



American Farmland Trust



Conservation Options for
Connecticut
Farmland

**A Guide for
Landowners,
Land Trusts &
Municipalities**

Agriculture

is deeply rooted in Connecticut.

For generations, farms and farmers have been a cornerstone of communities throughout the state providing:

- a bounty of fresh food and produce
- local jobs and tax revenues
- pastoral views and recreational opportunities
- wildlife habitat, and
- flood control.

Connecticut's agriculture is being uprooted, as farms give way to subdivisions and suburban sprawl has made farming a logistical and economic challenge. The escalating loss of farmland is threatening not just the viability of an industry, but also the state's rural legacy and landscape.

Conservation Options for Connecticut Farmland describes farmland protection options and programs available in Connecticut, and answers some frequently asked questions about agricultural conservation easements. This guide also identifies state and federal agricultural and land conservation programs that provide technical and financial assistance to farmers and landowners for a variety of concerns and objectives.

FARMLAND PROTECTION TOOLS

In Connecticut, the most common farmland protection tool is the agricultural conservation easement.

A conservation easement is a deed restriction that landowners voluntarily place on part or all of their land. The easement limits development in order to protect the land's natural resources.

An agricultural conservation easement is an easement specifically designed for agricultural land.

Agricultural conservation easements can be donated, usually to a non-profit land trust, or sold to a public agency or qualified conservation organization through a **"purchase of development rights" (PDR) program.**

PDR programs go by many different names, including "purchase of agricultural conservation easement" (PACE) programs. Connecticut's primary PDR program, administered by the Department of Agriculture, is called the CT Farmland Preservation Program. The federal program that provides cost-share assistance to states, towns, and land trusts to help fund the purchase of development rights is known as the Farm and Ranch Lands Protection Program (FRPP).

Landowners can also combine the sale and donation of an agricultural conservation easement through **a bargain sale.** Through a bargain sale,

a landowner sells an easement at less than its fair market value, taking a charitable deduction on the donated portion of the easement.

Whether to donate or to sell an easement, or how much of a donation to make as part of a bargain sale, is often a complex decision that is influenced by a landowner's income level, tax bracket, cost basis in the property, business and/or personal objectives, and the availability of town, state, or federal funding for the purchase of development rights.

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ARE YOU A LANDOWNER CONTEMPLATING THE SALE OR DONATION OF AN AGRICULTURAL CONSERVATION EASEMENT?

If so, the following answers to frequently asked questions about easements should help you understand some of the legal, financial, and practical implications of placing an easement on your property.

FREQUENTLY ASKED QUESTIONS

What is an agricultural conservation easement?

An agricultural conservation easement is a deed restriction that landowners donate or are paid to place on their property.

Typically, an easement permanently restricts residential and non-farm commercial development of the property. The landowner retains ownership of the land, and the easement is held by the entity to which the easement has been donated or sold. The entity that holds the easement is responsible for ensuring that the terms of the easement are upheld. Most easements are perpetual; those that are not are generally referred to as “term” easements.

Why should I donate or sell an agricultural conservation easement?

For many farmers and landowners who own farmland, their land is their primary asset. The sale of development rights provides landowners with a significant source of capital to improve or diversify a farm operation, purchase additional land, pay off debt, offer an inheritance to non-farming children, or meet family financial needs without having to sell some or all of their land. For some landowners, donating an easement—or selling an easement at less than its appraised value—provides certain tax advantages, since the donated value of the easement can be taken as a charitable deduction from federal income taxes.

Does my land qualify?

Eligibility depends on whether you are donating or selling an easement, and to whom.

Most land trusts have criteria they use to decide whether or not to accept the donation of a conservation easement on farmland.

Typically, these criteria consider the type and extent of a property’s agricultural and other natural resources. Most

Courtesy of USDA/NRCS, Connecticut office



land trusts do not require a minimum acreage, or that the property be in active agricultural use.

To qualify for the CT Farmland Preservation Program, the property must be actively farmed, include at least 30 acres of cropland, and have a high percentage of prime or important agricultural soils.

The Connecticut Open Space and Watershed Land Acquisition Grant Program, which can be used by towns and land trusts to help finance the purchase of farmland and agricultural conservation easements, has no minimum acreage requirements but gives preference to land with a diversity of natural resources.

Landowners generally can negotiate how much of their land to place under easement. While easements can be written to exclude farm residences and buildings entirely, most easements include the farm’s existing houses and farm buildings. Wetlands and forested land that are part of a farm can be included in the easement but may be excluded at the landowner’s choosing.

Will an easement require a change in how I farm?

Probably not. Most agricultural conservation easements are designed to be flexible to allow farmers to farm as they have been, and to change their farm operation as they see fit.

For example, the easements for the CT Farmland Preservation Program allow landowners to install agriculture-related improvements such as fencing, irrigation systems, and manure storage facilities, some of which may require approval. Farmers may also plant or raise any type of agricultural commodity. The federal Farm and Ranch Lands Protection Program requires landowners to develop and implement farm conservation plans; other easements may require landowners to farm according to best agricultural management practices.

Frequently Asked Questions (continued)

Because it limits the construction of agricultural-related structures, the CT Open Space and Watershed Land Acquisition Grant Program is more restrictive in its easements than the state Farmland Preservation or federal Farm and Ranch Lands Protection programs.

What improvements can I make to my property?

Easements limit subdivision, residential and non-agricultural commercial development, and other uses that would adversely affect the property's agricultural resources.

Most easements permit development related to the farm operation and allow construction of farm buildings, retail farm stands, and farm labor housing, though some easements may limit new construction to a designated "farmstead area" or limit the total amount of new construction.

