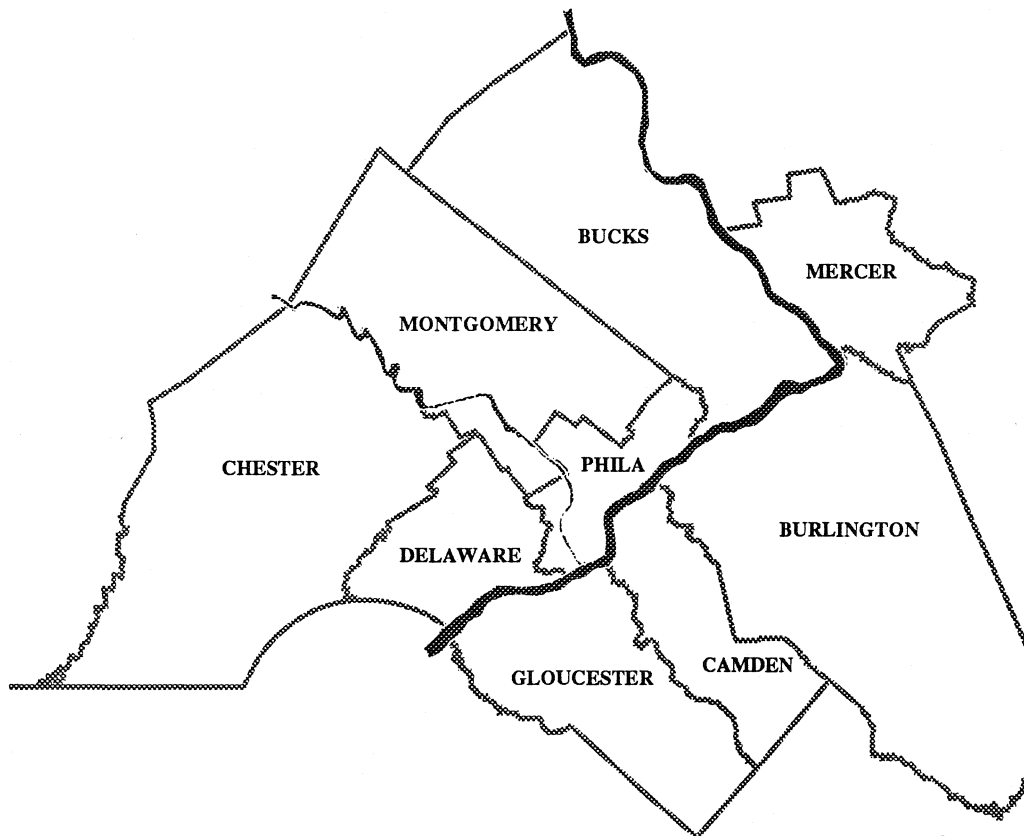


REGIONWIDE ASSESSMENT OF FARMLAND PRESERVATION PROGRAMS



Prepared by:



**Delaware Valley Regional
Planning Commission**

June 1990

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**The Bourse Building
Twenty-One South Fifth Street
Philadelphia, Pennsylvania 19106**

June 1990

The Delaware Valley Regional Planning Commission (DVRPC) logo is adapted from the official seal of the Commission and is designed as a stylized image of the Delaware Valley. The outer ring symbolizes the region as a whole while the diagonal bar signifies the Delaware River flowing through it. The two adjoining crescents represent the Commonwealth of Pennsylvania and the State of New Jersey. The logo combines these elements to depict the areas served by DVRPC.

Created in 1965, DVRPC provides continuing, comprehensive and coordinated planning for the orderly growth and development of the Delaware Valley region. The interstate region includes Bucks, Chester, Delaware and Montgomery counties in Pennsylvania, and the City of Philadelphia; and Burlington, Camden, Gloucester, and Mercer counties in New Jersey. The Commission is an advisory agency which divides its planning and service functions between the Office of the Executive Director, the Office of Public Affairs, and four Divisions: Transportation Planning, Strategic Planning, Regional Information Services Center, and Finance and Administration. DVRPC's mission for the 1980s is to conduct high priority short term strategic studies for member governments and operating agencies, develop a long range comprehensive plan and provide technical assistance, data and services to the public and private sector.

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DELAWARE VALLEY REGIONAL PLANNING COMMISSION

Publication Abstract

<p>TITLE</p> <p>REGIONWIDE ASSESSMENT OF FARMLAND PRESERVATION STUDIES</p>	<p>Date Published: 1990</p> <p>Publication No. 90019</p>
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Geographic Area Covered:

Bucks, Chester, Delaware and Montgomery Counties in Pennsylvania. Burlington, Camden, Gloucester and Mercer Counties in New Jersey

Key Words:

Farmland, Agricultural Security Areas, Development Easement Purchase, Open Space, Transfer of Development Rights

ABSTRACT

Contains information on the status of farmland preservation programs in New Jersey and Pennsylvania. Provides an overview of federal farmland preservation legislation. Chester County and Burlington County case studies are presented. Recommendations for improving farmland preservation programs are included.

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EXECUTIVE SUMMARY

Growth and development continues to spread from the region's cities to the suburbs and has even begun to creep into more rural areas. There has been growing concern that growth and development will pose a serious threat to farming and farmland. Both Pennsylvania and New Jersey voters have sent out messages which indicate that they encourage farmland preservation.

The purpose of this report is to provide an overview and description of the farmland preservation programs that are being undertaken in Burlington, Camden, Gloucester and Mercer counties in New Jersey and Bucks, Chester, Delaware and Montgomery counties in Pennsylvania. This study: (1) summarizes federal farmland legislation, (2) details the operating procedures of existing programs (3) compares two very active programs - one in Burlington County, New Jersey and one in Chester County, Pennsylvania and (4) makes recommendations for strengthening farmland preservation programs.

FEDERAL FARMLAND POLICY

An extensive survey of the issue of farmland loss was conducted on the federal level. As a result of this study it was found that federal policy has done more to contribute to farmland loss. The study made recommendations for curbing this trend. There are several federal bills which deal with farmland preservation and these include: American Heritage Trust Legislation, the Farm Conservation and Water Protection Act and the proposed amended Tax Reform Act of 1986.

STATE POLICY

Both Pennsylvania and New Jersey have recognized the need for legislation that would protect against the loss of farmland. Over the past 15 years the Pennsylvania legislature has enacted eight pieces of legislation which are designed to protect farmland. New Jersey's response to the spiraling loss of farmland was to create the State Farmland Preservation Program through the 1983 Agricultural Retention and Development Act. The Right to Farm Act further assisted preservation efforts.

COUNTY CASE STUDIES

While all of the counties within the region operate farmland preservation programs, Chester County's and Burlington County's are the most active. The Chester County Agricultural Preservation Board is implementing the program in Chester County. Funding for open space has been a priority with Chester County Commissions. The Conservation Easement Program is the mechanism by which preservation efforts are implemented. Burlington County's most active programs are the eight-year program and easement purchase program. The County is currently exploring the use of transfer of development rights.

RECOMMENDATIONS

The recommendations outlined in the report are designed to improve the functioning of existing programs. Specifically, costs, process and growth and development issues are discussed. Also, the elements which comprise a successful program are identified.

I. INTRODUCTION

STUDY ORIGIN

As growth and development spread beyond the confines of our cities and into the region's more rural areas, the future of one of the region's most valuable resources is threatened - farmland. As people escape the city in droves for more bucolic surroundings, they fail to comprehend that what they have escaped to will become what they have escaped from, if unbridled development is allowed to occur. In order to ensure that a precious resource is not exhausted, efforts are being introduced on the federal, state and local level to preserve farmland.

The purpose of this report is to present a regional perspective on the status, issues and opportunities related to farmland preservation in the nine-county Delaware Valley region. Both Pennsylvania and New Jersey have forged ahead with efforts aimed at encouraging farmland preservation. For example, the Pennsylvania General Assembly has enacted legislation over the past 15 years which is designed to preserve farmland. New Jersey too has approved legislation which allows counties to develop agricultural preservation programs. Figure I provides an overview of open space and farmland preservation areas within the region.

In this report we examine how farmland preservation has been implemented within the various counties and then review the data to determine what measures can be taken to enhance and improve legislation, regulations or existing programs.

While development is not intrinsically bad, it does present conflicts when associated with residential development in agricultural areas. When development threatens an endangered resource, such as farmland, then it is time to examine how land use can be protected in the public interest while protecting the private interest in land. As will be demonstrated in this report, several counties have set out to accomplish this by employing programs and tools which compensate landowners who voluntarily enter preservation programs.

STUDY PURPOSE

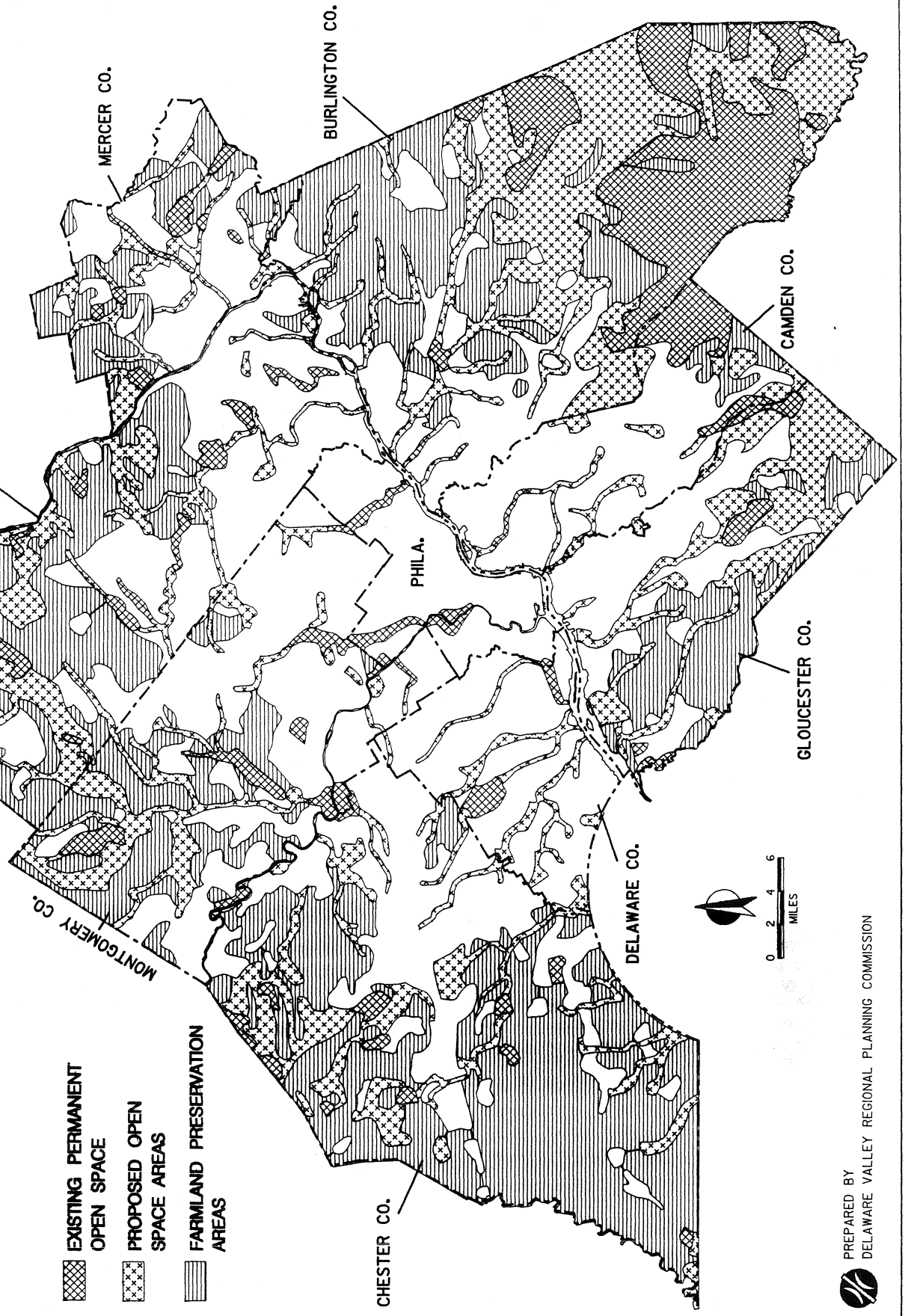
The goals of the study were developed by DVRPC staff. The study has been designed to provide an overview of preservation activity throughout the study area which includes: Burlington, Camden, Gloucester and Mercer counties in New Jersey and Bucks, Chester, Delaware and Montgomery counties in Pennsylvania. The following study goals are addressed:

- Compile information on federal farmland preservation legislation.
- Supply an overview of Pennsylvania and New Jersey Farmland Preservation Programs.
- Prepare a comparison of county programs in New Jersey and Pennsylvania.
- Identify ways in which current programs could be modified or expanded to become more effective.

