

Farmland Preservation Program

Landowner Survey Report



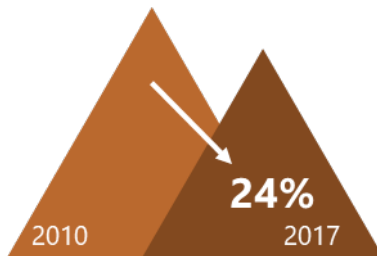
About

The Farmland Preservation Program (FPP) provides farmers and local governments with tools to help protect agricultural land for future generations. The program allows participants to claim a tax credit as an incentive, provided landowners also meet the state's soil and water conservation standards on their agricultural land.

To participate, a landowner must own land that is located in a farmland preservation zoning district or is covered by a farmland preservation agreement (or both). A farmland preservation zoning district is a locally administered zoning district that limits the activities on the land to agriculture and uses compatible with agriculture. A farmland preservation agreement is a voluntary contract that a landowner signs with the state, restricting land uses to agricultural and open space for 15 years.

Changes in participation

Over the past several years, the program has seen a decrease in overall participation. In 2010, there were approximately 15,700 participants and 2.9 million acres enrolled. By 2017, these numbers had dropped to under 12,000 participants and 2.3 million acres.



Despite this decline, the population continues to increase and Wisconsin continues to need farmland for growing food and supporting a large segment of the state's economy.

To try to understand the decline in participation, DATCP mailed a survey to agricultural land owners around the state. The survey attempted to find out what factors are contributing to the decline in participation and to gauge landowner attitudes to the preservation of farmland in general. While the results of the survey may not represent the attitudes of farmers statewide, they do give us some indication of what changes could make the program more effective for protecting farmland.



Landowner Survey 2018

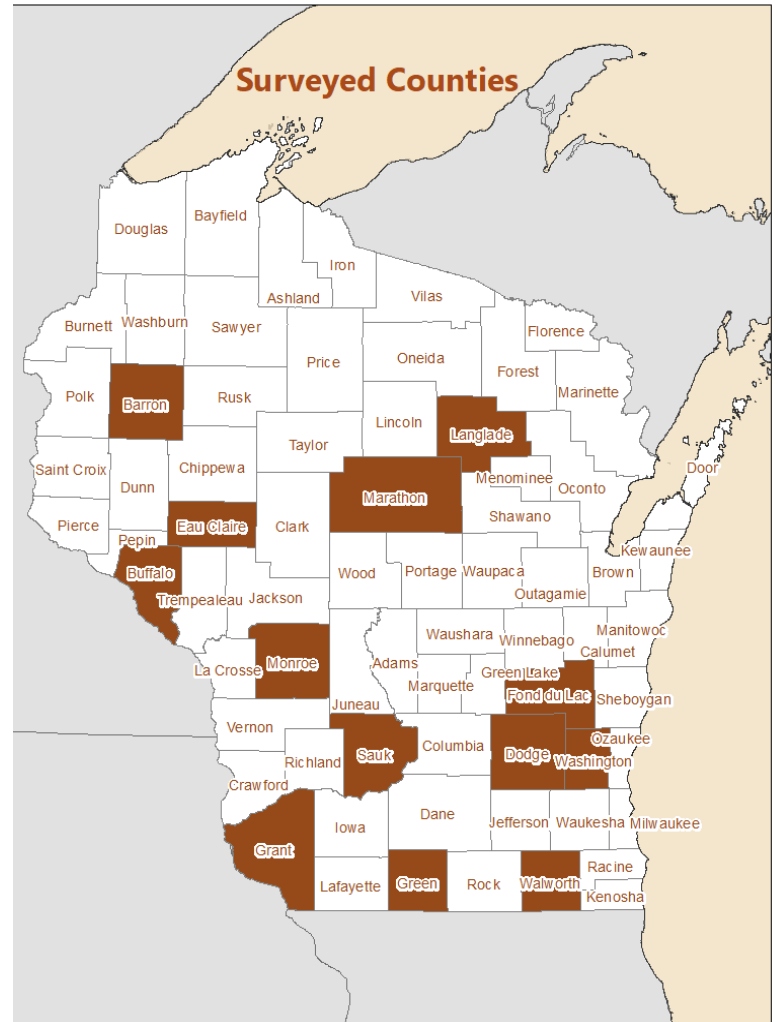
The FPP survey was sent out to nearly 3,000 landowners in 14 counties around the state. We assembled a list of landowners who owned at least 40 acres of agriculturally assessed land in those 14 counties. Recipients were then randomly selected from that list to receive a survey.