When existing houses and buildings are included in an easement, most easements allow for improvements to or reconstruction of those buildings. Some easements also allow a landowner to reserve one or more future residential building lots. When an easement provides for a future house lot, the location of the lot(s) is usually designated at the time the easement is drafted and building size and other restrictions may apply.

Is public access required?

Most agricultural conservation easements do not require public access.

The exception is the CT Open Space and Watershed Land Acquisition Grant Program, which requires some public access on land protected through its program. Most easements do not either require or prohibit such non-commercial recreational uses of the property as hunting, fishing, and horseback riding. The landowner retains the right to allow or restrict those uses.

Can I sell my property to whomever I choose?

Yes. Landowners can transfer or sell their property to anyone they choose.

However, all future owners of the property are required to abide by the terms of the easement. A small number of easements require that landowners who sell their property give a right of first refusal to the entity that holds the easement.

Who pays the property taxes?

The landowner remains responsible for all property taxes, and must still apply to the local tax assessor to be eligible for Public Act 490, Connecticut's use value assessment law.

However, once enrolled in Public Act 490, land protected with a permanent conservation easement is not subject to a tax penalty when sold or transferred [see inset on page 15].

What if I can no longer farm my land?

An agricultural conservation easement generally does not require that the land subject to the easement be actively farmed.

An easement can only ensure that the land is protected from incompatible uses, so it will always remain available for agricultural use.

Will a conservation easement affect my mortgage?

It may, because an easement limits the future uses of the property.

Depending on the amount of the mortgage or other monetary lien on the property, the mortgage or lien will need to be discharged prior to the easement or subordinated to the easement.

What if I can't wait or don't qualify for a state program?

Other options may exist. Many land trusts work with landowners. Groups such as CT Farmland Trust and Trust for Public Land often work with landowners to find interim financing or other funding sources.

TAX CONSIDERATIONS

Donating

The donation of an agricultural conservation easement generally qualifies as a tax-deductible charitable gift. This means a landowner can claim the value of the easement as a federal income tax deduction.

The value of an agricultural conservation easement is the difference between the property's fair market value (the "before" value) and its value as restricted by the easement (the "after" value), as determined by a qualified appraiser.

Many land trusts in Connecticut accept donations of easements on farmland, including Connecticut Farmland Trust [see inset on this page]. Landowners may also donate an easement to a municipality, or to the state through the CT Farmland Preservation Program, provided the land qualifies for the program.



Plan for the Future

Established in 2002, Connecticut Farmland Trust (CFT) is the only private statewide conservation organization dedicated to protecting Connecticut's farmland. CFT's experienced staff provides technical assistance and outreach to agricultural landowners interested in farmland preservation.

CFT is equipped to negotiate and hold agricultural conservation easements and provide innovative, flexible, and timely solutions to farm owners across the state. CFT is also able to partner with towns, local land trusts, and individual donors to leverage state and federal funding and provide landowners with conservation options that might not otherwise exist.

For more information, go to <www.ctfarmland.org> or call (860) 247-0202.

Changes to the 2006 Federal Tax Code While the entire value of a donated easement is deductible, federal tax law limits the amount of deduction a landowner can claim in any given year. Under changes made to the federal tax code in 2006, landowners may now claim a deduction of up to 50 percent of their adjusted gross income in any given year, and may spread deductions over a period of sixteen years. For qualified farmers—taxpayers whose gross income from farming is greater than 50 percent of their gross income for the taxable year—a larger annual deduction is allowed; under the 2006 tax code changes, farmers can now deduct the value of their easement up to 100 percent of their adjusted gross income in any given year.

The 2006 changes to the federal tax code apply only to bargain sales concluded or easements donated in 2006 or 2007. Landowners considering a bargain sale or donation of an easement that is likely to occur after 2007 should consult with a tax advisor regarding what federal rules may be in effect at that time. In general, because federal and state tax laws change frequently, landowners considering a donation or bargain sale should consult with a tax advisor regarding current applicable federal and state conservation tax provisions.

Bargain sale Landowners who elect to sell an agricultural easement at less than its appraised value—a so-called bargain sale—may also claim a federal income tax deduction, equal to the difference between the easement's appraised value and its actual sales price.

Courtesy of Connecticut Farmland Trust



Tax Considerations

Donating (continued)

Corporate landowners For corporate landowners, there is a state business tax credit available for the donation or bargain sale of a conservation easement or land for conservation purposes. Corporations that exercise one of these options can take a tax credit equal to 50 percent of the value of the donation, and may carry forward any unused credit for 10 years. Corporations that sell land or an easement at any price to the state, a town, or a non-profit land conservation organization for conservation purposes are exempt from the amount of capital gain from the sale, from that company's taxable income under the state corporate business tax.

Stewardship endowment Some land trusts request that a landowner who donates a conservation easement also make a cash contribution to offset the land trust's cost of stewardship. Many land trusts ask for a stewardship endowment because the land trust is obligated to monitor and enforce the terms of the easement in perpetuity. While the landowner who has donated the easement is likely to understand and abide by the easement's terms, issues may arise when the property is sold to a landowner who was not involved in the easement negotiation and may not understand or may choose to ignore its terms. Stewardship endowments make it possible for land trusts to ensure that the easement's terms are enforced in perpetuity.

Selling

Selling a farm's development rights can provide landowners with an important source of capital to expand or diversify a farm operation, provide for retirement, buy out non-farming members of the family, or address other financial needs while ensuring that the farm is protected for future generations.

The proceeds from a sale of development rights are subject to federal and state capital gains taxes. Depending on the source of the funding, landowners may be able to spread out the capital gain over a period of years by taking the proceeds from the sale in installments. Some landowners may find it advantageous to do a bargain sale and/or a like-kind exchange to reduce their capital gains exposure [see inset on opposite page].