REGIONWIDE ASSESSMENT OF FARMLAND PRESERVATION PROGRAMS

Figure 1

REGIONWIDE OPEN SPACE AND FARMLAND PRESERVATION AREAS



PREPARED BY
DELAWARE VALLEY REGIONAL PLANNING COMMISSION

II. FEDERAL FARMLAND PRESERVATION LEGISLATION

In 1980 the National Agricultural Lands Study (NALS), a two-year effort chaired by the United States Department of Agricultural (USDA) and the Council on Environmental Quality, conducted an extensive survey of the issue of farmland loss and made recommendations for preservation.

It can be argued persuasively that federal policy has done more to contribute to farmland loss than preservation. The NALS study catalogued ninety different federal programs that contribute to or encourage acreage loss. Examples include programs for housing construction, highways, and reservoirs.

One result of the NALS study was the Federal Farmland Protection Policy Act of 1981 (hereafter referred to as the 1981 Act). The purpose of the act "is to minimize the extent to which federal programs contribute to the unnecessary and irreversible conversion of farmland to non-agricultural uses."

The 1985 Farm Bill amended the act to require annual reports. The Soil Conservation Service is the designated reporting agency. The 1989 report to Congress was seven pages long, including cover letter and cover page. In New Jersey, six projects would contribute to a loss of 158 acres. In Pennsylvania, 47 projects would contribute to a loss of 964 acres. It does appear that contribution to farmland loss is not a major factor in federal agency decisions.

The 1990 Farm Bill does not specifically address the issue of farmland preservation. However, several other bills deal with preservation issues. Bucks County Congressman Peter Kostmayer has amended the American Heritage Trust legislation to allow use of funds for "preservation in perpetuity of open space (including farmland and forest land)."

The Farm Conservation and Water Protection Act amends the 1981 Act by establishing new safeguards against unwarranted conversion of prime farmland to non-agricultural use. It requires government to record the actual rate of conversion across the country and report to Congress.

H.R. 2336, authored by Congressman Schulze, would amend the Tax Reform Act of 1986 to increase the benefits of the special estate tax valuation of farmland where the land continues to be farmed for an extended period of time.

III. OVERVIEW OF PENNSYLVANIA FARMLAND PRESERVATION PROGRAMS

OVERVIEW OF STATE POLICY

Agriculture in many parts of the Commonwealth is under urban pressure from expanding metropolitan areas. This urban pressure takes the form of scattered development in wide belts around urban areas and brings conflicting land uses into juxtaposition creating high costs for public services and stimulating land speculation. When this scattered development extends into prime farm areas, ordinances inhibiting farming tend to follow, farm taxes rise, and hopes for speculative gains discourage investments in farm improvements. Many of the agricultural lands in the Commonwealth are in jeopardy of being lost for agricultural purposes. Certain of these lands constitute unique and irreplaceable land resources of statewide importance.

Over the last 15 years the Pennsylvania legislature has recognized the threat increasing urbanization has placed on farmland and has enacted legislation designed to preserve the state's farmlands. A brief overview of pertinent legislation follows:

- Act 39 - restricts aliens and foreign governments from acquiring certain amounts of Pennsylvania agricultural land.
- Act 43 - provides for the creation of "Agricultural Security Areas" to preserve farmlands.
- Act 71 - exempts farmers from payment of assessments for municipal improvements like sewer and water.
- Act 100 - creates Agricultural Lands Condemnation Boards.
- Act 133 - establishes Right to Farm Law to reduce the loss of the Commonwealth's agricultural resources by limiting the circumstances under which agricultural operations may be the subject matter of nuisance suits and ordinances.
- Act 149 - establishes agricultural conservation easement programs.
- Act 319 - Pennsylvania Farmland and Forest Land Assessment Act. Known commonly as the Clean and Green Act, this act is designed to preserve farmland, forest land and open space by taxing land according to its use value rather than prevailing market value through a perpetual covenant. Participation is voluntary and generally requires a minimum of ten acres that will remain in designated use. Land taken out of permitted use becomes subject to a roll-back tax, imposed for up to seven years, plus six percent interest.

Act 515 - Open Space Act. This act sets aside a minimum of ten acres per farm under a ten-year covenant for reduced tax assessment.

In addition, the Municipal Planning Enabling Act authorizes municipalities to establish transfer of development rights programs. Such programs act as growth management tools which preserve farmland and accommodate growth.

ACT 43: AGRICULTURAL SECURITY AREA PROGRAM

Agricultural security areas (Ag Areas) form the basic element of Pennsylvania's farmland preservation policy. Ag Areas are formed on a township level at the request of farm operators. By petition, farmers request local municipalities to establish an Ag Area. The basic criteria for participation is a minimum of 500 productive acres. The included parcels must be at least ten acres in size but they need not be contiguous. The public process of creation of an Ag Area is illustrated in Figure II.

Additional properties may be added to an original Ag Area at the request of landowners. After seven years, the Ag Area is reviewed.

Several features of Act 43 should be emphasized. First, participation is voluntary and initiated by farmers. Second, it is not a land use law.

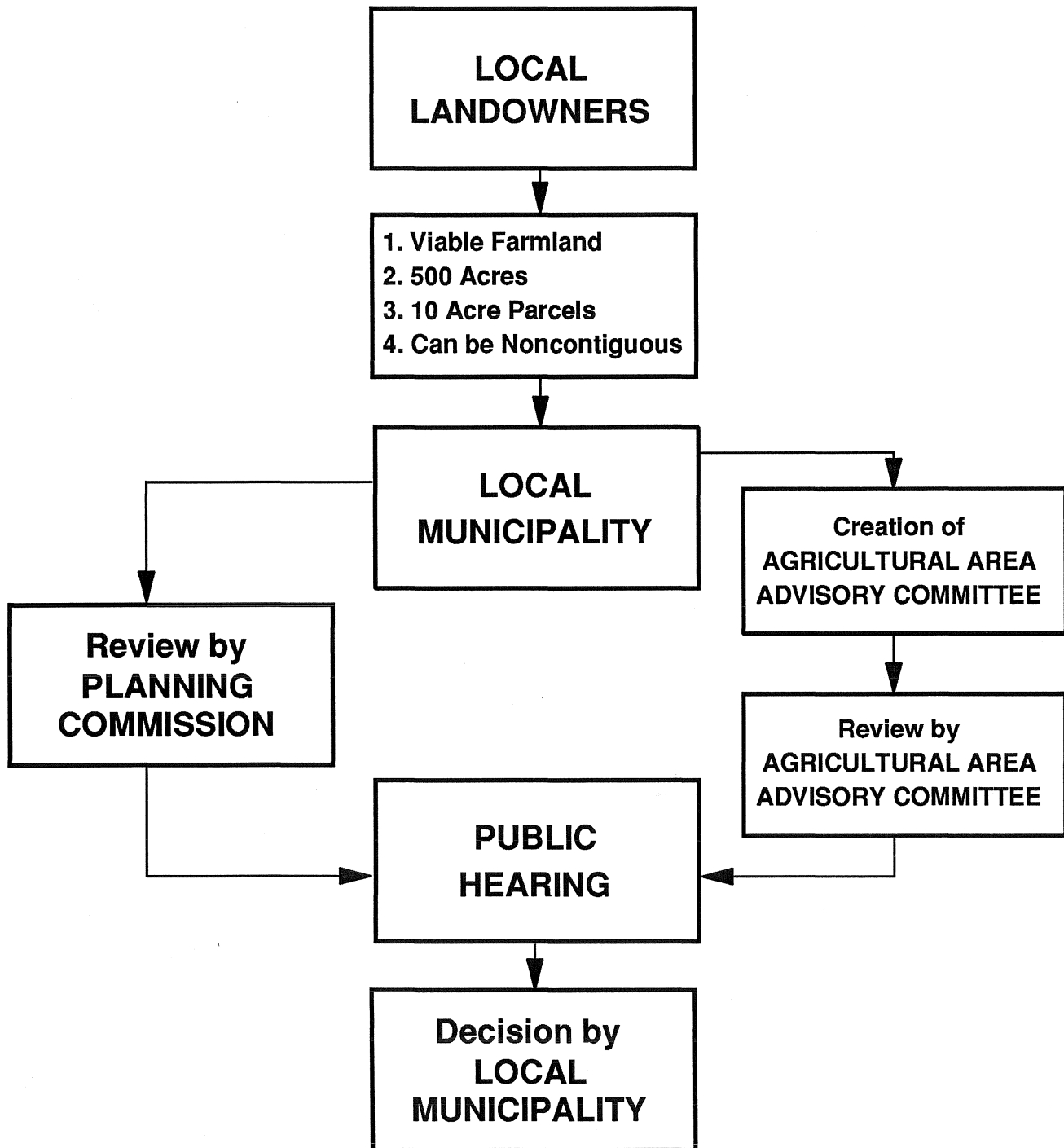
There can be major benefits to farmers participating in an Ag Area. Local governments may not pass ordinances that unreasonably restrict farm structures or practices. The law prevents local municipalities from defining or prohibiting as a "public nuisance" agricultural activities and operations within Ag Areas. State agency rules and regulations are modified to encourage viable farming in Ag Areas.

Farmland in Ag Areas is protected. The protection offered by Ag Areas is recognized by the farming community and may be the major reason for some landowners to join them. In addition, only farmers in Ag Areas are eligible to sell their conservation easements. The conservation easement program is discussed in detail in the next section.

Participation in Ag Areas has been good and appears to be increasing. Of the approximately 340,000 acres (1987 Agriculture Census) in the Pennsylvania study area, 81,000 acres are currently in Ag Areas. This represents 23% of farmland. A higher percentage, 33%, of the farmers in the study area have enlisted in the program. Distribution and participation in Act 43 is detailed in Table I.

Ag Areas have been proposed in each of the Pennsylvania counties in the study area. Figures III through VI illustrate township participation in Act 43.

FIGURE II
CREATION OF AN AGRICULTURAL
SECURITY AREA
Under PA Act 43



Delaware Valley Regional Planning Commission

TABLE I
AGRICULTURAL SECURITY AREAS
(AG AREAS)

MARCH 1990

<u>COUNTY</u>	<u>TOWNSHIP</u>	<u>ACRES</u>	<u>FARMERS</u>	<u>DATE</u>	<u>RECORD</u>
Bucks	Bedminster	1,433	49	3/9/88	Yes
	Buckingham	1,129	18	11/14/85	Yes
	Hilltown	2,891	149	7/28/86	Yes
	Nockamixon	2,426	Pending		
	Solebury	3,063	62	1/21/86	Yes
	Springfield	1,262	42	10/14/86	Yes
	Tinicum	1,859	35	3/7/89	Yes
	Warwick	1,471	34	12/12/88	Yes
Interest:	Doylestown				
	Warrington				
TOTAL		15,534	389		
Chester	East Bradford	1,995	18	9/10/85	Yes
	East Coventry	757	11	7/9/85	Yes
	East Fallowfield	3,697	62	12/7/88	Yes
	East Marlborough	3,637	26	4/10/89	Yes
	East Nottingham	3,694	40	9/11/89	Yes
	East Vincent	633	5	7/6/89	Yes
	Elk	1,358	15	10/10/89	No
	Honeybrook	6,980	84	9/1/88	Yes
	London Britain	655	8	11/27/89	Yes
	London Grove	2,980	30	1/3/89	Yes
	New Garden	1,158	18	10/10/89	No
	Newlin	2,858	27	10/10/88	Yes
	North Coventry	908	9	5/27/87	Yes
	South Coventry	1,068	11	6/2/86	Yes
	Upper Oxford	2,130	25	7/10/89	Yes
	Wallace	662	6	8/16/89	Yes
	Warwick	3,413	40	8/26/87	No
	West Fallowfield	2,478	24	Pending	
	West Marlborough	7,265	52	1/24/89	No
	West Nantmeal	1,893	17	6/13/88	No
	West Nottingham	1,774	16	8/8/89	No

(Continued)

TABLE I - (Continued)