We targeted areas currently zoned for farmland preservation, within an agricultural enterprise area, or both. We also selected counties that had historically high rates of participation, either through farmland preservation zoning or farmland preservation agreements. In choosing these areas, we hoped to increase the likelihood that recipients would have some familiarity with the farmland preservation program. We selected areas that fit this criteria in different parts of the state because we wanted the survey to have some geographic distribution. We wondered if different regional influences could impact people's attitudes towards the program and farmland preservation in general.

Survey questions

The survey asked questions about participation, how landowners participated and why they might not participate. If they are eligible and choose not to participate, the survey asked them to identify their top reasons for not participating. Landowners were also asked specifically about nutrient management planning to better understand how this requirement may affect participation.

The department was also interested in landowner attitudes about farmland loss and different farmland protection strategies. The survey asked landowners to rank the effectiveness, in their view, of certain aspects of farmland preservation in order to better understand how the program is viewed around the state. To better understand how landowners view farmland protection outside of the program, the survey also asked about interest in and perceived effectiveness of other farmland protection tools.



Survey Basics

- ~ 800 responses
- 3,000 surveys sent out
- Addressed to landowners with at least 40 acres of land assessed as agricultural
- Tried to reach individuals who would have some familiarity or understanding of program
- Tried to capture geographic/regional variation

Questions asked

- Obstacles preventing people from participating
- Attitudes towards the program and farmland preservation in general
- Support for or interest in other preservation tools

Interpreting Results

Nearly 800 landowners responded to the survey. Respondents included landlords who did not farm and rented out all of their land, farmers who owned some land and rented additional land from another landowner, and landowners who owned and operated all of their agricultural land.

Barriers to participation

One common theme throughout the survey responses is a lack of understanding of the benefits of the farmland preservation program. This lack of knowledge was the top reason for not claiming the credit. **Moreover, 78% of respondents thought that more education is needed to explain the program.**

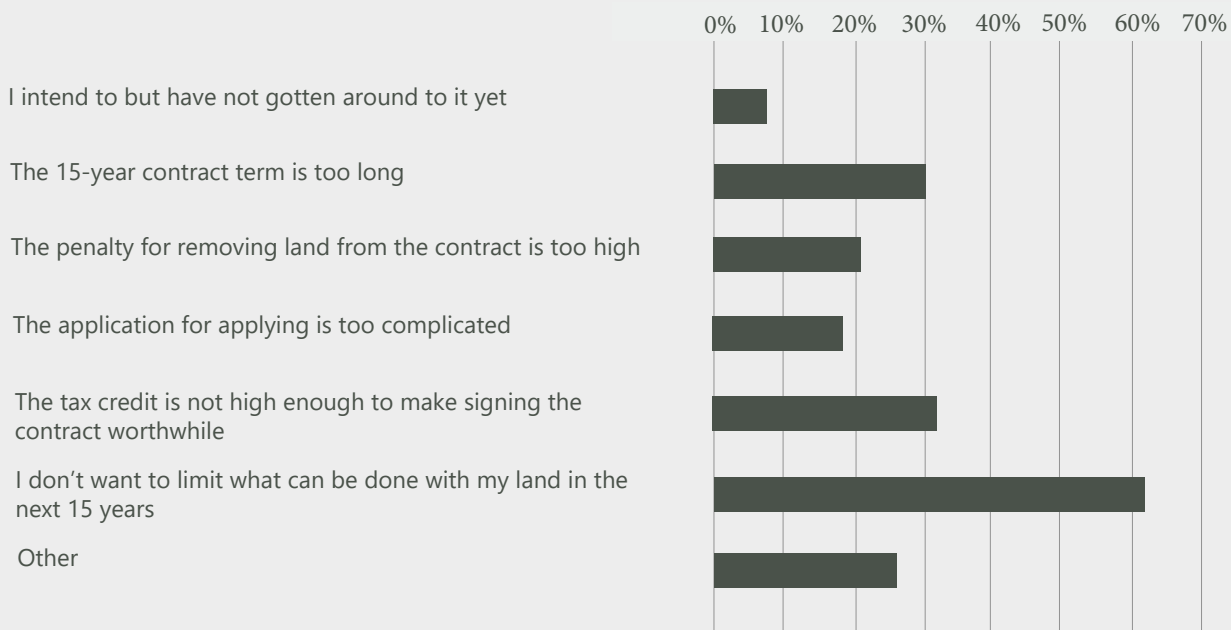
The responses also indicated that some landowners do not want to participate in a government program. This was the second highest reason given for not claiming the credit and the third highest for not fully implementing a nutrient management plan -- an eligibility requirements for participating in the program.

