



**ANNUAL REPORT**

Virginia Department of Agriculture and Consumer Services

**OFFICE OF FARMLAND PRESERVATION**

December 1, 2007

## EXECUTIVE SUMMARY

This report presents the primary accomplishments of the Office of Farmland Preservation (OFP) for the period December 1, 2006 through December 1, 2007. Activities during this reporting period were significantly increased because the General Assembly approved \$305,000 and one full-time equivalent position for OFP for FY 2006- 2008, and allocated \$4.25 million in state matching funds for local Purchase of Development Rights (PDR) programs for the same time period. The Virginia Department of Agriculture and Consumer Services (VDACS) hired the first Coordinator for OFP in November 2006 and officially launched the office on January 3, 2007.

Significant accomplishments for this reporting period include the following:

- OFP staff worked with key agricultural, conservation and governmental partners to develop and implement the FY 2007-2008 process for administering \$4.25 million in state matching funds for local PDR programs. This is the first time that state matching funds have been available specifically for the permanent protection of working farm and forest land.
- OFP implemented the certification process by requesting applications for certification for state matching funds for local PDR programs. Fifteen localities applied for the funds by July 2007 and reported that almost \$45 million in non-state (local, federal, private) funds are currently available for these local PDR programs.
- OFP delivered 28 presentations/workshops to a wide variety of audiences across Virginia. Topics included OFP, PDR programs, farmland preservation tools/techniques, the federal Farm and Ranchland Protection Program (FRPP), conservation easements, use value assessment, and farmland loss data.
- OFP provided additional technical assistance to farmers, local and state government, agricultural and conservation organizations, concerned citizens and others through the development of a new OFP web page, a high quality travel display, and by phone.
- OFP staff worked with the Virginia Farm Bureau Federation (VFBF) to move the Virginia Farm Link database from VFBF to VDACS, and to significantly improve the operation and effectiveness of the database. The purpose of the Virginia Farm Link Program is to provide assistance in the transition of farm businesses and properties from retiring farmers to active farmers. The new database and enhanced electronic functions will be available to the public by February 2008.

During the next year, OFP expects to see continued demand for technical assistance from localities interested in developing new PDR programs. With continued funding for OFP and state matching funds for local programs, it is expected that at least another ten new (for a total of 30) PDR programs will be established by 2010. OFP also plans to be more involved in farm transition efforts next year. Projects include the rollout of the new database, a Virginia landowner guide and farm transition workshops for landowners.

## OVERVIEW

The 2000 Appropriation Act provided \$115,000 (\$65,000 for FY 2000-2001 and \$50,000 for FY 2001-2002) and one full-time equivalent position (FTE) to the Virginia Department of Agriculture and Consumer Services (VDACS) to establish the Virginia Agricultural Vitality Program. The 2001 Session of the Virginia General Assembly added § 3.1-18.9 through § 3.1-18.12 to the Code of Virginia, which continued the Virginia Agricultural Vitality Program as the Office of Farmland Preservation (OFP). The powers and duties of the new OFP are parallel to the responsibilities of the Virginia Agricultural Vitality Program. Section 3.1-18.12 of the Code of Virginia also requires that the Commissioner submit a written report on the operation of OFP to the chairmen of the House Committee on Agriculture and the Senate Committee on Agriculture, Conservation and Natural Resources by December 1 of each year.

The following are the specific powers and duties of OFP, as established in § 3.1-18.9 of the Code of Virginia:

1. To develop, in cooperation with the Department of Business Assistance, the Virginia Farm Bureau Federation, the American Farmland Trust, the Virginia Land Conservation Foundation, the Virginia Outdoors Foundation, the Virginia Association of Counties, and the Virginia Cooperative Extension, (i) model policies and practices that may be used as a guide to establish local purchase of development rights programs; (ii) criteria for the certification of local purchase of development rights programs as eligible to receive grants, loans or other funds from public sources; and (iii) methods and sources of revenue for allocating funds to localities to purchase agricultural conservation easements;
2. To create programs to educate the public about the importance of farmland preservation to the quality of life in the Commonwealth;
3. To provide technical, professional, and other assistance to farmers on matters related to farmland preservation; and
4. To administer the Virginia Farm Link program established pursuant to § 3.1-18.11.