<u>COUNTY</u>	<u>TOWNSHIP</u>	<u>ACRES</u>	<u>FARMERS</u>	<u>DATE</u>	<u>RECORD</u>
Chester - (Continued)					
	West Brandywine	850	5		
	West Vincent	1,222	18		
	Westtown	1,156	10	8/21/89	Yes
	Willistown	1,711	25	8/9/88	Yes
TOTAL		56,932	602		
Proposed:	East Brandywine	600			
	Pocopson	600			
	West Bradford	1,600			
Landowner Interest:	Highland				
	Kennett				
	Londonderry				
	Lower Oxford				
	New London				
	Penn				
	West Sadsbury				
Delaware					
	Edgemont				
Montgomery					
	Douglas	1,550	23	10/3/88	No
	Franconia	1,731			
	Limerick	1,257	14	10/17/89	Yes
	Upper Frederick	953			
Considering:	Upper Hanover				
	Worcester				
TOTAL		5,491	37		
CUMULATIVE TOTAL		77,957	1,028		

Source: Bureau of Farmland Protection, Pennsylvania Department of Agriculture

Delaware Valley Regional Planning Commission, May 1990

REGIONWIDE ASSESSMENT OF FARMLAND PRESERVATION PROGRAMS

Figure III
AGRICULTURAL SECURITY AREAS
BUCKS COUNTY

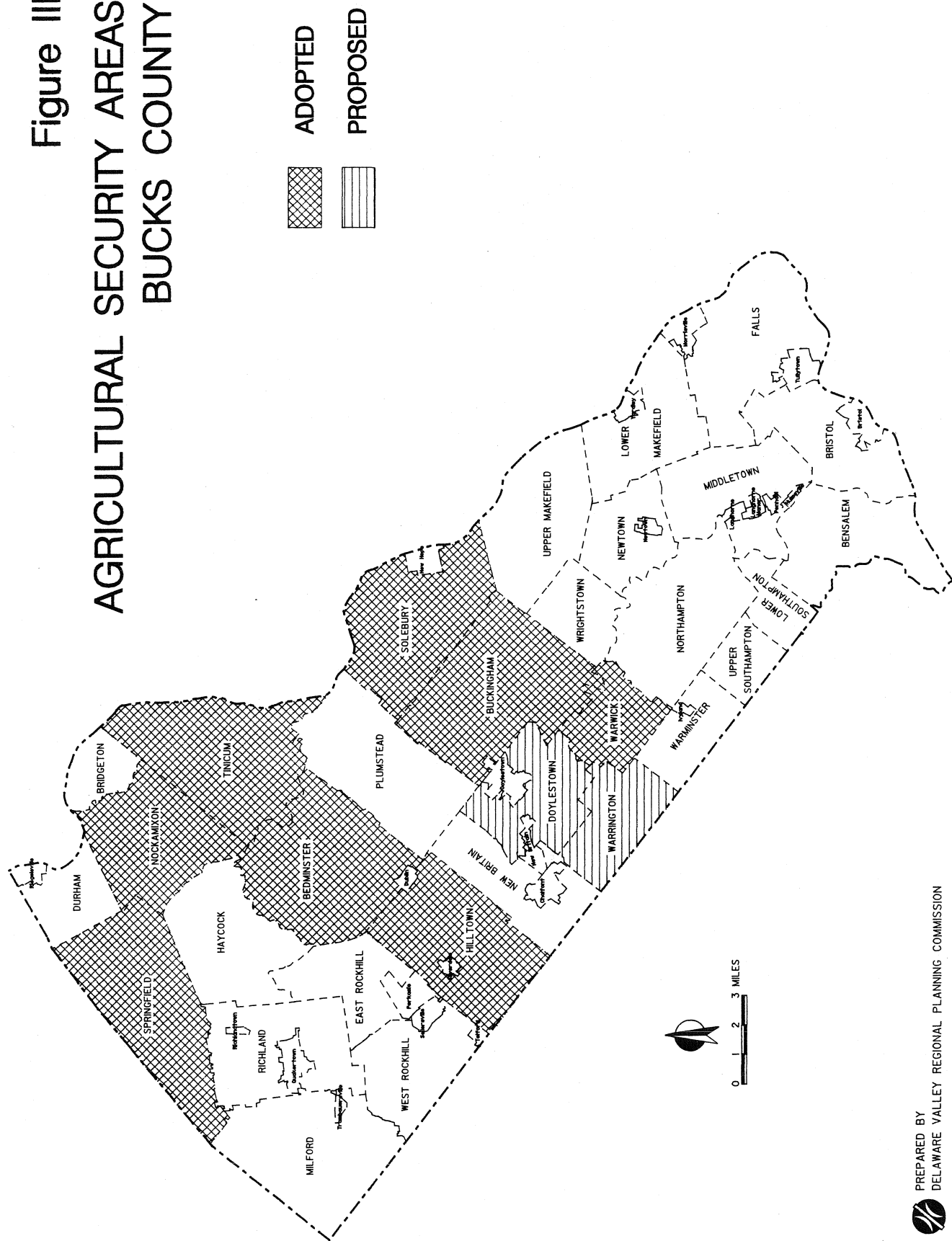


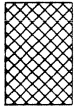

Figure IV
AGRICULTURAL SECURITY AREAS
CHESTER COUNTY



REGIONWIDE ASSESSMENT OF FARMLAND PRESERVATION PROGRAMS

Figure V

AGRICULTURAL SECURITY AREAS DELAWARE COUNTY

 **ADOPTED**
 **PROPOSED**

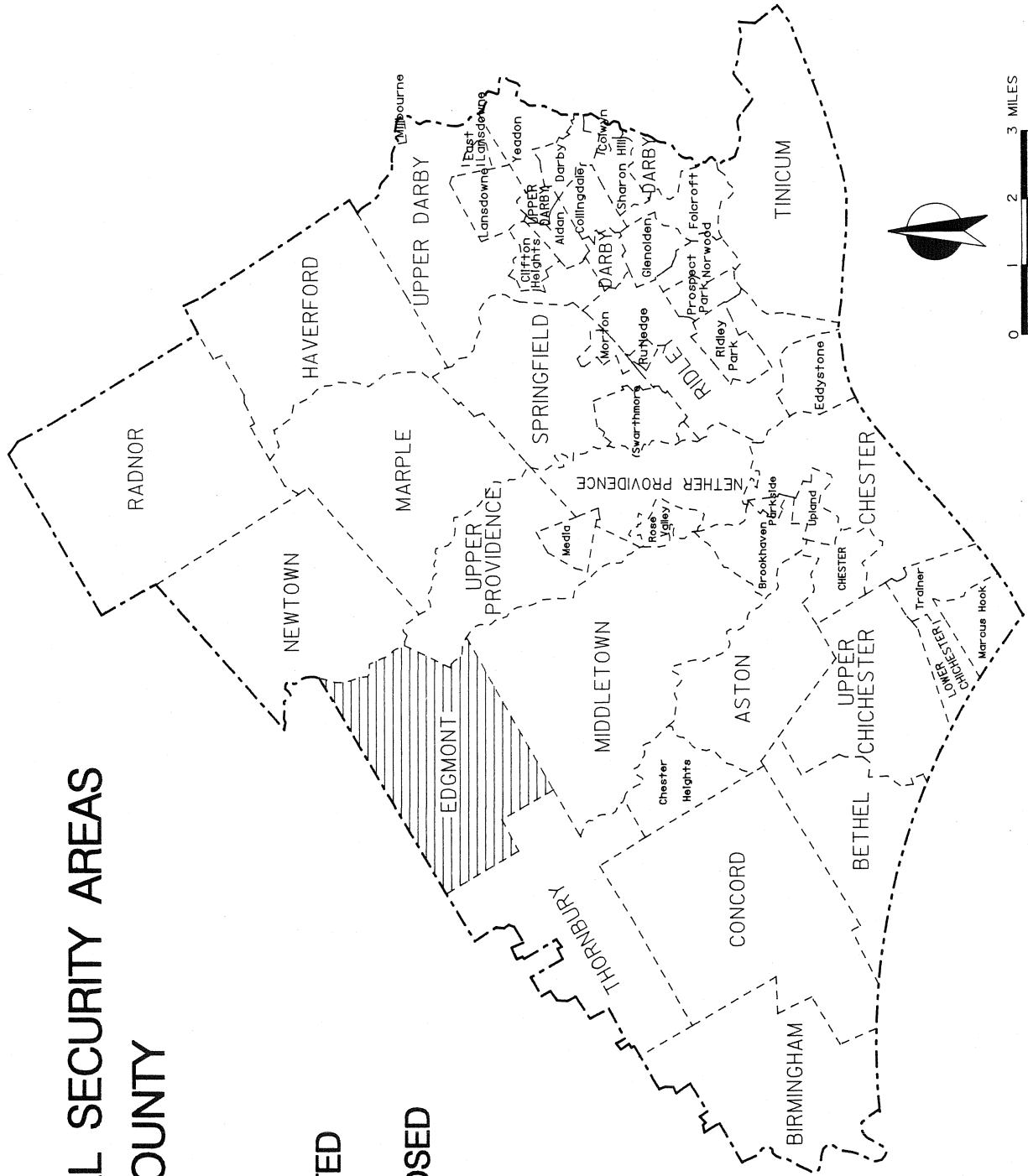
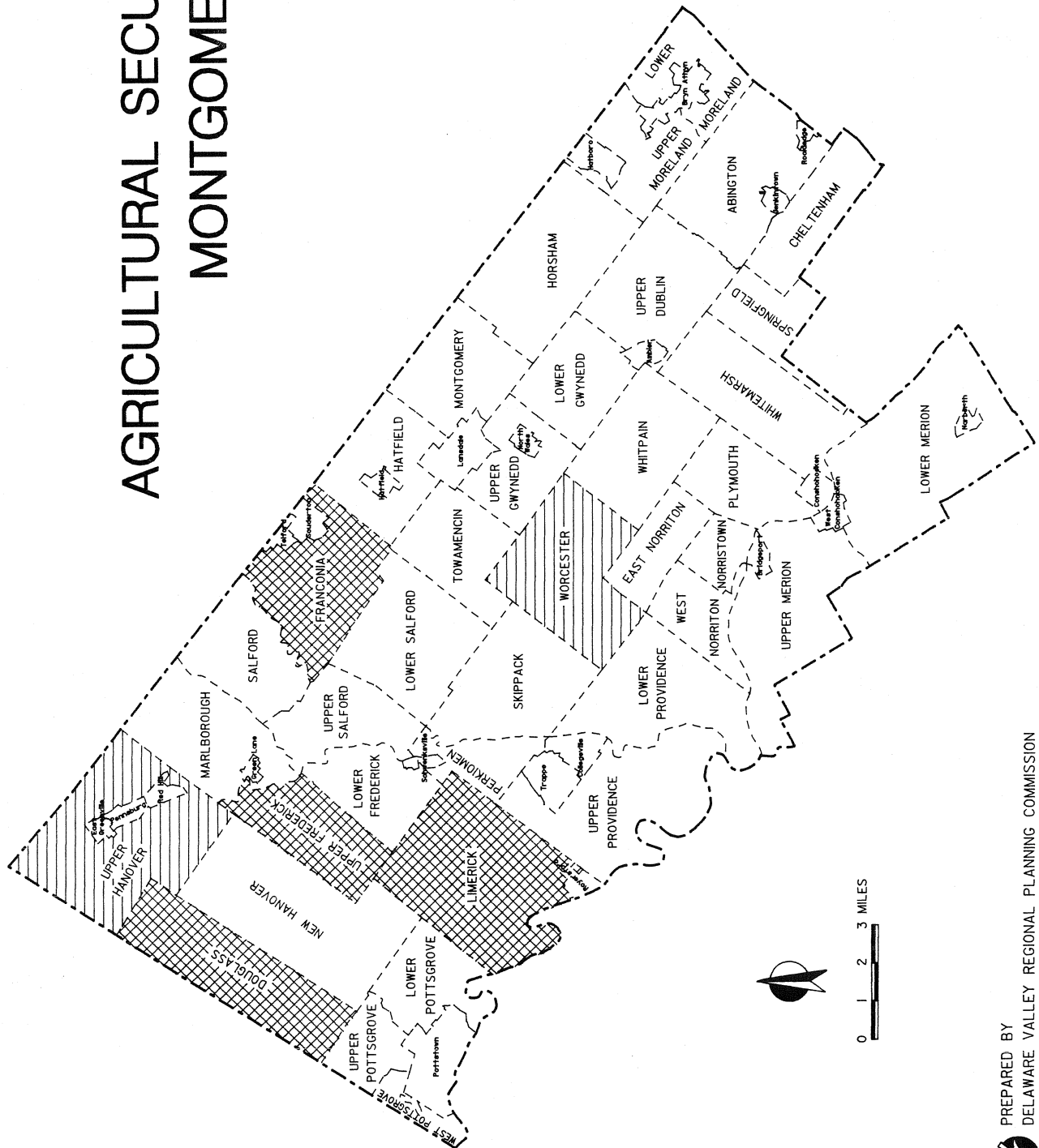


Figure VI

AGRICULTURAL SECURITY AREAS MONTGOMERY COUNTY

ADOPTED
PROPOSED



ACT 149: AGRICULTURAL CONSERVATION EASEMENTS

Background

In November 1987, Pennsylvania voters expressed their concern over the continuing loss of valuable and productive farm acres by approving a \$100 million bond issue to fund farmland preservation. In December 1988, the Governor signed Act 149, which amends Act 43 and allows the use of state funds by counties for the purchase of conservation easements on farmland under development pressure. The program became active in February 1989. Although this is likely to change over the summer months, to date no easement purchases in the study area have been completed.

