Rhode Island has lost 80% of its farmland since 1945. Only 40,000 acres remain in production – less than 7% of the state.

Help Save Rhode Island's Farmland!
You can make a difference!
Acknowledgements

FarmRI 2.0 and this report would not have been possible without the time and knowledge shared by many people in Rhode Island and across the nation who participated in interviews and provided background information for the charrette. The RI Land Trust Council particularly thanks all the farmers, land trust leaders, and others in the agricultural community who shared their experiences, concerns, observations, innovations, and suggestions, and participated in the charrette.

While it is not possible to name everyone who contributed to this project, we want to recognize several key partners:

Barbara van Beuren, Stephen L. Glascock, and Elizabeth Lynn from the van Beuren Charitable Foundation were the catalysts who proposed the idea for the charrette. They were active in planning and preparing for the charrette. The charrette (and this report) would not have occurred without their leadership and a generous grant from the van Beuren Charitable Foundation for this work. Kim Dame also provided critical administrative support preparing for the charrette.

David Karoff, a consultant, and Victoria Moreno-Jackson, Program Director at the RI Community Mediation Center, partnered with Rupert Friday, Executive Director for RI Land Trust Council, to plan and facilitate the charrette.

Seven nationally recognized leaders who have worked with innovative farm conservation initiatives outside Rhode Island participated in charrette discussions to help stimulate ideas and share their experience:

- Richard Hubbard (Franklin Land Trust): Massachusetts Farm Conservation Program
- Kathy Ruhf (Land for Good): Transition Planning, Farm Link & Farm Leasing
- Ellie Kastanopolous (Equity Trust): Farm Affordability & Farmer Equity
- Peter Westover (MA Agricultural Commissions): Massachusetts Agriculture Commissions
- Stephen Searl (Peconic Land Trust): Farm Conservation & Affordability
- Katie Cavanagh (SE-MA Agriculture Partnership): Succession Planning, Farm Link & Leasing
- Jon Jaffe (First Pioneer Farm Credit): Farm Finances & Equity

Richard, Kathy, Ellie and Peter gave brief presentations on their programs as part of the agenda (see video links, back cover). Jon prepared farm budget scenarios to illustrate the economic impacts of different land tenure options (see Appendix V) and facilitated the breakout discussions on this topic.

Breakout discussions were facilitated by volunteers and staff from the Community Mediation Center of Rhode Island: Abbie Jones-Herriott, Victoria Moreno-Jackson, Becky Minard, Ruth Kohorn Rosenberg, Laureen Slutzker, Nan Starr, Molly Wallace, Charles Wisoff. Other discussion facilitators were: Jon Jaffe, David Karoff, Elizabeth Lynn, Susan Orban and Helen Tjader.

Jim Farley, David Liddle, and the staff at Mount Hope Farm enabled us to hold the charrette in a great location for discussing agriculture and helped us with logistics for the event so that it was well organized. Olivia Verdugo prepared the illustrations for the charrette’s introductory presentation. Paul Roselli videotaped the charrette so that the discussions can be shared and we can broaden the discussion around the state. RI Land Trust Council Board Members enthusiastically supported this initiative and participated in the charrette.

Rupert Friday, Executive Director, RI Land Trust Council prepared this report. Rick Schwartz did the editing, layout, and design.

This report was funded by the van Beuren Charitable Foundation
Dear Friend of Rhode Island Farms,

The Rhode Island Land Trust Council is pleased to have played a major role in researching, assembling, and bringing this report to you. We believe preserving working farms and productive farmland is an essential matter for the future of the state.

We hope this brief summary sufficiently describes the history of the crisis, current efforts to protect our working farms, and the next generation of initiatives so that you can play a role in future discussions and activities.

If you have any questions or comments, please don’t hesitate to contact either of us.

Sincerely,

Roy Najecki
Board President

Rupert Friday
Executive Director

Board
Jane Baumann
John Berg
Abby Brooks
Jane Buxton
Ted Clement
Stuart MacNaught
George Mason
Kevin McDonough
Pat McNiff
Roy Najecki (President)
Paul Roselli
Trish Sylvester
Linda Los Tibbetts
Helen Tjader
Carol Lynn Trocki
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Executive Summary

The next generation of initiatives for saving Rhode Island’s working farms

On February 24, 2010 the Rhode Island Land Trust Council convened a charrette to discuss farm conservation in Rhode Island and begin crafting the next generation of farm conservation strategies. Eighty people participated in this day-long event. A third were farmers, another third were land conservation leaders, and the final third were other agency, nonprofit and foundation leaders involved in agriculture.

THE ISSUES: declining acreage, aging farmers, expensive farmland, lost infrastructure, global competition, conflicting interests, regulations, and more

Interviews with farmers and land conservation leaders along with other research prior to the forum revealed many problems with current farm protection initiatives. Working farms are important to Rhode Island. They contribute to the local and state economy, community character, quality of life, local food production and food security. Yet, the state has lost more than 80% of its farmland since the 1940s (300,000 acres in production then, compared to just 40,000 now).

Current trends and pressures reveal a very tenuous future for the state’s remaining farms, farmland and agriculture industry. More than a quarter of our farmers are over age 65, yet few have plans for the succession/transition of their farms when they retire.

Much of the state’s farmland is prime development land – level, cleared, and with premium amenities such as water views and a close proximity to beaches and shoreline. Thus, farmland costs in Rhode Island are the second highest in nation and are unaffordable for new farmers and farmers who want to expand their operations.

Maintaining an economically viable farm in Rhode Island is also difficult because the state has lost many of the agriculture support businesses that farmers depend on for supplies and processing. Further, competition from global markets and industrial agriculture depresses the prices that farmers get for their products.

In addition, state and municipal regulations as well as conflicts with suburban neighbors increase difficulties for farmers who are trying to adopt the innovative farming practices that are necessary to maintain the economic viability of their farms.

THE GOOD NEWS: growing demand for local food, popular support for farms, and new farmers looking for land and others looking to expand

Growing interest in protecting working farms and sustaining local agriculture are helping to countervail the trends threatening the state’s remaining farmland. Many new farmers are looking for land to farm and existing farmers want to expand their operations. They are bolstered by growing demand for local farm produce along with increasing markets and revenue that are, in turn, improving the economic viability of local farms. There is also broad public support for federal, state and municipal funding to protect farmland.

