

# CONSERVATION OPTIONS FOR CONNECTICUT FARMLAND

A Guide for Landowners, Land Trusts & Municipalities



# WORKING TOGETHER FOR FARMLAND PRESERVATION IN CONNECTICUT

Connecticut is home to several organizations that work collaboratively on farmland preservation. Each of these public agencies and organizations plays a vital role in saving Connecticut's valuable and vanishing farmland.

Connecticut Department of Agriculture  
[www.ct.gov/DOAG](http://www.ct.gov/DOAG)

The Connecticut Department of Agriculture's Farmland Preservation Program was established in 1978. Its expert staff works hard to protect the best farmland soils in the state to maintain and preserve agricultural land for the future. As of December 2009, the CT Farmland Preservation Program had preserved over 35,570 acres on 265 farms, the majority of protected farmland in the state.



USDA Natural Resources Conservation Service (NRCS)  
[www.ct.nrcs.usda.gov](http://www.ct.nrcs.usda.gov)



NRCS is the primary federal agency working to protect natural resources on privately owned land by providing technical and financial assistance to plan and implement conservation stewardship practices. NRCS also administers the Farm and Ranch Lands Protection Program (FRPP), which provides funding to purchase conservation easements on farmland. The agency provides information about soils and other natural resources to communities for land use planning.

Connecticut Farmland Trust (CFT)  
[www.CTFarmland.org](http://www.CTFarmland.org)

The mission of CFT is to permanently protect Connecticut's working farmland; it is the only private statewide land trust 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. Through partnerships with towns, local land trusts, conservation organizations, individual donors, and state and federal agencies, CFT is able to leverage public and private funds and to provide landowners with conservation options that might not otherwise exist. As of February 2010, CFT held conservation easements on 20 farms totaling 1,766 acres in Connecticut.



American Farmland Trust (AFT)  
[www.farmland.org](http://www.farmland.org)

AFT is the only national non-profit membership organization dedicated to helping America's farmers and ranchers protect their land and produce a healthier environment. Founded in 1980, AFT is the nation's leading advocate for healthy farms, healthy food and a healthy environment. Its work has helped save more than three million acres of farm and ranch land from development and has encouraged thousands of communities around the country to plan proactively for agriculture, helping to sustain local farms and the food and benefits they provide. CFT and AFT are not affiliated, although the two organizations work closely together.



Working Lands Alliance (WLA)  
[www.WorkingLandsAlliance.org](http://www.WorkingLandsAlliance.org)

A project of AFT, the WLA is a coalition of Connecticut organizations, citizens and businesses working to raise awareness of the need to save Connecticut's valuable and vanishing farmland. WLA members reflect the diversity of people who share a concern about farmland preservation in Connecticut—farmers, planners, conservationists, anti-hunger advocates, historic preservationists, chefs and food retailers. WLA encourages anyone who cares about the future of Connecticut's family farms to join its efforts to educate policy leaders about the importance and benefits of farmland protection. WLA is *your* voice for farmland preservation in Connecticut. Sign up online to receive updates and alerts about farmland preservation policy in Connecticut.



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To obtain copies of this publication, contact the Connecticut field office of American Farmland Trust at (860) 683-4230 or visit [www.farmland.org/connecticut](http://www.farmland.org/connecticut).

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G.L. Sweetnam photo

## 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
- clean air and water

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 threatens not just the viability of an industry but also the state's rural legacy and landscape.

*Conservation Options for Connecticut Farmland* aims to help landowners, land trusts and municipalities navigate the sometimes confusing array of public programs available to protect and steward their farmland. The guide also provides an overview of estate planning options and tax considerations.

## Agricultural Conservation Easements

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

A **conservation easement** is a deed restriction or deed covenant 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 nonprofit land trust, or sold to a public agency or qualified conservation organization through a **purchase of development rights** (PDR) program.

Connecticut's 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). More information about these two programs can be found on pages 7 and 8.

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.

## Frequently Asked Questions About Agricultural Conservation Easements

The following answers to frequently asked questions about easements should help landowners understand some of the legal, financial and practical implications of placing an easement on their property.

### What is an agricultural conservation easement?

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

Typically, an easement permanently restricts residential, industrial and non-agricultural 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 a landowner 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.

### What land qualifies?

Eligibility depends on whether a landowner is 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 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 negotiate with the land trust or government program over how their application will be configured and 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 based on the negotiation and their contributing attributes to the farm.

### Will an easement require a change in how the land is farmed?

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, provided there is minimal impact to the protected soils.

For example, easements for the CT Farmland Preservation Program usually allow landowners to install agriculture-related improvements such as fencing, irrigation systems and manure storage facilities. Most improvements require prior approval and are limited to certain areas of the farm. Farmers may also plant or raise any type of agricultural commodity, provided the soils are protected. Similarly, the federal Farm and Ranch Lands Protection Program (FRPP) requires landowners to develop and implement farm conservation plans; other easements may require landowners to farm according to best agricultural management practices.

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 FRPP programs.

### What improvements can be made to the property?

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

## Frequently Asked Questions (continued)

Most easements permit limited development related to the farm operation and allow construction of farm buildings and retail farm stands. Some easements may limit new construction to a designated “farmstead area” or limit the total amount of new construction.

Existing houses and buildings may be included in an easement and most easements generally allow for improvements to or reconstruction of those buildings. Some easements may 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. Access may be restricted to portions of the property that are not actively farmed. 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 the property be sold to anyone?

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. Most require the property to be sold in its entirety.

### 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 17].

### What if the landowner can no longer farm the 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 a landowner’s mortgage?

It may, because an easement limits the future uses of the property and typically reduces its value.

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 a landowner can’t wait or doesn’t qualify for a state program?

