

# CONSERVATION OPTIONS FOR CONNECTICUT FARMLAND

A Guide for Landowners, Land Trusts & Municipalities



# WORKING TOGETHER FOR FARMLAND PRESERVATION IN CONNECTICUT

Connecticut is home to several organizations that work collaboratively on farmland preservation. Each of these public agencies and organizations plays a vital role in saving Connecticut's valuable and vanishing farmland.

## Connecticut Department of Agriculture

[www.ct.gov/DOAG](http://www.ct.gov/DOAG)

The Connecticut Department of Agriculture's Farmland Preservation Program was established in 1978. Its expert staff works hard to protect the best farmland soils in the state to maintain and preserve agricultural land for the future. As of May 2015, the CT Farmland Preservation Program has preserved nearly 40,000 acres on more than 300 farms.



## USDA Natural Resources Conservation Service (NRCS)

[www.ct.nrcs.usda.gov](http://www.ct.nrcs.usda.gov)

NRCS is the primary federal agency working to protect natural resources on privately owned land by providing technical and financial assistance to plan and implement conservation practices, protect farmland and provide information about soils and other natural resources to communities for land use planning. NRCS offers easement programs to help conserve working agricultural lands, wetlands, grasslands and forestlands.



## Connecticut Farmland Trust (CFT)

[www.CTFarmland.org](http://www.CTFarmland.org)

CFT is the only private statewide land trust dedicated to preserving Connecticut's working lands for future generations. CFT's experienced staff provide technical assistance and outreach to agricultural landowners interested in farmland preservation. CFT is equipped to negotiate and hold agricultural conservation easements and provide innovative, flexible and timely conservation options to farm owners across the state. As of May 2015, CFT has protected 2,700 acres of farmland in Connecticut and has helped partners protect more than 1,000 additional acres.



## American Farmland Trust (AFT)

[www.farmland.org](http://www.farmland.org)

AFT is the only national conservation organization dedicated to protecting farmland, promoting sound farming practices and keeping farmers on the land. In Connecticut, AFT serves as host for the Working Lands Alliance. CFT and AFT are not affiliated, although the two organizations work closely together.



## Working Lands Alliance (WLA)

[www.WorkingLandsAlliance.org](http://www.WorkingLandsAlliance.org)

A project of AFT, the WLA is a broad-based, statewide coalition working together to preserve Connecticut's most precious resource, its farmland. Since 1999, WLA has been the statewide voice for farmland preservation efforts, and its coalition includes farmers, planners, conservation organizations, local food advocates, anti-hunger groups, and others who care passionately about protecting Connecticut's working lands. Sign up online to receive updates and alerts about farmland preservation policy in Connecticut.



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G.L. Sweetnam photo

**A**griculture is deeply rooted in Connecticut. For generations, farms and farmers have been a cornerstone of communities throughout the state, providing:

- a bounty of fresh food and produce
- local jobs and tax revenues
- pastoral views and recreational opportunities
- wildlife habitat
- clean air and water

Connecticut's agriculture is being uprooted, as farms give way to subdivisions and suburban sprawl has made farming a logistical and economic challenge. The escalating loss of farmland threatens not just the viability of an industry but also the state's rural legacy and landscape.

*Conservation Options for Connecticut Farmland* aims to help landowners, land trusts and municipalities navigate the sometimes confusing array of public programs available to protect and steward their farmland. The guide also provides an overview of estate planning options and tax considerations, and includes case studies that highlight innovative and effective efforts to protect Connecticut's working lands.

## Agricultural Conservation Easements

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In Connecticut, the most common farmland protection tool is the agricultural conservation easement.

A **conservation easement** is a deed restriction or deed covenant that landowners voluntarily place on part or all of their land. The easement limits development in order to protect the land's natural resources. An **agricultural conservation easement** is an easement specifically designed for agricultural land.

Agricultural conservation easements can be donated, usually to a nonprofit land trust, or sold to a public agency or qualified conservation organization through a **purchase of development rights** (PDR) program.

Connecticut's PDR programs, administered by the Department of Agriculture, are the CT Farmland Preservation Program and the Community Farms Preservation Program. The federal program that provides cost-share assistance to states, towns and land trusts to help fund the purchase of development rights is now known as the Agricultural Conservation Easement Program (ACEP). Newly established in the 2014 Farm Bill, ACEP consolidates three

former federal programs—the Farm and Ranch Lands Protection Program (FRPP), the Grassland Reserve Program and the Wetlands Reserve Program. ACEP has two components: Agricultural Land Easements (ALE), which focuses on farmland and grassland protection, and Wetlands Reserve Easements, aimed at wetlands protection. More information about these programs can be found beginning on page 8.

Landowners can also combine the sale and donation of an agricultural conservation easement through a bargain sale. Through a bargain sale, a landowner sells an easement at less than its fair market value, taking a charitable deduction on the donated portion of the easement.

Whether to donate or to sell an easement, or how much of a donation to make as part of a bargain sale, is often a complex decision that is influenced by a landowner's income level, tax bracket, cost basis in the property, business and/or personal objectives, and the availability of town, state or federal funding for the purchase of development rights.

## Frequently Asked Questions About Agricultural Conservation Easements

The following answers to frequently asked questions about easements should help landowners understand some of the legal, financial and practical implications of placing an easement on their property.

### What is an agricultural conservation easement?

An agricultural conservation easement is a deed restriction or deed covenant that landowners donate or are paid to place on their property.

Typically, an easement permanently restricts residential, industrial and non-agricultural commercial development of the property. The landowner retains ownership of the land, and the easement is held by the entity to which the easement has been donated or sold. The entity that holds the easement is responsible for ensuring that the terms of the easement are upheld. Most easements are perpetual; those that are not are generally referred to as “term” easements. Both the CT Farmland Preservation Program and the federal Agricultural Conservation Easement Program (ACEP) purchase only perpetual easements.

### Why should a landowner donate or sell an agricultural conservation easement?

For many farmers and landowners who own farmland, their land is their primary asset. The sale of development rights provides landowners with a significant source of capital to improve or diversify a farm operation, purchase additional land, pay off debt, offer an inheritance to non-farming children or meet family financial needs without having to sell some or all of their land. For some landowners, donating an easement—or selling an easement at less than its appraised value—provides certain tax advantages, since the donated value of the easement can be taken as a charitable deduction from federal income taxes.

### What land qualifies?

Eligibility depends on whether a landowner is donating or selling an easement, and to whom.

Most land trusts have criteria they use to decide whether or not to accept the donation of a conservation easement on farmland. Typically, these criteria consider the type and extent of a property’s agricultural and other natural resources. Most land trusts do not require a minimum acreage or that the property be in active agricultural use.

To qualify for the CT Farmland Preservation Program, the property must be actively farmed and have a high

percentage of prime or important agricultural soils. Each property is also evaluated based on criteria that include amount of cropland, proximity to other active farms and the viability of the agricultural business. For the Community Farms Preservation Program, the property must be an active farm that does not meet the requirements of the Farmland Preservation Program for reasons of size, soil quality or location, but that contributes to local economic activity through agricultural production.

The CT Open Space and Watershed Land Acquisition Grant Program, which can be used by towns and land trusts to help finance the purchase of farmland and agricultural conservation easements, has no minimum acreage requirements but gives preference to land with a diversity of natural resources.

Landowners generally negotiate with the land trust or government program over how their application will be configured and how much of their land to place under easement. While easements can be written to exclude farm residences and buildings entirely, most easements include the farm’s existing houses and farm buildings. Wetlands and forested land that are part of a farm can be included in the easement but may be excluded based on the negotiation and their contributing attributes to the farm.

### Will an easement require a change in how the land is farmed?

It depends on the easement. Most agricultural conservation easements are designed to be flexible to allow farmers to farm as they have been and to change their farm operation as they see fit, provided there is minimal impact to the protected soils.

For example, easements for the CT Farmland Preservation Program usually allow landowners to install agriculture-related infrastructure, such as fencing, irrigation systems and manure storage facilities. Some permanent infrastructure, such as farm buildings, may require prior approval and be limited to certain areas of the farm. Farmers may also plant or raise any type of agricultural commodity, provided the soils are protected. Both the CT Farmland Preservation Program and the federal ACEP require landowners to develop and implement farm conservation plans.

Conservation easements designed to protect land for multiple purposes, such as for wildlife habitat, scenic vistas and recreation, may limit or prohibit certain

## Frequently Asked Questions (continued)

types of farming practices or agricultural infrastructure; they may also require public access. The CT Open Space and Watershed Land Acquisition Grant Program, for example, requires public access and does not allow construction of new farm buildings.

### What improvements can be made to the property?

Easements prohibit residential and non-agricultural commercial development and other uses that would adversely affect the property's agricultural resources. Some easements do not allow subdivision of the property once protected.

Most easements permit limited development related to the farm operation and allow construction of farm buildings and retail farm stands. Some easements may limit the location and extent of new construction to a designated "farmstead area" or "agricultural building envelope" and limit impacts to a percentage of the total farm.

Existing houses and buildings may be included in an easement, and most easements generally allow for improvements to or reconstruction of those buildings. Some easements may also allow a landowner to reserve one or more future residential building lots. When an easement provides for a future house lot, the location of the lot is usually designated at the time the easement is drafted, and building size and other restrictions may apply.