By establishing the Virginia Agricultural Vitality Program, and subsequently OFP, the General Assembly was attempting to address two issues that threaten the future viability of the Virginia agricultural 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. According to economists at Virginia Tech, more than 70 percent of Virginia farmland and a significant percentage of Virginia's farm businesses are expected to 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 loss of farm and forest land to developed uses in Virginia. According to the U.S. Department of Agriculture's National Resource Inventory, between 1992 and 1997 Virginia lost 23,260 acres per year of agricultural land to developed

uses, and 44,640 acres per year of forest land to developed uses. Combined, this is almost 68,000 acres of working farm and forest land lost to developed uses per year during these five years. This fragmentation of the land base puts new pressures on farmers and foresters who now face a public that is increasingly divorced from agriculture, and who are not accustomed to the sights, sounds and smells associated with working farms and forests.

### ACCOMPLISHMENTS

In 2006, the General Assembly approved \$305,000 and one FTE for FY 2006-08 for OFP. This new funding allowed VDACS to hire its first coordinator. After announcing the position in September 2006, VDACS hired the first OFP Coordinator in November 2006, and officially launched the office in January 2007.

Since that time, OFP has been actively working to carry out the duties as established for it in the Code of Virginia. The following are the accomplishments of the office during December 1, 2006 – December 1, 2007:

#### **ADMINISTERING PURCHASE OF DEVELOPMENT RIGHTS (PDR) MATCHING FUNDS**

During the 2007 General Assembly session, Governor Kaine and the General Assembly agreed as part of the 2007 budget amendment to provide OFP with \$4.25 million in state matching funds for FY 2006-2008. This funding is significant, as it is the first time that the Commonwealth of Virginia provided state funds to match local PDR efforts. These funds were to be used to match non-state funds from certified local PDR programs. PDR programs compensate landowners that permanently preserve their land by voluntarily placing a perpetual conservation easement on the property. Twenty local PDR programs exist to date in Virginia, 17 of which have some level of local funding currently available (See Appendix 1).

OFP began working even before the General Assembly had finished the budget to make sure that a process would be developed if the funds were made available. To that end, OFP worked with those partners listed in § 3.1-18.9 of the Code of Virginia to develop the process for certifying local PDR programs, and to establish an allocation formula for state matching funds for these certified local programs. These ideas were then reviewed by the Statewide Farmland Preservation Task Force on March 5, 2007, and the local PDR managers group on March 23, 2007.

For the certification process, it was decided that this year's application would include two parts. The first part was a certification of the amount of non-state matching funds that the locality currently has available for their PDR program. The deadline for submitting this application was July 2, 2007 (See Appendix 2). The second application required was an application to certify the elements of the local PDR program, based on *A Model Purchase of Development Rights (PDR) Program for Virginia*, which was developed by the State Farmland Preservation Task Force in 2005. The deadline for the second application form was August 31, 2007 (See Appendix 3).

Fifteen localities submitted the fiscal certification forms to OFP by the July 2 deadline, with a combined amount of almost \$45 million in non-state funding currently available for these local PDR programs. Fourteen of the 15 localities also submitted their program certification application by August 31. (Augusta County's Board of Supervisors voted 4 to 3 not to adopt their draft PDR ordinance and therefore did not submit their application by the second deadline.)

OFP is currently in the process of reviewing the 14 applications and certifying local PDR programs for FY 2007-2008. To date, OFP has reviewed the application, ordinance, easement template and supporting documents for each of the 14 localities that applied. OFP also convened a State PDR Certification Advisory Committee to discuss the certification process so far and to make sure that the committee agrees with the direction that the office is heading with respect to the certification. This group is comprised of all of the members of the State Farmland Preservation Task Force, except for those representing a local PDR program. OFP is also working with the Office of the Attorney General to review each of the local easement templates, and to develop the legal agreements between VDACS and those local PDR programs that are eventually certified.