For additional information on farm transfer/estate planning, go to www.canr.uconn.edu/ces/frm/estate_planning.html.

Courtesy of the CT Department of Agriculture





Mapleleaf Farm

Using Like-Kind Exchanges

Farming since the mid-1700's, the Ellis family moved from several sites until Ned Ellis' great grandfather purchased their present farm in the Gilead section of Hebron in 1903. In 1999, Ned and his wife

Renée approached the state to sell the development rights on 240 acres of their farmland. As part of this deal, Ned and Renée made use of both a bargain sale and an innovative like-kind exchange.

Bargain Sale An increase in the property's value from the time Ned and Renée had the property appraised in 1999 to the time the state formally purchased the development rights led to an opportunity for a bargain sale. In the four years it took to finalize the sale, the value of the farm's development rights had increased by 38%. Because Ned and Renée's sale was

"Once it's gone, it's gone! The land can never be replaced," says Ned Ellis of Mapleleaf Farm, who successfully participated in a unique project to protect 400 acres of farmland in the Town of Hebron.

based on the 1999 appraised value of the land, they were able to take a charitable tax deduction equal to the difference in price from the time the property was appraised to the time the development rights were sold. The CT Farmland Preservation Program encourages, though does not require, such use of bargain sales.

Like-kind Exchange The Ellis family also made use of a like-kind exchange—essentially a tax-free swap of similar or "like-kind" property—by purchasing 170 acres of farmland they had been leasing with some of the proceeds of the sale of their development rights. By "swapping" property rather than receiving cash from the sale, the Ellis family avoided paying capital gains tax on the sale (though, should they ever sell the land they received

in the swap, they may be required to pay capital gains tax on it).

Expansion The Ellis family also invested a portion of the development right proceeds in expanding a cattle barn and upgrading their manure management system.

Regarding the sale of development rights, Ned says "It's something my father always wanted us to do. God meant us to be good stewards of the land; I don't think He meant for the land to be used for houses."

Currently Mapleleaf Farm milks nearly 200 cows, and grows 275 acres of corn, 90 acres of alfalfa, and 50 acres of grass to feed its cows throughout the year. Mapleleaf Farm is also a member of the Farmer's Cow, a group of Connecticut family-owned dairy farms selling fresh, rBST-free, natural milk.

FARMLAND PROTECTION PROGRAMS IN CONNECTICUT

	CT Farmland Preservation Program <i>CT Department of Agriculture</i>	Joint State-Town Farmland Preservation Program <i>CT Department of Agriculture</i>	Open Space & Watershed Land: Acquisition Grant Program <i>CT Department of Environmental Protection</i>	Farm & Ranch Lands Protection Program <i>USDA/NRCS</i>
Who may apply?	Landowners	Municipalities, Landowners	Municipalities, Water companies, Non-profit conservation organizations	Municipalities, States, Non-profit conservation organizations
Eligibility Requirements	<p>Property must:</p> <ul style="list-style-type: none"> – Be an active farm operation – Include a minimum of 30 acres of cropland or be adjacent to a larger parcel – Meet minimum program criteria that includes: amount of prime and important soils, amount of cropland, proximity to other active farms, viability of agriculture business, proximity to agricultural support services, and surrounding land use – Meet requirements of FRPP if federal funding will be used as part of sale. 	<p>Municipality must:</p> <ul style="list-style-type: none"> – Have a policy in support of farmland preservation – Have a farmland preservation plan developed and approved by local policy-makers – Have a fund established for the purpose of purchasing development rights – Have a willing applicant who has voluntarily offered to sell development rights – Meet requirements for FRPP if federal funding will be used as part of sale. <p>Property must:</p> <ul style="list-style-type: none"> – Be an active farm with 30 acres of prime or important farmland soils – Have a minimum gross value of annual agricultural production of \$10,000. 	<p>Program can be used to purchase development rights on farmland or farmland in fee. No minimum acreage or prime agricultural soils required.</p>	<p>Property must:</p> <ul style="list-style-type: none"> – Be part of active farm operation – Have prime or important agricultural soils or have historic or archeological resources – Meet minimum program criteria for amounts (or percentages) of prime and important farmland soils and agricultural land use – Be privately-owned (non-governmental) – Have pending written offer with landowner.
Selection Criteria	<p>Priority given to:</p> <ul style="list-style-type: none"> – Land with high % of prime and important agricultural soils and cropland – Land in proximity to other active farmland, protected lands and farm services. 	<p>Priority given to:</p> <ul style="list-style-type: none"> – Land with high % of prime and important agricultural soils and cropland – Projects that comply with local and/or regional open space plans or plans of conservation and development 	<p>Priority given to:</p> <ul style="list-style-type: none"> – Land vulnerable to development – Projects that comply with local and/or regional open space plans or plans of conservation and development – Land with diverse categories of natural resources – Projects with pending written offer with landowners. 	<p>Priority given to:</p> <ul style="list-style-type: none"> – Land vulnerable to development; land with high % of prime and important agricultural soils – Projects with high % of non-federal matching funds – Projects must have non-federal matching funds in hand.
Cost-share Requirements	State may pay up to 100% of value of development rights.	State may pay 10-75% of value of development rights depending on quantity of active agricultural land within 3-mile radius of the subject farm.	State will pay up to 50% of either fair market value of development rights or purchase price, whichever is less.	The FRPP will pay up to 50% of fair market value of development rights. Applicant must provide cash match of either 25% of development rights value or 50% of purchase price. Landowner donations of up to 25% of development rights value may be considered part of applicant's match.
Easement Requirements	Only agricultural and compatible uses permitted. Property may never be subdivided or converted to non-agricultural use. No public access required. State easement language required. Subject to federal requirements if FRPP funding is used.	Only agricultural and compatible uses permitted. Property may never be subdivided or converted to non-agricultural use. No public access required. State easement language required. Subject to federal requirements if FRPP funding is used.	Public access required. Limited agriculture-related structures permitted on protected land. State easement language required.	USDA farm conservation plan required. USDA easement language required. USDA must be named as co-grantee in easement. No public access required.
Application Period	Applications accepted continuously. Applications must be approved by State Properties Review Board and State Bond Commission.	Applications accepted continuously. Applications must be approved by State Properties Review Board and State Bond Commission.	Public access required. Limited agriculture-related structures permitted on protected land. State easement language required.	Applications accepted during an annual 'Request for Proposals' period. Applicants awarded FRPP funding must sign a cooperative agreement with USDA/NRCS stipulating to certain easement provisions and agreeing to purchase easement(s) within two years.