### Is public access required?

Most agricultural conservation easements do not require public access.

The CT Open Space and Watershed Land Acquisition Grant Program requires some public access on land protected through its program. Access may be restricted to portions of the property that are not actively farmed.

Most easements do not either require or prohibit such non-commercial recreational uses of the property as hunting, fishing and horseback riding. The landowner retains the right to allow or restrict those uses.

### Can the property be sold to anyone?

Yes. Landowners can transfer or sell their property to anyone they choose. However, all future owners of the property are required to abide by the terms of the easement.

A small number of easements require that landowners who sell their property give a right of first refusal to

the entity that holds the easement. While not a provision in any current Connecticut easements, some land trusts are considering including in future easements an "affordability" mechanism that requires landowners to sell the land at its "agricultural value" as a way to maintain its affordability for farmers in the future. Including such a mechanism in an easement typically increases the value of the easement.

### Who pays the property taxes?

The landowner remains responsible for all property taxes and must still apply to the local tax assessor to be eligible for Public Act 490, Connecticut's use value assessment law.

However, once enrolled in Public Act 490, land protected with a permanent conservation easement is not subject to a tax penalty when sold or transferred [see page 20].

### What if the landowner can no longer farm the land?

An agricultural conservation easement generally does not require that the land subject to the easement be actively farmed.

An easement can only ensure that the land is protected from incompatible uses, so it will always remain available for agricultural use.

### Will a conservation easement affect a landowner's mortgage?

It may, because an easement limits the future uses of the property and typically reduces its value.

Depending on the amount of the mortgage or other monetary lien on the property, the mortgage or lien will need to be discharged prior to the easement or subordinated to the easement.

### What if a landowner can't wait or doesn't qualify for a state program?

Other options may exist. Many local and statewide land trusts work with landowners. Groups such as Connecticut Farmland Trust often assist landowners in finding interim financing or other funding sources.

While not necessarily a faster option, the Community Farms Preservation Program, administered by the CT Department of Agriculture, is designed to protect smaller farms that are not likely to qualify for the traditional Farmland Preservation Program.

## Estate Planning and Farm Transfer

Proper estate planning can provide the framework for a smooth transition of farm ownership and management. And conservation can play an important role in estate planning. Without estate planning, families may find themselves after the death of a loved one in the position of having to sell land or other farm assets in order to pay taxes or to settle an estate. The sale of an agricultural conservation easement can help facilitate the transfer of land to the next generation, finance retirement and reduce possible estate taxes.

A good estate plan accomplishes at least four goals:

- Transfers ownership and management of the agricultural operation, land and other assets
- Avoids unnecessary income, gift and estate taxes
- Ensures financial security and peace of mind for all generations
- Develops the next generation's management capacity

### Steps of Estate Planning

**Inventory** An important first step in estate planning is to take an inventory of assets; understand who owns what and how titles to all property are held. Families should consider all aspects of the farm business including land, machinery and equipment, farm buildings and structures, and livestock, and how to appropriately value these assets. It is also important to consider liquid assets—cash and cash equivalents—that can play an important role in dividing farm estates.

**Define Goals** A second important element is to set goals and then to revisit them over time as families, finances, priorities and laws change. It is important to identify goals both individually and collectively. Write them down and communicate these goals with family members to reconcile potential conflicts. Retiring farmers may or may not be interested in remaining involved in the farm business.



Fabyn Farm, Thompson—CT Department of Agriculture photo

Members of the next generation may wish to maintain or change direction of the farm business while others may not be interested in any aspect of farm management.

The estate planning and farm transfer process is also a good time for landowners to evaluate their business structure and decide whether it meets their current needs and helps achieve their goals. They should choose the most appropriate form of business organization, whether it is a sole proprietorship, limited liability company (LLC), partnership or corporation.

**Consider Available Tools** Some of the tools available include:

- A will is an important part of the plan because it names beneficiaries, nominates an executor and appoints guardians for dependents; but a will alone cannot guarantee a secure future for the farm family, land or business.
- The sale of an agricultural conservation easement—further discussed in this guide—protects farmland, provides cash for retirement and estate planning needs, and can reduce taxes.
- Annual gifting can help transfer the business and reduce taxes.
- Life insurance can provide liquid assets that may be used to pay debt, establish trusts, provide for non-farming heirs and offset the donation of an easement or pay estate taxes.
- Limited Partnerships, LLCs and corporations can allow for separation of management and ownership of the business, if desired, while allowing a business to continue its existence beyond the period of its owners.
- Long-term care insurance can be expensive but can also protect family assets from being used to pay for nursing home costs.
- Trusts can provide financial security for surviving spouses, children and grandchildren, while also giving direction to the beneficiaries.

Landowners should pay close attention to both state and federal regulations as they relate to estate planning and seek legal, financial and tax advice to make best use of these tools.

American Farmland Trust has published *Your Land is Your Legacy: A Guide to Planning for the Future of Your Farm*, which provides additional guidance on estate planning and farm transfer. This guide is available on the Farmland Information Center website at [www.farmlandinfo.org/your-land-is-your-legacy](http://www.farmlandinfo.org/your-land-is-your-legacy).



Quasset Hill Farm, Woodstock—CT Department of Agriculture photo

## Tax Considerations

**Donating** The donation of an agricultural conservation easement generally qualifies as a tax-deductible charitable gift. This means a landowner can claim the value of the easement as a federal income tax deduction.

The value of an agricultural conservation easement is the difference between the property's fair market value (the "before" value) and its value as restricted by the easement (the "after" value), as determined by a qualified appraiser.

Many land trusts in Connecticut accept donations of easements on farmland, including Connecticut Farmland Trust (CFT). Landowners may also donate an easement to a municipality or to the state through the CT Farmland Preservation Program, provided the land qualifies for the program.

**Bargain Sales** Landowners seeking to sell an agricultural conservation easement may choose, or be asked, to sell the easement at less than the easement's appraised value. This is referred to as a bargain sale. Landowners may claim a federal tax deduction for the donated portion of the sale—the difference between the easement's appraised value and its actual sales price.

**Federal Tax Code** While the entire value of a donated easement, or, in the case of a bargain sale, the value of the donation, is deductible, federal tax law limits the amount of deduction a landowner can claim in any given year. Changes to the federal tax code in 2006 enhanced the tax deduction for conservation easements. This enhanced tax deduction for conservation easements allows landowners to claim a deduction of up to 50 percent of their adjusted gross income in any given year and to spread those deductions over a period of 16 years. For qualified farmers—taxpayers whose gross income from farming is greater than 50 percent of their gross income for the taxable year—the

annual deduction is significantly larger; they may deduct the value of their easement up to 100 percent of their adjusted gross income in any given year.

The 2006 federal tax code changes were not permanent, but Congress has reauthorized the enhanced easement tax deduction every year since 2006. The latest extension, enacted in December 2014, made the enhanced easement deduction retroactive for the 2014 tax year. At the time of this publication, it is not clear whether or when this benefit will be extended or made permanent; the 2015 Congress is considering the issue. To check on the status of Congressional action on this issue, visit the Land Trust Alliance website at [www.landtrustalliance.org](http://www.landtrustalliance.org).

Because federal and state tax laws change frequently, landowners considering a donation or bargain sale of an easement should consult with a tax advisor regarding current applicable federal and state conservation tax provisions.



Scantic Valley Farm, Somers—CT Department of Agriculture photo

## Special Use Valuation Section 2032A

For the purpose of federal estate taxes, Internal Revenue Code Section 2032A special use valuation rules allow a reduction of up to \$1.1 million (adjusted for inflation) in the value of real property (land and buildings) used in a family owned farm or other family business that is closely held.

There are many eligibility criteria for this special use valuation. These include:

- The decedent or a member of his or her family must have been using the property for farming at the time of his or her death;
- The decedent or a member of his or her family must have “materially participated” in the operation of the property for 5 out of the last 8 years;
- The property must comprise at least 50% of the value of the decedent’s estate;
- The property must pass to a family member; and
- If the property is sold within 10 years or is no longer used for farming, the avoided tax must be recaptured by the IRS.

**Corporate Landowners** For landowners who are an S corporation for federal income tax purposes, a state business tax credit is available for the donation or bargain sale of a conservation easement or land for conservation purposes. Corporations that donate a qualifying gift of land or conservation easement can take a tax credit equal to 50 percent of the value of the donation and may carry forward any unused credit for up to 25 years.

When an S corporation sells land or an easement at any price to the state, a town or a nonprofit land conservation organization for conservation purposes, the amount of capital gain from the sale is exempt from that company’s taxable income under the state corporate business tax.

**Stewardship Fund** Most land trusts request that a landowner who donates a conservation easement also make a tax deductible cash contribution to offset the land trust’s cost of stewardship. Land trusts seek this type of donation because the land trust is obligated to monitor and enforce the terms of the easement in perpetuity. While the landowner who has donated the easement is likely to understand and abide by the easement’s terms, issues may arise when the property is sold to a landowner who was not involved in the easement negotiation and may not understand or may choose to ignore its terms. Dedicated stewardship funds make it possible for land trusts to ensure that the easement’s terms can be monitored and enforced in perpetuity.

**Selling** Selling a farm’s development rights can provide landowners with an important source of capital to expand or diversify a farm operation, provide for retirement, buy out non-farming members of the family or address other financial needs while ensuring that the farm is protected for future generations.