Once it has been determined which localities will be certified this year, OFP will divide the \$4.25 million by the number of certified localities to determine the allocation of matching funds. If all of the local programs that applied for certification become certified, \$303,571 (\$4.25 million/14 certified programs) would be reserved for each local program. (While budgeted for two fiscal years, OFP combined these funds into one grant round in FY 2007-2008.)

These funds are available to the certified localities only to the extent that they are able to provide an equal match using non-state funds. Those localities that are not able to provide at least \$303,571 in non-state funds will receive a match equal to the amount that they have available. The remainder of the state funds that have not been matched by each local program would then be divided again in a second round by the number of programs that can provide a match greater than \$303,571.

OFP is planning to distribute the contracts, along with the initial amount of state funds available, to each locality in December 2007. We will release information on the locality that applied, the amount that each locality has available for their PDR program, and the initial amount of state matching funds that have been awarded to the public at that time as well.

#### **PROVIDING TECHNICAL ASSISTANCE AND EDUCATION ON FARMLAND PRESERVATION**

Since the opening of OFP in January 2007, staff has been consistently asked to provide technical assistance to local and state government, agricultural and conservation organizations, individual landowners and farmers, and others interested in learning more about farmland preservation in Virginia.

The following are efforts by OFP to provide technical assistance and outreach on farmland preservation issues:

*Presentations:* OFP delivered 28 presentations/workshops to a wide variety of audiences as of November 2007. Topics included OFP, PDR programs, farmland preservation tools/techniques, Farm and Ranchland Protection Program (FRPP), conservation easements, use value assessment, and farmland loss data. See Appendix 4 for a complete list of presentations delivered in 2007.

*Web page:* In April 2007, OFP developed a new web page at [www.vdacs.virginia.gov/preservation](http://www.vdacs.virginia.gov/preservation). This web page provides information on the office, as well as the issues and challenges related to the loss of Virginia's working farm and forest land. It also includes links to the web sites, program ordinances, easement templates and other materials for many of the 20 local PDR programs currently established.

*Display:* In April 2007, the OFP coordinator developed a travel display for the office. This display was unveiled at the 2007 Environment Virginia conference at VMI, and also was used at the 2007 Ag Expo at Renwood Farms in Charles City.

*Landowner phone calls:* The OFP coordinator has talked with numerous landowners and farmers interested in understanding the range of options for permanently protecting their land. The coordinator also served as the Virginia Service Center Representative for the Land Trust Alliance's (LTA) National Media Outreach Campaign to Farmers and Ranchers, which was designed to provide landowners with a contact in each of 22 states who could provide additional information about conservation options for working farm and forest land.

*Virginia Land Conservation Foundation (VLCF):* The OFP coordinator served as the VDACS representative on VLCF's interagency task force for 2007. As part of this task force, the coordinator ranked agricultural projects for VLCF, and presented these projects to the VLCF board in June. OFP was also involved in developing proposed changes to the VLCF scoring criteria for those projects in the agriculture category.

## **ADMINISTERING VIRGINIA FARM LINK PROGRAM**

OFP is charged with administering the Virginia Farm Link program. Pursuant to § 3.1-18.11 of the Code of Virginia, the purpose of the Virginia Farm Link program is to do the following:

“provide assistance to retiring farmers and individuals seeking to become active farmers in the transition of farm businesses and properties from retiring farmers to active farmers. Such assistance shall include, but not be limited to, (i) assistance in the preparation of business plans for the transition of business interests; (ii) assistance in the facilitation of transfers of existing properties and agricultural operations to interested buyers; (iii) information on innovative farming methods and techniques; and (iv) research assistance on agricultural, financial, marketing, and other matters.”

The absence of program funding in previous years precluded the development of many of the components of the Farm Link program established in § 3.1-18.11. In 2003, VDACS did work with the Virginia Farm Bureau Federation (VFBB) to develop a Virginia Farm Link database. This online database was designed to bring those landowners interested in passing the land on to the next generation together with those interested in gaining access to farmland and farming

operations in Virginia. VFBF agreed to host the Farm Link database until such time that OFP was able to take back the operation of the database. Since officially launching in January, VDACS has been working with VFBF to move the database back to the agency. As part of this process, VDACS and VFBF also identified significant changes that could be made to the database to make it more user-friendly for farm owners and farm seekers, and the program administrator. In September 2007, VDACS hired Virginia Interactive to both transition the database to VDACS and to make the recommended programmatic improvements. The new Farm Link database is expected to be publicly available by the end of February 2008.