Other options may exist. Many local and statewide land trusts work with landowners. Groups such as CT Farmland Trust often assist landowners in finding interim financing or other funding sources.



Patrick McMahon photo

## Estate Planning and Farm Transfer

Proper estate planning can provide the framework for a smooth transition of farm ownership and management. It can address the needs of all family members, even those who leave the operation. It can help reduce high inheritance taxes on land made more valuable by inflation and non-farm development pressure. In addition, estate planning is important to help facilitate the transfer of land from one generation to the next. Without estate planning, families may find themselves after the death of a loved one in the position of having to sell land or other farm assets in order to pay taxes or to settle an estate.

A good estate plan should accomplish at least four goals:

- Transfer ownership and management of the agricultural operation, land and other assets
- Avoid unnecessary income, gift and estate taxes
- Ensure financial security and peace of mind for all generations
- Develop the next generation's management capacity

**Inventory** A first step in the estate planning process is to take an inventory of assets, understand who owns what and how titles to all property are held. Families should consider all aspects of the farm business including land, machinery and equipment, farm buildings and structures, and livestock and how to appropriately value these assets. It is also important to consider liquid assets—cash and cash equivalents—that can play an important role in dividing farm estates.

**Define Goals** The next important element of estate planning is to set goals and then to revisit them over time as families, finances, priorities and laws change.

Many farm families do not have formal goals. It is important to identify goals both individually and collectively, write them down, and discuss them with family members to reconcile potential conflicts. Retiring farmers may



Connecticut Farmland Trust photo

or may not be interested in remaining involved in the farm business. Members of the next generation may wish to maintain or change direction of the farm business while others may not be interested in any aspect of farm management.

The estate planning and farm transfer process is also a good time for landowners to evaluate their business structure and decide whether it meets their current needs and helps achieve their goals. They should choose the most appropriate form of business organization, whether it is a sole proprietorship, limited liability company (LLC), partnership or corporation.

**Available Tools** Some of the tools available include:

- A will is an important part of the plan because it names beneficiaries, nominates an executor and appoints guardians for dependents; but a will alone cannot guarantee a secure future for the farm family, land or business.
- Purchase of agricultural conservation easements programs—further discussed in this guide—protect farmland, can reduce taxes and provide cash for retirement and estate planning needs.
- Annual gifting can help transfer the business and reduce taxes.
- Life insurance can provide liquid assets that may be used to pay debt, establish trusts, provide for non-farming heirs and offset the donation of an easement or pay estate taxes.
- Limited Partnerships, LLCs and corporations can allow for separation of management and ownership of the business, if desired, while allowing a business to continue its existence beyond the period of its owners.
- Long-term care insurance can be expensive but can also protect family assets from being used to pay for nursing home costs.
- Trusts can provide financial security for surviving spouses, children and grandchildren, while also giving direction to the beneficiaries.

Farmers should pay close attention to both state and federal regulations as they relate to estate planning and should contact their legal, financial and tax advisors to determine how best to use these tools.

American Farmland Trust has published *Your Land is Your Legacy: A Guide to Planning for the Future of Your Farm*, which provides additional guidance on estate planning and farm transfer; order by calling (800) 370-4879.



Jones Family Farms photo

## 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 (CFT). 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.

**Bargain Sales** Landowners seeking to sell an agricultural conservation easement may choose, or be asked, to sell the easement at less than the easement's appraised value. This is referred to as a bargain sale. Landowners may claim a federal tax deduction for the donated portion of the sale—the difference between the easement's appraised value and its actual sales price.

**Federal Tax Code** While the entire value of a donated easement, or, in the case of a bargain sale, the value of the donation, is deductible, federal tax law limits the amount of deduction a landowner can claim in any given year. Changes made to the federal tax code in 2006 now allow landowners to claim a deduction of up to 50 percent of their adjusted gross income in any given year and to spread those deductions over a period of 16 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 were extended for an additional two years—through the end of 2009. At the time of this publication, it is not clear if and when this benefit will be extended, although Congress will likely address the issue in 2010. To check on the latest status, visit the Land Trust Alliance Web site at [www.landtrustalliance.org](http://www.landtrustalliance.org).

Landowners considering a bargain sale or donation of an easement that occurs after 2010 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.

### Special Use Valuation Section 2032A

IRC Section 2032A allows the executor of certain estates in which the real and personal property included in a farm or other business comprises a substantial portion of the decedent's assets to elect to have the farm assets valued based on the income that the farm can generate as an agricultural operation (as opposed to its development potential).

There are many eligibility criteria for this special use valuation including: the heir or a member of his family must have been using the property for a qualified use at the time of his death, 25 percent of the value of the estate must be farm real estate, and a member of the decedent's family must agree to operate the farm, ranch or closely held business for at least 10 years after the decedent's death without selling or otherwise transferring title to any of the specially valued property.

**Corporate landowners** For landowners who are an S corporation for federal income tax purposes, a state business tax credit is available for the donation or bargain sale of a conservation easement or land for conservation purposes. Corporations that donate a qualifying gift of land or conservation easement 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.

When an S corporation sells land or an easement at any price to the state, a town or a nonprofit land conservation organization for conservation purposes, the amount of capital gain from the sale is exempt from that company's taxable income under the state corporate business tax.

**Stewardship fund** Most land trusts request that a landowner who donates a conservation easement also make a tax deductible cash contribution to offset the land trust's cost of stewardship. Land trusts seek this type of donation 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. Dedicated stewardship funds make it possible for land trusts to ensure that the easement's terms can be monitored and 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 recognized by the IRS as a sale of an interest in real estate and 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 Mapleleaf Farm case study].