The proceeds from a sale of development rights are recognized by the IRS as a sale of an interest in real estate and are subject to federal and state capital gains taxes. Depending on the source of the funding, landowners may be able to spread out the capital gain over a period of years by taking the proceeds from the sale in installments. Some landowners may find it advantageous to do a bargain sale and/or a like-kind exchange to reduce their capital gains exposure [see like-kind exchange case study on page 7].



Jones Family Farm, Shelton—CT Department of Agriculture photo



## Like-Kind Exchanges Among Family Members



Nancy Barrett photo

As Richard Hutton's family farm passed from generation to generation, the property was broken into many parcels. Richard always dreamed of reuniting as much of the farmland as possible. Working with his daughter, along with the CT Department of Agriculture and a team of knowledgeable attorneys and accountants, he was able to put some of the pieces back together again through a unique like-kind exchange.

It started with his daughter, Nancy Barrett, who owns Scantic Valley Farm. She and her husband grow tobacco, raise cattle and hogs, and have Pick-Your-Own berries and pumpkins on the farm. They sold an agricultural conservation easement on their portion of the original farm to the state through the CT Farmland Preservation Program.

Next, Nancy bought her father's adjoining 49 acres that he had just protected through the CT Farmland Preservation Program. She used a like-kind exchange—in essence a tax free swap of similar or like-kind property—by taking the money from the sale of the easement to buy something similar—her father's protected farmland—instead of taking the cash. The exchange defers the recognition of capital gains or losses after a sale and defers the taxes due.

Using funds from the sale of his 49 acres and its easement, Richard purchased 68 acres of previously protected land from his sister. He combined this with 55 other acres he already owned. Much of the original family farm had now been restored.



Nancy Barrett photo

"Like-kind exchanges and selling the development rights were the right tools to help us achieve our goals," says Barrett. "Plus it feels great to know that our farms will always be farms."



Hastings Farm—Town of Suffield photo

## Farmland Protection Programs in Connecticut

The following programs in Connecticut are sources of funding for the purchase of agricultural conservation easements on farmland. The addition of the Community Farms Preservation Program, which complements Connecticut's traditional Farmland Preservation Program [see below], means there are more opportunities for landowners to protect their farmland than ever before.

Demand for these programs is strong, and the amount of money available in each of the programs below fluctuates every year. As a result, the time involved in the sale of an easement can vary by year and by program. To get a better understanding of the timeframe involved, it is best to contact the program directly. Eligibility requirements,

selection criteria and application information for each of the programs can be found on page 11.

Towns and land trusts are often active partners in farmland protection projects, mounting successful fundraising campaigns and contributing a significant percent of project costs [see inset on Ron Szegda's farm on page 10].

### **Connecticut Farmland Preservation Program** *CT Department of Agriculture*

The CT Farmland Preservation Program, established in 1978, is working toward its goal of protecting 130,000 acres of Connecticut's most productive farmland.

As of May 2015, the program has protected nearly 40,000 acres on more than 300 farms.



McCaw Farm, Lebanon—CT Department of Agriculture photo

Only landowners are eligible for the program, and applications are made directly to the CT Department of Agriculture. Applications are evaluated according to scoring criteria, including quality of soils, amount of cropland, threat of development and the farm's proximity to other protected lands and active farmland.

The CT Farmland Preservation Program may pay up to 100 percent of the appraised value of the agricultural conservation easement. Current state law gives the Commissioner of Agriculture the ability to pay up to \$20,000 per acre, subject to appraisal. However, from 2012 through 2014, the average price paid by the state toward the purchase of easements was \$6,993 per acre. A number of easement purchases recently have also included significant bargain sales (acquisition at less than appraised value); in the past three years, almost 20 percent of the easements purchased through the Farmland Preservation Program included a bargain sale of at least 25 percent of the appraised value.

## **Joint State–Town Farmland Preservation Program** **CT Department of Agriculture**

In 1986, the Connecticut Legislature established the Joint State-Town Farmland Preservation Program to encourage towns to create local farmland preservation programs. Administered in conjunction with the CT Farmland Preservation Program, this program provides for the joint purchase of development rights by the state and a town having a policy in support of farmland and an agricultural land preservation fund [see more on page 11].

Eligible towns may solicit applications to the CT Farmland Preservation Program from willing landowners; once a landowner applies, the state and town work together to purchase the property's development rights jointly. More towns are taking advantage of this program, and the opportunity to protect farmland by leveraging local funds with state funds can raise the criteria score for a farmer/landowner applicant.

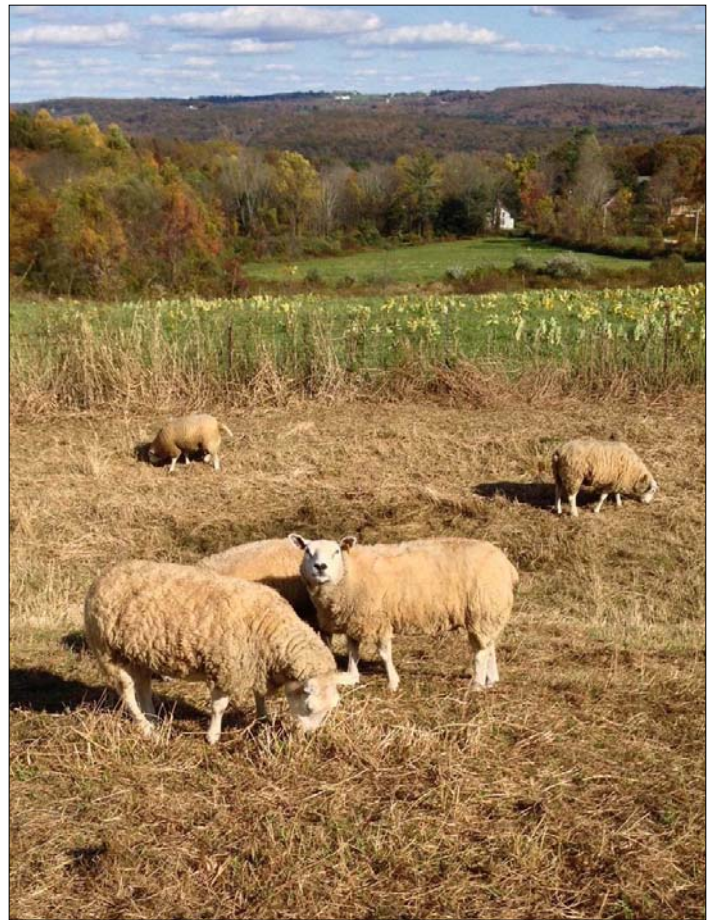
## **Community Farms Preservation Program** **CT Department of Agriculture**

The Community Farms Preservation Program was created in 2008 to protect smaller farms that may not meet the criteria for the traditional Farmland Preservation Program. The program is aimed at preserving small farms of local economic importance and is designed to increase local capacity of towns to plan for, and participate in, farmland preservation efforts. The program further encourages participation of not only traditional rural towns, but also urban and suburban communities.

Preference is given to farms that produce food or fiber, and farms are evaluated based on the suitability of the land for agriculture, the quality of the soils and the demonstrated level of community support for the preservation of the parcel, among other criteria. In 2011, the Commissioner of Agriculture dedicated \$2 million to the pilot program, which will protect several small farms in Connecticut through joint state–town projects.

## **Agricultural Conservation Easement Program** **U.S. Department of Agriculture/Natural Resources** **Conservation Service (NRCS)**

The Agricultural Conservation Easement Program (ACEP) is a federal cost-share program that helps fund the purchase of agricultural conservation easements on productive farmland. Created in the 2014 Farm Bill, ACEP consolidated three former NRCS land protection programs—the Farm and Ranch Lands Protection Program (FRPP), the Grassland Reserve Program and the Wetlands Reserve Program. ACEP is managed through two distinct sub-programs: Agricultural Land Easements (ALE) for farmland protection and Wetlands Reserve Easements (WRE) for wetlands protection.



Harris Hill Farm, New Milford—CT Department of Agriculture photo

Landowners cannot apply directly to the ALE program but must work with a sponsoring entity, which can be the state of Connecticut, a municipality or a land conservation organization. Eligible private landowners or Indian tribes enroll lands in the Wetlands Reserve Easement program by applying directly to NRCS for program assistance.

The rules for the new ACEP are similar to the former FRPP. Under the ALE component, NRCS may contribute up to 50 percent of the fair market value of the agricultural land easement. Landowners do not apply directly to the program; instead, applicants to the state's Farmland Preservation Program or Community Farms Preservation Program who meet the eligibility criteria for ACEP are included in the state's application to ACEP. The state is reimbursed by USDA through ACEP for up to half of the purchase price of the easement. Towns and land trusts can also use ACEP funding toward easements purchased through the state's Open Space Matching Grants Program or purchased with dollars raised locally or privately, provided the landowner and land both meet ACEP's eligibility criteria.



Wike Brothers' Farm, Sharon—Patrick Lee/Orbis Photography


Between 1996 and 2013, federal farmland protection dollars have been used in 160 easement purchases on 14,910 acres in Connecticut. Easements purchased with ACEP dollars require landowners to have a conservation plan, and NRCS will provide technical assistance to create a plan. Farms protected through ACEP get preferential access to other NRCS conservation programs.