VDACS also is an active member and the current treasurer of the National Farm Transition Network (NFTN). The goal of the network is to support programs that foster the next generation of farmers and ranchers. At least 20 states have established Farm Link similar to Virginia, and all of these states are members of the NFTN. OFP represented Virginia at the NFTN annual meeting August 5 and 6 in Ottawa, Ontario, and participated in the International Farm Succession Conference held August 6-8 in the same location. Both of these meetings provided an opportunity for OFP staff to learn more about other successful farm transition strategies, as well as to develop a network of both national and international farm transition contacts.

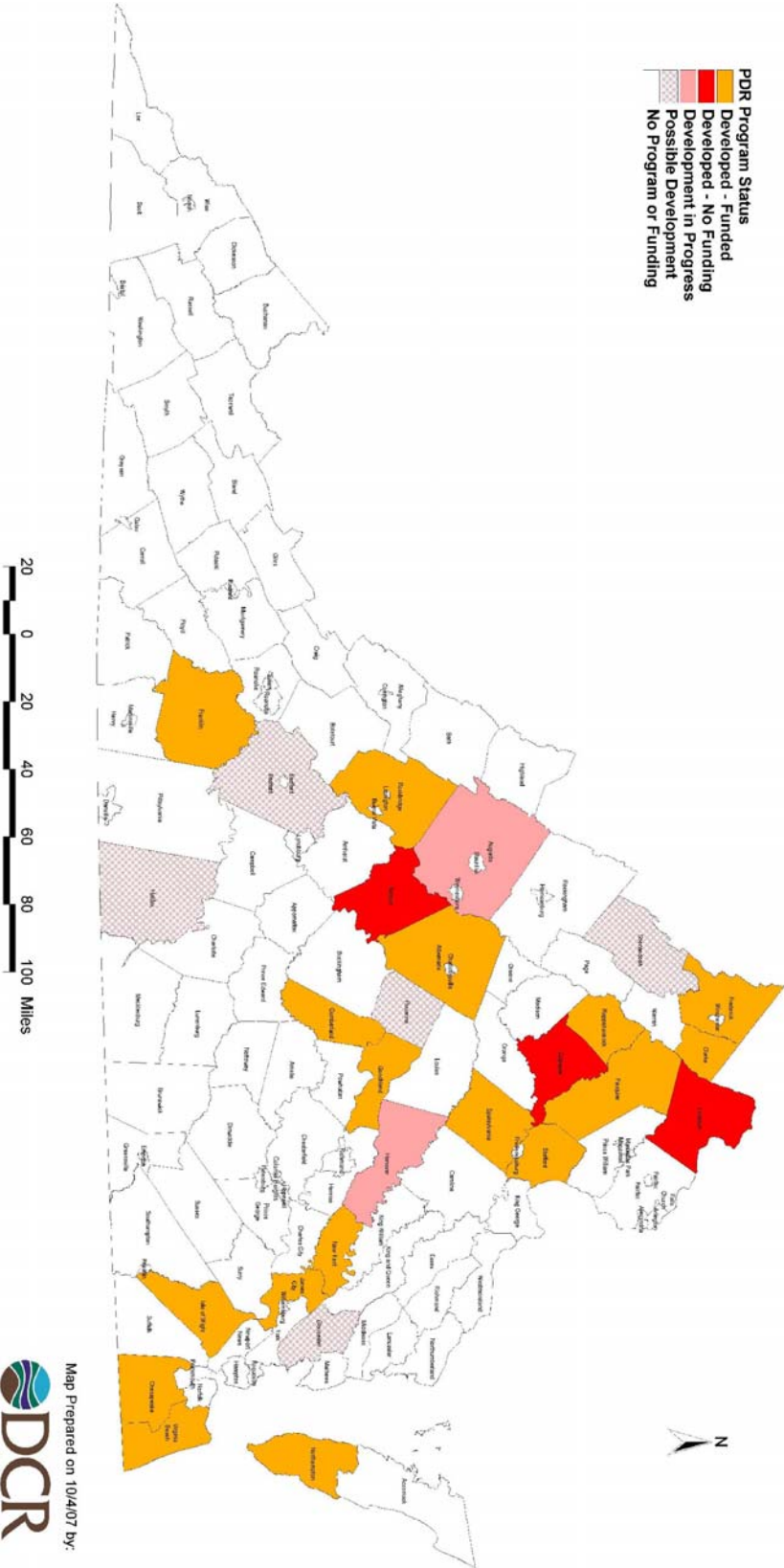
#### **PLANS FOR THE FUTURE**

OFP expects to see continued demand for technical assistance from localities interested in developing new PDR programs. Since January 2007, five new local PDR programs were established in Virginia, for a total of 20 local PDR programs. These five new localities all indicated that the opening of the office and the availability of state matching funds has helped to spark their interest in developing a local PDR program. OFP has recently met with Augusta, Bedford, Caroline, Hanover, and Rockingham counties, and has been contacted by other counties that are interested in developing PDR programs as well. With continued funding for OFP and for state matching funds to local programs, it is expected that at least another 10 new (for a total of 30) local PDR programs will be established by 2010.

OFP also plans to be more involved in farm transition efforts in the future. OFP will issue a press release and conduct a public outreach effort once the Farm Link database is moved to VDACS in February 2008. As part of this outreach effort, VFBF and VDACS will send letters to existing Farm Link subscribers (there are currently 12 farm owners registered and 206 farm seekers registered) announcing the new database, and asking them to sign up for the new database if they still are interested in participating. OFP also has been in contact with the North Carolina Farm Transition Network (NCFTN) and is working with them to develop a landowner guide on