Landowners cannot apply directly to the program, but must work with a sponsoring town, water company, or land conservation organization. The program provides a maximum of 50 percent of a project's cost. Applications to the program are only accepted during specific grant rounds; typically, the CT Department of Environmental Protection holds one or two grant rounds per year for this program.

Federal Farm and Ranch Lands Protection Program

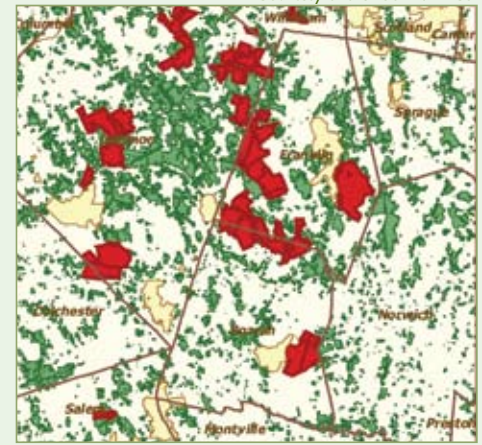
U.S. Department of Agriculture/Natural Resources Conservation Service (NRCS)

The Farm and Ranch Lands Protection Program (FRPP) is a federal cost-share program that helps fund the purchase of development rights on productive farmland.

Landowners cannot apply directly to the program, but must work with a sponsoring entity, which can be the state of Connecticut, a municipality, or a land conservation organization.

FRPP provides a maximum of 50 percent of a project's cost. Between 1996 and 2006, FRPP has helped to protect 64 farms and about 6,400 acres in Connecticut. Since FRPP requires partnership, this program has been very effective at leveraging federal funds with other state, private, and local funds. FRPP provides technical assistance to create a conservation plan as required by the program and farms protected under FRPP get preferential access to other NRCS conservation programs.

Courtesy of the USDA/NRCS



Protecting Clusters of Farmland

In order to maximize farmland preservation funding while investing in the long-run future of agriculture, the State of Connecticut places a high priority on protecting farms that are in close proximity to other active farmland and preserved landscapes.

This approach, called **clustering**, is designed to allow farmers to access large parcels of affordable farmland in the future. The CT Department of Agriculture believes that clustering also helps support the business and economic infrastructure needed to keep farms working and growing, such as fertilizer/feed plants, contractors, veterinarians, equipment dealers, etc. Clustering also protects the mosaic of farms, fields, and historic structures that are important for agri-tourism in CT and new economic growth.

Finally, clusters of protected land can support the habitat of wildlife species that depend on large blocks of contiguous land and can preserve watersheds that provide flood control and contribute to a clean and plentiful water supply.

“It is nice to know that none of this land can ever grow houses.”

**Sandy Staebner,
Blue Slope Farm**

A good example of clustering can be found in the towns of Bozrah and Franklin, where efforts by the state have led to the protection of over 1,000 acres of farmland. In the mid-1980's the state purchased the development rights on a 350-acre parcel of farmland, owned by Cushman Farms. Many years later, in 2001, the state purchased the development rights on 330 acres of abutting land owned by Ernie and Sandy Staebner of Blue Slope Farm. This second purchase took almost ten years to negotiate, but the state's interest was heightened since the Blue Slope farmland was located near another 200 acres of protected land in the Bear Hill Wildlife Management Area. From there on, the cluster grew quickly. In 2003 the state purchased the development rights on 160 acres of the neighboring Brush-Moon Farm, followed by the Sise Farm (50 acres) and the Johnson Farm (150 acres).

“Our farm was our great grandparents' farm, and there is so much sense of family when you can work the land they worked, and hope that your own children will do the same. I think about my grandparents and wonder if the land looked like this when they were here, or if they were this happy. That's why I did it [protected the farm]. They kept it in one piece for me, and that's what I'm doing for them.”

**Sarah Brush
Brush-Moon Farm**

FARMLAND PROTECTION PROGRAMS IN CONNECTICUT

The following programs are available in Connecticut as a source of funding for the purchase of development rights on farmland. The amount of money available in each of these programs fluctuates every year, depending on how much the state legislature or Congress, in the case of the federal program, allocates to the programs.

Demand for these state and federal programs far exceeds available funds, making the process often slow and frustrating. Towns and land trusts have emerged as active

partners in farmland protection projects, mounting successful fundraising campaigns and contributing a greater percentage of project costs [see inset on Simsbury Land Trust].

To find out how much money is currently available in the program, it is best to contact the program directly. Additional information—including eligibility requirements, selection criteria, and application information—for each of the programs can be found on page 10.

Connecticut Farmland Preservation Program

CT Department of Agriculture

The CT Farmland Preservation Program, established in 1978, is working toward its goal of protecting 130,000 acres of Connecticut's most productive farmland.