### **Connecticut Open Space and Watershed Land Acquisition Grants Program** *CT Department of Energy and Environmental Protection*

This grant program was established in 1998 to help towns, nonprofit conservation organizations and water companies permanently protect important community lands, including farmland. It can be used to fund the purchase of farmland outright or the purchase of a conservation easement on farmland.

Landowners cannot apply directly to the program but must work with a sponsoring town, water company or land conservation organization. The program provides a maximum of 65 percent of a project's cost (up to 75 percent for projects in "distressed municipalities or targeted investment communities"). Applications to the program are only accepted during specific grant rounds; typically, the CT Department of Energy and Environmental Protection holds one grant round per year for this program.

### **Additional Programs**

Although not the primary tools for farmland preservation in Connecticut, other programs may provide funding for land conservation. Look for this symbol  in the "Additional Funding Available" section on pages 16–19.

## **Partnering to Protect Working Farmland**

Ron Szegda owns a 110-acre farm in Columbia along Rte. 66 that has been in the family for 30 years. In his early 70s, he puts up 3,000 bales of hay annually and manages a herd of 40 cows.

His love of farming and the need for a retirement fund—a dilemma faced by many older farmers—led Ron to contact Connecticut's Department of Agriculture. "I had to find a way to make a go of it, or I would have to sell," Szegda says. "By selling the development rights I could stay on the farm. I could do what I want to do every day."

The department called Connecticut Farmland Trust, the Town of Columbia and Joshua's Trust for help in preserving the farm.

Over the last decade, many projects have followed a similar path, leveraging funding from the federal Farm and Ranch Lands Protection Program (FRPP)—now the Agricultural Conservation Easement Program (ACEP)—and relying on other partners like municipalities and land trusts. These partnerships often attract additional resources, which are necessary in a state with the some of the highest farm real estate values in the nation.

With multiple partners involved the process took time to complete. In the end, it was the partnerships that led to the project's success—providing a blueprint for other farmland preservation efforts in Connecticut.



Szegda Farm, Columbia—Ron Szegda photo

# FARMLAND PROTECTION PROGRAMS IN CONNECTICUT

|                                 | <b>CT Farmland Preservation Program</b><br><i>CT Department of Agriculture</i>   | <b>Joint State –Town Farmland Preservation Program</b><br><i>CT Department of Agriculture</i>   | <b>Community Farms Preservation Program</b><br><i>CT Department of Agriculture</i>   | <b>Open Space &amp; Watershed Land Acquisition Grant Program</b><br><i>CT Department of Energy and Environmental Protection</i>   | <b>Agricultural Lands Easement Program</b><br><i>USDA/Natural Resources Conservation Service</i>  |
|---------------------------------|--|---|--|---|---|
| <b>Who May Apply?</b>           | Landowners   | Municipalities, Landowners  | Municipalities, Landowners, Nonprofit conservation organizations with an agricultural mission  | Municipalities, Water companies, Nonprofit conservation organizations   | Municipalities, States, Nonprofit conservation organizations  |
| <b>Eligibility Requirements</b> | <p>Property must:</p> <ul style="list-style-type: none"> <li>- Be an active farm operation</li> <li>- Meet minimum program criteria that include: amount of prime and important soils, amount of cropland, proximity to other active farms, viability of agriculture business, proximity to agricultural support services, and surrounding land use</li> <li>- Meet ACEP requirements if federal funding will be used as part of sale</li> </ul> | <p>Municipality must:</p> <ul style="list-style-type: none"> <li>- Have a policy in support of farmland preservation</li> <li>- Have a farmland preservation plan developed and approved by local policy-makers</li> <li>- Have a fund established for the purpose of purchasing development rights</li> <li>- Have a willing applicant who has voluntarily offered to sell development rights</li> <li>- Meet ACEP requirements if federal funding will be used as part of sale</li> </ul> | <p>Property must:</p> <ul style="list-style-type: none"> <li>- Be an active farm operation that does not meet the requirements of the Farmland Preservation Program for reasons of size, soil quality or location, but that may contribute to local economic activity through agricultural production</li> <li>- Meet ACEP requirements if federal funding will be used as part of sale</li> </ul> | <p>Program can be used to purchase conservation easements on farmland or farmland in fee. No minimum acreage or prime agricultural soils required.</p>  | <p>Property must:</p> <ul style="list-style-type: none"> <li>- Be part of active farm operation</li> <li>- Have prime or important agricultural soils or have historic or archeological resources</li> <li>- Meet minimum program criteria for amounts (or percentages) of prime and important farmland soils and agricultural land use</li> <li>- Be privately owned (non-governmental)</li> <li>- Have pending written offer</li> </ul> |
| <b>Selection Criteria</b>       | <p>Priority given to:</p> <ul style="list-style-type: none"> <li>- Land with high % of prime and important agricultural soils and cropland</li> <li>- Land in proximity to other active farmland, protected lands and farm services</li> </ul>   | <p>Priority given to:</p> <ul style="list-style-type: none"> <li>- Land with high % of prime and important agricultural soils and cropland</li> <li>- Projects that comply with local and/or regional open space plans or plans of conservation and development</li> </ul>  | <p>Priority given to:</p> <ul style="list-style-type: none"> <li>- Farms that produce food or fiber</li> <li>- Projects with a demonstrated level of community support</li> <li>- Land with high % of prime and important agricultural soils and cropland</li> </ul>   | <p>Priority given to:</p> <ul style="list-style-type: none"> <li>- Land vulnerable to development</li> <li>- Projects that comply with local and/or regional open space plans or plans of conservation and development</li> <li>- Land with diverse categories of natural resources</li> <li>- Projects with pending written offer with landowners</li> </ul> | <p>Priority given to:</p> <ul style="list-style-type: none"> <li>- Land vulnerable to development; land with high % of prime and important agricultural soils</li> <li>- Projects with high % of non-federal matching funds</li> <li>- Projects must have non-federal matching funds in hand</li> </ul>   |
| <b>Cost-share Requirements</b>  | State may accept a gift or pay up to 100% of value of development rights.  | State may accept a gift or pay from 10–75% of value of development rights depending on quantity of active agricultural land within 3-mile radius of the subject farm.   | State may accept a gift or pay up to 100% of value of development rights.  | State pays up to 65% (up to 75% for projects in “distressed municipalities or targeted investment communities”) of either fair market value of development rights or purchase price, whichever is less.   | ACEP pays up to 50% of the appraised fair market value of easement. Entity must contribute an amount at least equal to NRCS share. Entity contribution may include charitable donation or qualified conservation contribution from private landowner if the entity’s cash contribution is at least 50% of the NRCS contribution.  |
| <b>Easement Requirements</b>    | Only agricultural and compatible uses permitted. Property may never be subdivided or converted to non-agricultural use. No public access required. State easement language required. Subject to federal requirements if ACEP funding is used.  | Only agricultural and compatible uses permitted. Property may never be subdivided or converted to non-agricultural use. No public access required. State easement language required. Subject to federal requirements if ACEP funding is used.   | Only agricultural and compatible uses permitted. Property may never be subdivided or converted to non-agricultural use. State easement language required. Subject to federal requirements if ACEP funding is used.   | Public access required. Limited agriculture-related structures permitted on protected land. State easement language required.   | Agricultural Land Easement Plan required. This plan is developed by NRCS in consultation with the eligible entity or landowner, or provided by eligible entity and approved by NRCS. USDA easement language required. No public access required.  |
| <b>Application Period</b>       | Applications accepted continuously. Acquisitions must be approved by State Properties Review Board and the Attorney General. If the application is approved, landowners should anticipate a period of 18 months or longer to complete negotiations, survey and title work before the final closing.  | Applications accepted continuously. Acquisitions must be approved by State Properties Review Board and the Attorney General. If the application is approved, landowners should anticipate a period of 18 months or longer to complete negotiations, survey and title work before the final closing.   | Applications accepted continuously. Acquisitions must be approved by State Properties Review Board and the Attorney General. If the application is approved, landowners should anticipate a period of 18 months or longer to complete negotiations, survey and title work before the final closing.  | Applications accepted and evaluated during designated grant rounds; typically, the CT Department of Energy and Environmental Protection holds one grant round per year.   | Applications accepted during an annual sign-up period. Applicants awarded ACEP funding must sign a cooperative agreement with NRCS stipulating certain easement provisions and agreeing to purchase easement(s) within two years.   |

## Can I Protect My Forestland Too?

**Connecticut's Forests** Woodlands provide significant value to many Connecticut farms—producing maple syrup, Christmas trees, firewood, lumber and other wood products. In addition, they help to buffer farms from neighbors, provide recreational opportunities, filter air and water, provide wildlife habitat, and sequester carbon. According to the 2012 Census of Agriculture, woodlands represent more than 30 percent of the state's total land in farms and can often not be easily separated from the total farm unit. Loss and fragmentation of forest lands thus impacts farms in multiple ways.

**Permanent Protection of Forestland** Forestland owners may protect their land through many of the same tools and programs available to farmland owners. Forestland may be included as part of an agricultural conservation easement; there are also other programs that allow for protection of just forest resources. Forestland may be eligible for the following programs [see basic criteria in chart on page 11]:

✓**CT Farmland Preservation Program:** Woodlands are considered a component of a typical Connecticut farm and thus may be included in an application to the program. While there is no cap on the amount of forestland that can be enrolled through the program, the amount of non-cropland acreage is considered in the application evaluation. In general, the average farm protected through the program has 35 percent of its acreage in woodland, scrub or wetlands.