But, current farm conservation initiatives are falling short

In the early 1980s, Rhode Island adopted three initiatives to stem the loss of working farms: the state Agricultural Land Preservation Program; right to farm laws; and farm, forest and open space taxation that assess local property taxes at farm value.
Since its inception, the state’s farmland protection program and other complementary federal, municipal and non-profit farmland protection efforts have protected about 10,000 acres, or one quarter, of the state’s remaining farmland. However, this track record reveals some serious shortcomings. First, the amount and pace of funding for the farmland protection program have never been sufficient to meet the demand from farmers who want to protect their farm. Second, funding has been dependent on periodic bond referendums and has been inconsistent and unpredictable.

Although protecting farms has prevented conversion to residential and commercial development, current initiatives have not necessarily kept the protected farmland in production and affordable for farmers. Further, conservation easements used for farm protection are sometimes worded in ways that prevent farmers’ from adopting the innovative practices necessary to keep the farm economically viable.

**FarmRI 2.0 recommendations for the next generation of farm conservation**

There is a broad consensus that we need to protect the remaining farmland in Rhode Island and keep it in production. Presentations and discussions during the charrette identified in six priority recommendations for improving farm conservation in Rhode Island:

1. **Improve the State’s farmland protection program.** Increase the amount, rate, and predictability of funding for farmland conservation to protect as much as possible of the 75% of the state’s farmland that is not currently protected. Revise the conservation easement used by the state’s farmland protection program so that any new farms protected will remain in agricultural production and will remain affordable for farmers. Modify existing easements to add these features as opportunities arise.

2. **Promote succession/transition planning and farmland conservation.** Provide outreach and assistance to farmers to help them with succession/transition planning for their farms. Coach them to understand the benefits of protecting their farmland and to navigate the application process for farmland protection programs.

3. **Promote leasing of farmland that is not in full production** (owned by farmers and fallow or owned by the state, municipalities, land trusts, and other non-farmers). Create a match making program to help link farmers looking for land with landowners who have farmland that is not in full productive use.

4. **Increase incentives for keeping farmland in production.** Ensure that conservation easement language requires protected farms be kept in production and supports their ability to adapt to changing farming practices and innovations necessary to sustain the farm’s economic viability. Improve real estate and inheritance tax incentives.

5. **Ensure that protected farmland remains affordable for farmers.** Establish strategies to help farmers build equity in their operation when they are farming protected land and leased land.

6. **Foster good communications between farmers and land conservation organizations, municipalities, state officials and farm neighbors.** Establish municipal agriculture commissions to improve communications and ensure the farmer’s voice is represented in municipal and state decisions that impact working farms.
Background to the Charrette

Many Rhode Island land trusts protect farmland as part of their mission or as their primary focus. To support this work, the Rhode Island Land Trust Council (Council) has sponsored workshops about farm conservation strategies and funding opportunities.

The discussion grew more urgent in 2008 when the Council was leading the successful campaign for a state open space bond. Though many farmers were approved to have their farmland protected through the RI Agricultural Land Preservation Commission, the program didn’t then – and still does not – have sufficient funding to protect those farms. The funding shortage discourages other farmers from even applying.

Furthermore, Rhode Island can receive federal funding for farmland protection but it requires a 50% match. Without sufficient state and local funding, we will lose federal dollars and those opportunities.

We learned key issues from the farmers

During the bond campaign, the Council built a broad partnership with the state’s agriculture community. The Council learned from farmers and land trust leaders about:

- innovative land trust strategies and partnerships for protecting working farms;
- problems that exist with Rhode Island’s farmland protection program; and
- concerns that some protected farmland is being “locked up” and taken out of production.

van Beuren Foundation encouraged a charrette

The van Beuren Charitable Foundation encouraged the RI Land Trust Council to convene a charrette to discuss the issues involved with preserving working farms. The Council subsequently received a grant from the van Beuren Charitable Foundation to conduct background research and convene this charrette.

The charrette challenged 80 leaders in agriculture and land conservation to “save Rhode Island’s working farms”

FarmRI 2.0: Crafting the Next Generation of Initiatives for Saving Rhode Island’s Working Farms was a day-long charrette held on February 24, 2010 at Mount Hope Farm in Bristol, Rhode Island. A charrette is a creative process of brainstorming used by architects, landscape architects and land use planners to solve a design problem. The “design problem” for FarmRI 2.0 was “saving Rhode Island’s working farms...sustaining and expanding agriculture in Rhode Island.”

FarmRI 2.0 focused on protecting farms\(^1\) – not as pleasant and scenic landscape amenities or cultural relics in our communities – but as working farms that are in production and economically viable. The charrette’s focus was the land issues related to farming. We did not delve into other important issues such as marketing, financing, processing, equipment and infrastructure needs.

The 80 charrette participants were nearly equally comprised of farmers, land conservation leaders, and others involved in agriculture (state, federal, municipal, foundation and non-profit organization leaders). The goal was to include people with a variety of perspectives and opinions so they could have a candid conversation and learn from each other. Many participants wear several hats. (See Appendix I for a list of participants.)

Reporting the essence of FarmRI 2.0

This report attempts to capture the issues, predominant ideas, and promising models discussed during the charrette. The report also incorporates information gathered from interviews and background research conducted for the charrette. Our intention is to inform and set a foundation for further discussion and actions to improve farm conservation in Rhode Island.

\(^*\) This report uses the terms protection, conservation, and preservation interchangeably. The report also uses farm and farmland interchangeably. The report is referring to the broad suite of activities, initiatives, efforts to protect/conserve/preserve farmland and working farms. As noted in the text we are referring to working farms and not historic and/or cultural relics.
We started with research (shared in this report)

The content of FarmRI 2.0 was shaped by the Council’s research in the fall of 2009 that included:

- interviewing Rhode Island farmers (especially those farming protected land), land conservation leaders protecting farmland, and agriculture community leaders.
- researching innovative programs in other states, especially ones that address issues that have surfaced with Rhode Island’s existing farmland protection programs.
- mapping farmland (protected and not) in Newport County – (Jamestown, Aquidneck Island, Tiverton and Little Compton);
- analyzing the economic contribution of agriculture in Newport County (based on the 2007 Census of Agriculture);
- exploring costs of three different land tenure situations and their implications for farm budgets:²
  - land purchased by the farmer – unprotected
  - land purchased by the farmer – with conservation easement
  - land leased by the farmer

Watch charrette presentations online: www.RILandTrusts.org

Videos are available online of remarks by Barbara van Beuren, five presentations, and closing remarks by Ken Ayars. See back cover for the list of presentations that were videotaped at the charrette.