As of October 2006, the program has protected 31,275 acres on 224 farms.

Only landowners may apply to the program, and the program may pay up to 100 percent of the appraised value of the development rights. Currently the state adheres to a policy of paying no more than \$10,000 per acre for development rights on farmland. In order to maximize farmland preservation funding the State of Connecticut places a high priority on protecting clusters of farmland that are in close proximity to other active farmland and preserved landscapes [see inset on opposite page].

In recent years many of the projects by the CT Farmland Preservation Program have made use of bargain sales; between 2000 and 2005 the state protected 40 farms, half of which were acquired using a bargain sale. A recent study by American Farmland Trust of participating farmers in the CT Farmland Preservation Program found that three out of four farmers who participated in the program were satisfied with their experience, despite some frustrations with the time involved and various administrative issues. The new state Community Investment Act [see page 15] has increased the funding available annually for this program.

Joint State-Town Farmland Preservation Program

CT Department of Agriculture

In 1986, the Connecticut Legislature established the Joint State-Town Farmland Preservation Program to encourage towns to create local farmland preservation programs. Administered in conjunction with the CT Farmland Preservation Program, this program provides for the joint purchase of development rights by the state and a town, provided the town has a policy in support of farmland and has an agricultural land preservation fund.

Towns may solicit applications to the CT Farmland Preservation Program from willing landowners; once a landowner in an eligible town applies, the state and town work together with the landowner to purchase the property's development rights jointly. More towns are taking advantage of this program, and the opportunity to protect farmland by leveraging local funds with state funds can raise the criteria score for a farmer/landowner applicant.

Connecticut Open Space and Watershed Land Acquisition Grants Program

CT Department of Environmental Protection

This grant program was established in 1998 to help towns, non-profit conservation organizations, and water companies permanently protect important community lands, including local farmland. It can be used to fund the purchase of farmland outright, or the purchase of development rights on farmland.



Simsbury Land Trust Working to Protect Farmland

Simsbury Land Trust (SLT) is a model example of how a private land trust can mobilize community resources to protect farmland.

As part of its ‘Campaign for Simsbury’, SLT raised over \$4 million to purchase the development rights on two farms:

- 110 acres on Rosedale Farms
- 165 acres on Tulmeadow Farm.

SLT’s efforts to protect farmland began with a comprehensive look at the town, examining its history of land use as well as current town objectives and priorities.

FUNDRAISING EFFORT

- \$1.8 million from the Federal Farm and Ranch Lands Protection Program
- \$1.2 million from state grants (including the Open Space and Watershed Land Acquisition Grant Program)
- \$1 million from individual donations
- additional funds from the Town of Simsbury and private foundations.

SLT then came up with their own objectives that would mesh with the town’s goals, so that they would complement each other’s efforts. SLT decided to focus on properties that include ridgelines, farms or fields, and wetlands. SLT also places a high priority on lands that are adjacent to other protected lands, working towards creating a critical mass of protected landscapes and intact wildlife corridors.

Ten years ago there were seven farms left in Simsbury; since that time five have been permanently protected through the joint efforts of the town and SLT.

SLT’s success can be attributed to their strong collaboration with both town officials and farmers. Dick Davis, President of SLT, explains: “Farmland preservation projects are very time consuming, not just because there are numerous issues to address, but because it’s very important to have a strong commitment on the part of all of the parties—and you don’t get that from a quick deal. Land is special, and it takes time for farm families to get

used to the idea of giving up their property rights and feeling comfortable with the folks working with them on farmland protection goals. So we feel it is important to have an awful lot of discussion, raise all the questions early on, and try to minimize problems down the road.”

“I feel very lucky that our family was in a position and had the time to work this out with Simsbury Land Trust,” said Don Tuller, one of the owners of Tulmeadow Farm. “We talked with them for several years before proceeding with this project, and now we’re hopeful that as we move on to other phases of land protection that their good work will continue.”

In 2005, recognizing SLT’s outstanding achievements advancing farmland preservation in Connecticut, the CT Trustees of the Eastern States Exposition awarded a Farmland Preservation Pathfinder Award to the Simsbury Land Trust.

For more information go to www.simsburylandtrust.org or call 860-651-8773.

ADDITIONAL FUNDING AVAILABLE

To Support Farm and Forest Viability, Land Conservation, and Stewardship

Many Connecticut landowners—including towns and land trusts—are unaware of the variety of programs available in the state that provide technical and/or financial assistance to help increase farm profitability, improve stewardship, or implement conservation practices on working lands.

For example, landowners can get help developing a forest management plan for their farm's woodlot, and then financial assistance to help carry out the plan. They can also get help with the cost of fencing to keep livestock out of streams and other water bodies and with managing farmland for wildlife habitat. Additionally, funding is now available to help farmers diversify into new markets or new products, and to help municipalities develop and implement local farmland protection initiatives.

Below are programs available in Connecticut that can be used to foster farm profitability, land conservation, and stewardship efforts.

KEY

- F Farmer/Landowners may apply.
- LT Land Trusts may apply.
- M Municipalities may apply.
- M+ Municipalities cannot apply, but can partner with a farmer/operator.
- F Farmer/operators may apply if holding a long-term lease on municipally-owned property.