## Mapleleaf Farm: Using Like-Kind Exchanges

Farming since the mid 1700s, the Ellis family occupied several sites until Ned Ellis' great grandfather purchased its current 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, the Ellises made use of both a bargain sale and an innovative like-kind exchange.

**Bargain Sale** Ned and Renée had their land appraised for the sale of development rights in 1999, but the land appreciated in value significantly before the state completed the purchase. The family chose 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, the 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 using some of the proceeds of the sale of their development rights to purchase 170 acres of farmland that they had been leasing. 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 to expand a cattle barn and upgrade the farm's 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.”



American Farmland Trust photo

**“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.**



## Farmland Protection Programs in Connecticut

The following programs in Connecticut are sources 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 typically exceeds available funds resulting in a process that can be 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 Simsbury Land Trust, page 13].

To find out how much money is currently available in any program, it is best to contact the program directly. Eligibility requirements, selection criteria and application information for each of the programs can be found on page 9.

### **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 December 2009, the program had protected 35,570 acres on 265 farms.

Only landowners are eligible for the program and apply to the CT Department of Agriculture. Applications are evaluated according to scoring criteria, including quality of soils, amount of cropland, threat of development and proximity to other protected lands.

The CT Farmland Preservation Program may pay up to 100 percent of the appraised value of the development rights. Current state law gives the Commissioner of Agriculture the ability to pay up to \$20,000 per acre, subject to appraisal. However, from 2007 through 2009, the average price paid by the state toward the purchase of development rights (not including any town or private contribution) was \$5,800 per acre. 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.

In recent years, many of the farms protected by the CT Farmland Preservation Program have made use of bargain sales (acquisition at less than appraised value); in the past few years, 50 percent of the 40 farms protected were acquired using a bargain sale of at least 25 percent of the appraised value.



Connecticut Farmland Trust photo

A 2006 study by American Farmland Trust found that three out of four farmers who participated in the CT Farmland Preservation Program were satisfied with their experience, despite some frustrations with the time involved and various administrative issues.

### **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 having a policy in support of farmland and an agricultural land preservation fund [see more on page 9].

Eligible towns may solicit applications to the CT Farmland Preservation Program from willing landowners; once a landowner applies, the state and town work together 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.

**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 matching funds for up to 50 percent of a project's cost. Between 1996 and 2008, FRPP has helped protect 85 farms and about 8,000 acres in Connecticut. Since the program requires partnership, it has been very effective at leveraging federal funds with 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.

**Connecticut Open Space and Watershed**  
**Land Acquisition Grants Program**  
**CT Department of Environmental Protection**

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

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 65 percent of a project's cost (up to 75 percent for projects in "distressed municipalities or targeted investment communities"). Applications to the program are only accepted during specific grant rounds; typically, the CT Department of Environmental Protection holds one grant round per year for this program.

**Additional Programs**

Although not the primary tools for farmland preservation in Connecticut, other programs may provide funding for land conservation. Look for this symbol  in the "Additional Funding Available" section on page 14.

**Important Partnerships**  
**to Protect Connecticut's Farmland**

The majority of the farms protected by the CT Department of Agriculture's Farmland Preservation Program have been transactions between landowners and the state. Since 2006 many projects have been able to leverage funding from the federal Farm and Ranch Lands Protection Program (FRPP). Recently there has been a higher frequency of projects with additional partners—municipalities and land trusts. These partnerships will continue to be a vital way to leverage additional resources in a state with the third highest farm real estate values in the nation.

Farmed since the 1950s, the Wisneske Farm is now part of a cluster of over 800 acres of preserved farmland. This project also represents the first joint acquisition by the CT Department of Agriculture, the Connecticut Farmland Trust and the USDA Natural Resources Conservation Service (NRCS). The two parcels that comprise the 181-acre farm lie along a scenic ridge above the city of Norwich. The farm contains 100 acres of cropland with approximately 63 acres of prime and statewide important farmland soils. Eugene Wisneske grows hay and leases a portion of the cropland and pasture to a local dairy farmer.

To purchase the development rights on the Wisneske Farm, the state contributed just under \$707,500. The Connecticut Farmland Trust contributed \$50,000 through private fundraising efforts. Miscellaneous acquisition costs, such as appraisals and survey, were paid for through dedicated funding for agriculture preservation made possible by the Community Investment Act [see page 17]. The state received reimbursement for 47 percent of the cost through FRPP.