RI Land Trust Council Executive Director Rupert Friday reviewed:
- the status of Rhode Island’s agriculture industry,
- the status of Rhode Island’s farm conservation efforts, and
- key issues and concepts identified during background interviews and research.

The charrette was organized with six concurrent small-group breakout discussions that explored the most pressing farm protection issues and some of the most promising strategies from other states for addressing those issues. The six topics were:

- Encouraging Farm Succession and Transfer Planning
- Maintaining Farmland Affordability and Building Equity when Farming Protected Land
- Keeping Protected and Unprotected Farmland in Production
- Strengthening Farmers’ Connections to Town Hall and the Community
- Own vs. Lease: Exploring Tenure Options for Sustaining Working Farms
- Improving Rhode Island’s Farmland Preservation Program

Additional “catalysts” for the charrette discussions were seven “resource people” who are leading innovative programs in other states. (See the full charrette agenda in Appendix II.)

The charrette ended with participants identifying “the most important next steps” for saving Rhode Island’s working farms. (See Appendix III for a summary.)

² Comparative costs were prepared by Jon Jaffe, First Pioneer Farm Credit for illustrative purposes for the charrette (see Appendix V).
Agriculture is part of the fabric of Rhode Island and defines the character of our communities. Agriculture is also important to Rhode Island’s economy. The 2007 Census of Agriculture documented that the state’s farms had $66 million in sales (see Figure 1 on page 11).

Sales data do not include value-added products, however, such as pies and cider from apples. Clearly, the total value of sales by Rhode Island farms is much greater than the census reports.

Beyond sales, farms also contributed $57.1 million to the state’s economy for purchasing supplies, hiring employees and other expenditures. (See Figure 2 on page 13.)

Thus, the agriculture industry’s direct contribution to Rhode Island’s economy exceeds $123 million.

Rhode Island has already lost 84% of its farmland

In 1940, the state had 300,000 acres in agriculture production. Today, only 67,800 acres remain in farms and less than 40,000 of that is in agricultural production (28,500 acres are in woodlands, wetlands, etc.). The state has lost more than 80% (232,000 acres) of its farmland to sprawling development and forest regeneration where fields and pastures were abandoned.

Michigan State University Professor Michael Hamm observes that the state’s remaining farmland is not nearly sufficient to grow the food necessary to feed the state’s one million residents. Professor Hamm estimates that the state would need approximately 558,000 acres in agriculture production to grow enough food locally to feed our population.
Agriculture is part of the fabric of Rhode Island and defines the character of our communities. Agriculture is also important to Rhode Island’s economy. The 2007 Census of Agriculture documented that the state’s farms had $66 million in sales (see Figure 1 on page 11). Sales data do not include value-added products, such as pies and cider from apples. Clearly, the total value of sales by Rhode Island farms is much greater than the census reports.

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**Farms are 20% smaller; average size 56 acres. Three of every ten farms have fewer than 10 acres**

Rhode Island leads the nation in farmland lost to development. And the farms that remain in Rhode Island are getting smaller. According to the agricultural census, the average size of farms decreased from 71 acres in 2002 to 56 acres in 2007. The median size decreased from 30 acres to 24.

In 2002, 24% of the farms in Rhode Island were less than 10 acres. By 2007, this increased to 29%, virtually three out of every 10 farms.

There is an ironic silver lining to the state’s limited supply of farmland and smaller farms. Although these factors hinder Rhode Island’s ability to compete with the economies of scale possible in other states, these same characteristics protect the state from industrial agriculture and its detrimental impact on family farms and communities.

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**Figure 1**

**Rhode Island Annual Agriculture Sales**

*Reported in 2007 Census of Agriculture*

<table>
<thead>
<tr>
<th>$ millions</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10.3</td>
<td>Approximately 44% or $4.6 million is from dairy products</td>
</tr>
<tr>
<td>$55.6</td>
<td>Approximately 75% or $41 million is from sod, nurseries, and greenhouse activities</td>
</tr>
</tbody>
</table>


*Note: Sales reported by does not include value added such as sale of pies or cider.*
Pressures on Farms and Farmland

*Nation’s 2nd highest farmland prices, aging farmers, and lack of infrastructure make farming difficult*

Several strong pressures lead to the loss of Rhode Island’s farms and farmland. Thus, there is an urgent need to protect the state’s remaining farmland.

**Real estate development pressures drive Rhode Island farmland prices to second highest in the nation**

The most conspicuous force threatening farmland and agriculture is the demand for land for real estate development.

Rhode Island is the second most densely developed state in the nation and land suitable for new development is scarce. Rhode Island farmland becomes a target for several reasons:

1. Farmland has few constraints and is the easiest land to develop.
2. Much of Rhode Island’s prime farmland is near the shore, highly-desired waterfront, waterfront properties, and/or with close proximity to beaches.
3. While costs per acre of farmland are extremely high from a farmer’s perspective (see graph below), they are cheap from a developer’s.

**The market forces that drive up the cost of farmland make it unaffordable for farmers to farm at a profit**

In 2008, Rhode Island farmland averaged $12,000 per acre, second highest in the nation after Massachusetts ($12,200/acre). This was more than double the average value of $5,080 for farmland in the Northeast and more than five times higher than the national average value for farmland of $2,350.3

High farmland costs are unaffordable for farmers who want to acquire land to start a new farm or expand an existing operation. Farmland purchased at market rates in Rhode Island can rarely generate sufficient income to pay mortgage costs.

**Inheritance taxes are a barrier to passing farms to the next generation**

In addition, high real estate values for Rhode Island farms create significant state and federal inheritance tax burdens for families that want to pass the family farm to their next generation. Estate taxes on high-value farmland frequently require a family to sell the farm or part of the farm to pay their inheritance taxes.