✓**Agricultural Conservation Easement Program** (formerly Farm and Ranch Lands Protection Program): Farm parcels with up to 66 percent of total acreage in woodland are eligible.



Mary Hull photo

✓**CT Open Space and Watershed Land Acquisition Grants Program:** Properties with farmland and/or forestland are eligible; there are no requirements on the percentage of forestland.

✓**Forest Legacy Program:** Forest Legacy is a USDA Forest Service program administered by the Division of Forestry in the CT Department of Energy and Environmental Protection. The program pays eligible landowners for the purchase of conservation easements on working forestland that is threatened by development. Forest Legacy requires a minimum of 75 percent forestland; the remainder may be farmland. The program funds up to 75 percent of the cost of purchasing the easement, and participating landowners must prepare a multiple resource management plan. Applications are taken at any time. [www.fs.fed.us/cooperativeforestry/programs/loa/flp.shtml](http://www.fs.fed.us/cooperativeforestry/programs/loa/flp.shtml)

**Forest Management** While some programs may require a Forest Management or Forest Stewardship Plan, such a plan is valuable for all forestland owners. Forest management plans can help landowners and operators achieve a wide variety of both short- and long-term objectives, such as: controlling invasive species, harvesting saw timber or producing biofuel, improving fish and wildlife habitat, protecting water quality or simply providing a buffer from adjacent land uses. Such plans should be viewed as an active tool and should be updated whenever new practices are implemented or objectives change. Forest management plans in Connecticut developed in partnership with a certified forester will include: a species inventory and map, identification of goals and objectives, and a recommended schedule of activities and conservation practices. Technical assistance and funding may be available from local, state or federal sources to help prepare and implement the plan.

### Tax Tips

If you own woodlands, there may be several federal tax incentives to help maintain your woodlot. For example, if you hold your forestland as an investment or for use in a business, you can deduct ordinary and necessary management expenses, such as fees paid to a professional forester or the cost of brush control, thinning and protecting your timber from fire, insects or disease.

This tax tip and others are available in the USDA Forest Service's "Tax Tips for Forest Landowners for the 2014 Tax Year" available online at:

[www.fs.fed.us/spf/coop/library/revised\\_taxtips2014.pdf](http://www.fs.fed.us/spf/coop/library/revised_taxtips2014.pdf)



Mary Hull photo

## Forest Conservation at Myers Pond Forest

Myers Pond Forest is located in the Quinebaug Highlands Landscape in the quiet corner of Connecticut and is surrounded by the 8,000-acre Yale University Forest. The 450-acre forest contains a diverse set of habitats and an abundance of wildlife. It also supports the largest drinking water supply watershed in the state.

Surprisingly, Myers Pond Forest is not a state park or forest or even a land trust property. Hull Forest Products owns and manages the forest. In business for more than 45 years, the Pomfret-based company operates the largest sawmill in southern New England and manufactures 10 million board feet of lumber annually. In 2009, Hull placed a conservation easement on the forest with The Nature Conservancy. This added to the company's impressive record on forest conservation, as it has permanently protected 80 percent of its land with easements that allow periodic selective harvesting.

"We were thrilled to work with The Nature Conservancy. They understand the economic and environmental importance of working forests. They get that actively managed woodlands provide public benefits in the form of wildlife habitat and air and water quality protection," says Mary Hull, co-owner and marketing communications manager.

Protecting working forest land is critical in Connecticut, which faces increased forest fragmentation due to residential and other development. Intensively managed working forests like Myers Pond can provide sustainably grown local forest products while also maintaining a wide range of forest habitat upon which many species depend.

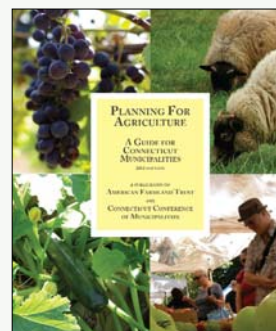
## Role for Municipalities and Communities

Municipalities and local officials play an important role in protecting farmland and creating a supportive environment for local farm businesses. Towns may want to consider creating a farmland protection committee or local agricultural commission devoted specifically to this purpose and/or pursue some of the steps below.

**Planning for Farmland Protection** A good first step toward community action on farmland protection is to conduct an inventory of local farms and farmland. An inventory can identify the number and types of farms in town, the acres farmed and the general land use needs of local farms. Also consider developing a prioritization process to identify farms that the community thinks are most important to keep in production in the future. This process should involve all stakeholders, including farmland owners, municipal officials, members of land use commissions and land trusts, and non-farm residents. Prioritization criteria might include quality of soils, current land use, threat of development, proximity to other farmland (protected and not protected), proximity to growth areas (e.g., sewer lines and housing) and scenic contribution.

### *Planning for Agriculture: A Guide for Connecticut Municipalities*

A joint publication of AFT and CT Conference of Municipalities, *Planning for Agriculture* outlines a broad



range of tools and resources available to help local governments plan for the future of agriculture in Connecticut. The guide includes case studies and information about agricultural commissions, right-to-farm ordinances, zoning regulations and much more.

Visit [www.ctplanningforagriculture.com](http://www.ctplanningforagriculture.com) to download the guide. Printed copies of the guide may also be obtained while supplies last. Contact AFT's Connecticut office at (860) 683-4230.

It is important to reach out to local landowners. This can be done by members of a town agricultural commission, a board of selectmen, planning commission or conservation commission, or in conjunction with a local land trust. The designated board or commission should develop a strategy for communicating to local landowners the town's desire to protect farmland. The town must clearly communicate that it is simply exploring land protection strategies so that landowners are aware of the opportunity without feeling pressured.

An ability to leverage federal, state and private farmland protection funds is key to successfully protecting farmland at the municipal level. Towns that have a local source of funding for farmland protection to match state and/or federal funding often have an advantage when competing for limited public funds. Some towns have established dedicated funds for land protection, while others have raised money on a case-by-case basis.

Strategically, towns should consider the use of many funding sources for a successful farmland preservation program

combining municipal funds, state and/or federal program funds, as well as funds raised by land trusts or local campaigns. For example, the Town of Suffield sets aside \$250,000 annually to help preserve at least one farm and has successfully leveraged federal and state dollars to protect its farmland. [See Suffield example, below.]

**Pro-Active Support for Farm Viability** Municipal officials can help foster a supportive business environment, critical to the long-term sustainability of local farms and the land they steward. A first step for officials might be to form an agricultural commission both to provide farmer input into town policies that impact local agriculture and to help develop initiatives that will keep farming viable. Towns may also consider enacting a local right-to-farm ordinance that mirrors the state's right-to-farm law. Such ordinances help maintain a supportive environment for farmers by reducing farmer/non-farmer neighbor conflicts.

### Suffield: Townwide Support for Agriculture

The Town of Suffield is a leader in preserving its farmland base and supporting its agricultural economy.

Every year, the town sets aside on average \$250,000 in its budget to preserve at least one farm. This commitment is fueled by the town's ambitious goal of protecting 55 percent or 13,455 acres of residentially zoned land for open space and farmland. As of 2014, Suffield has preserved 2,184 acres of farmland through 20 easements and the purchase of four farms, which are leased to area farmers to grow corn, hay and vegetables.

The demand for preserving farms in Suffield remains high, with 25 farms on a waiting list for easement purchases. To stretch every dollar, Suffield has repeatedly leveraged its limited town funds with grants from CT Department of Agriculture, NRCS and CT Department of Energy and Environmental Protection. For every \$1 expended, the town receives \$2.50 in grants. These grant dollars help purchase farmland and conservation easements and cover costs like surveys and appraisals.



Town of Suffield photo



Town of Suffield photo

Recognizing preserving farmland is only one step in sustaining a robust farming community, Suffield supports agricultural viability on multiple levels. For example, the town received several state grants for its farmers market to buy "Connecticut Grown" tents, update its website and commission a marketing study. Also, plans are in the works to extend the selling season by creating a winter market. Municipal regulations are on the books to support permanent farm stands and wineries with rules pending on backyard chickens.

All together, these efforts underscore Suffield's commitment to agriculture.



## Role for Land Trusts

Land trusts play an important role in farmland protection efforts. They help landowners navigate the rules and procedures of applying to a public program. They coordinate campaigns to raise funds and public support for preserving properties. Land trusts often work with municipalities and regional planning agencies to set land preservation priorities.

There are currently 137 land trusts and conservation organizations that serve the communities of Connecticut. These groups run the spectrum from small, all-volunteer outfits to large organizations with professional staff. Some have a strictly local or regional focus, others work statewide on specific areas of natural resource protection.



Kent Land Trust photo

### Kent Land Trust: Cultivating Success

On the surface, the Kent Land Trust appears to be a traditional land conservation organization. It holds easements, owns conservation land and adheres to the Land Trust Alliance's standards and practices. But dig deeper, and one finds an organization with a strong commitment to agriculture.

Since 2006 the land trust has leased at a bargain rate over 85 percent of its headquarter land to a local farmer. On just 12 acres, Megan Haney operates Marble Valley Farm, a farmstand and community supported agriculture program that provides subscribers a wide range of flowers, herbs and vegetables. As part of the farm lease, Megan uses the trust's greenhouse and barn and also rents one floor of another barn, which houses the trust's office, as her apartment.

