



*VIRGINIA DEPARTMENT
OF AGRICULTURE AND
CONSUMER SERVICES*

OFFICE OF FARMLAND PRESERVATION

ANNUAL REPORT

By:

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Commissioner of Agriculture and Consumer Services

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EXECUTIVE SUMMARY

This report presents the primary accomplishments of the Office of Farmland Preservation (OFP) for the period of December 1, 2021 – November 30, 2022.

Significant accomplishments for OFP during this reporting period include the following:

- Continued to work with key agriculture, conservation, and government partners to refine the allocation process for state matching funds to local purchase of development rights (PDR) programs;
- Allocated \$1,000,000 in fiscal year (FY) 2022 state matching funds to seven local PDR programs;
- Worked with local PDR programs to permanently preserve 313.45 acres (four easements) of working farm and forest lands. OFP provided \$699,130 of the \$1,553,643 total purchase price and transaction costs paid for these easements;
- Continued to work with key partners to advance education around transition planning, including assisting with the launch of the Virginia Transition Professionals Network;
- Allocated \$16,000 to Virginia Cooperative Extension (VCE) to reimburse VCE for workshops it conducted to help farm families and professional service providers transition farms and farming operations; and
- Continued a collaboration with the Virginia Farm Bureau Federation (VFBB) on the management of the Certified Farm Seekers Program and on continued improvements to the Virginia Farm Link website and database.

OVERVIEW

Section 3.2-203 of the Code of Virginia requires the Commissioner of Agriculture and Consumer Services (Commissioner) to submit a written report on the operation of the Office of Farmland Preservation (OFP) to the chairmen of the House Committee on Agriculture, Chesapeake and Natural Resources 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 § 3.2-201 of the Code of Virginia:

- “1. To develop, in cooperation with the Department of Small Business and Supplier Diversity, 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;
4. To provide technical, professional, and other assistance to local governments interested in developing additional farmland preservation policies and programs. Such policies and programs shall include (i) use value assessment and taxation pursuant to §§ 58.1-3230 and 58.1-3231; (ii) transfer of development rights pursuant to Article 7.1 (§ 15.2-2316.1 et seq.) of Chapter 22 of Title 15.2; (iii) agricultural and forestal districts pursuant to Chapter 43 (§ 15.2-4300 et seq.) of Title 15.2; and (iv) establishment of local lease of development rights; and
5. To administer the Virginia Farm Link program established pursuant to § 3.2-202.”

In addition, § 3.2-201 was expanded in 2008 to include the following language regarding the allocation of state matching funds to local purchase of development rights (PDR) programs:

“State grants shall be distributed to local purchase of development rights programs under policies, procedures, and guidelines developed by the Office of Farmland Preservation. In general, for each \$1 in grant moneys awarded by the Office, the applicable local purchase of development rights program of the county or city shall be required to provide a \$1 match. However, as part of these policies, procedures, and guidelines developed by the Office, the Office shall include incentives that recognize and encourage counties and cities participating in use value taxation pursuant to Article 4 (§ 58.1-3229 et seq.) of Chapter 32 of Title 58.1.”

In establishing OFP, the General Assembly created a program to address two challenges that threaten the future viability of Virginia's agriculture industry sector. The first of these challenges is an aging farm population coupled with the difficulty young prospective farmers face when seeking to enter the profession. The average principal farm operator in Virginia is 58.5 years of age, and 37 percent of principal farm operators are aged 65 or older. There are five times as many producers over the age of 65 as there are under the age of 35. According to the American Farmland Trust (AFT), nationwide, 371 million acres of agricultural land owned by aging landowners is expected to change hands over the next 15 years.