**Rhode Island’s farmers are aging, and without transition plans for their farms**

Rhode Island’s farmers are aging and many are nearing retirement age. In 2007, more than one in four (28%) were older than 65, a significant increase from 21% in 2002.4

Yet, based on surveys of farmers in nearby communities and nationally, it’s likely that fewer than one-third of Rhode Island’s farmers have a plan for the transition of their farm to the next generation or to another farmer when they retire or die.

Without planning, the “transition” becomes a crisis for their families and communities that are trying to preserve the working farms. In addition, some farmers need to “cash out” the equity in their farm to fund their retirement.

Farmers and their families have a strong personal emotional attachment to the land. Most want their land to remain in agriculture. Yet, the

---

3 USDA Agricultural Statistics Service.

4 2002 and 2007 Census of Agriculture.

**Average Farmland Prices/Acre, 2008**

![Graph showing average farmland prices per acre in 2008 for different regions, with Rhode Island at $12,000/acre, second highest in the nation.]
transition path of least resistance, especially if they are making decisions during a family crisis, is to sell the farm on the open market.

Aging farmers without transition plans and without any program or other system to help farmers transition their farms re-enforces the strong market pressures that exist to sell farmland for development.

**Farming is a business and has to make a profit; lack of infrastructure and problematic regulations are major hurdles**

Farming is a business. Farmers will not invest time and money to farm and keep their land (protected or not) in production each year if they don't make a profit or, at a minimum, cover their costs.

Maintaining the economic viability of a farm in Rhode Island is challenging. The national and international agriculture industry grows and ships produce to Rhode Island at very low costs. Rhode Island farmers cannot grow the same produce at a comparable price because they have higher costs for land, labor, supplies and processing.

Consider infrastructure. While the state was losing the majority of its farmland over the past 110 years, it also lost much of its support infrastructure for farming, such as local suppliers for farm equipment, seed and fertilizer; and local processing facilities for produce. As a result, Rhode Island farmers have higher costs for supplies and for processing their produce than farmers in most other states. In addition, Rhode Island farms are small and do not have the same economies of scale as farms in other parts of the nation.

**Some municipal regulations and conservation easements have unintended consequences: barriers to innovation and adaptation**

Farmers find that some municipal regulations prevent them from pursuing new and innovative farming and business practices they need to maintain the economic viability of their farm. Even language in some conservation easements can be a barrier to farmers adopting innovative practices and other activities to increase farm revenue.
The Good News: Growing Support for Sustaining Farms and Farmland

*The general public and municipalities are supporters*

Public and municipal support is helping to stem farmland loss and is even increasing the number of farms and the state’s agricultural production.

**Public support for Rhode Island farms is proven in voting booths and in the markets**

Working farms are our neighbors; they are part of the fabric of Rhode Island and contribute to our sense of community.

Strong broad public support for active agriculture is repeatedly demonstrated in two concrete ways:

1. voter approval for town and state farmland conservation bonds
2. consumer demand for locally-grown produce and food safety.

Consider the latter. The number of farmers’ markets in the state increased from two in 1985 to more than 30 in 2009. They are well attended and some even continue to operate in the winter.

Several farms across the state now have Community Supported Agriculture (CSAs) operations where community residents “buy a share” and get a weekly distribution of produce from the farm. The number of pick-your-own farm operations and “agrotourism” initiatives such as corn mazes, have also increased and created additional revenue streams for farmers.

Public interest has also been the catalyst for farm-to-school and farm-to-restaurant ventures.

**Municipalities understand the tax advantages of keeping farmland in active production**

Municipalities have strong fiscal incentives for protecting farmland. Farms are small businesses that contribute to the local economy, pay taxes, and contribute to the community’s sense of place. Yet farms require minimal municipal services and infrastructure.

Numerous studies document that if a new residential subdivision replaces a farm, it costs towns more than a dollar in services for every $1 in taxes paid. In contrast, farms require less than 50 cents in service costs for every $1 in taxes paid.

Loss of farms is detrimental to the bottom line of municipal budgets. This creates a strong incentive for municipalities to protect farms and keep them in production.

**Size of state provides great access to markets**

One advantage that Rhode Island farmers do have is their close proximity to customers and their market. Rhode Island is the state with the third highest rate of direct sales from farms to consumers. This ability for retail sales enables farmers to get a higher price and generate more revenue for their products.

**Farms need to be innovative and diversify**

Maintaining the economic viability of Rhode Island farms requires farmers to:

- be innovative and flexible in a dynamic market,
- find or develop market niches where they can produce higher value crops,
- add value to crops they grow, and
- develop multiple revenue streams from their farms.
Rhode Island’s 1st Generation of Farm Conservation Initiatives

A three-pronged effort of purchasing developing rights, reducing tax costs, and “right-to-farm” protections

In the 1980s, concern about farmland loss in Rhode Island led government leaders to establish three state initiatives as a “first generation” of efforts to conserve farms:

- the Agricultural Land Preservation Commission (ALPC) and the state Farmland Preservation Program to protect farmland by purchasing development rights from farmers. This program has been funded by periodic state bonds.
- Farm, Forest and Open Space taxation to reduce property tax costs for farmers and thereby keep agriculture more economically viable.
- “Right to Farm” law to protect farmers from nuisance complaints and lawsuits.

The state’s leaders expected these programs would stem the loss of working farms and farmland. Similar programs were adopted in states around the nation.

State, municipalities, and conservation organizations have pooled money from bonds, federal programs, grants, and donations to protect roughly 10,000 acres of farmland over the past 25 years

To protect farms, the state buys development rights – not the farmland itself, keeping the farms in private hands. From 1985 through 2009, the state’s RI Agricultural Preservation Program purchased the development rights on 85 farms with more than 6,380 acres of farmland. This program protected an average of 255 acres per year.

Some of the money for purchasing the rights comes from the state, which relies solely on periodic state open space bonds to fund this program. State funding has been leveraged to attract more than $38.5 million in funding from other sources (federal farmland protection funding, and contributions from municipalities, foundations, land trusts, other conservation organizations and individuals) to supplement the state’s bond funding for farmland protection since the beginning of the program. All this funding combined still does not add up to nearly enough to meet the demand.