An agricultural conservation easement is the property owner's right to prevent the development or improvement of the land for any purpose other than agricultural production. Often known as development rights, the purchase of a conservation easement is based on the concept that a landowner possesses a bundle of rights which can be separated. One of these rights is the right to develop the land. Under Pennsylvania's program, a farmer sells just the right to develop for non-agricultural purposes. While retaining all other rights of ownership - he may reside on the land, farm it, sell it, or will it to his children. A farmer surrenders only the rights to develop the land or to sell it to others to develop.

Conservation easements can preserve agriculture by providing compensation to farmers for the development value of farmland they forego by retaining the agricultural use of the land. The value of development rights is based on the difference between the value of the land as productive farmland and its fair market value. The value of the development right is the difference between the two. This value is not fixed but is dependent on location, farm value and development pressures. Table II shows the relationship of market value, development rights value, and the agricultural value of farmland under different levels of development pressure. The value of agricultural easements is determined by appraisal by independent real estate professionals.

Act 149 provides for the purchase of perpetual easements and 25-year easements. Perpetual easements are emphasized to promote long-term farmland preservation. With these easements, the purchase price is equal to the difference between the land value for development and the land value for farming.

The purchase price of a 25-year easement is equal to ten percent of the difference between the land value for development and the value for farming. Additionally, a county board may not spend more than 30 percent of funds to purchase 25-year easements. Figure VII details this process.

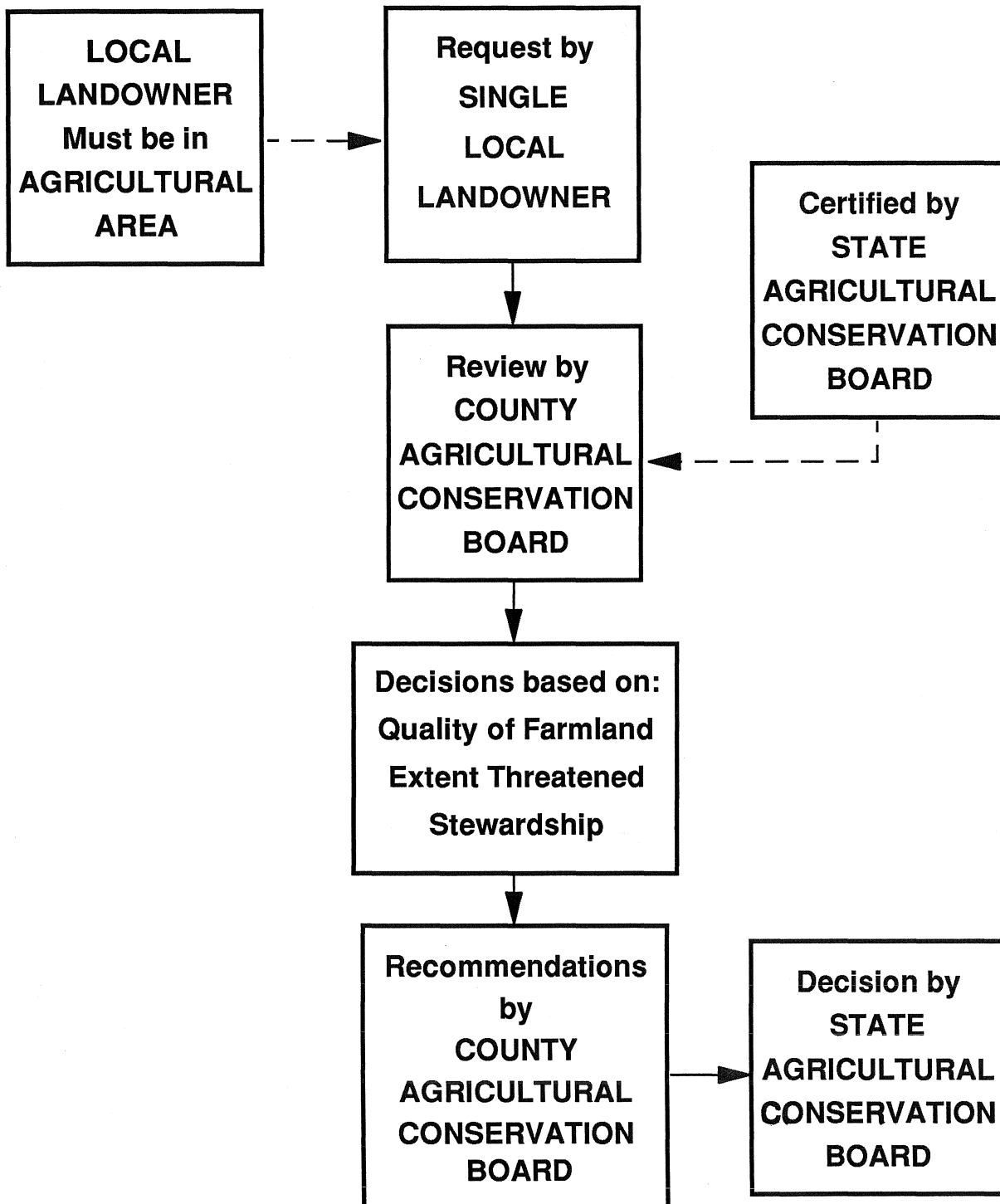
Funding

The conservation easement program is financed through the 1987 bond referendum. Ten million dollars will be available to counties for each of the next ten years. Allocations are based on a formula that considers each county's pace of development, agricultural production and local matching allocations.

Relationship of Market Value, Development Rights Value, and the Agricultural Value of Farmland Under Different Levels of Development Pressure

24

FIGURE VII
REQUEST FOR AGRICULTURAL EASEMENT
Under PA Act 149 of 1988



Delaware Valley Regional Planning Commission

There are two funding cycles. Half of the funding available each year is to be allocated to a county in proportion to the percentage of realty transfer tax collected by the state during the preceding fiscal year. The remaining half is awarded on a matching basis. In counties whose annual agricultural production is two percent or more of the total for the state, each county dollar will be matched by eight dollars from the state. For all other counties, each county dollar will be matched by four dollars from the state.

Application Process

Figure VII depicts the application process for an agricultural easement purchase. The County Agricultural Development Board (CADB) is responsible for purchasing the easements and administering the program at the county level.

Interested landowners apply to CADB which chooses property according to county criteria and state criteria outlined in Act 149. Criteria elements include quality of farmland, land stewardship, and development pressures. Prioritized properties are appraised and a price for development rights is negotiated. The application then goes to the State Agricultural Conservation Board for approval and sale.

Pennsylvania County Status Report

The counties included in this report include Bucks, Chester, Delaware and Montgomery. While Philadelphia falls within the DVRPC area of service, it is not included in this report simply because of the lack of farmland in Philadelphia.

Farmland preservation efforts have been initiated in the four Pennsylvania counties covered within the scope of this report. In order to provide the reader with a sense of how widespread and comprehensive these efforts have been, a status report on each of the Pennsylvania counties follows. Also, Table III which summarizes changes in farmland over a five-year period has been included.

Bucks County

In Bucks County, 15,000 acres of farmland are located in eight Agricultural Security Areas. The county has taken a firm stance against farmland loss as a result of the fact that nearly 50% of the county's farmland has been lost over the past 50 years. The county has developed criteria for easement purchases which restricts the amount paid to \$10,000 per acre. Also, no more than 40% of the budget can be put towards one farm.

Another important component of farmland preservation in the county is the Bucks County Conservancy (BCC). The BCC operates a significant registry program where farmers sign an agreement and the BCC prepares natural resource inventories and provides property management advice. Although the agreements are not legally binding, the program has been well received. Currently 1,300 acres are covered. The BCC goal is to convert registry commitment into easement purchases.

TABLE III
PENNSYLVANIA FARMLAND STATISTICS

	Pennsylvania County	Bucks County	Chester County	Delaware County	Montgomery County
=====					
Farms:					
1987	51,549	841	1,573	95	586
1982	55,535	991	1,825	113	724
Change:	3,986	150	252	18	138
Land in Farms:					
1987	7,866,289	85,173	189,943	8,036	56,734
1982	8,297,713	112,067	219,980	7,091	73,318
Change:	431,424	26,894	30,037	945	16,584
Average Size in Acres:					
1987	153	101	121	85	97
1982	149	113	121	63	101
Value of Land and Buildings:					
1987	\$ 239,333	\$ 365,033	\$ 521,388	\$ 528,779	\$ 348,771
1982	\$ 225,794	\$ 328,516	\$ 487,868	\$ 431,257	\$ 350,638
Change \$:	\$ 13,539	\$ 36,517	\$ 33,520	\$ 97,522	\$ 1,867
Change %:	6.0%	11.1%	6.9%	22.6%	-0.5%
Average per Acre:					
1987	\$ 1,579	\$ 3,652	\$ 4,235	\$ 6,492	\$ 3,551
1982	\$ 1,520	\$ 3,127	\$ 3,998	\$ 8,056	\$ 3,346
Change \$:	\$ 59	\$ 5,254	\$ 237	\$ 1,564	\$ 205
Change %:	3.9%	16.8%	5.9%	-19.4%	6.1%
Property in Farmlands:					
	27.4%	21.8%	39.2%	6.8%	18.3%

Source: Census of Agriculture 1987

Delaware Valley Regional Planning Commission, June 1990

Chester County

Agriculturally, Chester County ranks second in Pennsylvania. As of 1987, 189,943 acres of farmland existed in the County. The County has over 600 landowners located in agricultural security areas in 25 municipalities. Chester's easement conservation program is very active and is described in detail in Chapter V.

Delaware County

As of 1987, there were approximately 8,000 acres of farmland in the County equaling 6% of the County's land area.

There are 120 farms located in Delaware County. The most active means of farmland preservation in the County is through the use of Act 515. Two thousand nine hundred thirty-seven acres (2,937) are enrolled in the reduced tax assessment program. Nine hundred thirty-four acres are classified as farmland. Other preservation efforts are being initiated by municipalities. Middletown Township's efforts to preserve Linville Orchard is an example of this phenomena. In response to development pressures, voters in Middletown Township approved a referendum to have the township to purchase Linville Orchards under a life estate program. Consequently, the orchard will remain a working farm indefinitely.

Montgomery County

Between 1982 and 1987, Montgomery County lost approximately 20,000 acres of farmland - the number of acres remaining as of 1987 is 56,700. Recognizing the need to begin to aggressively implement preservation efforts, the County has appropriated funding to begin an easement purchase program. The County has approximately \$2 million to spend. There are currently four townships in Ag Areas which include about 5,000 acres.

The County is in the process of establishing the requisite agricultural board. Once the board has been established, the County will prepare a ranking system to prioritize farms applying for easement purchases.

IV. OVERVIEW OF NEW JERSEY FARMLAND PRESERVATION PROGRAMS

New Jersey, the Garden State, is also the nation's most densely populated state. This dichotomy creates a challenge for farmland preservation. The same economic, environmental and aesthetic benefits provided by agriculture also attract urbanization.

Farmland in New Jersey is currently selling for an average price of \$4,737 per acre,¹ quite steep for start-up or expanding farmers. Developers can more easily afford such prices.

Today, New Jersey has less than half (830,000 acres) of the 1,650,000 farmland acreage of 1955. At the present rate of farmland loss, the majority of New Jersey's remaining farms will have disappeared in about a decade. According to New Jersey's Agricultural Secretary, in the last three years, 110,000 acres of farmland were lost to development.

New Jersey policymakers and public have responded to the need to preserve farmland. In 1981, a \$50 million bond issue for acquiring farmland easements and funding soil and water conservation programs was approved by New Jersey voters and 11,000 acres were preserved with 1981 bond funds. The State Farmland Preservation Program which was created by the 1983 Agriculture Retention and Development Act and the Right to Farm Act further assisted preservation efforts. In November 1989, a \$300 million Open Space Preservation Bond passed with 71% approval rating. It provides \$50 million to the farmland preservation program. This money is expected to be spent in two years and will preserve an additional 10,000 acres.