Agricultural Management Assistance (AMA) USDA/NRCS <www.nrcs.usda.gov/programs/ama>

AMA is available in 15 states where participation in the Federal Crop Insurance Program typically has been low. The program is designed to help farmers reduce risk by funding up to 75 percent of the cost of conservation practices that help increase operation diversification (such as practices used to transition to organic production) or improve water management (such as conversion to drip irrigation) or water quality (such as manure storage structures). Applications are taken at any time. **F LT M+**

Agriculture Viability Grants—Farm Viability Program CT Department of Agriculture <www.state.ct.us/doag>

This new state grants program, authorized and funded through the Community Investment Act [see page 15], is intended to help municipalities ensure the long-term viability of local agriculture. Municipalities, regional planning agencies, and associations of municipalities can apply for grants up to \$50,000 (which must be matched by the applying entity) to plan and implement local farmland preservation strategies, institute agriculture-friendly land use regulations, or develop marketing initiatives to support local farm businesses. Municipalities can also use the grants to invest in small capital projects (but not for land acquisition). **M**

Agriculture Viability Grants—Farm Transition Program CT Department of Agriculture <www.state.ct.us/doag>

This new state grants program, also authorized and funded through the Community Investment Act [see page 15], is intended to increase and advance the viability of farms and farm

businesses in Connecticut. Farmers and non-profit organizations can apply for grants up to \$50,000 (which must be matched by the applying entity) to fund projects that will increase profits through diversification, transition, production expansion, or new marketing or educational activities that will help farmers increase sales, develop new products, or advance agricultural practices. **F LT**

Conservation Reserve Program (CRP) USDA/Farm Services Agency (FSA) <www.nrcs.usda.gov/programs/crp>

CRP encourages farmers to convert highly erodible cropland and other environmentally sensitive land to vegetative cover such as tame or native grasses, wildlife plantings, trees, filterstrips, or riparian buffers. Participating farmers receive annual rental payments for the term of their multi-year contracts. Cost-share funding is provided for the establishment of the vegetative cover practices. Landowners also may receive funding to fence streams that exclude livestock, build grass waterways, or develop shallow water areas for livestock. Applications are taken during announced sign-up periods. **F LT M**

Conservation Security Program (CSP) USDA/NRCS <www.nrcs.usda.gov/programs/csp>

CSP pays farmers to maintain or adopt conservation practices. Many types of natural resource concerns may be addressed, although CSP focuses specifically on land-based practices. Producers participate in CSP at one of three tiers (Tiers I, II, and III). Higher tiers require greater conservation effort and offer higher payments. CSP contracts last a minimum of five years. The sign-up period varies annually. **F LT**

CT Farm Link CT Department of Agriculture
<www.state.ct.us/doag>

This new program, authorized and funded through the Community Investment Act [see page 15], is designed to help match people seeking farmland with available land—whether owned by individuals, land trusts, or municipalities. The program is intended for farmers looking to lease land as well as individuals interested in purchasing land for farming. The CT Department of Agriculture accepts applications from both farmland owners and farmland seekers. **F** **L** **M**

Debt for Nature USDA/Farm Services Agency (FSA)
<www.fsa.usda.gov>

The Debt for Nature Program is available to landowners with FSA loans secured by real estate. The program reduces a borrower's debt in exchange for a conservation contract with a term of 10, 30, or 50 years. The contract restricts development of the property for the life of the contract. Eligible lands include marginal cropland or other environmentally sensitive land. **F**

Environmental Assistance Program (EAP) CT Department of Agriculture
<www.state.ct.us/doag>

EAP reimburses farmers for part of the costs of implementing an agricultural waste management plan. Grants under this program must be used for capital improvements and are typically awarded in coordination with the Environmental Quality Incentive Program [see below]. Funding from EAP and EQIP together can provide no more than 90 percent of the project cost. **F**

Environmental Quality Incentive Program (EQIP) USDA/NRCS
<www.nrcs.usda.gov/programs/eqip>

EQIP program pays farmers up to 75 percent (90 percent for limited resource and new farmers) of the cost to implement structural and management practices on eligible agricultural land. Technical and financial assistance is available to plan, design, and install erosion control measures and agricultural waste management facilities or to establish conservation practices such as nutrient management, integrated pest management, manure management, and irrigation management. Applications are accepted during annual sign-up periods. **F** **L** **M+**

Farm Reinvestment Grants Program CT Department of Agriculture
<www.state.ct.us/doag>

Farm Reinvestment grants are intended for the expansion of existing agricultural facilities, diversification or expansion into new areas of production, and site improvements. Registered farm businesses of at least 3 years may use matching grant funds (up to \$40,000) for projects that are defined as capital fixed assets and have a life expectancy of ten years or more. **F**

Forest Land Enhancement Program (FLEP) USDA/Forest Service in cooperation with CT Department of Environmental Protection/Division of Forestry
<www.fs.fed.us/spf/coop/programs/loa/flep.shtml>

The goal of the program is to encourage multiple resource management of private forestland by providing forestland owners with technical and financial assistance to develop and implement forest stewardship plans. A minimum of 10 acres of forestland is required, and cost-share assistance of up to 75 percent is available for developing the plan and implementing the practices recommended. Applications are taken at any time. **F**

Forest Legacy Program USDA, in cooperation with the CT Department of Environmental Protection/Division of Forestry
<www.fs.fed.us/spf/coop/programs/loa/flp>

This is a U.S. Forest Service program administered by the Division of Forestry in the CT Department of Environmental Protection. The program pays for the purchase of conservation easements on working forestland that is threatened by development. Forest Legacy funds may be used to purchase development rights on farmland, provided the farmland is part of a parcel that contains a minimum of 75 percent forestland. The program funds up to 75 percent of the cost of the development rights, and participating landowners must prepare a multiple resource management plan. Applications are taken at any time. **F**

Grassland Reserve Program (GRP) USDA/NRCS and USDA/Farm Services Agency (FSA) <www.nrcs.usda.gov/programs/grp>