successful farm transition strategies for Virginia farmers. NCFTN produced this guide last year for North Carolina and received additional funding to revise and replicate this for Virginia. We are hoping to have this guide developed and printed by February 2008 as well, so that it may be incorporated with the new database into a larger Virginia Farm Link program outreach effort. We also are exploring the possibility of developing and delivering farm transition workshops for landowners across the commonwealth in conjunction with Cooperative Extension, the VFBF and NCFTN.

# APPENDIX 1

## STATUS OF LOCAL PURCHASE OF DEVELOPMENT RIGHTS (PDR) PROGRAMS





**APPENDIX 2**

**CERTIFICATION OF LOCAL PURCHASE OF DEVELOPMENT RIGHTS (PDR) PROGRAM  
MATCHING FUNDS - FY 2007 - 2008**

**Application Deadline: Monday, July 2, 2007**

The \_\_\_\_\_ of \_\_\_\_\_ hereby certifies that on  
(County Administrator/City Manager) (Locality)  
this \_\_\_\_\_ day of \_\_\_\_\_, total funds in the amount of  
\$ \_\_\_\_\_ were appropriated for the July 1, 2007, to June 30, 2008 fiscal year,  
and that total funds in the amount of \$ \_\_\_\_\_ are currently available from  
previous fiscal years, for the purpose of purchasing agricultural conservation easements, as  
referenced in Section 3.1-18.10 of the *Code of Virginia*, on or after July 1, 2007.

It also is certified that none of the funds listed above are from grants made by other agencies or  
political subdivisions of the Commonwealth of Virginia.

It is the intent of \_\_\_\_\_ to use these funds to purchase new perpetual conservation  
(Locality)  
easements on working farm and forest land through participation in the agricultural conservation  
easement program administered by the Commonwealth of Virginia's Office of Farmland  
Preservation pursuant to Section 3.1-18.10 of the *Code of Virginia*.

It is understood and agreed that participation in Virginia's Office of Farmland Preservation  
agricultural conservation easement program requires meeting additional criteria as promulgated  
by Virginia's Office of Farmland Preservation, and that certification of the locality's available  
funds does not guarantee nor obligate acceptance into the agriculture conservation easement  
program.