The farmland preservation program focuses on enrolling prime farmland in areas where agriculture is the preferred land use. It ensures the protection of agricultural land by offering benefits or compensation in return for a landowner's agreement to accept agricultural deed restrictions prohibiting non-farm development. There are three main components to the program: eight-year easements purchase program, purchase of development rights and transfer of development rights.

Farmland preservation is administered by the State Agriculture Development Committee (SADC), chaired by New Jersey Agriculture Secretary and implemented on the local level by County Agriculture Development Boards (CADB). Burlington County was the first of the counties within the study area to create a CADB. This occurred in 1981. Mercer County, Gloucester County and Camden County followed in 1983, 1984 and 1985, respectively.

Farmland preservation in New Jersey is accomplished through a variety of programs. Such programs are discussed below.

¹Philadelphia Inquirer, Sunday, April 29, Review and Opinion section.

RIGHT TO FARM ORDINANCE

This 1983 Act enabled statewide right to farm protection. Neighbors may complain about dust, odors, noise, flies, pesticides and slow-moving vehicles associated with farming. Municipal ordinances can be adopted which restrict agricultural practices and operations. This act protects farmers from unnecessary nuisance suits and restrictive governmental regulations. All farms are protected, provided they produce an annual minimum of \$2,500, regardless of whether they are in an agricultural district.

AGRICULTURAL DEVELOPMENT AREAS

Agricultural Development Areas (ADA) are sites where agriculture is the preferred use of the land. ADAs are created by the CADB and:

- (1) encompass productive agricultural lands (either currently in production or with a strong potential for future production) where farming is a permitted use under the municipal zoning ordinance or is permitted as non-conforming use;
- (2) should be reasonably free of suburban and conflicting commercial development;
- (3) comprise not more than 90% of agricultural land of the county; and
- (4) incorporate any other characteristics deemed appropriate by the CADB.

ADA designation does not authorize exclusive agricultural zoning or enable tax officials to alter land values or tax assessments on property included within it.

EIGHT-YEAR PROGRAM

The eight-year program is a voluntary, limited-term easement of eight years in which farmers agree land will remain in productive use for eight years. Farmers are not paid for the development easement but are eligible for the following benefits:

- Eligibility to apply to sell development easements
- Eligibility to apply for 50% state funding for soil and water conservation improvements
- Use of special farm building designs approved by Rutgers University

Eight-year programs approved by a municipality have four additional benefits:

- Protection from taking by eminent domain
- Protection from emergency water and energy restrictions
- Extra protection against nuisance complaints

- Protection from exclusive agricultural zoning for 11 years

As a result of these benefits, program participation has been growing. In 1988, 24,000 acres were enrolled. Current data indicates enrollment of 31,428 acres and 275 participating farms. Over \$1.4 million has been expended on soil and water conservation projects; an additional \$2.9 million of the \$6.5 million in eligible funds is obligated.² Table IV illustrates Eight-Year Program Participation in the four study area counties.

DEVELOPMENT EASEMENT PURCHASE OR PURCHASE OF DEVELOPMENT RIGHTS

A landowner's agreement to accept permanent agricultural deed restrictions in return for compensation is known as "sale of development easements." Landowners retain ownership of (and may even choose to sell) eased land, with the new deed restriction ensuring that the land will never undergo non-farm development. Generally, the land must be in an ADA, should be enrolled in an eight-year program and must receive approval from both CADB and SADC.

County and state share easement purchase costs, which represent the difference between a property's farm (or deed restricted) value and its full market value. "Before" value is the value of the property at its current highest and best use. The "after" value is the value of the property based on its agricultural production capability as permitted by the easement. All values are determined by appraisal. The state generally pays up to 80% of easement cost but could assume 100% of the cost in emergency situations. The state may also buy farmland outright or in "fee simple" (not just development rights), and resell it after protecting it with permanent agricultural deed restrictions.

Currently, farm owner's interest in easement purchases is greater than the funds available to finance purchases. In the 1990 funding round over 38,500 acres in 15 counties were submitted for permanent protection. SADC gave preliminary approval for purchase of development easements on 57 farms totaling 9,598 acres. Table V details easement purchases for the four study counties. Figure VIII depicts easement purchases and eight-year programs located within the New Jersey counties which were studied.

FEE SIMPLE PROGRAM

SADC offers this program to landowners who wish to sell their farm, but would like to see it permanently preserved in agricultural use.

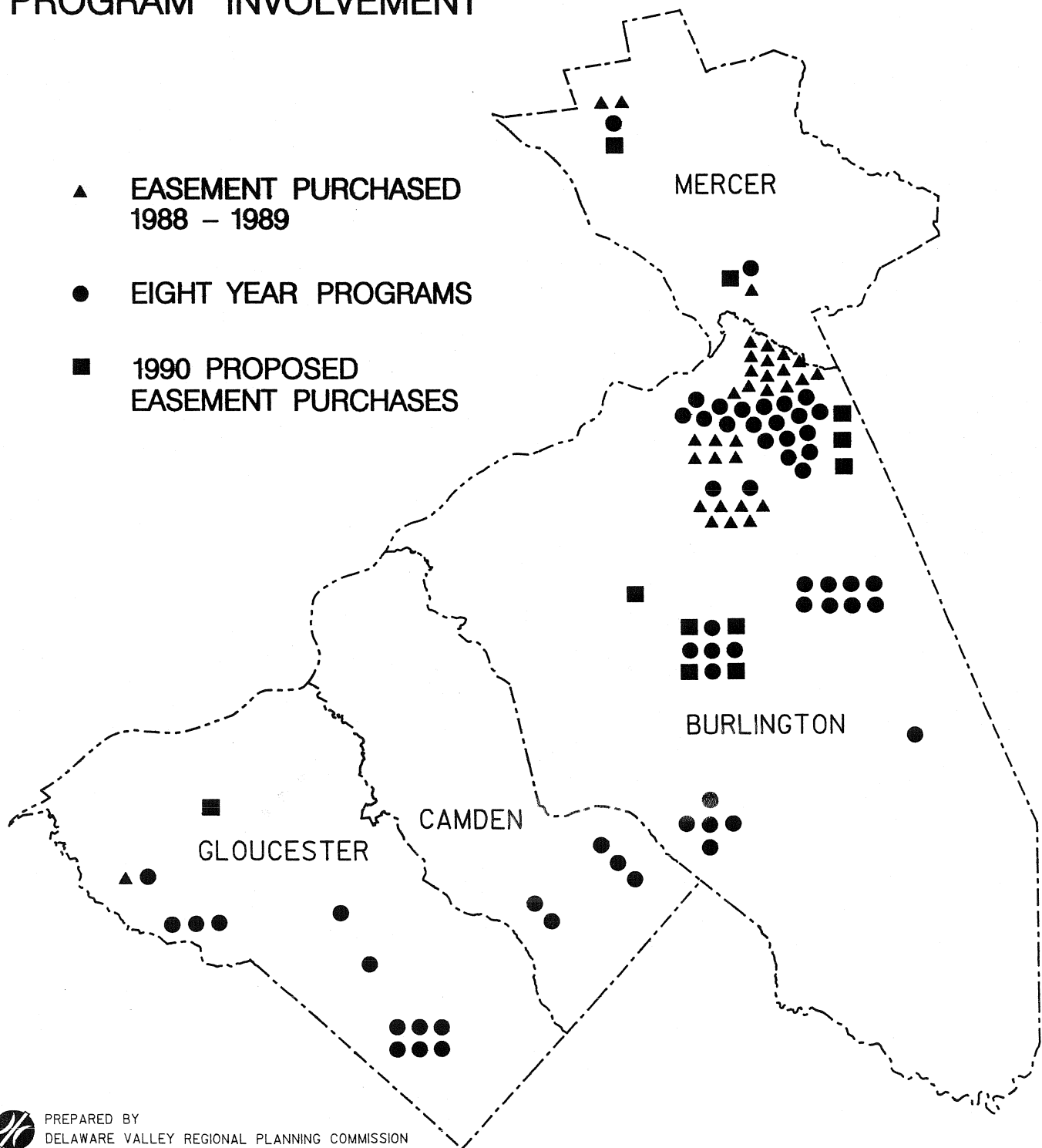
SADC purchases the entire farm from the landowner, deed restricts it and then resells at an auction to the highest bidder. In order to be considered for this program, farms must meet minimum state criteria and be located in an area targeted for long-term preservation.

²Source: New Jersey Farmland Preservation Program, January 10, 1990.

REGIONWIDE ASSESSMENT OF FARMLAND PRESERVATION PROGRAMS

Figure VIII

NEW JERSEY FARMLAND PRESERVATION PROGRAM INVOLVEMENT



PREPARED BY
DELAWARE VALLEY REGIONAL PLANNING COMMISSION

TABLE IV
EIGHT-YEAR PROGRAM PARTICIPATION
NEW JERSEY FARMLAND PRESERVATION PROGRAMS

<u>County</u>	<u>Farms</u>	<u>Acres</u>	Soil and Water Projects <u>Approved</u>	<u>Completed</u>	<u>Obligated C/S Funds</u>	<u>Expended C/S Funds</u>	<u>Eligible C/S Funds</u>
Burlington	40	7,818	18	11	\$ 38,381.54	\$ 82,946.90	\$ 1,052,909.44
Camden	5	417	5	5	\$ 43,154.49	\$ 41,987.55	\$ 76,519.60
Gloucester	11	907	8	9	\$ 130,301.18	\$ 104,280.94	\$ 223,049.54
Mercer	2	499	1	1	\$ 1,587.00	\$ 1,457.33	\$ 67,915.40
STATE	275	31,428	186	178	\$ 2,938,829.32	\$ 1,462,173.74	\$ 6,536,007.86

Source: State Agricultural Development Committee, New Jersey Farmland Preservation Program,
January 10, 1990

Delaware Valley Regional Planning Commission, May 1990

TABLE V

DEVELOPMENT EASEMENT PURCHASE PARTICIPATION

NEW JERSEY FARMLAND PRESERVATION PROGRAM

<u>County</u>	1988-89 FUNDING ROUND				1990 FUNDING ROUND			
	<u>Applications</u> <u>Farms</u>	<u>Acres</u>	<u>Purchases</u> <u>Farms</u>	<u>Acres</u>	<u>Applications</u> <u>Farms</u>	<u>Acres</u>	<u>SADC</u> <u>Preliminary Approval</u> <u>Farms</u>	<u>Acres</u>
Burlington	44	5,558	28	5,614	104	11,986	8	1,546
Camden	NA							
Gloucester	1	148	1	168	2	369	1	200
Mercer	5	330	3	197	13	993	2	235
STATE	99	11,163	60	8,066	346	38,501	57	9,598

Source: State Agricultural Development Committee, New Jersey Farmland Preservation Program, January 10, 1990

Delaware Valley Regional Planning Commission, May 1990

TRANSFER OF DEVELOPMENT RIGHTS

The Transfer of Development Rights is a growth management program that allows municipalities to earmark specific areas for development and, at the same time, preserve agricultural areas located within a municipality. Through this arrangement, the farmland owner's land equity is preserved in "development credits." Developers then purchase the credits to increase density in areas of the community better suited for growth.

The "Burlington County TDR Demonstration Act" was signed in June 1989. This tool is now being used in Burlington County. Figure IX depicts the TDR process.

NEW JERSEY COUNTY STATUS REPORTS

Within New Jersey, farmland preservation programs are active in each of the four counties in the study area. Outlined below is a brief report on how each county is addressing farmland preservation. Also, Table VI documents the changes that have occurred over the past five years.

BURLINGTON COUNTY

Burlington County is the largest farming county in New Jersey with a total of 159,700 acres of farmland. Not surprising, Burlington County has one of the most active farmland preservation programs and uses eight-year programs, easement purchase programs, transfer of development rights, right to farm ordinance and fee simple programs. Currently 5,000 acres are covered by preservation easements. Burlington County will be discussed in greater detail in Chapter V.

CAMDEN COUNTY

Approximately 14,000 acres are currently being farmed in Camden County. Seven farms are participating in eight-year easement programs. The county has recently adopted guidelines for the easement purchase program and has received applications from ten farms totaling approximately 1,500 acres. The first farm should be purchased by the Spring of 1991.

