

# **ANNUAL REPORT**

Virginia Department of Agriculture & Consumer  
Services'

## **OFFICE OF FARMLAND PRESERVATION**

*December 1, 2003 – December 1, 2004*

## **EXECUTIVE SUMMARY**

This report presents the primary accomplishments of the Office of Farmland Preservation for the period December 1, 2003 through December 1, 2004. As indicated in reports for prior years, all direct funding for the Office of Farmland Preservation was eliminated in the budget reductions in FY2003. While having no financial resources has significantly limited activities in the program, staff of the VDACS Agribusiness Development Services Unit, where the program is currently assigned, have managed to achieve some of the objectives of the Office of Farmland Preservation in the context of performing their assigned economic development functions.

Significant accomplishments for this reporting period are given as follows:

- Staff of the Agribusiness Development Services Unit made more than ten presentations to state and federal agencies, local governments and private advocacy groups concerning the need for farm business transition planning and farmland preservation, thereby helping to meet the outreach/education function of the Office of Farmland Preservation.
- The Farm Transition Database, which was developed and is being maintained by the Virginia Farm Bureau Federation, was launched in December 2003 and has grown to almost 100 listings showing farmers entering and exiting agriculture.
- The Virginia Farmland Preservation Taskforce finalized the local component of the Model Purchase of Development Rights Program and released that model on June 30, 2004, thereby meeting one of the first objectives in developing a Model State PDR Program.

This report begins with a summary of the mission and overview of the Office of Farmland Preservation and then provides additional details on the accomplishments for this reporting period in Outreach/Education, Virginia FarmLink and Virginia Farmland Preservation.

## **MISSION & OVERVIEW**

With language in Item 93#1c of the 2000 Appropriation Act, the 2000 Session of the General Assembly of Virginia appropriated \$115,000 (\$65,000 year one, \$50,000 year two) and one FTE to establish the Virginia Agricultural Vitality Program. This program was established in the Department of Agriculture and Consumer Services (VDACS), and was charged with performing two functions: establishing and developing the Virginia FarmLink Program and promoting the preservation of agricultural lands through development of a state model for local Purchase of Development Rights (PDR) Programs. In developing these two functions, VDACS was required to coordinate actions with a number of state agencies and non-state agencies, including the Virginia Farm Bureau Federation, American Farmland Trust, the Virginia Land Conservation Foundation, the Department of Business Assistance, Virginia Cooperative Extension and others.

In establishing the Virginia Agricultural Vitality Program, the 2000 General Assembly was attempting to address two issues that threaten the future viability of the Virginia agriculture sector. The first of these challenges is the aging of the farm population and the difficulty young farmers are having in entering the profession. Statistics describing this problem are quite dramatic: with the average age of Virginia farmers being 56+, more than 70% of Virginia farmland (and a significant percentage of our farm businesses) will be transitioned over the next 15 years from the current generation of farmers to either a new generation of farm businesses or to other businesses seeking to develop farmland for non-agricultural purposes.

The second challenge to be addressed by the Virginia Agricultural Vitality Program relates to the rapid development of prime farmland. Here, again, the statistics are quite dramatic: over the last ten years, according to statistics from the American Farmland Trust, Virginia has lost 45,000 acres of prime farmland each year to development.

The Agricultural Vitality Program is to address the challenge of farm business transition through Virginia FarmLink, the objective of which is to provide a linking process by which farmers who are ready to exit agricultural enterprises are linked with new people who want to enter farming. By achieving a link, the farm business is transitioned from the current generation to a new generation. Among the methods used to achieve such a link are the direct introduction of exiting farmers to beginning farmers; the presentation of seminars in estate planning, business financial transfers, communications and other topics related to achieving a successful transition; the use of mediators and communications specialists to ensure communication between the transitioning parties; the use of consulting specialists in agriculture to assist particularly the new farmer as he takes over the business, and other related strategies. Virginia FarmLink is patterned after nearly 20 similar farm-linking programs across the country, whose purposes are common but whose strategies vary widely.