Connie Manes, executive director, Kent Land Trust, says, "The land trust wanted to actively support agriculture in town beyond easements. Kent has a limited amount of prime and important agricultural soil that remains undeveloped, and we wanted to support its continued agricultural use where possible. Leasing to Megan was one way to do that."

Another way the trust keeps prime farm soils in production is through its community garden. Along Rte. 7 the trust owns land that boasts some of the best agriculture soils in Kent. The garden sits on a quarter of an acre and is divided into 40 plots, which are available to individuals, families and organizations. Through these and other efforts, Kent Land Trust provides an important model for the role land trusts can play in supporting agriculture.

For more information visit [www.kentlandtrust.org](http://www.kentlandtrust.org).



Kent Land Trust photo

## Useful Tools for Municipalities and Communities: Model Agricultural Easement

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The differences between an agricultural conservation easement and a conservation easement are subtle but critical. Land trusts, municipalities and the attorneys involved in the conveyance often lack an understanding of the ways in which a well-crafted agricultural easement can support the viability of a protected farm. Recognizing the need to educate individuals involved in protecting farmland, American Farmland Trust, in partnership with Connecticut Land Conservation Council, Connecticut Farmland Trust, and CT Department of Agriculture, convened the state's leading agriculture and forestry experts, conservationists and land use attorneys to produce a model agriculture easement.

The model easement provides an important resource for landowners, land trusts and advisors involved in drafting easements for working lands and can be adapted to fit

the needs of a particular farm and farm family. The comprehensive easement includes extensive commentary to highlight issues that should be considered during the drafting process and contains sections that address energy production and other emerging issues on working lands. "The model is a highly adaptive tool," says Elisabeth Moore, Executive Director, Connecticut Farmland Trust. "It can be used in any and all farm situations."

The development of the model easement was funded with an Agricultural Viability Grant through the CT Department of Agriculture. The model easement and commentary can be accessed at:

<http://workinglandsalliance.org/model-agricultural-easement-project/>

## Additional Funding Available To Support Farm and Forest Viability, Land Conservation and Stewardship

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Many Connecticut landowners, including towns and land trusts, are not aware of the variety of programs available to help them improve or expand a farm business, address environmental concerns or implement conservation practices on their land.

For example, landowners can get help developing a forest management plan for a woodlot, and then financial assistance to help carry out the plan. Funding is available to defray the cost of fencing to keep livestock out of streams and to manage farmland for wildlife habitat. There is funding for on-farm energy efficiency projects and for renewable energy systems. Funding also is available to farmers interested in diversifying into new markets or new products, and to help municipalities develop and implement local farmland protection initiatives.

The following are programs available in Connecticut that can be used to foster farm profitability, land conservation and stewardship efforts.

### Agricultural Management Assistance (AMA)

**USDA/NRCS**

[www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs](http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs)

This program, available only in states where participation in the Federal Crop Insurance Program has been low, is designed to help farmers use conservation practices to manage risk and address natural resource issues. Producers receive financial and technical assistance to construct or improve water management or irrigation structures, plant trees for windbreaks, diversify their operation and conservation practices, or transition to organic farming. The program funds up to 75 percent of the cost of conservation practices, and payments are capped at \$50,000 per fiscal year. Applications are taken at any time. Land trusts and farmers (including those with a lease during the life of the AMA contract) may apply.



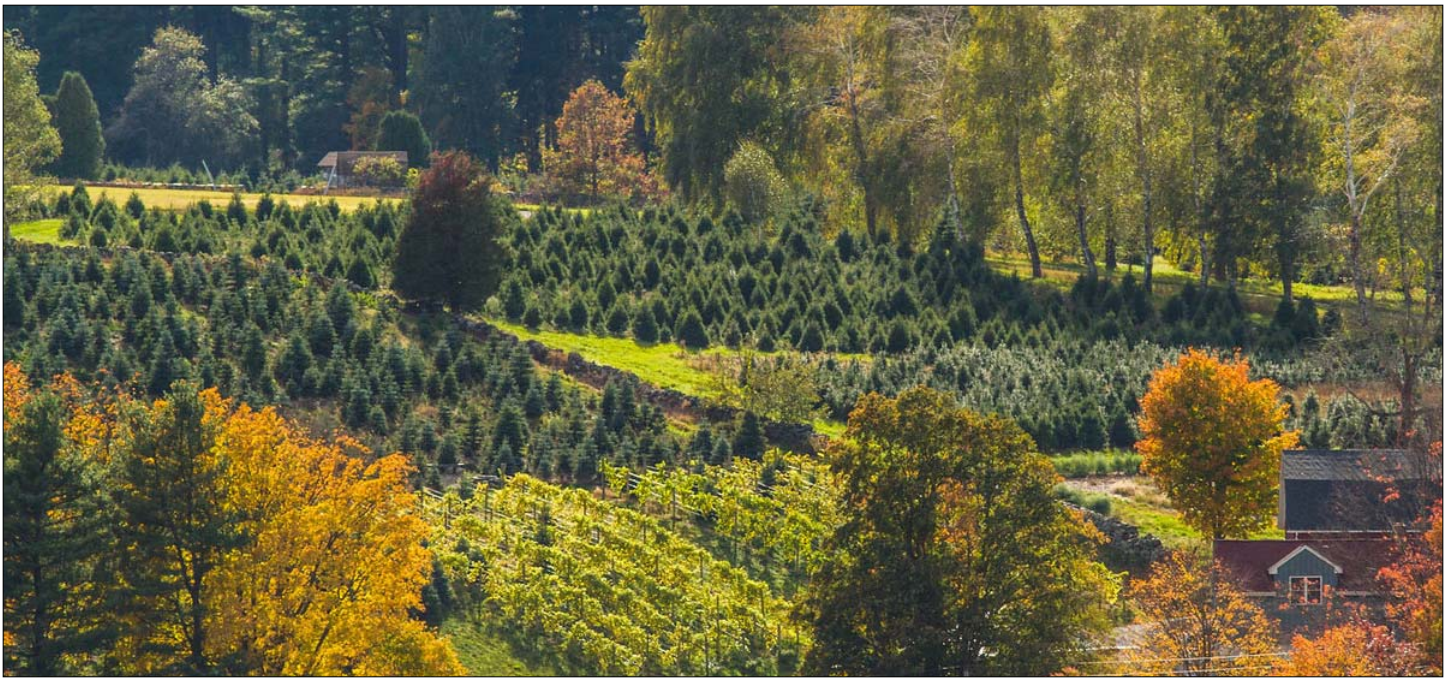
This symbol denotes programs that have been particularly reliable serving the needs of agriculture and farmland preservation and have been consistently funded in recent years.



This symbol denotes programs that offer funding for easements.



Sherman Farm, Thompson—CT Department of Agriculture photo



Jones Family Farm, Shelton—Jeremy Pollack photo



**Agriculture Viability Grants—Farm Transition Program**  
**CT Department of Agriculture**  
[www.ct.gov/doag](http://www.ct.gov/doag)

This state grants program, authorized and funded through the Community Investment Act [see page 21], is available to producers and agricultural cooperatives for any farm production project except the purchase of plants or animals. Examples include the purchase of farm equipment, fencing, machinery and energy efficiency improvements to the production facility, buildings and irrigation systems. Grants are available up to \$49,999, and the applying producer or cooperative must match an equal cash amount to the grant award. Farmers (leasing farmers included) and agricultural cooperatives may apply. The grant application is typically due in November.



**Agriculture Viability Grants—Farm Viability Program**  
**CT Department of Agriculture**  
[www.ct.gov/doag](http://www.ct.gov/doag)

This state grants program, authorized and funded through the Community Investment Act [see page 21], funds local initiatives that foster farm viability and farmland protection. Municipalities, regional planning agencies, associations of municipalities and nonprofit organizations can apply for matching grants up to \$49,999 to plan and implement local farmland preservation strategies, institute agriculture-friendly land use regulations, develop marketing initiatives to support local farm businesses, and foster agricultural viability. The 50 percent match can be in-kind services or cash (nonprofit agriculture organizations need a 40 percent match). Municipalities can also use the grants to

invest in small agriculture-related capital projects, such as farmers markets and community kitchens (but not for land acquisition). The grant application is typically due in November.

**Business and Industry Loan Guarantee Program (B&I)**  
**USDA/Rural Development (RD)**  
[http://rurdev.sc.egov.usda.gov/BCP\\_gar.html](http://rurdev.sc.egov.usda.gov/BCP_gar.html)

The purpose of the program is improve the economic and environmental climate in rural communities (normally less than 50,000 people) by offering businesses a loan guarantee program that allows them to work with commercial lenders who might not otherwise extend credit. A borrower may be a cooperative organization, corporation, partnership or other legal entity, or an individual. Loans can be used to prevent a business from closing, expand or convert a business, or purchase land, machinery and/or equipment. The total loan amount may not exceed \$10 million. Farmers (leasing farmers included), land trusts and municipalities may apply.