CT Department of Agriculture photo

# FARMLAND PROTECTION PROGRAMS IN CONNECTICUT

	<b>CT Farmland Preservation Program</b> <i>CT Department of Agriculture</i>	<b>Joint State –Town Farmland Preservation Program</b> <i>CT Department of Agriculture</i>	<b>Open Space &amp; Watershed Land Acquisition Grant Program</b> <i>CT Department of Environmental Protection</i>	<b>Farm &amp; Ranch Lands Protection Program</b> <i>USDA/Natural Resources Conservation Service</i>
<b>Who may apply?</b>	Landowners	Municipalities, Landowners	Municipalities, Water companies, Nonprofit conservation organizations	Municipalities, States, Nonprofit conservation organizations
<b>Eligibility Requirements</b>	<p>Property must:</p> <ul style="list-style-type: none"> <li>- Be an active farm operation</li> <li>- Include a minimum of 30 acres of cropland or be adjacent to a larger parcel</li> <li>- Meet minimum program criteria that include: 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</li> <li>- Meet FRPP requirements if federal funding will be used as part of sale</li> </ul>	<p>Municipality must:</p> <ul style="list-style-type: none"> <li>- Have a policy in support of farmland preservation</li> <li>- Have a farmland preservation plan developed and approved by local policymakers</li> <li>- Have a fund established for the purpose of purchasing development rights</li> <li>- Have a willing applicant who has voluntarily offered to sell development rights</li> <li>- Meet FRPP requirements if federal funding will be used as part of sale</li> </ul> <p>Property must:</p> <ul style="list-style-type: none"> <li>- Be an active farm with 30 acres of prime or important farmland soils</li> <li>- Have minimum gross annual agricultural production of \$10,000.</li> </ul>	<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"> <li>- Be part of active farm operation</li> <li>- Have prime or important agricultural soils or have historic or archeological resources</li> <li>- Meet minimum program criteria for amounts (or percentages) of prime and important farmland soils and agricultural land use</li> <li>- Be privately owned (non-governmental)</li> <li>- Have pending written offer with landowner</li> </ul>
<b>Selection Criteria</b>	<p>Priority given to:</p> <ul style="list-style-type: none"> <li>- Land with high % of prime and important agricultural soils and cropland</li> <li>- Land in proximity to other active farmland, protected lands and farm services.</li> </ul>	<p>Priority given to:</p> <ul style="list-style-type: none"> <li>- Land with high % of prime and important agricultural soils and cropland</li> <li>- Projects that comply with local and/or regional open space plans or plans of conservation and development</li> </ul>	<p>Priority given to:</p> <ul style="list-style-type: none"> <li>- Land vulnerable to development</li> <li>- Projects that comply with local and/or regional open space plans or plans of conservation and development</li> <li>- Land with diverse categories of natural resources</li> <li>- Projects with pending written offer with landowners</li> </ul>	<p>Priority given to:</p> <ul style="list-style-type: none"> <li>- Land vulnerable to development; land with high % of prime and important agricultural soils</li> <li>- Projects with high % of non-federal matching funds</li> <li>- Projects must have non-federal matching funds in hand</li> </ul>
<b>Cost-share Requirements</b>	State may accept a gift or pay up to 100% of value of development rights.	State may accept a gift or pay from 10–75% of value of development rights depending on quantity of active agricultural land within 3-mile radius of the subject farm.	State pays up to 65% (up to 75% for projects in “distressed municipalities or targeted investment communities”) of either fair market value of development rights or purchase price, whichever is less.	FRPP pays up to 50% of fair market value of development rights. Applicant provides 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.
<b>Easement Requirements</b>	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.	NRCS farm conservation plan is required. NRCS easement language required. No public access required.
<b>Application Period</b>	Applications accepted continuously. Acquisitions must be approved by State Properties Review Board and the Attorney General. If the application is approved by the state, landowners should anticipate a period of 15 months or longer to complete negotiations, survey, and title work before the final closing.	Applications accepted continuously. Acquisitions must be approved by State Properties Review Board and the Attorney General. If the application is approved by the state, landowners should anticipate a period of 15 months or longer to complete negotiations, survey, and title work before the final closing.	Applications accepted and evaluated during designated grant rounds; typically, the CT Department of Environmental Protection holds one grant round per year.	Applications accepted during an annual sign up period. Applicants awarded FRPP funding must sign a cooperative agreement with NRCS stipulating certain easement provisions and agreeing to purchase easement(s) within two years.

## Can I Protect My Forestland Too?

**Connecticut's Forests** Woodlands provide significant value to many Connecticut farms—producing maple syrup, Christmas trees, firewood, lumber and other wood products. In addition they provide many important benefits, such as clean air and water, fish and wildlife habitat, passive recreation, carbon sequestration, scenic beauty and buffers from adjacent land uses. According to the 2007 Census of Agriculture, over 30 percent of the state's total land in farms is woodland. Woodlands cannot be easily separated from the total farm unit. Some of the state's most productive woodlands are being lost or fragmented by sprawling development, limiting their ability to provide social, economic and environmental benefits.

**Permanent Protection of Forestland** Forestland owners may protect their land through many of the same tools and programs available to farmland owners. Forestland may be included as part of an agricultural conservation easement; there are also other programs that allow for protection of just forest resources. Forestland may be eligible for the following programs [see basic criteria in chart on page 9]:

✓**CT Farmland Preservation Program** Forest lands are considered a component of a typical Connecticut farm, and thus may be included in an application to the program. While there is no cap on the amount of forest land that can be enrolled through the program, the amount of non-cropland acreage is considered in the application evaluation. In general, the average farm protected through the program has 35 percent of its acreage in woodland, scrub or wetlands.

✓**Farm & Ranch Lands Protection Program** Farm parcels with up to 66 percent of total acreage in woodland are eligible.

### ✓**Connecticut Open Space and Watershed Land**

**Acquisition Grants Program** Properties with farm and/or forestland are eligible; no requirements on percentage of forestland.

✓**Forest Legacy Program** The Division of Forestry in the CT Department of Environmental Protection administers this USDA Forest Service program. The Forest Legacy Program pays eligible landowners for the purchase of conservation easements on working forestland that is threatened by development. Forest Legacy requires a minimum of 75 percent forestland; the remainder may be farmland. The program funds up to 75 percent of the cost of purchasing the development rights, and participating landowners must prepare a multiple resource management plan. Applications are taken at any time.

[www.fs.fed.us/spf/coop/programs/loa/flp](http://www.fs.fed.us/spf/coop/programs/loa/flp)

**Forest Management** While some programs may require a Forest Management or Forest Stewardship Plan, such a plan is valuable for all forestland owners. Forest management plans can help landowners and operators achieve a wide variety of both short- and long-term objectives, such as: controlling invasive species, harvesting saw timber or producing biofuel, improving fish and wildlife habitat, protecting water quality, or simply providing a buffer from adjacent land uses. Such plans should be viewed as an active tool and should be updated whenever new practices are implemented or objectives change. Forest management plans in Connecticut developed in partnership with a certified forester will include: a species inventory and map, identification of goals and objectives, and a recommended schedule of activities and conservation practices. Technical assistance and funding may be available from local, state or federal sources to help prepare and implement the plan.

