



ANNUAL REPORT

Virginia Department of Agriculture and Consumer
Services'

OFFICE OF FARMLAND PRESERVATION

December 1, 2005 – December 1, 2006

EXECUTIVE SUMMARY

This report presents the primary accomplishments of the Office of Farmland Preservation (OFP) for the period December 1, 2005 through December 1, 2006. 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.

In 2006, the General Assembly approved \$305,000 and one (1) FTE for the 2006-08 biennium as start-up funding for the Office of Farmland Preservation. The new Farmland Preservation Coordinator position was advertised, interviews held and selection made during the months of September, October and November 2006, with the successful candidate planning to start officially on January 3, 2007. However, even before starting the new position officially, the new Farmland Preservation Coordinator will begin attending appropriate meetings with state and local farmland preservation officials and developing work plans to assist in reaching the Governor's goal of conserving 400,000 acres by 2010.

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.
- VDACS staff has attended four (4) quarterly PDR Directors/Managers group meetings, apprising the group of the progress being made in funding and staffing of a State PDR program. In addition, VDACS Staff has attended three (3) Joint Legislative Subcommittee meetings charged with studying funding for a State PDR program.
- VDACS staff served as a member of Virginia Land Conservation Foundation group in awarding \$2.4M to preserve working landscapes in the Farmland and Forestland category.
- The Farm Transition Database currently has 132 listings, 115 of which are for beginning farmers, (i.e., people seeking to enter farm businesses) and 17 farm owners who are exiting from the business. The number of farm owners listed in the database has increased two fold to 17, a positive sign for the development of the program. There are three farm transition matches between exiting farmers and beginning farmers in the initial stages of development.

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 Agriculture 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 Agriculture 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 Virginia Agriculture 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 Agriculture 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 Agriculture Vitality Program as the Office of Farmland Preservation (OFP). The powers and duties of this new OFP basically parallel those responsibilities of the Agriculture Vitality Program in both Farmland Preservation and Virginia FarmLink. § 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, 2005 – December 1, 2006

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 Agriculture 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. However, the 2006 General Assembly approved \$305,000 and one (1) FTE for the 2006-08 biennium - \$225,000 and one FTE for FY 06-07 and \$80,000 and one FTE for FY 07-08. The new Farmland Preservation Coordinator position was filled in late November 2006.

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 several presentations to state and federal agencies, officials of local and regional government, and private sector enterprises. Among the presentations were those made to the PDR Directors/Managers Group and Virginia Land Conservation Foundation; Cumberland County Board 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, developed and currently maintained by the VFBF, was launched at the VFBF Convention in December 2003. During fiscal year 2005-2006 the database contained as many as 137 listings. Currently there are 132 listings, 115 of which are for beginning farmers, (i.e., people seeking to enter farm businesses) and 17 farm owners who are exiting from the business. While the number of farm seekers fell by 15, the number of farm owners listed in the database increased two fold to 17, which is a positive sign in the development of the database. Recognizing that the database needs to include both beginning and exiting farmers in order to be functional, there had been some concern over the initial low level of participation by farm owners looking to transition out of farming. The fact that the level of farm owners participating in the database is increasing is a very favorable note.

Farmland Preservation

The new Farmland Preservation Coordinator position was filled in late November 2006.

PLANS FOR THE FUTURE

The Office of Farmland Preservation, the PDR Directors/Managers group and the Farmland Preservation Task Force will continue to assist the Joint Legislative Subcommittee on State PDR funding to develop and support the needed funding component for a State PDR program. In addition, it is planned to transfer the FarmLink database from VFBF back to VDACS to receive oversight from the new Farmland Preservation Coordinator and have both elements of Virginia's Agriculture Vitality program housed and administered at VDACS.