

Keeping Protected Farmland in Agricultural Production While Promoting Farmland Access - An Opportunity Through the Option to Purchase at Agricultural Value (OPAV)

Competition for available farmland in Connecticut (CT) is stiff. Aspiring, beginning, socially disadvantaged, and established farmers often compete against each other for farmland access, as well as against non-farm buyers seeking land for residential, commercial, industrial, and, increasingly, renewable energy development. This competition has intensified while nearly one-third of CT's farms will soon change hands as farmland conversion continues. To prevent farm and farmland loss, maintain and increase the number of farms in the state, and improve farmland access, CT must provide tools to promote a feasible transition to the next generation of farmers.

The Option to Purchase at Agricultural Value (OPAV) will give farmer landowners an incentive to sell their farm to the next generation of farmers while strengthening existing agricultural conservation easements. This vital farmland access tool provides the selling landowner with additional financial compensation, as well as more confidence that their farm legacy will continue. OPAV would significantly increase the state's return on its investment in protecting farmland and play an important role in increasing local food production and innovation in our agricultural economy. OPAV also guarantees that land protected through the CT Department of Agriculture's Farmland Preservation Program stays in active agricultural use for generations to come. OPAV has been implemented and proven effective in states such as Vermont, Massachusetts, and New York.

Authorize the Option to Purchase at Agricultural Value in CT and Pass H.B. 5228

Amend (Sec. 22-26bb) Farmland Preservation Definitions Section to include a state definition for the "option to purchase at agricultural value," "agricultural use value," and "farmer-purchaser."

Amend (Sec 22-26cc) to include that the Commissioner of Agriculture may offer grants to land trusts and municipalities that work to protect farmland from development to buy and hold an OPAV to encourage the continuation of land in agricultural production and maintain such land's long-term availability and affordability for future generations of farmers, including farmer-purchasers. The Commissioner may consider utilizing additional mechanisms for these purposes, including, but not limited to, OPAV, right of first refusal, other deed restrictions, or stewardship requirements.

Update (Sec.22-26nn) the Community Farms Preservation Program statute to give grants to land trusts and municipalities to buy and hold an OPAV on a farm. This section will also be updated to say that within available appropriations, the Department of Agriculture may establish and administer a grant program to fund the acquisition of OPAV by municipalities and nonprofit land trusts.

Fast Facts

- Connecticut's cropland, pasture, and farm woodlands total 381,539 acres. These living lands provide food and feed for communities in addition to creating habitat for wildlife, helping to control flooding, protecting wetlands and watersheds, and maintaining air quality.
- 42% of producers in the state are 65 or older, while 10.2% are young and beginning farmers.

- Just over 3% of CT's producers are Black, Indigenous, or People of Color (BIPOC), while the state's overall population is 20% BIPOC.
- Connecticut's farmland is the 4th most expensive in the nation at an average of \$14,200 per acre, according to the 2023 National Agriculture Statistics Service Land Values Survey.

FAQs

What is the Option to Purchase at Agricultural Value?

An OPAV is a voluntary legal agreement that incentivizes the sale of land to a group of buyers limited to family members or select farmers. It lowers the sale price of a parcel of land to its agricultural value (versus the fair market value, which trends higher). An OPAV ensures that land can no longer be sold to all willing buyers and must be sold at its agricultural value to a farmer or a farmer family member.

Will purchasing an OPAV cost the state more money?

Yes, but the OPAV will benefit all farmers in CT by making farmland more affordable for current and future generations. As it stands, when a farmer puts their land in easement, the current owner is the sole beneficiary.

Will it be mandatory for a farmland owner to place an OPAV on their land?

No, landowners can choose whether they wish to place an OPAV on their farmland. An OPAV can be used retroactively, which means that farmers who have previously sold their development rights can apply to have an OPAV placed on their property.

For More Information

- Land for Good Does the Option to Purchase at Agricultural Value Protect Farmland for Beginning Farmers?
- OPAV Information from Vermont Law Center <u>Center for Agriculture and Food Systems Information</u> on OPAV
- National Young Farmers Coalition Land Access Report
- National Young Farmers Coalition Working Lands Easements
- Vermont Land Trust OPAV Example

workinglandsalliance.org

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