More farmers want to protect their farmland through the state’s program than there has ever been funding available. Farms approved by the Agricultural Land Preservation Commission are added to a “waiting list” until the state has sufficient funding to pursue an agreement.
Federal protection program has been a major source of funding, but it requires a 50% match

The Federal farmland protection program provides farmland protection grants if there is a 50% match.

Since the year 2000, this program has provided millions of dollars for farmland conservation in Rhode Island, including more than $11.5 million for farms protected by the RI Agricultural Land Preservation Commission. Rhode Island has received a disproportionately high level of federal farmland protection funding because there is an effective program in place for working with farmers and land conservation partners to protect farmland.

Nearly every farm conservation project includes several partners, such as the municipality, a land trust, state and federal government, and the farmer, who sometimes contributes some of the value needed to protect the land.

Other conservation entities protect another 3,500 acres, for a total of approximately 10,000 acres

In some cases, organizations other than the state protect farmland. Municipalities, land trusts, and other non-profit conservation organizations, as well as the US Department of Agriculture’s Natural Resource Conservation Service (NRCS), have protected approximately 3,500 acres of farmland in addition to the state farmland protected by the state farmland protection program. Total protection of farmland in Rhode Island as of January 2010 is approximately 10,000 acres – about one quarter of our remaining farmland.

NRCS-Farm Bill Funding for RI Farmland Protection

|$ Millions$

<table>
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<th>1996-2005</th>
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<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
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<td>$6.5</td>
<td>$6.9</td>
<td>$2.8</td>
<td>$5.0</td>
<td>$5.3</td>
<td>$8.0</td>
</tr>
</tbody>
</table>

$ Millions

0 2 4 6 8 10

1996-2005 2006 2007 2008 2009 2010
1st Generation Initiatives have Fallen Short

75% of the farmland still isn’t protected, insufficient outreach to farmers, issues with affordability, and keeping land in production even when it is protected

Several decades of experience with the “first generation” farm conservation programs have revealed their limitations. Over the years, other states have revised their farmland protection programs and developed additional initiatives to improve farm conservation results. In Rhode Island, non-profit organizations and the state Division of Agriculture have also initiated new programs to sustain agriculture. However, Rhode Island has not revised the state’s farmland protection program since its adoption in the early 1980s.

During interviews in 2009 and discussions at FarmRI 2.0 charrette, participants raised many issues about the existing programs. (See Appendix IV for a list of farm conservation issues identified during interviews for FarmRI 2.0.) Key among them are:

- inadequate and unreliable funding;
- insufficient outreach, education and assistance for farmers about farm conservation and succession planning;
- farmland affordability even after it is protected;
- ensuring farmland stays in production especially when it is protected.

Inadequate and inconsistent funding

Today’s protected farmland comprises only 25% of the state’s 40,000 acres of farmland in production. The cumulative accomplishments of farmland protection efforts in Rhode Island since 1985 leave approximately 30,000 acres – 75% – not protected and threatened by potential loss for development.

If farmland protection continues at the rate it has since the program started (255 acres/year), it would take approximately 110 years to protect the state’s remaining unprotected farmland (assuming funding is available).

The most significant and recurring issue with the state’s farmland protection program is inadequate and inconsistent funding.

For its “contribution”, the state has depended on periodic open space bonds for funding, with no other revenue stream. Bond funds have not been sufficient to even protect the farms the program has approved. In addition, dependence on bond funding does not provide the program with consistent or reliable support.

The funding problem is more acute because of high farm values in Rhode Island. In recent years, the Rhode Island Agricultural Land Preservation Commission’s (ALPC) average cost for protecting farmland has been $5,600 per acre. This is matched by additional funding from municipalities and federal programs. Based on recent ALPC projects, the

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From 1985 through 2009, the state’s Agricultural Preservation Program protected 85 farms, with more than 6,380 acres of farmland.

Land trusts and other conservation organizations have protected approximately 3,500 additional acres.

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5 Based on map analysis that compares land in agricultural use with RI Department of Environmental Management information about land that is protected.
estimated total cost for protecting the remaining 75% of farmland that is still unprotected is $584 million.6

Based on the recent ratio of other funding contributed to farmland protection projects, the State’s portion of the cost for protecting this farmland, would be $160 million.

Lack of outreach, technical support, and coaching for farmers

Each farmer and each farm is a unique situation. The farmland conservation effort works best when farmers:

- understand the benefits and options for protecting their farms;
- get assistance applying for the Agricultural Land Preservation Commission’s process; and
- get advice and coaching on succession/transfer planning for their farms.

While some communities have strong land trusts that can provide farmers with information and assistance, many land trusts and municipalities simply do not have the capacity to provide this level of outreach and assistance.

RIDEM, as staff to the Agriculture Land Preservation Commission, provides some outreach to farmers and assists them with the ALPC application. However, with limited staff capacity compared to the farmers’ needs, by necessity, RIDEM staff focus on farms in crisis.

Even protected farmland isn’t affordable for farming

A key assumption of Rhode Island’s farmland protection program was that it would keep farmland affordable for new farmers or farmers looking to expand their operations. In other words, if a farmer sold his or her farm after selling the development rights to the state, another farmer would be able to purchase the land at farmland value.

That has rarely proven to be the case, and only then when the farmland does not have a house or housing lot. When a protected farm includes a house (or housing lot), it usually sells at an estate value instead of farmland value. (Ironically, when a protected farm doesn’t have a house, the farmer is faced with another economic issue: the need to find affordable housing near his or her farm operation.)

In some cases, farm families that sold development rights as a strategy to reduce their inheritance tax and enable the farm to be passed on to the next generation are finding they still have high farm values and high inheritance taxes.

Comparing three buying and leasing scenarios

As noted on page 12, Rhode Island’s farmland prices are the second highest in the nation. (In 2007, farm real estate values in Rhode Island were nearly two-and-a-half times the $5,080 per acre Northeast average.) A remark frequently repeated by farmers during research for the charrette was “The only way to get farmland in Rhode Island is to inherit it or marry it...”.