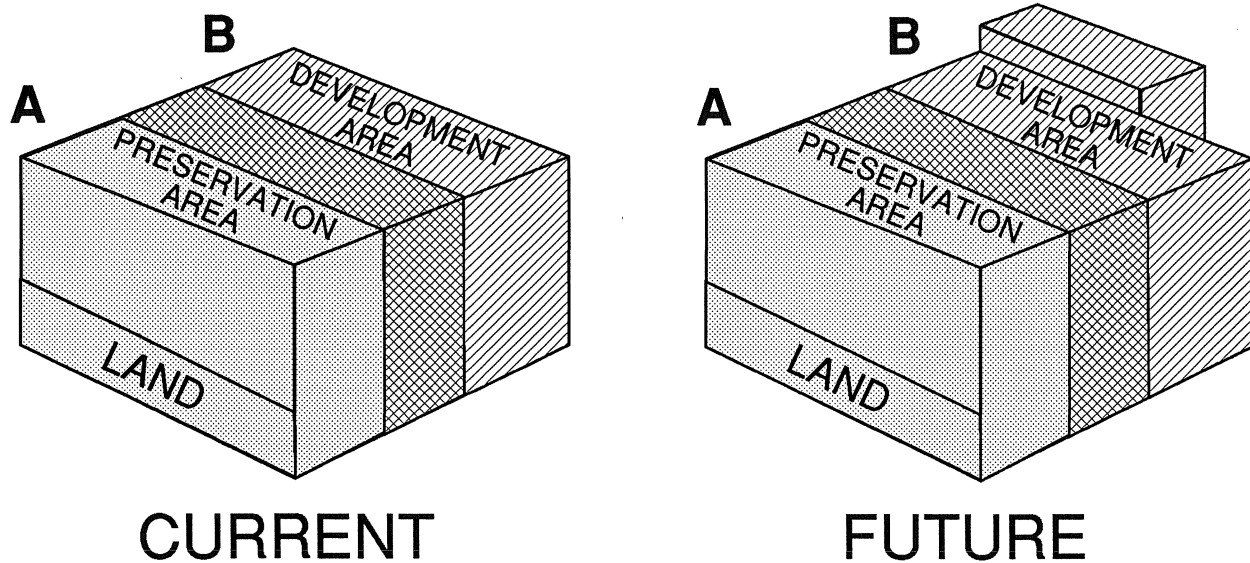
GLOUCESTER COUNTY

In Gloucester County, 681 farms and 62,128 acres of farmland exists. The eight-year easement program includes 11 participating farms totaling 907 acres. The county has completed one purchase under the easement purchase program, this occurred in Woolwide Township. The farm consisted of 164 acres. Two applications are pending. One application is for a 169 acre farm in Washington Township; the other is for a 200 acre farm in East Greenbridge. Should these farms be purchased, funding available for easement purchases will be completely expended.

Although the county receives one or two inquiries a month about preservation programs, these programs are not publicized by the County. County staff, however, will assist farmers in making applications.

FIGURE IX

THE TRANSFER OF DEVELOPMENT RIGHTS CONCEPT



A sells his development rights to **B**.
A, therefore, retains the current use of his land as agricultural land.
B, because of the increased density credits purchased from **A**, is transformed, in the future, to reflect increased densities.



Delaware Valley Regional Planning Commission

TABLE VI
NEW JERSEY FARMLAND STATISTICS

	New Jersey County	Burlington County	Camden County	Gloucester County	Mercer County
=====					
Farms:					
1987	9,032	834	177	681	309
1982	8,277	743	152	687	302
Change:	755	91	25	6	7
Land in Farms:					
1987	894,426	103,224	10,033	62,128	41,303
1982	916,331	112,689	11,690	66,133	40,023
Change:	21,905	9,465	1,657	4,005	1,280
Average Size in Acres:					
1987	99	124	57	91	134
1982	111	152	77	96	133
Value of Land and Buildings:					
1987	\$ 396,198	\$ 418,607	\$ 234,910	\$ 304,773	\$ 458,712
1982	\$ 343,137	\$ 350,147	\$ 368,105	\$ 271,550	\$ 636,891
Change \$:	\$ 53,061	\$ 68,460	\$ 133,195	\$ 33,223	\$ 178,179
Change %:	15.5%	19.6%	-36.2%	12.2%	-28.0%
Average per Acre:					
1987	\$ 3,969	\$ 3,441	\$ 4,465	\$ 3,222	\$ 4,093
1982	\$ 3,140	\$ 2,396	\$ 4,299	\$ 2,609	\$ 4,145
Change \$:	\$ 829	\$ 1,045	\$ 166	\$ 613	\$ 52
Change %:	26.4%	43.6%	3.9%	23.5%	-1.3%
Property in Farmlands:					
	18.7%	20.0%	7.0%	29.7%	28.5%

Source: Census of Agriculture 1987

Delaware Valley Regional Planning Commission, June 1990

MERCER COUNTY

Mercer County is experiencing a loss of about 1,000-2,000 acres of farmland a year. There are currently approximately 32,000 acres of farmland in Mercer County. Three farms totaling 300 acres have been purchased under the easement purchase program. The County recently received 19 applications for the program but, because of limited funding, only one or two are expected to be funded.

Publicity efforts have not gone ahead full throttle by the county because funding is not available to meet the interest which will be generated by a program like this.

V. COUNTY CASE STUDIES

CHESTER COUNTY, PENNSYLVANIA

With annual sales of \$234 million dollars of agricultural products, Chester County is an agricultural leader.³ Mushrooms are the major crop, however, grains, fruits and vegetables are also produced. Second only to Lancaster County in Pennsylvania, Chester County ranks eighth in agricultural production in counties east of the Mississippi River, and 46th nationwide.

Chester County is becoming increasingly more urban and suburban. Perhaps because of its pastoral setting, Chester County is facing increasing development pressure. Thirty-five thousand new homes have been approved in the last three years. In 1988, the Chester County Planning Commission reviewed 923 subdivision applications, totaling 32,434 acres, or over 50 square miles. It is expected that in excess of 70,000 people will join Chester County's current residents in the next 20 years. Chester County's population surge of the past 3.5 years equals the growth which occurred in the prior 30 years.

Much of this growth and development has occurred on prime agricultural land. The land and soil characteristics that make an area suitable for agriculture also constitutes prime development land. Farmland decreased from approximately 220,000 acres in 1982 to less than 190,000 acres in 1987. Farmland continues to be absorbed at an alarming 100 acres a week.

Fortunately, the retention of agriculture as a major component of Chester County's economy and lifestyle has been a priority of the Chester County Board of Commissioners. The 1980's witnessed an increasing commitment of public resources to the issue. Prior to state action, the Agricultural Development Council was appointed in 1980 to assist in developing strategies for farmland retention. The 1982 Chester County Open Space and Recreation Study identified the need to preserve open space including agricultural land. Figure X delineates future land use for the year 2010 in Chester County.

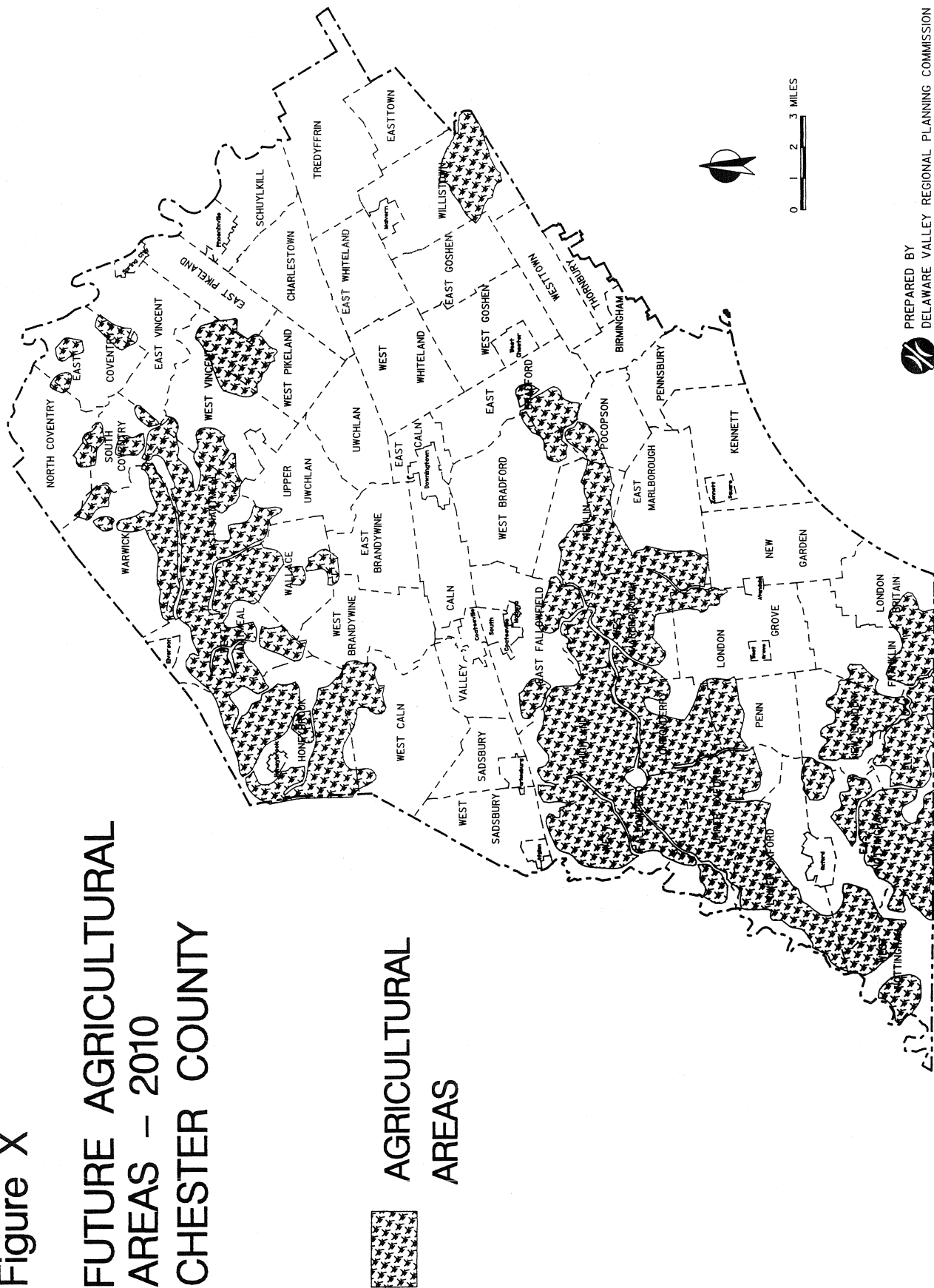
The Chester County Agricultural Land Preservation Board, comprised of nine members, four of whom are farmers, through the authorization of the Chester County Board of Commissioners, is implementing the farmland preservation program. Significant staff and resources have been committed to the program. Chester County does employ a full-time agricultural preservation staff person.

Funding for open space has been a priority for Chester County Commissioners. Four hundred thousand dollars of a 1987 \$2 million bond authorization was committed to farmland preservation. Voters in Chester have also registered approval of agricultural preservation.

³Source: 1987 Agriculture Census, Department of Agriculture

Figure X

FUTURE AGRICULTURAL AREAS - 2010 CHESTER COUNTY



Twelve million dollars of a 1989 \$50 million bond referendum have been earmarked for farmland preservation efforts.

Chester County's Land Use Plan which was adopted in 1988 delineates a category of "agriculture where farming activities currently exist and are proposed to continue as the primary land use." It is within these areas that Chester County intends to target farmland preservation efforts and public investment. The policy reads "to support agriculture as the primary land use in these areas and as a valued element of the economy of the county."

Implementation of Acts 43 and 149 has progressed relatively smoothly in Chester County in large part due to an already established commitment of county resources. In the following pages, development of the agricultural security areas and conservation easements are discussed.

ACT 43 - AGRICULTURAL SECURITY AREAS

A proactive approach was adopted to encourage participation in Act 43. In 1984, a map was developed using the following criteria: land actively farmed, township comprehensive plans, and Class 1 and 2 soils to target regions for participation in agricultural security areas. In 1985, two townships adopted Ag Areas; in 1986 another followed. Five Ag Areas were adopted in 1988 and 11 in 1989. Seven have been adopted to date in 1990. The exponential increase can be attributed to farmers having overcome their concerns about governmental involvement. Although no proposed condemnations of agricultural land have been defeated because of protection offered under Act 43, farmers' attitudes may have been changed as they recognize the impact Ag Security Area designation can have if condemnation were proposed.

In total, 600 farms including over 57,000 acres are located in Ag Areas. This represents 30% of the total farm acreage and close to 50% of farms participating. Participating townships with acreage, number of farmers and date of adoption are listed in Table VII.

CONSERVATION EASEMENT PROGRAM

Significant resources have been devoted to ensure the success of this program. A booklet explaining the conservation easement program was developed and all landowners in Ag Areas received announcements of application procedures and deadlines for conservation easements. A public workshop attended by 50 interested parties was held in February. In addition, county staff is available for individual consultations over the phone and in person.