The GRP is designed to protect and restore grasslands through the use of permanent easements, term easements, and short-term rental agreements. Eligible lands are parcels generally greater than 40 acres that are historically dominated by grasses or shrubs. Landowners with eligible property can choose to sell their development rights, sell a 30-year easement (for which they would be paid 30 percent of the value of the easement), or enter into a 10, 15, 20, or 30-year contract and receive annual rental payments. Cost-share payments for eligible restoration practices are also available. Enrolled land may be hayed or grazed; some management restrictions may apply. Applications are accepted continuously. **F** **L**

Healthy Forests Reserve Program (HFRP) USDA/NRCS
<www.nrcs.usda.gov/programs/HFRP/ProgInfo>

HFRP is a voluntary program established for the purpose of restoring and enhancing forest ecosystems to: 1) promote the recovery of threatened and endangered species, 2) improve biodiversity; and 3) enhance carbon sequestration. The program offers three enrollment options with a mix of term easements and cost-sharing in exchange for landowner commitment to restore or improve their land for threatened or endangered

Courtesy of G. L. Sweetnam



species habitat. Applications only accepted for privately owned land. **F** **LT**

Joint Venture Grants Program CT Department of Agriculture <www.state.ct.us/doag>

Joint Venture grants is a small program (less than \$5,000 matching) intended to promote Connecticut agricultural products through the use of the “Connecticut Grown” logo. Funds have been used in the past for brochures, announcements, farmers market promotion, and signage. **F** **M**

Landowner Incentive Program CT Department of Environmental Protection <www.dep.state.ct.us>

LIP provides technical advice and cost assistance to landowners (including private landowners, sportsmen club, conservation organization, landowner association, corporation, or land trust) for habitat management that will result in the protection, restoration, reclamation, enhancement, and maintenance of habitats that support fish, wildlife, and plant species considered at risk. Although land anywhere in Connecticut is eligible, land located within the boundaries of the Connecticut River watershed or within the lower Connecticut River tidal wetlands area will be given slightly higher priority; these lands have been designated as geographical focus areas due to their critical role in providing essential wildlife habitat. LIP can fund up to 75% of the cost of an approved project and the landowner and/or partnering conservation group must provide the matching funds and/or in-kind services. **F** **LT**

Renewable Energy Systems and Energy Efficiency Improvements Program USDA/Rural Development <www.rurdev.usda.gov>

This program provides grants and guaranteed loans to farmers and rural small businesses to purchase renewable energy systems and make energy efficiency improvements to their operations. Renewable energy grants can range from \$2,500 to \$500,000; energy efficiency grants can range from \$1,500 to \$250,000.

Grants may be used to pay up to 25 percent of an eligible project’s costs. Loan guarantees can be for up to 50% of total eligible project costs. Eligible projects include those that derive energy from a wind, solar, biomass, or geothermal source, or hydrogen derived from biomass or water using wind, solar, or geothermal energy sources. **F**

Scenic Byways Program U.S. Department of Transportation in cooperation with CT Department of Transportation <www.dot.state.ct.us>

Administered by the CT Department of Transportation, this federal program is a potential source of funding for the purchase of easements on farmland along designated scenic roads in Connecticut. Grant applications are submitted to the CT Department of Transportation, which prioritizes applications and forwards them to the Federal Highway Administration. A list of designated scenic roads is available from the state Scenic Highways Coordinator at the CT Department of Transportation. **F**

Value-Added Producer Grants Program USDA/Rural Development <www.rurdev.usda.gov>

This federal program provides grants to producers, agricultural producer groups, and farmer cooperatives for both the development of feasibility studies and business and marketing plans, and for working capital to market value-added agricultural products and farm-based renewable energy. Applicants are eligible to apply for only one of the two types of grants each grant cycle. The maximum grant award is \$500,000; smaller grants receive priority. **F**

Wildlife Habitat Incentives Program (WHIP) USDA/NRCS <www.nrcs.usda.gov/programs/whip>

WHIP offers technical and financial assistance to landowners to maintain, restore, or enhance habitat for fish and wildlife. Participating landowners work with NRCS to develop conservation plans, and NRCS provides up to 75 percent in cost-share assistance to implement the plans. Applications are taken during annual sign-up periods. **F** **LT** **M**

KEY

- F** Farmer/Landowners may apply.
- LT** Land Trusts may apply.
- M** Municipalities may apply.
- M+** Municipalities cannot apply, but can partner with a farmer/operator.
- F** Farmer/operators may apply if holding a long-term lease on municipally-owned property.

STATE POLICIES FOR FARMLAND PRESERVATION & FARM VIABILITY

Public Act 490

In Connecticut, Public Act 490 is helping to keep working farms and forest lands part of the state's landscape.

By allowing farm and forest land to be assessed at its current use value rather than its “highest and best use” value for purposes of local property taxes, it reduces the sizeable tax burden that many farmers and owners of working lands would otherwise face. Without use value assessment, most landowners would be unable to afford the property taxes on their farms and forest land.

Use value assessment is not a subsidy for farmers and large landowners, since farm and forest land require far less in municipal services than does land devoted to residential use. In fact, even when taxed at its current use value, farmland generates a fiscal surplus that towns use to offset the high costs of residential services.

For example, a cost of community services study done by American Farmland Trust for Hebron, CT, found that working and open lands cost the town \$0.43 in services for every tax dollar generated, while residential properties cost \$1.06.

To qualify for Public Act 490, landowners must apply to the local tax assessor. Once land has been classified as eligible, it remains eligible until the use of the land changes or the land is sold. If land enrolled in Public Act 490 is sold or taken out of agricultural production, landowners may face a tax penalty.

Public Act 228

In 2005, the State of Connecticut enacted an important new tool to help support agriculture and protect farmland.