To inform the charrette discussions, Jon Jaffee, Vice President, First Pioneer Farm Credit, developed hypothetical farm budgets to illustrate the comparative costs of three different land tenure scenarios:

1. the farmer leases farmland;
2. the farmer purchases protected farmland; and
3. the farmer purchases unprotected farmland.

The findings (see Appendix V for the details):

- The cost of unprotected farmland in Rhode Island is so high that farming is only economically viable if the farmer already owns the land, inherits the land, marries someone who owns/inherits land, or leases the land.
- The cost of purchasing protected farmland is more affordable for farmers and is more economically viable for farming than purchasing unprotected land. Protected farmland is more affordable if it does NOT have a house or building lot.
- Leasing land is the least costly and most affordable way for farmers to access land. Leasing protected or unprotected land is the most economically viable/profitable approach for farming.

Several foundation leaders who have been making grants for farmland protection observed that Rhode Island is paying nearly the full market

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6 Cost projections are based on costs from the RI Agricultural Land Preservation Commission and calculated using the estimated number of acres of farmland in Rhode Island that were not protected in January 2010.
value of farms for a conservation easement. Given that protected farms are not all remaining in production or affordable, they asked, would it not be more prudent to purchase the farms outright instead of buying a conservation easement?

**Some protected farmland is not staying in production, even though there are farmers waiting in the wings**

New farmers in Rhode Island, and those who want to expand their farms, have difficulty locating land to farm. Yet, some farms – including those protected by the state and conservation organizations – are not remaining in agricultural production.

Situations include:

- retired farmers who have sold their development rights and allow the fields to go underutilized or fallow;
- farmers experiencing poor economic returns stop investing time and dollars to grow crops;
- farmland acquired by land conservation organizations and municipalities that is not in production;
- farmland that has changed hands (inherited or purchased) and is owned by people who are not interested in farming it themselves; and
- farmland that has been subdivided into large lot subdivisions with unused opportunities for small scale agriculture production. (Research for the charrette determined that many such farmland areas are simply being mowed.)

Many new farmers in Rhode Island are doing small-scale agriculture and only need access to a few acres of land to grow their produce.
Leasing can be problematic for both farmers and landowners

The most obvious strategy for keeping farmland in production is encouraging farmland owners to lease their land to a farmer. Yet, challenges and problems that accompany farmland leasing have been expressed by both landowners and the farmers. As a result, some land conservation organizations, farmers, and other landowners are reluctant to lease their farmland. They fear a tenant farmer might not be a good steward for their land or may do something that negatively impacts the landowner's reputation and image in the community. This reluctance is fed by stories of real problems that have resulted when land was leased.

Farmland leasing is also challenging for the person farming. Key lease issues are the “term” (length of the lease) and the amount of control the farmer has over the land.

Tenants wanting to invest in costly improvements – invigorate soil productivity, build irrigation systems, install soil conservation systems, and maintain buildings, for example – need leases that are long enough for them to get a return on their investment. Currently, however, state law limits leases to ten years.

Of course, an inherent issue for farmers farming leased land is their inability to build equity in their operation, and to have funds for retirement. A farmer's investments in infrastructure on leased land often only builds equity for the owner of the farmland.

Further, many land trusts and municipalities do not have the experience, skills, systems or organizational capacity to be “landlords” and manage properties they are leasing. This is especially true for leases that involve a house and other buildings that require maintenance. This can be a significant problem for farmers who are leasing properties.

Multiple goals for farm conservation can conflict with farming practices

Farmland protection goals involve many interests, and they don't always mesh.

The farmer may simply want to keep the land perpetually in use as a working farm. However, consider the variety of organizations involved in farm conservation:

- Rhode Island Agricultural Land Preservation Commission (ALPC),
- land trusts
- The Nature Conservancy,
- Audubon Society of Rhode Island,
- Historic New England, and
- USDA Natural Resource Conservation Service.

Additional interests arise from organizations and individuals that contribute funding to protect farms including: foundations, municipalities, drinking water suppliers, community residents and other federal agencies.

Each reflects a constituency or an issue: drinking water protection, wildlife habitat protection, historic preservation and scenic landscape protection, etc. These multiple interests end up being reflected in the farm conservation easement language when these funding sources are involved in farmland protection.

As a result, some easements limit a farmer's ability to change or adapt farming practices:

- in response to changing markets;
- to implement best farming practices which change with time as knowledge and technology improve;
- to implement new conservation practices; and
- that are necessary to keep a farm economically viable.

In some cases, a farm conservation easement may, in effect, “freeze” a farm operation in time by restricting farming activities to those farm practices that were in place when the farm was protected. This inflexibility greatly hinders a farmer’s ability to keep a farm in production and economically viable.
Not all farmers who are farming land with easements encounter problems, but when they do, issues often result from:

- Constraints by the IRS and other legal restrictions governing the organization that holds the easement (state, town, or non-profit organization).
- The easement language and structure (e.g. “future development and construction are restricted in the farmstead area”);
- The easement donor’s intent, especially if a charitable contribution was claimed when the easement was recorded; and
- The mission of the organization holding the conservation easement and the purpose of the easement (protect farmland, protect scenic or historic character, protect habitat, protect water quality, etc.).

The public doesn’t fully understand farming; as a result, local politics can have an adverse impact

Today, few residents or state and municipal leaders are directly involved with farming, understand farming practices, and what farmers need to do to sustain economically viable farm operations. Farmers believe that the public and government leaders don’t understand and value the importance of agriculture to the local and state economy.

Because of this disconnect and inadequate communications, farm neighbors, municipal and state officials are often unaware of the negative consequences their decisions may have on farmers and farm viability.

Farmers find:

- Towns are not adequately considering the impacts when they adopt rules, regulations, and policies that hinder farm activities – often as unintended consequences.
- Neighbors object to routine farm practices and innovative activities that are needed to sustain the economic viability of a farm.

As a consequence, Rhode Island’s Director for the Division of Agriculture spends more than half his time negotiating conflicts between farmers and their neighbors and towns and advocating for farmer’s needs to implement best practices and maintain economically viable farms.