Over \$5 million in funds is available for purchases in 1990. Reserved from allocations in 1989 are \$2,418,000 in state matching funds and \$400,000 set aside from a 1987 bond issue. In 1990, Chester anticipates \$1.9 million from the state which will be matched by \$400,000 in county funds. In addition, approximately \$12 million from the 1989 proposed open space bond program may be available for agricultural preservation efforts if the bond issue is approved by the Chester County Board of Commissioners.

TABLE VII
CHESTER COUNTY
AGRICULTURAL SECURITY AREAS

<u>County</u>	<u>Township</u>	<u>Acres</u>	<u>Farmers</u>	<u>Date</u>
<u>Chester</u>				
Adopted:	East Bradford	1,995	18	1985
	East Coventry	757	11	1985
	East Fallowfield	3,697	62	1988
	East Marlborough	3,637	26	1989
	East Nottingham	3,694	40	1989
	East Vincent	633	5	1989
	Elk	1,358	15	1989
	Honeybrook	6,980	84	1988
	London Britain	655	8	1989
	London Grove	2,980	30	1989
	New Garden	1,158	18	1989
	Newlin	2,858	27	1988
	North Coventry	908	9	1987
	South Coventry	1,068	11	1986
	Upper Oxford	2,130	25	1989
	Wallace	662	6	1989
	Warwick	3,413	40	1987
	West Fallowfield	2,478	24	1990
	West Marlborough	7,265	52	1989
	West Nantmeal	1,893	17	1988
	West Nottingham	1,774	16	1989
	West Brandywine	850	5	1990
	West Vincent	1,222	18	1990
	Westtown	1,156	10	1989
	Willistown	1,711	25	1988
Total Acreage in ASA's		56,932	602	
Proposed:	East Brandywine	600		
	Pocopson	600		
	West Bradford	1,600		
Landowner	Highland			
Interest:	Kennett			
	Londonderry			
	Lower Oxford			
	New London			
	Penn			
	West Sadsbury			

Source: County of Chester
Delaware Valley Regional Planning Commission, May 1990

This may appear to be a significant amount of money, however, easement purchases may average \$4,000-\$8,000 an acre, therefore, \$5 million will only purchase between 625 to 1,250 acres. It is critical to consider strategies to stretch the current funding allocation.

The first round of applications was received in November 1989. Seven applications were submitted. See Figure XI for locations. Applications are evaluated to determine compliance with the minimum criteria contained in Act 149. Applications in compliance are then prioritized using a numerical ranking system. Farm parcels are evaluated based upon the agricultural productivity quality of the land and the locational and site factors which measure the level of development pressure. Appraisals are currently being conducted on the top four farms.

In contrast to Burlington County, where development rights have primarily been purchased in one area, Chester's first four easement purchases are not grouped together. It is hoped that as the program continues, these initial purchases will be joined by others nearby. Fourteen applications have been received for the May application deadline.

Chester County has an active conservancy movement working with the Board. Several landowners may make additional donations of land under easement. This will be a first under the state program. Not only does this type of cooperation stretch funding, it also benefits farmer by providing them with tax advantages.

Transfer of Development Rights

Another preservation effort which is being experimented within Chester County is the Transfer of Development Rights (TDR). East Nantmeal Township in Chester County is actively considering a transfer of development rights plan. A rezoning with trade-in and trade-out areas delineated will be presented to township supervisors within the near future.

BURLINGTON COUNTY, NEW JERSEY

In New Jersey, Burlington County leads the state with 159,700 acres of farmland and is the state's largest agricultural county. Because of the availability of open space and the pastoral setting of the county, population has increased significantly over the past 30 years. Development has taken its toll on Burlington County which is evident in the fact that over 100,000 acres of farmland were lost between 1950-1987.

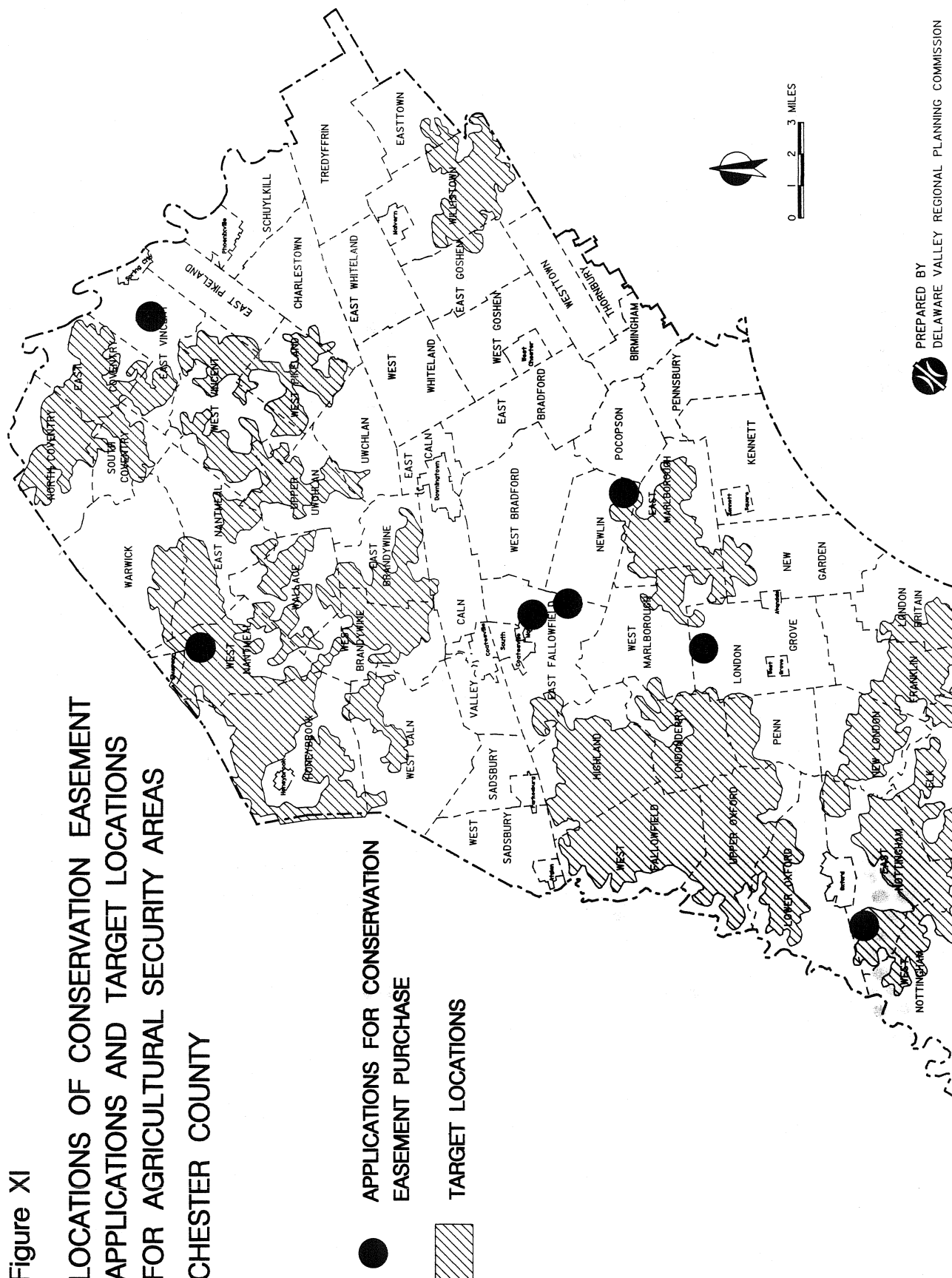
Although these statistics are cause for concern, it should be stressed that there is still a significant amount of farmland left in Burlington County. Burlington County has always been in the forefront when it comes to preserving farmland. As early as 1977, Burlington County residents registered their commitment to farmland and open space preservation by approving more than \$5 million for the purchase of easements of farmland and pineland region properties.

Farmland preservation within the County is accomplished through a variety of state, county and municipal programs which are designed to compensate farmers who have voluntarily entered their farms into a farmland preservation program. The county's most active

REGIONWIDE ASSESSMENT OF FARMLAND PRESERVATION PROGRAMS

Figure XI

LOCATIONS OF CONSERVATION EASEMENT
APPLICATIONS AND TARGET LOCATIONS
FOR AGRICULTURAL SECURITY AREAS
CHESTER COUNTY



PREPARED BY
DELAWARE VALLEY REGIONAL PLANNING COMMISSION

programs are the eight-year program and the easement purchase program otherwise called purchase of development rights (PDR). The county is currently exploring the use of transfer of development rights (TDR).

In order to implement programs where they are most effective, the Burlington County Land Use Office, under the Direction of the Burlington County Board of Chosen Freeholders, has identified areas of the county most appropriate for the long-term preservation of agricultural open space. In order for an area to be given priority consider it must contain a predominance of high quality soils, not be located in a planned growth corridor and be relatively free from conflicting residential development pressures.

Burlington County has a history of supporting farmland preservation. The County Freeholders, working with area municipalities, participated in the Lumberton Pilot Project to preserve farmland in 1975. The County first purchased 608 acres under the State Farmland Preservation Program in Chesterfield Township in 1985. The County's criteria for preserving farmland specify that the farms which are considered for easements must be part of a 1,000 acre block of applications. Also, a ten percent municipal cost-share towards the purchase of the easement is required.



In Burlington County a total of 7,314 acres have been preserved. Five thousand four hundred (5,400) acres have been placed under permanent preservation easements; 4,000 through the purchase of Pineland Development Credits and 608 through direct preservation easement purchases. Initial preservation efforts in Burlington County have been conducted through PDR programs. Although this program has been successful, it is a first step in creating a comprehensive program that is designed to preserve farmland and ensure growth management. Figure XII details the areas where easement have been purchased and applications have been submitted.

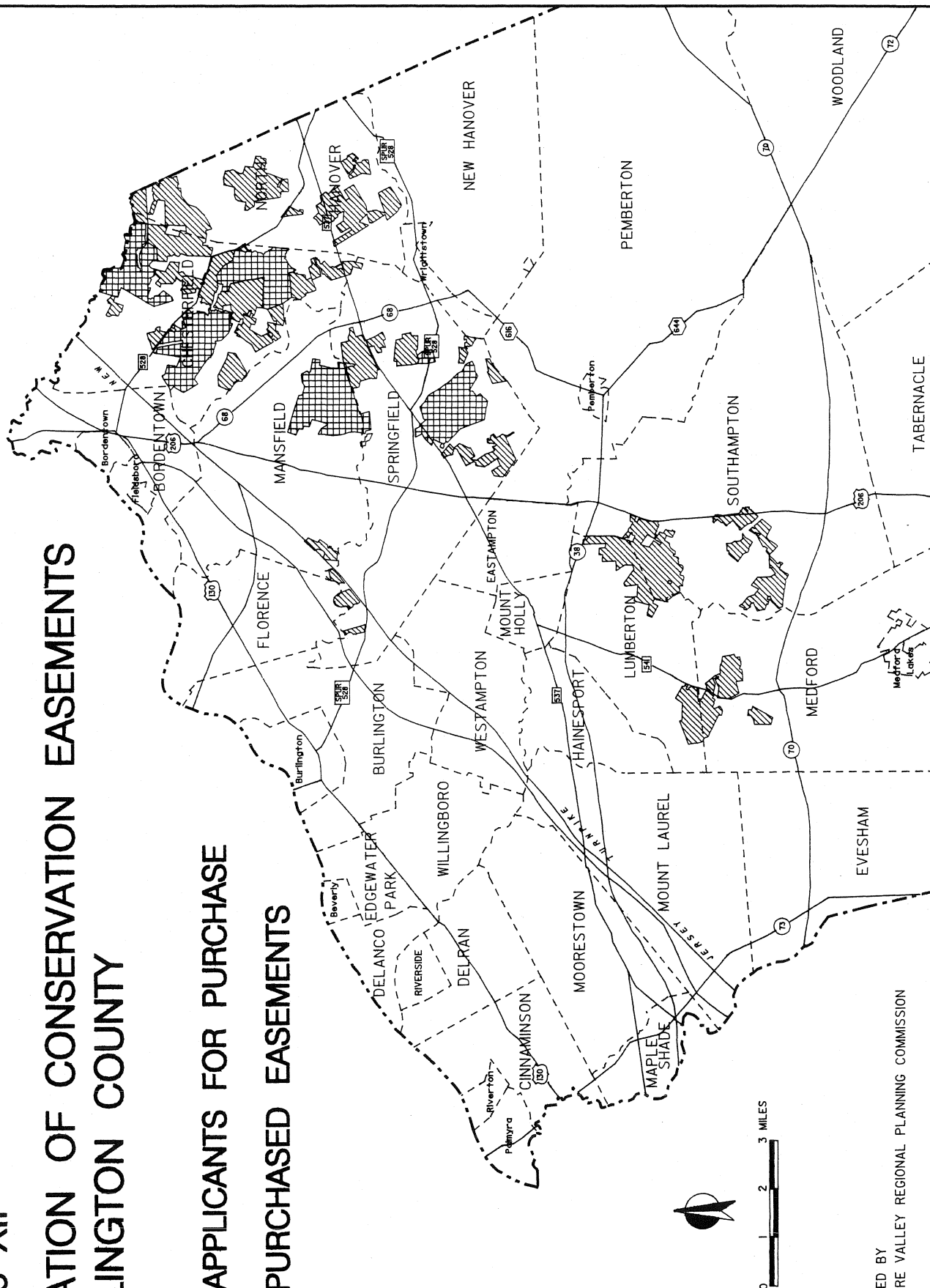
PDRs are considered a preliminary step for several reasons: first, easement purchases are prohibitively expensive, even in areas with low or moderate development pressures. Also, because the program relies on voluntary landowner participation, it ultimately fails to control non-agricultural growth from intruding into agricultural areas. It is also possible that poorly administered easement purchases can actually increase the likelihood of development and right to farm conflicts in predominantly agricultural areas where newcomers prefer to live next to deed restricted properties. Finally, the easement purchase program does not address the need for growth in some communities. Therefore, Burlington County has begun to use the Transfer of Development Rights concept. TDR takes the next step to protect the public investment, provide for growth and balance the windfall/wipe-out system which results from traditional zoning scenarios.

