enroll acreage in 10, 15, 20, or 30-year rental agreements, 30-year easements, or an easement for the maximum duration allowed under applicable State law. All enrollment options permit grazing on the land in a manner that is consistent with maintaining the viability of the natural grasses, shrubs, and forbs. Haying, mowing, or harvesting for seed production is also permitted.

NRCS and the Farm Service Agency (FSA) jointly administer GRP. NRCS has lead responsibility on technical issues and easement administration, while FSA has lead responsibility for rental agreement administration and financial activities.

GRP's authorizing legislation provides for up to \$254 million in program funding for FYs 2002 through 2007. In FY 2005, \$71 million was obligated. The program exhausted its funding in 2006.

### ***General Opinions Expressed***

- Many commenters noted that urban sprawl is one of the biggest concerns facing American agriculture. Commenters expressed general support for addressing the urbanization and fragmentation of both forest and farm lands.
- Some commenters stated that the Secretary should consider reauthorizing the Farm Viability Program that was included in the 2002 farm bill and bolstering the health of individual farms through diversifying operations. Commenters suggested that this would result in loss of fewer farms if each farm has a stronger financial portfolio.
- There was general support for continuing the FRPP and the GRP at increased program levels.

- Some commenters felt that easement programs need to be targeted to east and west coast farmland areas that are under considerable development pressure, such as the DelMarva Peninsula, or areas near Federal lands.
- Some commenters expressed a desire to see the GRP statute amended with greater funding, with additional resources, and with a greater allocation to the West.
- A few people commented that an overall agriculture easement program should be developed as a part of the new farm bill. This program will allow farmers to agree to an agriculture easement to satisfy increased loan obligations brought about by maturing shared appreciation agreements.

### ***Detailed Suggestions Expressed***

- As it relates to the economic viability of the farm, assistance should be given for development of business plans (up to \$5,000), and once the plan is approved, additional funds should be provided for implementation of the plan. In turn, landowners should sell their land's development rights for a 10-year period (or permanently) at the discretion of the landowner. The commenter expressed the opinion that farms would be less likely to go out of business with better planning, thereby mitigating the need for FRPP.
- Link Government-purchase-of-development-rights programs to a specified amount of production of food to go directly to local markets. Farmers who receive taxpayer dollars to keep the farms as farms forever would agree to produce a certain amount of fruits, vegetables, meat, milk, cheese, and/or eggs to be sold at local farmers markets or through local cooperatives.
- Provide funds directly to rural communities to help them plan for the future in the face of urban growth.
- Implement a law to make it illegal to develop any farm or unused land until all abandoned properties in an area have been recycled.
- Allow further flexibility to land trusts and counties that cannot acquire a 50 percent match in FRPP.
- Both GRP and FRPP should focus on permanent easement protection, not rental agreements.
- Allow timber to be considered a crop under the FRPP.
- Give money to farmers in rural areas and around cities to prevent sprawl as long as they practice organic and conservation methods.
- Added weight should be given to those easements that incorporate 100-year FEMA floodplains, particularly those easements that contain a significant amount of undeveloped floodplain area.
- An agriculture easement program should allow farmers to agree to an agriculture easement to satisfy increased loan obligations brought about by maturing shared-appreciation agreements. Such an easement program was a part of the Senate version of the farm bill, but was not included in the final version of the bill.
- Support initiatives to protect farmlands but not at the expense of programs that address long-term financial viability of farmers.
- Too often, participants in the development rights programs are trusts or historical sites and not active farms. Struggling family farms should have priority over historical locations and trusts.