To participate in the program and claim the farmland preservation tax credit, landowners must meet state soil and water conservation standards. Many respondents indicated that the tax credit was not high enough to offset the costs of participating.



Continued on page 4

Reasons for not signing a farmland agreement



Interpreting Results...continued


The tax credit is currently set at \$5/acre for land covered by a farmland preservation agreement, \$7.50/acre for land located in a farmland preservation zoning district, and \$10/acre for land covered by an agreement and located in an FP district. This amount has not changed since 2009 when the revised FPP law went into effect.

Despite the response that the tax credit is not high enough to offset costs of compliance, over three quarters of respondents agreed (with 22% strongly agreeing) that the program should require soil and water conservation compliance. In some counties, the rate of agreement was even higher, with 88% of respondents in Green County and 86% of those Grant County agreeing.

Farmland Preservation Agreements

Landowners who are interested in protecting their land for future agricultural use can sign farmland preservation agreements with the state if their land is also located in an agricultural enterprise area. These contracts last for 15 years and restrict the use of land to agriculture, open space, and accessory use. Landowners who sign an agreement and later wish to remove their land must pay a penalty based on the number of acres removed from the agreement. Landowners who are uncertain about what may happen in the next 15 years may be uncomfortable committing to the agreement, particularly when considering the value of the tax credit to the penalty for removing land from the agreement.

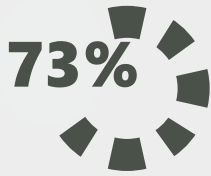
In fact, the survey responses showed that the top reason for not signing the agreement was a hesitancy to limit what could be done with the land for the next 15 years. The second highest reason was that the tax credit was too low, followed closely by the 15 year term being too long.



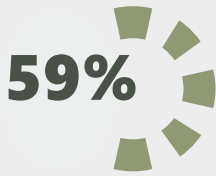
“Over three quarters of respondents agreed that the program should require soil and water conservation compliance”

Interpreting Results

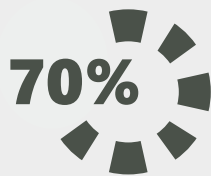
Landowner Attitudes



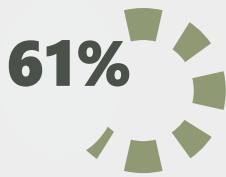
Farmland preservation zoning is a useful tool for protecting farmland



Use value tax policy is the most important tool for protecting farmland



Farmland preservation should include economic development incentives for agriculture



Farmland preservation should include options to permanently protect farmland

Percentage of survey respondents that answered yes to the following questions:

Respondents generally agree that farmland preservation zoning is a useful tool for protecting farmland. Different areas of the state, however, demonstrate different levels of agreement with this statement. In Manitowoc County, for example, 85% of respondents agreed while in both Monroe and Buffalo only 50% agreed. This difference is likely due to the fact that Manitowoc County is largely covered by farmland preservation zoning and neither Monroe nor Buffalo Counties currently (as of 2018) have farmland preservation zoning.

Approximately 64% of respondents agreed that the program is useful regardless of whether landowners claim the tax credit.

The survey also asked if the use value property tax assessment is the most important tool for protecting farmland. Fifty-nine percent of respondents agreed with this statement, however, the overall level of agreement varied across the 14 counties. In Buffalo County, for example, only 27.5% agreed compared with Walworth County where nearly 80% agreed.

Respondents also indicated support for enhancing the program to help preserve farmland. Many agreed that the program should include agricultural economic development incentives and options to permanently protect farmland. While agreement about agricultural economic development incentives was generally consistent across the 14 counties, the option to protect farmland permanently seemed to be more favorable in some counties. Manitowoc County had the highest level of agreement at 72%, while only 40% in Washington County agreed.

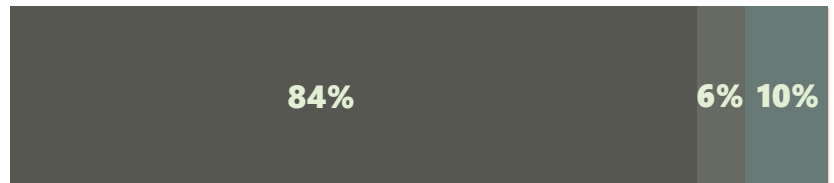
Takeaways

Main takeaways

- There is confusion about the program benefits
- There is a need for more education
- Cost vs. benefit needs clarification
- It still matters!

Wisconsin is losing too much farmland to nonfarm development each year

■ % AGREE ■ % DISAGREE ■ % NO OPINION



Program Recommendations

Despite the recent decline in participation, survey respondents indicate that the farmland preservation program as value in Wisconsin. Over 80% agreed that Wisconsin is losing too much farmland to nonfarm development each year. The survey responses, however, suggest that there may be some steps the state can take to improve the program and increase participation, leading to increased farmland preservation around the state.