Strong communications and relationships prevent problems

There are many stories about very positive relationships between farmers and their neighbors and town hall. Farmers who are proactive and have strong communications with their neighbors, land conservation organizations, and the municipalities have many fewer conflicts and encounter fewer problems with neighbors and have strong community support.
There is broad consensus on the goal: protect Rhode Island’s remaining farmland and keep the remaining farmland (protected and unprotected) in production.

To keep farmland in production, it needs to be accessible to farmers at affordable costs and farming must be economically viable. Rhode Island’s agricultural and land conservation leaders identify six key components of second generation strategies we call FarmRI 2.0. In most cases, these strategies are “best practices” that are operating effectively in other states.

1. Improve the state’s Farmland Protection Program

   Increase funding for farmland conservation with a more consistent and reliable system than the current dependence on state bonds. Options include:
   - real estate transfer tax or recording fee (politically very difficult);
   - transfer of development rights (being developed in North Kingstown & Exeter).
   - establish other funding for farm conservation.

   “Make affordability permanent.” Ensure that protected farms remain affordable for farmers and in agricultural production.

   Adopt effective language in farm conservation easements. Options include:
   - give conservation organizations the right of first refusal to purchase the land at agricultural value (used by Massachusetts agricultural preservation program); and
   - give the conservation organization an affirmative right to keep the farmland in production (used by Little Compton’s Agricultural Preservation Trust and some other land trust across the nation).

   Develop a strategy to address these issues with farms previously protected by the state.

Develop an outreach program to inform farmers about their options for protecting their farmland and to assist them with the application process.

   Outreach could be paired with similar outreach and support for transition/succession planning.

Help farm conservation organizations and farmers design and write conservation easements that are more supportive of sustaining working farms.

   Distribute model easement language and lease agreements that: protect farmland; keep it in production; enable the farmer to change with changing markets, farming practices and technology; keep farmland affordable for farmers; and are as farmer focused/friendly as possible.
2. **Increase Farm Succession/Transition Planning.**

   Establish an outreach program and technical assistance coach/case worker to help farmers with succession or transition planning.

   - The outreach worker/coach:
     - educates & motivates farmers to do transition planning;
     - connects farmers with a network of technical experts. Farmers need access to attorneys, accountants, financial planners, and estate planners to help them with the complex issues involved in farm succession/transfer planning;
     - provides models for how to approach succession planning – which issues need to be addressed and ways to address the issues;
     - provides ongoing coaching and support for the farmer and his or her family on issues such as “identity” – the farmer letting go of life’s work as well as family and generational issues;
     - facilitates communication between the resident farmer and potential new farmers; and
     - provides models and coaching on different strategies to address the economics that accompany transition (e.g. close the gap between what it takes for a farmer to retire and what an incoming farmer can offer and needs).

   - The outreach program must be funded for numerous years and set up so that the cost is not a barrier to transition planning. It takes time for an outreach worker to build a trust relationship with farmers and their families. Experience with successful programs reveals that it takes five to ten years to transfer a farm.

   - Outreach and coaching on succession/transition planning could be combined with outreach and coaching on land conservation options.

3. **Facilitate Farmland Leasing.**

   Establish a Farm-Link/Matchmaking Program.

   - Establish an outreach program to facilitate connections between farmers and landowners with under-utilized farmland that could be leased to farmers. This program requires a coordinator and caseworker, not just a website. Roles:

     - Recruit landowners who have underutilized farmland (land conservation organizations, municipalities, farmers, other landowners). Encourage them to lease their farmland and advise them about options.
     - Match landowners who want to lease farmland with farmers looking to lease.
     - Provide sample leases and help negotiate the lease agreements between the farmer and the landowner.
     - Help land trusts, municipalities and other conservation organizations negotiate lease agreements with farmers.
     - Help farmers who are leasing land understand the importance of communications with the landowner and with neighbors.
4. Increase Incentives to Keep Farmland in Production.

**Improve conservation easement language used by the state Agricultural Land Preservation Commission to require that protected farmland be kept in agricultural production.**

- One option is for easements to include an “affirmative right” such as the language used by Little Compton Agricultural Land Conservation Trust and some other land trusts that gives the land trust the right to keep farmland in production if the property owner does not keep it in production.

**Improve farm, forest and openspace taxation incentives.**

- Develop an industry standard for appraising agriculture value.
- Structure policies for this program so that they create a strong incentive for land owners to keep farmland in production even when a farm is purchased by a non-farmer. Real estate tax incentives could also encourage large lot owners to lease a portion of their property for agricultural production.

**Explore opportunities for creating state inheritance tax incentives for keeping farmland in production.** e.g. exempt farmers from inheritance tax on their farm if it will be kept in production by a successive generation of the family and/or if the farmer has protected the farm and intends to keep it in production.

5. Ensure Farmland Affordability and Farmers’ Ability to Build Equity.

The following strategies were discussed and are being used in other states:

**“Permanent affordability” needs to be built in at the time the land is protected. Several strategies can accomplish this:**

- Draft farm conservation easements with language that require future sale of the property to a farmer and at farm values. This easement language typically gives the land conservation organization the option to purchase at farm values. (See page 20 for further discussion of this strategy.)
- Conservation easements could limit the size of the house attached to protected farmland to limit attractiveness of properties being sold for country estates.
Consider separating land from improvements.

- **Housing for farmers could be in nearby communities; the state is small.** (Some farm operations require farmers to be onsite to care for farm animals, etc., however.)
- **Farm houses could be placed in “affordable housing” land trusts where they could be owned by farmers.**
- **Houses attached to protected farmland could be restricted to occupation by an agriculture person.**
- **Retired farmers who want to remain living on their land and new farmers both need to be accommodated.**

**Develop an affordable housing land trust model for farms and farm dwellings.** The land trust owns the land and rents the house to a farmer with a 100-year land lease. House “ownership” enables the farmer to build equity in the house yet is structured to limit the amount of appreciation. The house remains affordable for future farmers. This model is being used by Church Community Housing for a Tiverton farm.

Establish farm protection partnerships with non-profit organizations and farmland conservation organizations (land trusts, other non-profit organizations, municipalities, state) to acquire farms (through purchase or donation) and then either:

- lease the farms to farmers (used by several conservation organizations);
- hire a farmer to operate and manage the farm (used by Trustees of Reservations in Massachusetts and Historic New England with two Rhode Island farms);

Ensure that farm, forest, and open space taxation is uniformly applied across the state.