The second challenge relates to the continued loss of farm and forest land to developed uses in Virginia. In 2020, AFT released a report entitled "Farms Under Threat: the State of the States" that analyzed nationwide data to determine the total loss of agricultural land. Nationally, between 2001 and 2016, 11 million acres of farmland and ranchland were converted to urban and highly developed land use (UHD) or low-density residential land use (LDR). UHD represents what is typically thought of when discussing development – the urban and suburban creep surrounding established urban centers. LDR represents the conversion of agricultural land to large-lot housing development. AFT's analysis found that LDR often leads to UHD development. In addition, AFT created the Nationally Significant farmland designation to identify the most productive, versatile, and resilient land for sustainable food and crop production. AFT found that between 2001 and 2016, 4.4 million acres of Nationally Significant land were converted to UHD and LDR land uses.

In Virginia, 339,800 acres of agricultural land were converted to UHD or LDR land uses between 2001 and 2016. Significantly, 80 percent of that conversion (272,900 acres) was to LDR land use, which fragments the agricultural land base and limits the production, marketing, and management options for the remaining working landscape. Agricultural land located in LDR areas in 2001 was seven times more likely to convert to UHD by 2016, indicating the importance of land use policies that help keep working landscapes intact. Notably, these data do not include the growing threat of conversion to non-residential development, including utility-scale solar, which is a growing industry in Virginia.

These data illustrate a decreasing amount of farmland available for agricultural use in Virginia over time, which has the potential to adversely impact the agricultural industry and Virginia's economy. Agriculture remains Virginia's largest industry. AFT estimated that the farmland converted between 2001 and 2016 into UHD or LDR land uses in Virginia was sufficient acreage to generate \$164 million in annual revenue, not including income derived from agritourism activities. This loss also results in increased fragmentation of the remaining farm and forest land. Farmers and foresters will continue to face increasing threats as land prices increase and fragmentation expands.

ACCOMPLISHMENTS

The following are the accomplishments of the office during December 1, 2021 – November 30, 2022:

ADMINISTERING PDR MATCHING FUNDS

Since its establishment in 2007, Office of Farmland Preservation (OFP) staff has worked with local governments, farm and conservation organizations, and other interested parties to establish local purchase of development rights (PDR) programs. PDR programs compensate landowners who permanently preserve their land by voluntarily placing a perpetual conservation easement on the property. Twenty-two (22) local PDR programs exist to date in Virginia, seven of which have some level of current local funding available (see Appendix 1).

OFP worked with key stakeholders to develop a two-part certification process for the use of state PDR matching funds. The first part was a certification of the amount of local matching funds that the locality had available for its PDR program. The second part was an application to certify the elements of the local PDR program based on *A Model Purchase of Development Rights (PDR) Program for Virginia* developed by the State Farmland Preservation Task Force in 2005.

During the fiscal year (FY) 2022 state matching funds grant round, OFP allocated \$1,000,000. Localities had until December 10, 2021, to submit their fiscal and program certification forms. Seven localities met the fiscal and certification deadline for FY 2022 funding. These seven localities certified that they had a total of approximately \$24.1 million in non-state funding (\$4.1 million in FY 2022 and \$20.0 million from previous years) available to match state funds. The allocations for FY 2022 were awarded to localities in January 2022 (see Appendix 2).

Localities have up to two years from the execution of the Intergovernmental Agreement (IGA) between the locality and the Virginia Department of Agriculture and Consumer Services (VDACS) to close on approved agricultural conservation easements. As in recent years, OFP gave localities with remaining FY 2021 funding until May 30, 2022, to close and record an approved agricultural conservation easement. This year the standard IGA template was amended to allow a year-long extension of funds if the funds are committed to an easement purchase also leveraging funding from the National Resources Conservation Service Agriculture Land Easement program. PDR managers requested this change to address sometimes lengthy delays during the federal review process.

During the reporting period, \$699,131 in state matching funds from the fund administered by OFP (the Fund) were used in part to permanently protect 318 acres (four easements) in partnership with local PDR programs. The total purchase price and transaction cost paid for these easements was \$1,553,643. Since the program's inception in 2007, a total of \$13.2 million in state matching funds from the Fund have been used in part to permanently protect 14,802 acres (113 easements) in partnership with 16 local PDR programs (see Appendix 3).