**Conservation Contract Program**  
**USDA/Farm Service Agency (FSA)**  
[www.fsa.usda.gov](http://www.fsa.usda.gov)

The Conservation Contract Program is available to landowners with FSA loans secured by real estate. The program reduces a borrower's debt in exchange for a conservation contract with a term of 10, 30 or 50 years. The contract restricts development of the property for the life of the contract. Eligible lands include environmentally sensitive land that must be taken out of production for the life of the contract. Farmers (leasing farmers not included) and farmland owners with FSA loans secured by real estate may apply.



Cato Corner Farm, Colchester—Patrick Lee/Orbis Photography

### Conservation Reserve Program (CRP)

**USDA/NRCS**

[www.nrcs.usda.gov/programs/crp](http://www.nrcs.usda.gov/programs/crp)

The purpose of CRP is to conserve and improve natural resources by converting highly erodible cropland and other environmentally sensitive land to long standing cover, primarily grasses and trees. Participating farmers receive annual rental payments for the term of their multi-year contracts. Cost-share up to 50 percent is provided for the establishment of the vegetative cover practices. Incentive payments and bonuses are available for certain conservation practices such as thinning, windbreaks and filter strips. Applications are taken during announced sign-up periods. Continuous CRP sign-up is available for environmentally sensitive land such as agricultural land prone to erosion and bordering river or stream banks, and field margins. Farmers (leasing farmers not included), land trusts and municipalities partnered with a farmer may apply.

### Conservation Stewardship Program (CSP)

**USDA/NRCS**

[www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/financial/csp](http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/financial/csp)

CSP encourages owners of farmland and nonindustrial private forestland to address natural resource concerns (soil, water, air and habitat quality, as well as energy) comprehensively by maintaining and improving existing conservation practices as well as undertaking new ones. CSP provides two types of payments through five-year contracts: annual payments for installing new conservation activities and maintaining existing practices, and supplemental payments for adopting a resource-conserving crop rotation. Farmers (including farmers leasing land for the length of the CSP contract) and land trusts may apply. A person or legal entity may not receive more than \$200,000 during fiscal years 2014 through 2018.

### CT Farm Link

**CT Department of Agriculture**

[www.ctfarmlink.org](http://www.ctfarmlink.org)

This program, authorized and funded through the Community Investment Act, is designed to help farm seekers find available farmland—whether owned by other farmers, land trusts, towns, state agencies or other institutions. The online service is intended for farmers looking to lease as well as those interested in purchasing farmland within Connecticut. The program accepts inquiries and applications from both farmland seekers and farmland owners.

### Environmental Assistance Program (EAP)

**CT Department of Agriculture**

[www.ct.gov/doag](http://www.ct.gov/doag)

This program reimburses farmers for part of the costs of planning, designing and implementing an agricultural waste management system. Grants must be used for capital improvements and are typically awarded in coordination with the Environmental Quality Incentive Program (EQIP) [see below]. Funding from EAP and EQIP together can provide no more than 75 percent of the project cost. Farmers (leasing farmers included) may apply.

### Environmental Quality Incentive Program (EQIP)

**USDA/NRCS**

[www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/financial/](http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/financial/)

This conservation cost-share assistance program provides up to 75 percent (90 percent for historically underserved producers) of the cost to implement certain structural and management practices on eligible agricultural land. Examples of structural practices include grassed waterways, filter strips, terraces, waste lagoons and irrigations systems. Examples of management practices include conservation tillage, cover cropping, nutrient management and integrated pest management. Under the 2014 Farm Bill, individual EQIP payments are capped at \$450,000 in aggregate payments over five years. Applications are accepted on a continuous basis, but submission deadlines are periodically set so NRCS can evaluate, rank and approve eligible applications. Farmers (including those with a long-term lease), land trusts and municipalities partnered with a farmer may apply.



Courtesy of CT Audubon, Patrick Comins photo

**Farmland Restoration Program (FLRP)**  
*CT Department of Agriculture*  
[www.ct.gov/doag](http://www.ct.gov/doag)

**NEW**

Authorized in 2011, FLRP provides matching grants of up to \$20,000 per project for the restoration of fallow farmland into productive cropland. The program is designed to encourage farmers and landowners to bring prime and important farmland soils back into production and improve conservation practices on agricultural land. FLRP will fund such projects as clearing and removing trees, stumps, brush and invasive plants; reclaiming overgrown pastures, meadows and cropland; installation of wildlife fencing to protect crop fields on FLRP areas; and renovation of farm ponds and irrigation wells incidental to the restored cropland areas. Projects are funded on a 50 percent cost-share basis. Municipalities and land trusts may also apply for the restoration of agricultural lands that have leases with farmers of five years or more. A conservation plan or farmland restoration plan developed in consultation with NRCS or Connecticut Conservation District specialists is required.



**Healthy Forests Reserve Program (HFRP)**  
*USDA/NRCS*  
[www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/easements/forests](http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/easements/forests)

This program is intended to restore, enhance and protect forestland for the purpose of promoting the recovery of threatened and endangered species, improving animal and plant biodiversity, and enhancing carbon sequestration. The program offers two enrollment options—a 30-year agreement or permanent easements—and provides cost-sharing for restoration of threatened or endangered species habitat. Landowners and land trusts (provided the land is not already under an easement) may apply.

**Joint Venture Grants Program**  
*CT Department of Agriculture*  
[www.ct.gov/doag](http://www.ct.gov/doag)

This small grants program (less than \$5,000 matching) is intended to promote Connecticut agricultural products through the use of the “Connecticut Grown” logo. Funds have been used in the past for brochures, announcements, farmers market promotion and signage. Farmers (leasing farmers included) may apply.

**Renewable Energy Systems and Energy Efficiency Improvement Program**  
*USDA/Rural Development*  
[www.rurdev.usda.gov](http://www.rurdev.usda.gov)

This program provides grants and guaranteed loans to farmers and rural small businesses to purchase renewable energy systems and make energy efficiency improvements to their operations. Renewable Energy Systems grants can range from \$2,500 to \$500,000; Energy Efficiency Improvement grants can range from \$1,500 to \$250,000. Grants may be used to pay up to 25 percent of an eligible project’s costs. Up to 75 percent of total eligible project costs can be covered through the Rural Energy for America (REAP) Guaranteed Loan Program. The program provides assistance to finance renewable energy (renewable biomass, anaerobic digesters, geothermal for electric generation, geothermal for direct use, hydroelectric—30 megawatts or less—hydrogen, small and large wind, small and large solar, and ocean) and energy efficiency projects.



**Wetlands Reserve Easement Program (WRE)**  
*USDA/NRCS*  
[www.nrcs.usda.gov/PROGRAMS/wrp](http://www.nrcs.usda.gov/PROGRAMS/wrp)

This federal program—a component of the Agricultural Conservation Easement Program (ACEP)—provides technical and financial assistance to private landowners to restore, protect and enhance wetlands through the purchase of an easement. Three easement options are available: permanent, 30-year, and term. NRCS pays all costs for recording the easement, including recording fees, title insurance, and survey and appraisal fees.



**Farm Reinvestment Grants Program**  
*CT Department of Agriculture*  
[www.ct.gov/doag](http://www.ct.gov/doag)

Farm Reinvestment grants are available to registered farm businesses that have operated for at least three years. Grants are intended for expansion of existing agricultural facilities, site improvements or expansion into new areas of production. Grants of up to \$40,000 are available and must be matched on a 1:1 basis; grant funds can only be used for capital fixed assets that have a life expectancy of 10 years or more. Farmers (leasing farmers included) may apply.

**Guaranteed Conservation Loan Program**  
*USDA/Farm Service Agency (FSA)*  
<http://www.fsa.usda.gov>

This program provides guaranteed loans to finance qualifying conservation projects. Loans may also be used to finance the borrower’s share of a USDA Environmental Quality Incentives Program (EQIP) contract. Qualifying projects are those included in an NRCS conservation plan. Guaranteed loans are capped at \$1,392,000 with a maximum repayment period of 30 years. The loan can be used to implement an NRCS conservation plan or retire debt associated with implementing a conservation plan. Farmers (leasing farmers included) may apply.



Wike Brothers' Farm, Sharon—Patrick Lee/Orbis Photography

## State Policies for Farmland Preservation & Farm Viability

**Public Act 490** In Connecticut, Public Act 490 is helping to keep working farm and forest lands part of the state's landscape.

By allowing farm and forest land to be assessed at its current use value rather than its "highest and best use" value for purposes of local property taxes, it reduces the sizeable tax burden that many farmers and owners of working lands would otherwise face. Without use value assessment, most landowners would be unable to afford the property taxes on their farms and forest land.

Use value assessment is not a subsidy for farmers and large landowners, since farm and forest land require far

less in municipal services than does land devoted to residential use. In fact, even when taxed at its current use value, farmland generates a fiscal surplus that towns use to offset the high costs of residential services.

A Cost of Community Services study done for Colchester, Conn., in 2013 found that working and open lands cost the town \$0.18 in services for every tax dollar generated, while residential properties cost \$1.14.

### Cost of Community Services Studies

Cost of Community Services (COCS) studies conducted by American Farmland Trust and others around the country have analyzed local revenues and expenditures by land use to determine the impacts of residential, commercial, and farm, forest and open land on local budgets.

At least 11 COCS studies completed in Connecticut have consistently shown that farm, forest and open lands generate more tax revenues than they receive in public services, compared with residences that typically require more in public services than they pay in taxes.