\_\_\_\_\_  
County Administrator/City Manager

\_\_\_\_\_  
County/City Chief Fiscal Officer

\_\_\_\_\_

\_\_\_\_\_

### APPENDIX 3

#### APPLICATION FOR CERTIFICATION OF LOCAL PURCHASE OF DEVELOPMENT RIGHTS (PDR) PROGRAM- FY 2008

**Application Deadline: Friday, August 31, 2007**

**Locality:**

**Contact person:**

**Title:**

**Address:**

**Address 2:**

**City, State, Zip:**

**Phone:**

**Fax:**

**E-mail:**

**Date:**

The following application is based on [\*A Model Purchase of Development Rights \(PDR\) Program for Virginia\*](#), which was released by the Virginia Department of Agriculture and Consumer Services (VDACS) Farmland Preservation Task Force in November 2005. It is strongly suggested that applicants refer to the model PDR document while completing this application. Please visit [www.vdacs.virginia.gov/preservation](http://www.vdacs.virginia.gov/preservation) or call (804) 786-1346 to obtain a copy of this report.

To complete this application, please answer each of the questions listed below. Also please submit any additional documentation to help support or clarify your answers.

#### **1. Adopted PDR ordinance/resolution**

Please attach your local PDR ordinance/resolution as adopted. If your ranking system is not part of your ordinance/resolution, please include this as well.

#### **2. Program goals and purposes**

Please specify your program goals/purposes as outlined in your local PDR ordinance/resolution. *We will be looking for clearly defined program goals/purposes, with a program ordinance/resolution that supports them.*

#### **3. Action plan for education/outreach**

Please provide information on how your program reaches out to farmers/landowners, public officials and the non-farming public.

*We will be looking for examples of efforts to educate various stakeholders in the community on the PDR program and other working farm and forest land preservation initiatives.*

#### **4. Easement valuation process**

Please outline how your locality determines easement value.

*We will be looking for transparency and replicability in the easement valuation process.*

#### **5. Broader agricultural enhancement strategy**

Please outline what additional strategies your locality is using to preserve working farm and forest land, and how these various strategies work together. Examples include: comprehensive land use plan; agricultural zoning; use value taxation; agricultural and forestal districts; agricultural economic development efforts; farm transition efforts, etc.

*We will be looking to see that the PDR program is part of a broader strategy designed to preserve working farm and forest land.*

#### **6. Deed of easement**

Please attach a copy of your deed of easement template.

*We will be looking to see that the deed of easement is flexible enough to allow for future agricultural production, and that it contains the appropriate components established in the model document. All easements funded by the state must be perpetual.*

#### **7. Monitoring and enforcement strategy**

Please describe your monitoring and enforcement schedules/procedures.

*We will be looking to see that a clear strategy has been established outlining how the easement will be monitored and enforced.*

#### **8. Program evaluation mechanism**

Please describe the process used to evaluate the effectiveness of your program, and indicate the process for making changes or updates to your program based on this evaluation.

*We will be looking to see that the program has an evaluation mechanism and a process established for implementing evaluation findings.*

Completed applications and any questions should be addressed to:

Kevin Schmidt  
Coordinator, Office of Farmland Preservation  
Virginia Department of Agriculture and Consumer Services  
102 Governor Street  
Richmond, VA 23219  
Phone: (804) 786-1346  
Fax: (804) 371-2945  
[kevin.schmidt@vdacs.virginia.gov](mailto:kevin.schmidt@vdacs.virginia.gov)  
[www.vdacs.virginia.gov/preservation](http://www.vdacs.virginia.gov/preservation)