VDACS is currently in the process of allocating to local PDR programs the \$875,000 available for the FY 2023 grant round. Localities have until November 18 to submit their fiscal and program certifications.

PROVIDING TECHNICAL ASSISTANCE AND EDUCATION ON FARMLAND PRESERVATION

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

The following outlines efforts by OFP to provide technical assistance and outreach on farmland preservation issues from December 1, 2020 – November 30, 2021:

Workshops/Presentations: OFP delivered eight workshops or presentations to a wide variety of audiences. Topics included PDR programs, farmland preservation tools and techniques, conservation easements, farmland loss data, the Virginia Farm Link program, and the Century Farm program (see Appendix 4).

Outreach: OFP participated in increased media outreach over the course of the reporting period. On January 31, 2022, OFP staff was interviewed by WDBJ 7 (Roanoke) to discuss the Virginia Century Farm program and the Virginia Farm Link program. OFP was also interviewed for the Virginia Farm Bureau Federation (VFBF)'s Real Virginia television program for two separate segments, one centered on Century Farms and the other on Farm Link and transition planning.

Committees: OFP was involved in three stakeholder committees and work groups. For two of the work groups, the Shared Solar Process Stakeholder Committee and the Mitigation and Credit Nutrient Workgroup, OFP staff represented VDACS during evaluations of the impact of proposed legislation on farmland loss.

OFP also served on the House Bill 894 Workgroup and a related subcommittee. Introduced during the 2022 Session of the General Assembly, HB 894 required the creation of a workgroup that was tasked with the creation of an online resource for localities to use when analyzing the siting of energy projects. As part of the legislation, Virginia Cooperative Extension (VCE) was required to develop a map or repository of prime farmland to assist localities with solar siting considerations and to consult with partner agencies, including VDACS, in the process. The subcommittee informed input on data layers for an interactive map that is neither proscriptive nor restrictive on solar siting, but rather allows localities to add or remove a variety of layers depending on their unique values and priorities. The mapping tool, the Virginia Land and Energy Navigator (VaLEN), is not fully complete but the committee anticipates launching the tool sometime after the first of the year.

Mapping: OFP continues to make suggestions for improvements to the agricultural layer of *ConserveVirginia*. The agricultural layer was improved last year with the addition of the American Farmland Trusts (AFT)'s "Farms Under Threat" data layer, but there is still room for improvement. OFP has continued conversations with AFT on refining its data to better reflect Virginia's agricultural landscape.

Website: OFP continued to provide updated information on its website at: <http://www.vdacs.virginia.gov/conservation-and-environmental-farmland-preservation-tools.shtml>. The website provides information on the office as well as the issues and challenges related to the loss of Virginia's working farm and forest lands. It also includes links to the websites, program ordinances, easement templates, and other materials for many of the 22 local PDR programs and the two local transfer of development rights programs currently established.

Landowner phone calls/e-mails: The OFP Coordinator communicated with numerous landowners and farmers interested in understanding the range of options for permanently protecting their land. OFP also fielded numerous calls and e-mails from farm owners and farm seekers interested in the Virginia Farm Link program and the Virginia Century Farm program.

VIRGINIA FARM LINK PROGRAM

OFP is charged with administering the Virginia Farm Link program. Pursuant to Va. Code § 3.2-202, 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 cornerstone of the Virginia Farm Link program is the Virginia Farm Link website. In 2020, VDACS and VFBF entered into a partnership to update and expand the Farm Link website. In order to develop a strategy for a revised website, VFBF and OFP staff called all the current active farm owners and farm seekers in the database and asked a series of questions. Surveys were also sent to the following groups: Farm Link users who were not currently active but had used the system within the past year, VFBF producer members, VCE agents, and student agriculture organizations at Virginia Tech.