1. **Outreach:** Department staff must increase communication with landowners around the state to increase understanding of the program and clear up misconceptions.
2. **Tax Credit:** The tax credit has not changed in nearly 10 years, while costs have inevitably risen. Landowners overwhelmingly indicated that the price of compliance can be high and increasing the tax credit could help alleviate some of that burden.
3. **Enhance the existing program:** Providing agricultural economic development incentives and offering an option to permanently protect farmland could help bolster the program and give landowners more options for keeping their land in agricultural use.
4. **Continue to require soil and water conservation compliance:** Though it costs money to comply with the state's soil and water conservation standards, compliance continues to be an important component of the program. Increasing the tax credit could help offset some of the costs associated with conservation compliance.

Questions?

DATCPWorkingLands@wi.gov
(608) 224-4621



Survey Results

Summary

Why have you signed a farmland preservation agreement?

I wanted to claim the tax credit associated with the agreement	90%
The agreement helps me to protect my farmland	78%
My land was already in compliance with the soil and water conservation standards	78%
I was planning for my land to continue to be farmed for 15 years anyway	76%
Other	7%

Why have you not signed a farmland preservation agreement?

I intend to but have not gotten around to it yet	7%
The 15 year contract term is too long	30%
The penalty for removing land from the contract is too high	22%
The application is too complicated	19%
The tax credit is not high enough to make signing the contract worthwhile	31%
I don't want to limit what can be done with my land in the next 15 years	57%
Other	27%

If you do not claim the credit, please indicate the reason(s) why (Check all that apply)

Land is not eligible (not in a farmland preservation zoning district or agricultural enterprise area)	13%
Do not want to be part of a government program	30%
Do not want to develop a nutrient management plan (yourself or your renter)	14%
Do not want to meet soil and water conservation standards (excluding nutrient management)	10%
Do not want to take a tax credit	8%
Do not fully understand the requirements of the program	48%
The tax credit is not enough to offset the costs of participation	24%
I/my family have/has an interest in selling farmland for nonagricultural land use	12%
Do not own the land that I farm	3%
Other	16%

Survey Results

Summary

If you previously claimed the farmland preservation tax credit and no longer do, why did you stop claiming the credit? (check all that apply)

My land is no longer located in a farmland preservation zoning district or covered by a farmland preservation agreement	21%
My land does not meet the soil and water conservation standards	3%
I (or my renter) do not want to develop or update a nutrient management plan	24%
The tax credit is not high enough to offset the costs of meeting the conservation standards	44%
Other	38%

Would you be interested in claiming the tax credit in the future, if eligible?

Yes	52%
No	15%
Need more information	32%

If you rent any or all of the land that you farm, has your landlord asked you to implement conservation efforts so that he/she can claim the farmland preservation tax credit?

Yes	13%
No	37%
Not applicable	50%

If you rent any land to a farmer, does your rental agreement require the farmer to meet soil and water conservation standards (including nutrient management) on the land that you own?

Yes	45%
No	55%

What barriers are preventing the implementation of nutrient management on your farm? (check all that apply)

Staff or time constraints	10%
Lack of equipment	10%
Lack of technical support	9%
Lack of confidence in University of Wisconsin nutrient application recommendations to maximize yield	8%
Too much paperwork	22%
Don't want to participate in a government program	17%
No barriers. A nutrient management plan is fully implemented on my farmland	51%
Other	16%

Survey Results

Summary

	Strongly Agree	Agree	Disagree	Strongly Disagree	No Opinion
Wisconsin is losing too much farmland to nonfarm development each year	39%	45%	5%	1%	10%
Zoning is an effective tool for protecting farmland	19%	53%	13%	4%	10%
Farmland preservation zoning is an effective tool for protecting farmland	23%	50%	8%	2%	17%
Farmland preservation zoning is an effective tool for protecting farmland regardless of whether landowners claim the tax credit	18%	46%	10%	4%	22%
The farmland preservation program incentives are too low to make participation worth it	15%	30%	18%	3%	34%
The farmland preservation program should include options to permanently protect farmland	16%	44%	13%	3%	23%
The farmland preservation program should include agricultural economic development incentives to support a strong agricultural economy	21%	50%	5%	2%	23%
The farmland preservation program should require soil and water conservation	22%	54%	8%	2%	14%
Use value assessment is the most important tool for protecting farmland	21%	39%	9%	2%	30%
More education is needed to explain the farmland preservation program	28%	51%	6%	1%	15%