### **Tax Tips**

If you are a forestland owner, there may be several federal tax incentives to help maintain your forestland. For example, if you hold your forestland as an investment or for use in a business, you can deduct ordinary and necessary management expenses, such as fees paid to a professional forester or the cost of brush control, thinning and protecting your timber from fire, insects or disease.

This tax tip and others are available in the USDA Forest Service's "Tax Tips for Forest Landowners for the 2009 Tax Year," available online at: [www.fs.fed.us/spf/coop/library/taxtips09.pdf](http://www.fs.fed.us/spf/coop/library/taxtips09.pdf).



CT NRCS photo

### Peaceful Hill Farm: Forest Management

Peter Bergan, owner of Peaceful Hill Farm, was named 2009 Connecticut Tree Farmer of the Year by the state's Tree Farm System in recognition of his forest management and conservation efforts.

In 2005, Bergan protected 36 acres of his land through the USDA's Forest Legacy Program, which is designed to protect working forests and preclude future development. Peaceful Hill Farm adjoins the 9,000-acre Meshomasic State Forest, keeping intact a significant forest block needed to maintain healthy wildlife populations.



Peaceful Hill Farm photo

Most of Peaceful Hill Farm is a managed hardwood forest—red, white and chestnut oak, black and yellow birch, sugar maple, hickory and some white pine—planted to rejuvenate a scrubby hillside. The land was heavily logged in the 1960s and Bergan has done only one limited harvest of lumber-grade mature trees since he's owned it. He removes about eight to 10 cords of diseased, dying or crowded trees every year, and uses all the wood himself to fuel the outdoor furnace that heats his home and barns, all of which he built himself. The farm also produces Christmas trees on 7 acres. On weekends before the holidays, as many as 200 cars visit his farm each day.



Peaceful Hill Farm photo

## Role for Municipalities and Communities

Municipalities and local officials play an important role in protecting farmland and creating a supportive environment for local farm businesses. Towns may want to consider creating a Farmland Protection Committee or local Agricultural Commission devoted specifically to this purpose [see New Milford case study, page 12] and/or pursue some of the steps below.

**Planning for Farmland Protection** A good first step toward community action on farmland protection is to conduct an inventory of a municipality's farms and farmland. An inventory can identify the number and types of farms in town, the acres farmed and the general land use needs of local farms. Also consider developing a prioritization process to identify farms that the community thinks are most important to keep in production in the future. This process should involve all stakeholders, including farmland owners, municipal officials, members of land use commissions and land trusts, and non-farm residents. Prioritization criteria might include quality of soils, current land use, threat of development, proximity to other farmland (protected and not protected), proximity to growth areas (e.g., sewer lines and housing) and scenic contribution.

It is important to reach out to local landowners. This can be done by members of a town agricultural commission, a board of selectmen, planning commission or conservation

commission, or in conjunction with a local land trust. The designated board or commission should develop a strategy for communicating to local landowners the town's desire to protect farmland. The town must clearly communicate that it is simply exploring land protection strategies so that landowners are aware of the opportunity without feeling pressured.

An ability to leverage federal, state and private farmland protection funds is key to successfully protecting farmland at the municipal level. Towns that have a local source of



Jones Family Farms photo



CT NRCS photo

funding for farmland protection to match state and/or federal funding often have an advantage when competing for limited public funds. Some towns have established dedicated funds for land protection, while others have raised money on a case-by-case basis. Strategically, towns should consider the use of many funding sources for a successful farmland preservation program—combining municipal funds, state, and/or federal program funds, as well as funds raised by land trusts or local campaigns. For example, in 2007 Southbury allocated \$240,000 as the town’s contribution to an easement on 43 acres of farmland; a local land trust and FRPP also contributed funds.

**Pro-Active Support for Farm Viability** Municipal officials can help foster the supportive business environment, critical to the long-term sustainability of the local farms and the land they steward. A first step for officials might be to

form an agricultural commission both to provide farmer input into town policies that impact local agriculture and to help develop initiatives that will keep farming viable. Towns may also consider enacting a local right-to-farm ordinance that mirrors the state’s right-to-farm law. Such ordinances help maintain a supportive environment for farmers by reducing farmer/non-farmer neighbor conflicts.

### **Planning for Agriculture: A Guide for Connecticut Municipalities**

A joint publication of AFT and the CT Conference of Municipalities, *Planning for Agriculture* outlines a broad range of tools and resources available to help local governments plan for the future of agriculture in Connecticut.

The guide includes case studies and information about agricultural commissions, right-to-farm ordinances, zoning regulations and much more.

Visit [www.ctplanningforagriculture.com](http://www.ctplanningforagriculture.com) to download the guide and find examples of recent efforts to support farming in communities across the state. Printed copies of the guide may also be obtained while supplies last. Contact AFT’s CT office at (860) 683-4230.



## **Laying the Groundwork for Farmland Preservation in New Milford**

Preservation of the town’s remaining farmland became an official town priority in 2006 when New Milford Mayor Pat Murphy established the New Milford Farmland Preservation Committee, charging it with assisting the town in identifying and implementing strategies for acquiring and protecting farmland.

The Farmland Preservation Committee’s first task was to identify and map the farmland within the town. Farmland was identified through tax records, interviews with farmers, aerial photography and insight from the Committee’s active farmers. Once the mapping was complete, the Committee prioritized a series of farms on the Ridge Road area of town that comprise over 1,200 acres.