## APPENDIX 4

### **Presentations:**

- Delivered presentation on PDRs and Office of Farmland Preservation in Cumberland County for the Summit in the Rural Community workshop (January 11, 2007).
- Met with Franklin County Board of Supervisors to discuss PDRs and new Office of Farmland Preservation (January 11, 2007).
- Delivered presentation on PDRs and Office of Farmland Preservation to the Virginia Roanoke River Basin Advisory Committee (January 24, 2007).
- Delivered presentation on Office of Farmland Preservation at the Forest and Farm Conservation Training held by Cooperative Extension in Tappahannock (February 6, 2007).
- Discussed Office of Farmland Preservation with Jeff Ishee for Virginia Farming on WVPT (Virginia Public Television) (February 7, 2007).
- Delivered presentation on PDRs and Office of Farmland Preservation at the Land Conservation Essentials training held by Cooperative Extension in Windsor (February 15, 2007).
- Delivered presentation on tools for preserving farm and forest land in Halifax County at The Conservation Toolbox workshop (February 26, 2007).
- Delivered presentation on PDRs and office at DCR/Chesapeake Bay Local Assistance conference in Richmond (March 15, 2007).
- Delivered presentation on tools for preserving farm and forest land and specifically on PDR for county supervisors and the public in Franklin County (March 19, 2007).
- Delivered presentation on PDRs and Office of Farmland Preservation at Area VI Soil and Water Conservation District meeting in Dinwiddie (March 28, 2007).
- Developed and delivered day long training for local government on creating farm and forest land preservation programs. This was conducted as part of the Environment Virginia conference held at VMI in Lexington (April 10-12, 2007).
- Delivered presentation on Office of Farmland Preservation and state PDR matching funds to the annual spring meeting of the Virginia Association of RC&Ds in Staunton (April 26, 2007).
- Delivered presentations on the new state PDR matching funds and program to local government officials attending a regional workshop in Farmville hosted by the Virginia Resources Authority. (May 17, 2007).

- Delivered a presentation on the range of land use tools available to local governments as part of a land use training developed by Cooperative Extension in Buckingham County (June 06, 2007).
- Delivered a presentation on the range of land use tools available to local governments as part of a land use training developed by Cooperative Extension in Cumberland County (June 11, 2007).
- Delivered presentation on farmland loss data at the Forest and Farm Conservation Training held by Cooperative Extension in Blackstone (June 15, 2007).
- Delivered presentation on the new state PDR matching funds and program to local government officials attending a regional workshop in Hampton hosted by the Virginia Resources Authority (June 19, 2007).
- Delivered presentation on the new state PDR matching funds and program, and on the federal Farm and Ranchland Protection Program (FRPP) changes proposed by the U.S. House Subcommittee on Conservation to the Virginia Joint Subcommittee studying long term funding for land conservation (June 19, 2007).
- Delivered presentation on the new state PDR matching funds and program to Virginia Farm Bureau's Land Use Committee at VAFB (June 20, 2007).
- Delivered presentation on Use Value Assessment to the Virginia Association of Assessing Operators at their annual meeting in Charlottesville (July 12, 2007).
- Delivered presentation on the Office of Farmland Preservation and farmland preservation efforts in Virginia to the Agriculture and Rural Affairs subcommittee of the National Association of Counties (NACO) at their annual meeting held in Richmond (July 13, 2007).
- Delivered presentation on the state PDR program matching funds to the Potomac Watershed Forum V in Manassas (August 10, 2007).
- Delivered presentation on the Office of Farmland Preservation and the state PDR funding efforts in Virginia to Rural Legacy Committee in Hanover County (September 11, 2007).
- Delivered presentation on the Office of Farmland Preservation and the state PDR funding efforts in Virginia to Virginia's United Land Trusts (VaULT) (September 12, 2007).
- Delivered presentation on the Office of Farmland Preservation and the state PDR funding efforts in Virginia at the annual conference of the Association for the Preservation of Virginia Antiquities (APVA) (September 25, 2007).

- Delivered presentation on the Office of Farmland Preservation and the state PDR funding efforts in Virginia to Rockingham County Board of Supervisors and Planning Commission (October 23, 2007).
- Delivered presentation on the Office of Farmland Preservation and the state PDR funding efforts in Virginia at the Center for Rural Culture's Fall Forum Series in Goochland County (October 25, 2007).
- Delivered presentation on the Office of Farmland Preservation and the state PDR funding efforts in Virginia to Bedford County Planning Commission and citizen group (November 05, 2007).