In fall 2021, the new Virginia Farm Link website was launched at virginiafarmlink.org. Since the official launch date of December 1, 2021, VDACS and VFBF have been promoting the website in multiple forums, both in-person and virtually. The staff person hired by VFBF and partially funded by VDACS has been maintaining new social media accounts on Facebook and Instagram. Since the launch, 279 individuals have signed up to be Farm Seekers and, at the time of this report, there are 35 active Farm listings. This is a substantial increase in the number of active accounts, particularly in the available Farms category, indicating that the website redesign and targeted outreach has led to greater interaction with the site.

The Certified Farm Seeker (CFS) program, which was developed in 2012 in collaboration with the VFBF's Young Farmers group, continues to operate in its current form. The CFS program helps farm seekers develop a farm business plan and resume and to demonstrate on-farm experience by using five curriculum modules (whole farm planning introduction, business, land acquisition and tenure, marketing, and on-farm experience) that were developed by the Virginia Beginning Farmer and Rancher Coalition Project. The program was designed to help all levels of beginning and experienced young farmers who are looking to farm or to expand their farm.

OFP also continued to allocate funding for farm transition workshops designed to help farm families and their service providers transition farms and farming operations to the next generation. OFP allocated \$16,000 to VCE to conduct these workshops. Because of a staffing change at Virginia Tech, much of the funding was not used. After extensive discussions with the new staff lead and with partners in the agricultural community, this year's grant award will be modified to allow reimbursements for innovative marketing and outreach ideas as well as workshops.

This year, an exciting new organization that focuses on outreach and education was created by two VCE agents with the support of VDACS. The Virginia Transition Professionals Network (VTPN) held its inaugural summit in June 2022. The VTPN is designed to gather professionals from all areas that work with transitioning farms on succession planning (attorneys; accountants; agriculture professionals from local, state, and federal agencies; and private business) to share best practices, identify educational needs, and provide networking opportunities. Over 60 people indicated an interest in joining VTPN, which demonstrates the real need for support in the field. To that end, VDACS applied this fall for U.S. Department of Agriculture Farm Service Agency funding from the Increasing Land, Capital, and Market Access Program. The grant proposal, headed by North Carolina State University with participation from Virginia Farm Link, South Carolina Farm Link, and Georgia Farm Link, is a regional application anchored around existing Farm Link programs. If the grant proposal is successful, VDACS will receive funding to host continuing legal education training for professionals, contract with a marketing firm for outreach, and hire a Land Access Coordinator.