The Committee then developed a Strategic Action Plan that covers many topics including the importance of preserving farmland and the agricultural history of New Milford. The Plan also lays out strategies for preserving farmland, such as increasing residents’ awareness of the economic importance of preserving farmland, supporting the town’s farmers market, and identifying and implementing ways to access state and federal dollars for farmland preservation.

In 2007 the Committee created a brochure to educate residents about many of the topics covered in the Plan and steps that residents can take to support the community’s farms and the proposed Farmland Preservation Fund.

The town took another important step in 2008 when it requested the USDA Natural Resources Conservation Service to help identify and designate “locally important” farmland soils in New Milford. This designation is helpful in improving eligibility for farmland protection funding under the federal Farm and Ranch Lands Protection Program (FRPP). In 2009, the town, in conjunction with one of the Ridge Road farmers, submitted its first application to the CT Farmland Preservation and FRPP programs.

## Role for Land Trusts

Land trusts play an important role in farmland protection efforts. They help landowners navigate the rules and procedures of applying to a public program. They coordinate campaigns to raise funds and public support for preserving properties. Land Trusts also work with municipalities and regional planning agencies to set land preservation priorities.

Over 125 land trusts and conservation organizations serve the communities of Connecticut. These groups run the spectrum from small, all-volunteer outfits to large organizations with professional staff. Some have a strictly local or regional focus, others work statewide on specific areas of natural resource protection.

### **Simsbury Land Trust: Working to Protect Farmland**

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

SLT then developed its own objectives to complement the town's open space goals. It decided to focus on properties that include ridgelines, farms or fields, and wetlands. It also placed a high priority on lands adjacent to other protected lands, working towards creating a critical mass of protected landscapes and intact wildlife corridors.



Simsbury Land Trust photo

As part of its "Campaign for Simsbury," SLT raised over \$5 million to purchase the development rights on two farms—110 acres on Rosedale Farms and 187 acres on Tulmeadow Farm:

- \$2,435,000 from the Federal Farm and Ranch Lands Protection Program
- \$1,200,000 from state grants (including the Open Space and Watershed Land Acquisition Grant Program)
- \$1,200,000 from individual donations
- Additional funds from the Town of Simsbury and private foundations

SLT's success can be attributed to its strong collaboration with both town officials and farmers. Dick Davis, SLT Trustee, 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."

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

"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 additional land protection phases on our property that their good work will continue."

**For more information go to [www.simsburylandtrust.org](http://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 to help them improve or expand a farm business, address environmental concerns or implement conservation practices on their land.

For example, landowners can get help developing a forest management plan for a woodlot, and then financial assistance to help carry out the plan. Funding is available to defray the cost of fencing to keep livestock out of streams, and to manage farmland for wildlife habitat. There is funding for on-farm energy efficiency projects and for renewable energy systems. Funding also is available to farmers interested in diversifying into new markets or new products, and to help municipalities develop and implement local farmland protection initiatives.

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



This symbol denotes programs that have been particularly reliable serving the needs of agriculture and farmland preservation and have been consistently funded in recent years.



This symbol denotes programs that offer funding for easements.

### **Agricultural Management Assistance (AMA)** **USDA/NRCS**

[www.nrcs.usda.gov/programs/ama](http://www.nrcs.usda.gov/programs/ama)

This program, available only in states where participation in the Federal Crop Insurance Program has been low, is designed to help farmers reduce crop risk. The program funds up to 75 percent of the cost of conservation practices that help increase operation diversification (such as 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. Land trusts and farmers (including those with a long-term lease) may apply.



### **Agriculture Viability Grants—Farm Viability Program** **CT Department of Agriculture** [www.state.ct.us/doag](http://www.state.ct.us/doag)

This state grants program, authorized and funded through the Community Investment Act [see page 17], funds local initiatives that foster farm viability and farmland protection. Municipalities, regional planning agencies, associations of municipalities, and nonprofit organizations can apply for matching grants up to \$50,000 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 agriculture-related capital projects, such as farmers' markets and community kitchens (but not for land acquisition).



### **Agriculture Viability Grants—Farm Transition Program** **CT Department of Agriculture** [www.state.ct.us/doag](http://www.state.ct.us/doag)

This state program, also authorized and funded through the Community Investment Act [see page 17], is available to producers and agricultural cooperatives for projects that will increase profits through market or product development, diversification or expansion. Eligible expenses include equipment and machinery as well as promotional activities. Grants of up to \$50,000 are available, and must be matched 1:1 by the applying entity. Farmers (leasing farmers included) and agricultural cooperatives may apply.

### **Business and Industry Loan Guarantee Program (B&I)** **USDA/Rural Development (RD)**

[www.rurdev.usda.gov/rbs/busp/b&i\\_gar.htm](http://www.rurdev.usda.gov/rbs/busp/b&i_gar.htm)

This program is available to all businesses (not limited to farm businesses) located in rural areas only (typically outside of cities or towns of more than 50,000 people; contact Rural Development for clarification on eligibility). The program operates as a loan guarantee program, offering businesses an opportunity to work with commercial lenders who might not otherwise extend credit. Loans may be used to expand or convert businesses, purchase land, or purchase machinery or equipment. There is no minimum loan size, but loans cannot exceed \$10 million. Farmers (leasing farmers included), land trusts and municipalities may apply.

### **Conservation Loan & Loan Guarantee Program** **USDA/Farm Service Agency (FSA)**

[www.fsa.usda.gov](http://www.fsa.usda.gov)

This new program provides direct or guaranteed loans to finance qualifying conservation projects. Loans may also be used to finance the borrower's share of a USDA Environmental Quality Incentives Program (EQIP) contract. Qualifying projects are those identified through an NRCS conservation plan. Direct loans may not be more than \$300,000 and guaranteed loans not more than \$700,000. Farmers (leasing farmers included) may apply.