In Burlington County, Chesterfield, Mansfield and Springfield have expressed interest in using TDRs to preserve farmland in selected areas and accommodate growth in other areas. The state lent its support of this program in 1989 when then Governor Kean called for a \$25 million State TDR Bond to help facilitate the transfer of development rights.

Chesterfield Township was the first community in Burlington County to aggressively pursue the use of TDR. Approximately 70% of the land in Chesterfield Township is currently under

Figure XII
LOCATION OF CONSERVATION EASEMENTS
BURLINGTON COUNTY

 **APPLICANTS FOR PURCHASE**
 **PURCHASED EASEMENTS**



agricultural assessment. Because of increasing development pressures, Chesterfield saw that it was impractical to depend on PDRs exclusively. Limited funding at all levels required a more comprehensive approach such as TDRs.

Although Chesterfield experienced success with the county's PDR program, by 1988 several large development projects were encroaching on the 1,000 acre blocks of permanently preserved farmland. Consequently, in 1989, Township Planning Board downzoned the entire township to one unit per 20 acres. Public outcry against the downzoning caused the zoning never to be adopted. Attention was then focused on the use of TDRs.

As a result of a visual preference survey which was administered to township residents in the Spring of 1989, Chesterfield's Draft Master Plan was drafted in response to the findings of the visual preference survey. The survey was designed to present scenarios which would ferret out residents' preferences for the existing and future development of the community. The October 1989 Master Plan reflects these preferences and designated TDR Sending, or Preservation Areas, and Receiving, or Growth Areas. In the Receiving Areas, overall gross density was proposed at two units per acre, up to eight units per acre. Density in the Sending Area was proposed at a density of one unit per 50 acres. TDR credits, according to the Draft Master Plan, were allocated at a rate of one TDR credit per 3.3 acres of developable land.

The concerns raised by residents about the TDR program include the following: the maintenance of equity, the equitable distribution of TDR credits, the perceived reduced amount of new housing permitted under TDR, the economic value of the TDR credit and the type of designs that would be permitted for new development.

Ten million dollars have been committed by the Burlington County Board of Chosen Freeholders to purchase development rights. Of these funds, \$5 million will be used to match state and municipal funds. The remaining \$5 million will be used to create a county TDR board which will purchase development rights and resell them in designated growth areas.

The TDR and PDR have received strong support from both the Board of Chosen Freeholders and the public. While PDR programs have been actively used in the county, TDR programs offer a better opportunity for controlling development and responding to development pressures in a proactive manner.

VI. RECOMMENDATIONS

It is evident that public interest in farmland preservation is increasing. Pennsylvania residents, for example, have registered their concern about protecting farmland when they voted to approve a \$100 million bond issued to protect farmland. In New Jersey, \$300 million has been set aside to preserve farmland and open space. Now that funding is available for farmland preservation within the study area, it is essential to examine how current programs have been operating and to recommend methods for improving these programs. In this chapter, limitations of current programs are discussed as well as suggestions for addressing these limitations. Later in the chapter, the elements which comprise a successful program are identified.

PURCHASE OF DEVELOPMENT RIGHTS (PDR)

As discussed in previous chapters, the PDR programs which operate in both New Jersey and Pennsylvania compensate farmers for a portion of the equity in their land without forcing them to sell their farms out of agriculture. In general, this type of program has effectively preserved farmland in both states. The success of each county's program is influenced by factors such as funding, staff resources, outreach and farmers' attitudes towards government intervention. The fact remains that the preservation programs existing in the study area have been the impetus for garnering support for preservation efforts. Inherent in these programs are limitations. If preservation efforts are to work to their full potential, these limitations must be addressed. Specifically, costs, process and growth and development issues will be addressed.

COSTS

While farmland preservation programs which compensate farmers when they allow their land to remain in agricultural use appear to provide the best preservation incentive, easement purchase programs are prohibitively expensive - even in areas with low or moderate development pressures. In order to preserve the roughly 750,000 acres present in the study area, it would cost \$10 billion. Obviously, a major hurdle to implementing preservation programs is money. Government just does not have the financial capacity to purchase conservation easements or development rights in all areas where they are needed. Transfer of development rights offers great potential for farmland preservation because government merely provides the mechanism. The private sector, through markets, provides the income source.

While transfer of development rights may provide a partial solution to the problem of limited funding, other ways of stretching funding should be considered. One option that should be explored is the possibility of combining government funding with conservancy donations in order to increase the number of acres being preserved. Another option is to stretch

payments to farmers over longer periods of time. Finally, zero coupon bonds which pay farmers only interest until maturity may serve to lessen the fiscal burden to government and allow for the conservation of more farms.

PROCESS

The time which elapses between the time an application is submitted and an actual purchase is made is significant. Although there is currently no evidence that identifies this as a deterrent to farmer participation in the program, it appears that the lengthy time frame is not advisable, especially when developers can purchase the property from the farmer more expeditiously.

GROWTH/DEVELOPMENT

Purchase of development rights relies on voluntary landowner participation. This arrangement ultimately fails to control the intrusion of non-agricultural uses into agricultural areas. When PDR programs are poorly administered they may actually increase the likelihood of development occurring especially in agricultural areas where newcomers may prefer to live next to deed restricted properties.

Overall, PDR programs seem to have made in-roads into preserving lands which could have easily succumbed to development. The benefits of PDR programs seem to go beyond just preserving farmland. For example, government purchases of conservation easements benefit the local economy because the money is often spent in local areas. In addition, money appears to be reinvested in farming related ventures such as paying off debt, investing in new equipment and buildings and acquiring additional land.

Farmland Tax Policy

Reduced tax assessment programs which operate in Pennsylvania are necessary in metropolitan areas where taxes are high. While reduced taxes are beneficial to the farmer, they also provide a lure to developers and investors to invest in farmland. Generally, even with the payment of rollback taxes, development of previously farm value assessed land can be an attractive one. Reduced assessment does not appear to be an effective measure for long-term farm preservation.

Elements of an Effective Farmland Preservation Program

The programs designed to encourage farmland preservation within the study area are beginning to stem the loss of farmland in the region. From these initiatives we have identified the elements which are key to establishing successful programs. These elements include: local government commitment, community leadership and clear general plans.

Paramount to the success of any program is a commitment by local government to provide staff resources and financing. All of the counties studied employed at least a part-time staff person to address preservation issues, however, it appears that programs which employed full-time farmland preservation staff were better equipped to elicit public support and increase

program recognition in their locality. Additionally, both New Jersey and Pennsylvania's programs are premised on cost sharing between municipalities, counties and states. The financial commitment is essential to confirm government support of preservation.

Another key element of a successful program is community support. Farmland preservation cannot be achieved without the enthusiastic support of farmers in a community. The best marketing tool for participation in preservation programs is the involvement of established community farmers. The traditional reticence of farmers to accept government regulation dissipates as the benefits of participation become more tangible.

Finally, if farmland loss is to be arrested then officials and residents must have a clear general plan identifying the areas that are to be preserved. Preservation should not occur haphazardly or randomly because development may actually increase around areas that have been preserved as newcomers are attracted to vistas which they know will be preserved in perpetuity. Therefore, strong policies must be backed by strong zoning which is applied consistently.

VII. CONCLUSION

The experience from the programs which have been implemented in New Jersey and Pennsylvania provide very good insights into the effectiveness of farmland preservation programs. The information presented in this report can be used to identify the elements that are necessary to implement a successful preservation program.

As intended by those who developed these programs, farmers have embraced the idea of farmland preservation but are more likely to do so in areas where extensive outreach efforts have been implemented. Preservation programs such as PDR programs help not only individual landowners but also result in community economic development as funds paid to farmers for their land is channeled back into the community. The technique also offers opportunities and possibilities for farm expansion.

The less desirable aspects to farm preservation techniques were also highlighted in the report. Not surprisingly, one of the perceived drawbacks of the program is the amount of time spent processing applications. Because these programs are publicly funded it is understandable that processing delays are built into the application process; however, if the programs are to provide farmers with a desirable alternative, then it is imperative that these requirements not unnecessarily hinder processing.

The programs designed to preserve farmland in Pennsylvania and New Jersey demonstrate that farmland preservation can occur. The programs in the region have generally been well received by the community. It is clear from the examples cited that the benefits of the program outweigh the disadvantages.

The use of PDR, reduced property tax programs, right to farm and nuisance suit protection are elements of a balanced comprehensive plan which supports agriculture. Other initiatives that should be included are: increased advertising and marketing campaigns and public education to the non-farm community about the importance of agriculture and preservation.

APPENDIX

FARMLAND PRESERVATION STUDY CONTACTS

Rural Information Center
301-344-2547
Contact: Lousie Reynnells

USDA Cooperative Extension
202-447-4946
Contact: Jerry Calhoun

Soil Conservation Service
Contact: Ed White, Soil Scientist

American Farmland Trust
202-659-5170
Contact: Jim Rigley

PENNSYLVANIA

Center for Rural Pennsylvania
Contact: Bill Butler

AG Department of Farmland Preservation
717-783-3167
Contact: Fred Wertz

Department of Agriculture
215-489-1003
Contact: Mr. Heckman

Committee on Agriculture
215-783-1815
Contact: Warren Lamb

Pennsylvania Farmers Association
717-761-2740
Contact: Bill Adams

Natural Lands Trust
215-353-5587

Contact: Rick Studenmund

Penn State Coop Extension
814-865-0455
Contact: Stanford Lembeck, Land Use Specialist

Pennsylvania Horticultural Society
215-625-8250

Philadelphia Green Project
215-625-8280

BUCKS

Bucks County Ag Extension
215-345-3283
Contact: Mike Fournier

Bucks County Planning Commission Staff
215-345-3430
Contact: Rich Harvey

Bucks County Conservancy
251-345-7020
Contact: Linda Mead

CHESTER

Chester County Agricultural Land
Preservation Board
215-344-6285
Contact: Ray Pickering

French and Pickering Creeks Conservation
Trust
215-469-0150

DELAWARE

Delaware County Planning Department
215-891-5214
Contact: Vince Visoskis

Middletown Township
215-565-2700
Contact: Bruce Clark, Manager

Brandywine Conservancy
215-388-7601
Contact: Chris Herman

MONTGOMERY

Montgomery County Planning Commission
215-278-3722
Contact: Mary Ann Carpenter

NEW JERSEY

New Jersey Department of Agriculture
609-984-2504

New Jersey Office of State Planning
609-292-7156
Contact: Michael Neuman

New Jersey Conservation Foundation
201-539-7540
Contact: Michele Byers

Rutgers University
Center for Urban Policy
201-932-4302
Contact: Patrick Beaton

New Jersey Farm Bureau
609-393-7163
Contact: Peter Furey

BURLINGTON

Burlington County Land Use Office
609-265-5787
Contact: Charles Gallagher,
Amanda Jones and Susan Payne

MERCER

Mercer County Planning Division
609-989-6545
Contact: Leslie Floyd

Middlesex, Somerset, Mercer Regional
Council
609-452-1717

CAMDEN

Camden County Extension Service
609-784-1001

GLOUCESTER

Gloucester County Planning Department
609-881-0065
Contact: Maurice Beard