To address the challenge of farmland preservation, the Agricultural Vitality Program uses a task force made up primarily of representatives from coordinating agencies listed

above. The purpose of the program is to develop a statewide model program for local Purchase of Development Rights (PDR) initiatives across the Commonwealth. Such a model program would provide suggested guidelines for localities to use, if and when they decide to adopt Purchase of Development Rights programs. Under such a PDR program, farmers sell the rights to develop the land to either a private or public land conservation body in return for (generally) permanent easements requiring that the land be kept in agricultural use. Such programs lower the cost of the land resources to incoming farmers because the land is sold without development rights.

The 2001 Session of the Virginia General Assembly added §3.1-18.9 through §3.1-18.12 to the Code of Virginia continuing the Agricultural Vitality Program as the Office of Farmland Preservation. The powers and duties of this new Office of Farmland Preservation basically parallel those responsibilities of the Agricultural Vitality Program in both Farmland Preservation and Virginia FarmLink. Section 3.1-18.12, Code of Virginia requires that the Commissioner submit a written report on the operation of the Office of Farmland Preservation by December 1 of each year.

### **ACCOMPLISHMENTS December 1, 2003 – December 1, 2004**

As indicated in the previous Annual Reports, budget reductions taken to cope with declining state revenues in fiscal year 2002-2003 exhausted all funding for the Virginia Agricultural Vitality Program which provided funding for the Office of Farmland Preservation. Despite this loss of funding, staff in the VDACS Agribusiness Development Services Unit which operates the programs of the Office of Farmland Preservation managed to achieve several program objectives over this reporting period.

#### **Outreach/Education**

While the absence of program funding precluded the development and scheduling of a series of farm business transition seminars across the state, staff did represent the Office of Farmland Preservation and the programs in that office in their agribusiness development presentations around the state. During this reporting period, farmland preservation and farm business transition elements were included in presentations in more than ten presentations to state and federal agencies, officials of local and regional government, and private sector enterprises. Among the presentations were those made to the Virginia Tobacco Commission Agribusiness Committee, to the USDA Farm Service Agency (Virginia); Northampton, Rockingham and Charlotte County Boards of Supervisors; the Shenandoah Valley Partnership, the Virginia Institute for Economic Development and private sector advocacy groups, such as the Rural Planning Caucus.

## **Farm Transition Database**

The Virginia FarmLink Farm Transition Database, which was developed by the Virginia Farm Bureau Federation (VFBF), was launched at the VFBF Convention in December 2003. As of this writing the database now contains more than 93 listings, 84 of which are for beginning farmers, (i.e., people seeking to enter farm businesses) and 9 farm owners who are exiting from the business.

## **Farmland Preservation**

The Virginia Farmland Preservation Task Force completed the development of the first component of the Model PDR Program for Virginia. This component, "Guidelines for the Development of Local PDR Programs", was released during a very successful press event on June 30 at Mainland Farm in James City County. This event not only attracted local media attention, but also attracted some attention in the national media as well with a brief mention in the state news headlines of "USA Today".

In addition to making some progress in both Virginia FarmLink and Farmland Preservation, staff of the Agribusiness Development Services Unit represented the programs of the Office of Farmland Preservation in two national meetings: the annual meeting of the National Farm Transition Network (which represents farm linking programs) where one staff member was elected Treasurer and in "Farming on the Edge", the annual meeting of American Farmland Trust.

## **PLANS FOR THE FUTURE**

In the absence of resources, efforts in Virginia FarmLink will be concentrated on further developing the FarmLink database, primarily through the efforts of the Virginia Farm Bureau Federation. Staff will also collaborate with faculty at Virginia Tech and with North Carolina FarmLink to develop region-specific resource materials to guide farmers in the transition process.

The Farmland Preservation Task Force will turn its attention during the next reporting period to developing the state component of the Virginia PDR Program, which will include options for funding the state-level PDR program.