COCS Median in Connecticut



Median cost per dollar of revenue raised to provide public services to different land uses

To qualify for Public Act 490, landowners must apply to the local tax assessor. Once land has been classified as eligible, it remains eligible until the use of the land changes or the land is transferred. If land enrolled in Public Act 490 is sold or taken out of agricultural production within the first 10 years of ownership, landowners may face a tax penalty.

The Connecticut Farm Bureau Association has an extensive guide on Public Act 490; the latest version can be downloaded from its website: [www.cfba.org](http://www.cfba.org)

**Community Investment Act (CIA)** In 2005 the state's Farmland Preservation Program was dramatically strengthened thanks to enactment of the Community Investment Act (CIA). The CIA has generated more than \$20 million for statewide farmland protection activities since its inception. Unlike state bond funds, which can be used only for purchasing development rights on farmland, CIA funds can also be used for program staff, appraisals and boundary surveys.

The CIA was hailed by then Governor Jodi Rell as "landmark legislation" and received broad bipartisan support among state policymakers.

The CIA requires town clerks to collect a fee on all documents filed on municipal land records. A portion of the fee is used to pay for municipal town clerk record management and local capital improvements, and the remainder is then remitted to a dedicated fund that is divided equally among four state agencies to be used for open space protection, affordable housing, historic preservation, agricultural viability and farmland preservation.

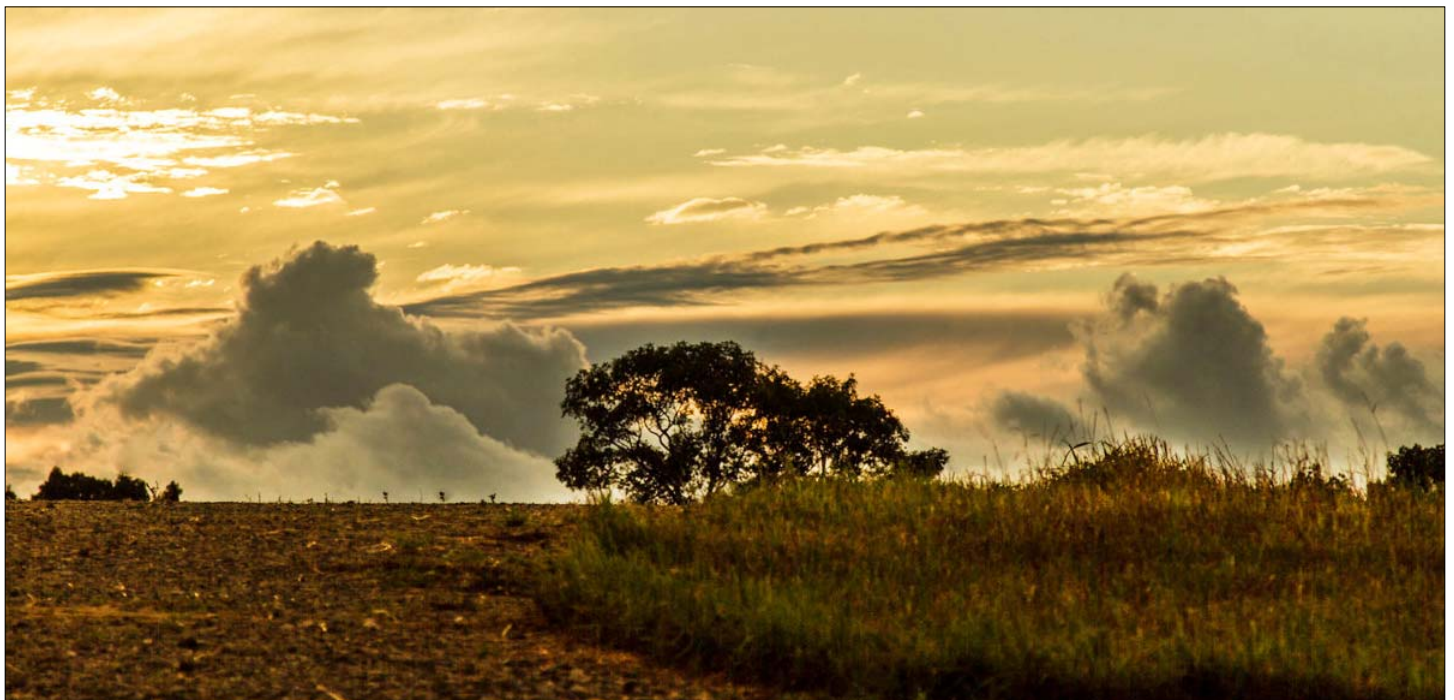
In addition to farmland preservation, the CIA provides funding to several key agriculture programs that support



Cato Corner Farm, Colchester—Patrick Lee/Orbis Photography

farm viability. The Department of Agriculture is required to distribute CIA funds as follows: \$100,000 for the "Connecticut Grown" program to help brand and promote local agricultural products, \$75,000 for the CT Farm Link program to help farm seekers find farmland owners and \$1 million for the Agriculture Viability Grants Programs. The highly successful Agriculture Viability Grants Program provides matching grants to farmers, nonprofit organizations and municipalities to help develop new markets for farm products, build facilities to support direct marketing and encourage town policies that support agriculture and farmland preservation.

In 2009, the CIA was amended to provide needed assistance to dairy farmers when the price of milk falls below the cost of production. This amendment to the CIA, which raised the total fee collected from \$30 to \$40, was made permanent in 2011.



Jones Family Farm, Shelton—Jeremy Pollack photo

# Contact Information & Resources

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## FEDERAL AGENCIES

### USDA/Farm Services Agency

344 Merrow Road, Suite B  
Tolland, CT 06084  
(860) 871-4090 [www.fsa.usda.gov](http://www.fsa.usda.gov)

### USDA/Natural Resources Conservation Service

344 Merrow Road, Suite A  
Tolland, CT 06084  
(860) 871-4011 [www.ct.nrcs.usda.gov](http://www.ct.nrcs.usda.gov)

### USDA/Rural Development

Southern New England Office  
451 West Street, Suite 2  
Amherst, MA 01002  
(413) 253-4300 [www.rurdev.usda.gov](http://www.rurdev.usda.gov)

## STATE AGENCIES

### CT Department of Agriculture

165 Capitol Avenue  
Hartford, CT 06106  
[www.ct.gov/doag](http://www.ct.gov/doag)

Agriculture Grants: (860) 713-2550

Farmland Preservation and  
CT Farmlink: (860) 713-2511

### CT Department of Energy and Environmental Protection

79 Elm Street  
Hartford, CT 06106  
[www.ct.gov/deep](http://www.ct.gov/deep)

Division of Forestry: (860) 424-3630

Open Space and Watershed Land Acquisition  
Grants: (860) 424-3081

### CT Department of Transportation

2800 Berlin Turnpike  
Newington, CT 06111  
(860) 594-2000 [www.ct.gov/dot](http://www.ct.gov/dot)

### University of Connecticut Cooperative Extension System

Farm Risk Management & Crop Insurance  
Tolland County Extension Center  
24 Hyde Road  
Vernon, CT 06066  
(860) 875-3331 [www.ctfarmrisk.uconn.edu](http://www.ctfarmrisk.uconn.edu)

Through workshops, one-on-one consultation and online resources, the Connecticut Farm Risk Management Team helps farmers address farm risk management issues, including farm business planning, and farmland preservation and land use issues.

## NON-PROFIT ORGANIZATIONS

### American Farmland Trust

775 Bloomfield Avenue  
Windsor, CT 06095  
(860) 683-4230 [www.farmland.org](http://www.farmland.org)

AFT is a national organization dedicated to protecting farmland, promoting sound farming practices and keeping farmers on the land.

### Connecticut Farm Bureau Association

775 Bloomfield Avenue  
Windsor, CT 06095  
(860) 768-1100 [www.cfba.org](http://www.cfba.org)

A nonprofit, 5,000-member organization, CFBA is dedicated to farm families through advocacy and education.

### Connecticut Farmland Trust

77 Buckingham Street  
Hartford, CT 06106  
(860) 247-0202 [www.CTFarmland.org](http://www.CTFarmland.org)

A statewide land trust dedicated to farmland protection, CFT assists landowners with the sale of the development rights on their farms, accepts donations of agricultural conservation easements and works with communities to develop strategies for protecting farmland.

### Connecticut Land Conservation Council

16 Meriden Road  
Rockfall, CT 06481  
(860) 685-0785 [www.ctconservation.org](http://www.ctconservation.org)

As the umbrella organization for the land conservation community in Connecticut, CLCC advocates for land preservation, stewardship and funding, and works to ensure the long-term strength and viability of the land conservation community.

### Trust for Public Land

Connecticut Office  
101 Whitney Avenue  
New Haven, CT 06510  
(203) 777-7367 [www.tpl.org](http://www.tpl.org)

TPL is a national land conservation organization with a commitment to protecting land for people to enjoy, including farms and forests that support land-based livelihoods; TPL helps communities define a conservation vision, raise funds and negotiate conservation transactions.

### Working Lands Alliance

775 Bloomfield Avenue  
Windsor, CT 06095  
(860) 683-4230 [www.WorkingLandsAlliance.org](http://www.WorkingLandsAlliance.org)

WLA is a statewide coalition of farmers, planners, conservationists, anti-hunger groups, local food advocates and others working together to protect Connecticut's productive farmland.