VIRGINIA AGRICULTURE LICENSE PLATES

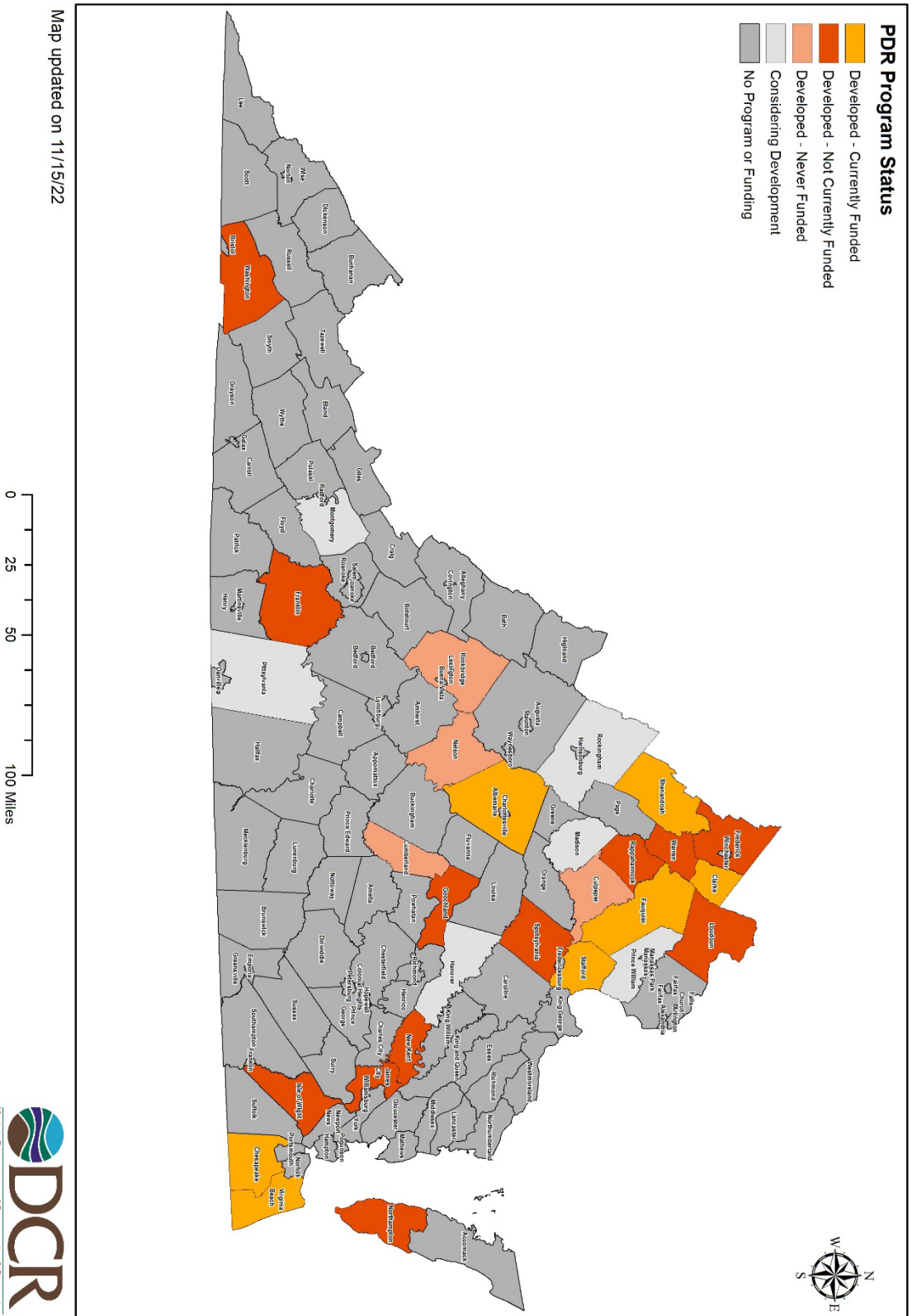
Chapter 653 of the 2004 Acts of Assembly established a new revenue-generating license plate for supporters of Virginia agriculture. As established in Va. Code § 46.2-749.102, the annual fee for the Virginia agriculture plate is \$25 in addition to the prescribed fee for state license plates. For each \$25 fee collected in excess of 1,000 registrations, \$15 is credited to a special non-reverting fund known as the Virginia Agricultural Vitality Program Fund established within the Department of Accounts. The revenue generated by this fee is paid annually to OFP and to date has been used to fund projects primarily related to the Virginia Farm Link program.

VIRGINIA CENTURY FARM PROGRAM

In October 2010, OFP was assigned the administration of the Virginia Century Farm program, which honors and recognizes those Virginia farm families whose land has been in the same family and actively farmed for more than 100 years. As of November 14, 2022, there are now 1,532 certified Century Farms on record since the beginning of the program in 1997.

APPENDIX 1

STATUS OF LOCAL PURCHASE OF DEVELOPMENT RIGHTS (PDR) PROGRAMS



APPENDIX 2

FY 2022 ALLOCATIONS FOR LOCAL PDR PROGRAMS

<u>Locality</u>	<u>Local Funds Available</u> <u>(As of Nov 2021)</u>	<u>Previous State Funds</u> <u>Remaining</u> <u>(As of Nov 2021)</u>	<u>FY 2022 State Funds</u> <u>Awarded</u>
County of Albemarle	\$75,619.00	\$54,000.00	\$75,619.00
City of Chesapeake	1,810,773.61	\$112,333.00	\$156,476.00
County of Clarke	\$222,189.00	\$189,395.00	\$156,476.00
County of Fauquier	\$2,915,125.00	\$73,052.00	\$156,476.00
County of Shenandoah	\$142,000.00	\$0.00	\$142,000.00
County of Stafford	\$834,836.00	\$54,000.00	\$156,476.00
City of Virginia Beach	\$18,069,509.00	\$58,334.00	\$156,476.00
TOTAL	\$24,070,051.61	\$541,114.00	\$999,999.00