Public Act 228, known as the **COMMUNITY INVESTMENT ACT**, was hailed by Governor Jodi Rell as “landmark legislation” and received broad bipartisan support among state policy-makers.

Public Act 228 requires town and city clerks to collect a \$30 fee on all documents filed on municipal land records. Municipalities keep \$4 of each recording fee for local capital improvements and town clerk record management. The remaining \$26 is then remitted to a dedicated fund that is divided equally among four state agencies to be used for open space protection, affordable housing, historic preservation, agricultural viability, and farmland preservation.

The Community Investment Act is an important source of new funding for the state's Farmland Preservation Program. The Act also created a new Agriculture Viability grants program within the CT Department of Agriculture, designed to help farmers, non-profit organizations, and municipalities develop new markets for farm products, new facilities to support direct marketing and encourage value-added agricultural products, and town policies that encourage and support agriculture.

Current estimates indicate that the Department of Agriculture will receive up to \$5 million annually from the Community Investment Act, which is required to be distributed as follows: \$100,000 for the “Connecticut Grown” program, \$75,000 for a new CT Farm Link program, \$1 million for the Agriculture Viability Grants Program, and the remainder for farmland preservation.

GET INVOLVED!



Working Lands Alliance, a project of American Farmland Trust, is a growing coalition of organizations and residents in Connecticut working together to halt the loss of remaining farmland. With over 140 organizational members, along with several hundred individuals—including farmers, conservationists, parents, and business leaders—WLA uses grassroots advocacy to inform leaders about the importance of protecting our dwindling precious resource—farmland.

Would you like to receive updates and alerts from Working Lands Alliance from time to time? If so, please go to <www.workinglandsalliance.org> and sign up for WLA News & Alerts.

“The Working Lands Alliance has been very successful in raising the visibility and importance of agriculture to Connecticut’s decision makers. It has become a forum where a diversity of interests can find common ground, and then work together to make a difference.”

—Kip Kolesinskas
State Soil Scientist
USDA/NRCS
Connecticut office

CONTACT INFORMATION & RESOURCES

Federal Agencies

USDA/Farm Services Agency
344 Merrow Road, Suite B
Tolland, CT 06084
(860) 871-2944 <www.fsa.usda.gov>

USDA/Natural Resources
Conservation Service
344 Merrow Road, Suite A
Tolland, CT 06084-3917
(860) 871-4011 <www.ct.nrcs.usda.gov>

USDA/Rural Development
Southern New England Office
451 West Street, Suite 2
Amherst, MA 01002
(413) 253-4300 <www.rurdev.usda.gov>

State Agencies

CT Department of Agriculture
165 Capitol Avenue
Hartford, CT 06106
<www.state.ct.us/doag>
Agriculture Grants: (860) 713-2550
CT Farm-Link: (860) 713-2550
Farmland Preservation: (860) 713-2511

CT Department of Environmental Protection
79 Elm Street
Hartford, CT 06106
<www.dep.state.ct.us>
Division of Forestry: (860) 424-3630
Landowner Incentive Program: (860) 295-9523
Open Space and Watershed Land Acquisition
Grants: (860) 424-3081

CT Department of Transportation
1107 Cromwell Avenue
Rocky Hill, CT 06067
<www.dot.state.ct.us>
Scenic Highways Coordinator: (860) 258-4516

University of Connecticut Cooperative Extension System
Farm Risk Management & Crop Insurance
New London County Extension Center
562 New London Turnpike
Norwich, CT 06360
(860) 887-1608 <www.canr.uconn.edu/ces/frm>
Through workshops and trainings, the UConn Farm Risk Management Team helps farmers address farm management issues, including farm business planning, farm transfer and estate planning, as well as farmland preservation and land use issues.

Special thanks and appreciation to G. L. Sweetnam for the cover photo of Quasset Orchard, Woodstock.
<www.glsweetnam.com>

Non-Profit Organizations/Coalitions

American Farmland Trust
Connecticut Field Office
775 Bloomfield Avenue
Windsor, CT 06095
(860) 683-4230 <www.farmland.org>
A national organization working to stop the loss of productive farmland and to promote farming practices that lead to a healthy environment at the federal, state, and local level.

Connecticut Farm Bureau
775 Bloomfield Avenue
Windsor, CT 06095
(860) 298-4400 <www.cfba.org>
A non-governmental, voluntary organization of farm families united to find solutions for concerns facing production agriculture in Connecticut.

Connecticut Farmland Trust
77 Buckingham Street
Hartford, CT 06106
(860) 247-0202 <www.ctfarmland.org>
A statewide land trust dedicated to farmland protection; CFT accepts donations of agricultural conservation easements and assists landowners with the sale of their development rights.

Connecticut Land Conservation Council
The Nature Conservancy
55 High Street
Middletown, CT 06457
(860) 344-0716 <www.nature.org>
A project of the Connecticut Chapter of TNC, the Council's mission is to advocate for land preservation, stewardship, and funding, and ensure the long term strength and viability of the land conservation community.

Trust for Public Land
Connecticut Office
101 Whitney Avenue
New Haven, CT 06510
(203) 777-7367 <www.tpl.org>
A national land conservation organization with a commitment to protecting land for people to enjoy, including farms and forests that support land-based livelihoods; TPL helps communities define a conservation vision, raise funds, and negotiate conservation transactions.

Working Lands Alliance
American Farmland Trust
775 Bloomfield Avenue
Windsor, CT 06095
(860) 683-4230 <www.workinglandsalliance.org>
A statewide coalition of farmers, conservationists, and anti-hunger groups working together to increase the state's commitment to farmland preservation; coalition membership is free and open to all supporters of farmland preservation.