### **Conservation Reserve Program (CRP)** **USDA/Farm Services Agency (FSA)**

[www.nrcs.usda.gov/programs/crp](http://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, filter strips 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 to exclude livestock or build grass waterways. Applications are taken during announced sign-up periods. Farmers (leasing farmers not included), land trusts and municipalities partnered with a farmer may apply.

**Conservation Stewardship Program (CSP)**  
**USDA/NRCS**

[www.nrcs.usda.gov/programs/new\\_csp/csp.html](http://www.nrcs.usda.gov/programs/new_csp/csp.html)

Substantially revised in the 2008 Farm Bill, CSP encourages owners of farm and forest land to address natural resource concerns comprehensively by maintaining existing conservation practices as well as undertaking new ones. Landowners may receive annual payments for five years based on the stewardship level and improvements. Supplemental payments may be available for additional conservation activities. The sign-up period varies annually. Farmers (including farmers leasing land for the length of the CSP contract) and land trusts may apply.

**CT Farm Link**

**CT Department of Agriculture**  
[www.farmlink.uconn.edu/](http://www.farmlink.uconn.edu/)

This program, authorized and funded through the Community Investment Act [see page 17], 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. Farmers (leasing farmers included), farmland owners, land trusts and municipalities may apply.

**Debt for Nature**

**USDA/Farm Services Agency (FSA)**  
[www.fsa.usda.gov](http://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 that must be taken out of production for the life of the contract. Farmers (leasing farmers not included) and farmland owners with FSA loans secured by real estate may apply.

**Environmental Assistance Program (EAP)**

**CT Department of Agriculture**  
[www.state.ct.us/doag](http://www.state.ct.us/doag)

This program reimburses farmers for part of the costs of implementing an agricultural waste management plan, which is required by the state of Connecticut and NRCS. Grants under this program must be used for capital improvements and are typically awarded in coordination with the Environmental Quality Incentive Program (EQIP).

Funding from EAP and EQIP together can provide no more than 90 percent of the project cost. Farmers (leasing farmers included) may apply.

**Environmental Quality Incentive Program (EQIP)**  
**USDA/NRCS**

[www.nrcs.usda.gov/programs/eqip](http://www.nrcs.usda.gov/programs/eqip)

This conservation cost-share assistance program provides up to 75 percent (90 percent for limited resource and new farmers) of the cost to implement certain 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. The 2008 Farm Bill expanded eligibility to conservation practices directly related to organic production and transition. Applications are accepted during annual sign-up periods. Farmers (including those with a long-term lease), land trusts and municipalities partnered with a farmer may apply.



**Farm Reinvestment Grants Program**

**CT Department of Agriculture**  
[www.state.ct.us/doag](http://www.state.ct.us/doag)

Farm Reinvestment grants are available to registered farm businesses that have operated for at least three years. Grants are intended for expansion of existing agricultural facilities, site improvements or expansion into new areas of production. Grants of up to \$40,000 are available and must be matched on a 1:1 basis; grant funds can only be used for capital fixed assets that have a life expectancy of 10 years or more. Farmers (leasing farmers included) may apply.



**Grassland Reserve Program (GRP)**

**USDA/NRCS and USDA/Farm Services Agency (FSA)**  
[www.nrcs.usda.gov/programs/grp](http://www.nrcs.usda.gov/programs/grp)

The GRP is designed to protect and restore grasslands through the use of permanent easements and term rental agreements. Eligible parcels are generally greater than 40 acres and dominated by grasses used for haying and grazing. Landowners with eligible property can choose to sell a permanent easement or enter into a 10-, 15- or 20-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. The program will pay up to 100 percent of the purchase price of an easement. Applications are accepted continuously. Farmers (including farmers leasing land for the length of the GRP contract) and land trusts (provided the land is not already under an easement) may apply. Land trusts may also partner with NRCS to purchase easements.



Connecticut Farmland Trust photo



**Healthy Forests Reserve Program (HFRP)**  
USDA/NRCS

[www.nrcs.usda.gov/programs/HFRP/ProgInfo](http://www.nrcs.usda.gov/programs/HFRP/ProgInfo)

This program is intended to restore and enhance forest ecosystems by promoting the recovery of threatened and endangered species, improving biodiversity, and enhancing carbon sequestration. The program offers two enrollment options—a 30-year agreement or permanent easements—and provides cost-sharing for restoration of threatened or endangered species habitat. Landowners and land trusts (provided the land is not already under an easement) may apply.

**Joint Venture Grants Program**  
CT Department of Agriculture  
[www.state.ct.us/doag](http://www.state.ct.us/doag)

This small grants program (less than \$5,000 matching) is 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. Farmers (leasing farmers included) may apply.

**Renewable Energy Systems and  
Energy Efficiency Improvement Program**  
USDA/Rural Development  
[www.rurdev.usda.gov](http://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 percent 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. Farmers (leasing farmers included) may apply.



**Scenic Byways Program**  
U.S. Department of Transportation in cooperation  
with CT Department of Transportation  
[www.ct.gov/dot](http://www.ct.gov/dot)

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. Farmland owners may apply.

**Value-Added Producer Grants Program**  
USDA/Rural Development  
[www.rurdev.usda.gov](http://www.rurdev.usda.gov)

This federal program provides grants to producers, 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 \$300,000; smaller grants receive priority; a 1:1 match is required. Farmers (leasing farmers included) may apply.



**Wetlands Reserve Program (WRP)**  
USDA/NRCS

[www.nrcs.usda.gov/PROGRAMS/wrp/](http://www.nrcs.usda.gov/PROGRAMS/wrp/)

This federal program provides technical and financial assistance to landowners to restore, protect and enhance wetlands in exchange for retiring eligible land from agriculture. WRP offers three enrollment options: a permanent conservation easement, a 30-year term easement and restoration cost-share assistance without an easement. Farmland owners and land trusts (provided the land is not already under an easement) may apply.

