



ANNUAL REPORT

Virginia Department of Agriculture and Consumer
Services'

OFFICE OF FARMLAND PRESERVATION

December 1, 2004 – December 1, 2005

EXECUTIVE SUMMARY

This report presents the primary accomplishments of the Office of Farmland Preservation (OFP) for the period December 1, 2004 through December 1, 2005. As indicated in reports for prior years, all direct funding for the OFP was eliminated in the budget reductions in FY 2003. While having no financial resources has significantly limited activities in the program, staff from the Virginia Department of Agriculture and Consumer Services (VDACS) Agribusiness Development Services Unit, where the program is currently assigned, have managed to achieve some of the objectives of the OFP 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 (ADS) Unit made several 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 OFP. In addition, the ADS unit and staff sponsored and/or participated in several regional Farm Transition workshops and seminars, working with Virginia Tech and North Carolina state universities in obtaining a federal grant for the workshops.
- 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 over 130 listings showing farmers entering and exiting agriculture. One match was made between an exiting farm owner and a beginning farmer.
- The Virginia Farmland Preservation Task Force finalized the State Element (Part 2 - A Strategic Plan for the OFP) of the Model Purchase of Development Rights Program and released that model on November 28, 2005, thereby meeting another objective in developing a model state PDR program. Included in Part 2 is Appendix B, which discusses options for funding a state PDR program.
- ADS staff assisted the Secretary of Agriculture and Forestry in the development of the report on the initial development of the Agricultural Enterprise Development Zone program. This report is to be submitted to the Governor and the Chairs of the House Agriculture, Chesapeake and Natural Resources, House Finance, Senate Agriculture, Conservation and Natural Resources and Senate Finance Committees by January 1, 2006.

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

MISSION & OVERVIEW

Language in Item 93#1c of the 2000 Appropriation Act from 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 Virginia 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 farm population and the difficulty young farmers have when entering the profession. Statistics describing this problem are quite dramatic. The average Virginia farmer is 56+ years of age. More than 70% of Virginia farmland (and a significant percentage of Virginia's 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 relates to the rapid development of prime farmland. Once again statistics are quite dramatic. According to statistics from the American Farmland Trust, Virginia has lost 45,000 acres of prime farmland each year to development over the last ten years.

The Agricultural Vitality Program was developed to address the challenge of farm business transition through Virginia FarmLink. The objective of the program 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 PDR 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 (OFP). The powers and duties of this new OFP 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 OFP by December 1 of each year.

ACCOMPLISHMENTS December 1, 2004 – December 1, 2005

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 OFP. Despite this loss of funding, staff in the VDACS Agribusiness Development Services Unit which operates the programs of the OFP 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 represented the OFP 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 Hanover-Caroline Soil and Water Conservation District; PDR Directors/Managers Group and Virginia Land Conservation Foundation; Nelson and Isle of Wight County Boards of Supervisors and/or PACE Committees; the Virginia Institute for Economic Development; and public/private sector advocacy groups, such as VACo (Virginia Association of Counties) and Virginia Farm Bureau Federation (VFBF).

Farm Transition Database

The Virginia FarmLink Farm Transition Database, which was developed by the VFBF, was launched at the VFBF Convention in December 2003. As of this writing, the database now contains 138 listings, 130 of which are for beginning farmers, (i.e., people seeking to enter farm businesses) and eight farm owners who are exiting from the business, one less than last year. One exiting farmer was matched with a beginning farmer in the past year.

Farmland Preservation

The Virginia Farmland Preservation Task Force completed the development of the second component of the Model PDR Program for Virginia. This component, "A Proposed State-level Program to Complement Local PDR Programs", is to be released in late 2005.

PLANS FOR THE FUTURE

Efforts are underway to request funds from the 2006 General Assembly to replace funds for the OFP, lost due to previous budget reductions. ADS staff will continue to assist interested localities with the development of local PDR programs. The Farmland Preservation Task Force will continue to develop and support the needed funding component for a State PDR program.