APPENDIX 3

TOTAL ACRES PROTECTED WITH STATE PDR MATCHING FUNDS

AS OF NOVEMBER 15, 2022

<u>Locality</u>	<u>Easements</u>	<u>Acres Protected</u>	<u>*Local Funding</u>	<u>*State PDR Funding</u>	<u>*Other Funding</u>
Albemarle County	17	2,829.51	\$2,850,255.20	\$2,101,799.89	\$0.00
City of Chesapeake	4	212.36	\$1,707,449.87	\$578,329.98	\$0.00
Clarke County	40	3,151.12	\$1,329,293.58	\$1,329,290.57	\$2,909,284.00
Fauquier County	16	4,277.43	\$2,867,060.07	\$2,284,815.43	\$100,000.00
Frederick County	1	89.75	\$5,000.00	\$130,027.00	\$260,000.00
Goochland County	1	500.93	\$155,623.50	\$155,623.50	\$0.00
Isle of Wight County	3	585.40	\$1,794,862.79	\$1,547,744.21	\$0.00
James City County	5	476.16	\$1,775,974.11	\$994,967.24	\$0.00
Northampton County	3	637.25	\$139,578.10	\$139,578.10	\$1,376,000.00
Rappahannock County	2	343.23	\$157,431.00	\$156,666.00	\$0.00
Shenandoah County	2	308.87	\$100,000.00	\$100,000.00	\$525,000.00
Spotsylvania County	2	115.70	\$93,072.65	\$93,072.65	\$147,500.00
Stafford County	7	528.35	\$1,625,631.92	\$1,606,170.18	\$180,000.00
City of Virginia Beach	8	534.40	\$2,849,768.61	\$1,887,987.43	\$0.00
Warren County	1	50	\$64,745.00	\$64,745.00	\$0.00
Washington County	1	161.24	\$41,000.00	\$41,000.00	\$190,426.00
TOTAL	113	14,801.85	\$17,556,746.38	\$13,211,817.18	\$5,688,210.00

* Includes easement purchase price and in some cases incidentals such as surveys, title insurance, appraisals, reasonable legal fees, etc.

APPENDIX 4

OFFICE OF FARMLAND PRESERVATION PRESENTATIONS

DECEMBER 1, 2021 – NOVEMBER 30, 2022

- Provided information for a staffed booth at the VFBF’s Annual Convention in Williamsburg (November 30 – December 2, 2021)
- Presented information on the Virginia Farm Link at the Future Harvest Annual Conference (January 14, 2022).
- Provided information on the Virginia Farm Link program at a Virginia State University Small Farm Outreach Program workshop (February 24, 2022).
- Provided information on the Virginia Farm Link program at a Virginia State University Small Farm Outreach Program workshop (March 17, 2022).
- Presented information on OFP, Virginia Farm Link, and transition planning resources available in Virginia at a workshop hosted by VCE and put on by the International Farm Transition Network in Goochland (March 30, 2022).
- Presented information on the OFP and the Virginia Farm Link program at the Virginia Agricultural Development Officers meeting in Richmond (April 26, 2022).
- Staffed a booth at the Virginia United Land Trusts Land Conservation and Greenways Conference in Richmond (April 27 – 29, 2022).
- Presented information on Virginia Farm Link and VDACS resources for beginning farmers at a “Starting a Farm” workshop hosted by VCE (May 31, 2022).
- Presented information on the Virginia Farm Link and Virginia CFS programs at a workshop hosted by the Virginia Beginning Farmer and Rancher Coalition (June 8, 2022).
- Presented information on Virginia Farm Link and transition planning at the newly established Virginia Farm Professionals Network in Richmond (June 10, 2022).