**Wildlife Habitat Incentives Program (WHIP)**  
USDA/NRCS

[www.nrcs.usda.gov/programs/whip](http://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. Farmers (leasing farmers not included) and land trusts may apply.

## State Policies for Farmland Preservation & Farm Viability

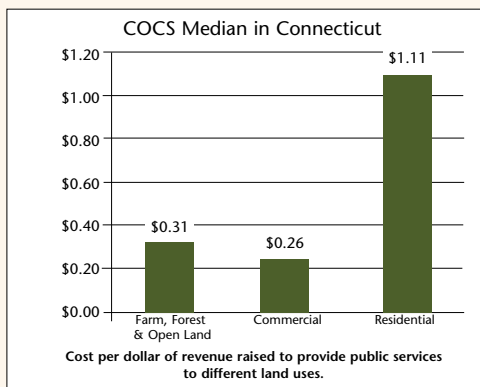
**Public Act 490** In Connecticut, Public Act 490 is helping to keep working farm and forest lands part of the state's landscape. By allowing farm and forest land to be assessed at its current use value rather than its "highest and best use" value for purposes of local property taxes, it reduces the 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.

A Cost of Community Services study done for Lebanon, Conn., in 2007 found that working and open lands cost the town \$0.17 in services for every tax dollar generated, while residential properties cost \$1.12.

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 transferred. If land enrolled in Public Act 490 is sold or taken out of agricultural production within the first 10 years of ownership, landowners may face a tax penalty.

The Connecticut Farm Bureau Association is currently updating an extensive guide on Public Act 490 that will be available in early 2010 at [www.cfba.org/](http://www.cfba.org/).



### Cost of Community Services Studies

Cost of Community Services (COCS) studies conducted by American Farmland Trust and others around the county have analyzed local revenues and expenditures by land use to determine the impacts of residential, commercial, and farm, forest and open land on local budgets. More than eight COCS studies completed in Connecticut have consistently shown that farm, forest and open lands generate more tax revenues than they receive in public services, compared with residences that typically require more in public services than they pay in taxes.

**Community Investment Act (CIA)** In 2005 the state's Farmland Preservation Program was dramatically strengthened thanks to enactment of the Community Investment Act (CIA). The CIA has generated more than \$11 million for statewide farmland protection activities since its inception. Unlike state bond funds, which can be used only for purchasing development rights on farmland, CIA funds can also be used for program staff, appraisals and boundary surveys.

The CIA was hailed by Governor Jodi Rell as "landmark legislation" and received broad bipartisan support among state policymakers.

The CIA requires town clerks to collect a fee on all documents filed on municipal land records. A portion of the fee is used to pay for municipal town clerk record management and local capital improvements, and the remainder 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.

In addition to farmland preservation, the CIA provides funding to several key agriculture programs that support farm viability. The Department of Agriculture is required to distribute CIA funds as follows: \$100,000 for the "Connecticut Grown" program to help brand and promote local agricultural products, \$75,000 for the CT Farm Link program to help match farmland seekers with farmland owners and \$1 million for the Agriculture Viability Grants Programs. The highly successful Agriculture Viability Grants Program provides matching grants to farmers, non-profit organizations and municipalities to help develop new markets for farm products, build facilities to support direct marketing and encourage town policies that support agriculture and farmland preservation.

(Note: In 2009, the CIA was amended to provide needed assistance to dairy farmers facing a collapse in milk prices. As a result of this change, CIA funding for the state Farmland Preservation Program has been suspended for two years, although CIA funds continue to cover the cost of administering the program. This amendment to the CIA is set to expire in 2011.)

## CONTACT INFORMATION & RESOURCES

### FEDERAL AGENCIES

#### **USDA/Farm Services Agency**

344 Merrow Road, Suite B  
Tolland, CT 06084  
(860) 871-2944 [www.fsa.usda.gov](http://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](http://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](http://www.rurdev.usda.gov)

### STATE AGENCIES

#### **CT Department of Agriculture**

165 Capitol Avenue  
Hartford, CT 06106  
[www.state.ct.us/doag](http://www.state.ct.us/doag)  
Agriculture Grants: (860) 713-2550  
CT Farm-Link: (860) 713-2588  
Farmland Preservation: (860) 713-2511

#### **CT Department of Environmental Protection**

79 Elm Street  
Hartford, CT 06106  
[www.dep.state.ct.us](http://www.dep.state.ct.us)  
Division of Forestry: (860) 424-3630  
Open Space and Watershed Land Acquisition  
Grants: (860) 424-3081

#### **CT Department of Transportation**

1107 Cromwell Avenue  
Rocky Hill, CT 06067  
[www.ct.gov/dot](http://www.ct.gov/dot)  
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](http://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.

### NON-PROFIT ORGANIZATIONS

#### **American Farmland Trust**

775 Bloomfield Avenue  
Windsor, CT 06095  
(860) 683-4230 [www.farmland.org](http://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) 768-1100 [www.cfba.org](http://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](http://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**

55 Church Street, Floor 3  
New Haven, CT 06510  
(203) 568-6293 [www.ctconservation.org](http://www.ctconservation.org)  
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](http://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**

775 Bloomfield Avenue  
Windsor, CT 06095  
(860) 683-4230 [www.WorkingLandsAlliance.org](http://www.WorkingLandsAlliance.org)  
A statewide coalition of farmers, planners, conservationists, anti-hunger advocates, historic preservationists, chefs, and food retailers working together to increase the state's commitment to farmland preservation.