6. **Improve Communications & Community Education about Farming.**

Establish **Agriculture Commissions to improve communications & relationships among farmers, their neighbors, and municipal and state government.**

Commissions can:

- advise town leaders how their decisions will impact farmers;
- give farmers a strong presence and voice in municipal decisions, including input for the Comprehensive Plan;
- initiate farmer-focused municipal ordinances;
- develop education and outreach materials for abutters, community residents, real estate agents, etc.
- help mediate conflicts between farmers and their neighbors and between farmers and the town;
- become the “go to” organization when the town or community has a question about agriculture and farming
- Develop agrotourism activities and farm product retail sales.

**Experience shows that farmers who have good relationships and communications with landlords (when leasing farmland), neighbors, land conservation organizations, and municipal leaders avoid many conflicts and resulting problems.**
Study, document, and publicize the economic contribution of farms and the full economic development value of agriculture to state and municipalities.

Develop a program to educate farmers about how they can become better involved in local political process and engage them to increase the farmers’ voice in municipal and state decisions.

Develop public outreach and education program. Farmers markets, farm stands and CSA’s can help to get the message out. Educate residents about:

- The tax benefits of farms;
- The benefits of agriculture as an economic engine;
- the inherent challenges faced by farmers; and
- farmland trends, farmer demographics and other information.
Appendix I

Charrette Participants

Dick Adams
Middletown Planning Board
Ken Ayars
Director, RIDEM Division of Agriculture
John Berg
The Nature Conservancy
Al Bettencourt
RI Farm Bureau
Jim Booth
Aquidneck Farms
Abby Brooks
Sakonnet Preservation Association
Wayne Browning
Tiverton Land Trust
Sheila Brush
Grow Smart RI
Kristen Castrataro
URI Ag. Extension & Farm
Katie Cavanagh, Resource Person
Southeastern Mass. Agricultural Partnership (SEMAP)
Ted Clement
Aquidneck Land Trust
Clark Collins
South Kingstown Land Trust
Kathryn DeMaster
Professor at Brown
Erik Eacker
Ledge Ends Produce - farms
E. Greenwich Land Trust Property
Jan Eckhart
Sweet Berry Farm
Michele Eckhart
Sweet Berry Farm
Louis Escobar
Escobar’s Highland Farm
Jim Farley
Mt. Hope Farm
Rupert Friday, Convener & Presenter
Rhode Island Land Trust Council
Noah Fulmer
Farm-Fresh RI
Steve Glascock
van Beuren Charitable Foundation
Stan Geary
1772 Foundation
Connie Harding
Preserve Portsmouth
John Howard
ALPC, Exeter Board of Zoning Review, Borders Farm Board
Richard Hubbard, Presenter
Franklin Land Trust
Mike Hutchison
Robin Hollow Farm & Narrow River Land Trust
Polly Hutchison
Robin Hollow Farm
Jon Jaffe, Resource Person
First Pioneer Farm Credit
Abbie Jones-Herriott, Facilitator
Community Mediation Center
David Karoff, Facilitator
Ellie Kastanopolous, Presenter
Equity Trust
Michele Kozlowski
Zephyr Farm @ Urban Edge Farm
Al Lees
Brown University
David Liddle
Mt. Hope Farm
Connie Lima
Tiverton Land Trust
Elizabeth Lynn, Facilitator
van Beuren Charitable Foundation
Sheila Mackintosh
Sakonnet Preservation Association
Pat McNiff
Pat’s Pastured, Casey Farm
Becky Minard, Facilitator
Community Mediation Center
Don Minto
Watson Farm
Chris Modisette
NRCS Resource Conservation & Development
Victoria Moreno-Jackson, Facilitator
Community Mediation Center
Ron Mucci
Stone Croppe Farm
Roy Najeccki
Glocester Land Trust
Kevin Nelson
Statewide Planning Representative to Ag Land Preservation Commission
John Nunes
Newport Vineyard
Stu Nunnery
RI Center for Agricultural Promotion and Education (RICAPE)
Jim Oldham
Equity Trust
Susan Orban, Facilitator
Church Community Housing
Skip Paul
Wishing Stone Farm
Jenny Pereira
The Rhode Island Foundation
Ellen Puccetti
Wright’s Dairy Farm
Jon Reiner
North Kingstown Planner
Rep. Michael Rice
State Representative & URI Professor
Paul Roselli, Videographer
Burrillville Land Trust
Ruth Rosenberg, Facilitator
Community Mediation Center
Kathy Ruhf, Presenter
Land for Good
Donna Ryan
Stone Croppe Farm
Tom Sandham
Agriculture Partnership, Farmer, & Conservation Districts
Rit Schartner
Schartner Farm
Eric Scherer
Natural Resource Conservation Service
Stephen Searl, Resource Person
Peconic Land Trust
Julie Sharpe
Narrow River Land Trust
Laureen Slutzker, Facilitator
Community Mediation Center
Joan Sousa
Portsmouth Open Space Commission
Nan Starr, Facilitator
Community Mediation Center
Everett Stuart
Chair, RI Agricultural Land Preservation Commission (ALPC)
Trish Sylvester
Tiverton Land Trust
Helen Tjadar, Recorder & Registration
Matt Tracy
Red Planet Vegetable Farm
Barbara van Beuren, Presenter
van Beuren Charitable Foundation & Aquidneck Farms
Dave Wallace
RI Agricultural Land Preservation Commission
Molly Wallace, Facilitator
Community Mediation Center
Dick Went
RI Association of Conservation Districts
Peter Westover, Presenter
MA Agriculture Commissions
Charles Wisoff, Facilitator
Community Mediation Center
Will Wright
Hidden Meadow Farm
Rachel Wright Brong
Wright’s Dairy Farm
Appendix II
Charrette Agenda

**FarmRI 2.0**
Crafting the Next Generation of Initiatives for Saving Rhode Island’s Working Farms

**Wednesday, Feb. 24, 2010**

**Registration & Networking**

Welcome
Barbara van Beuren

**RI Agriculture Trends & Issues**
Rupert Friday

**New England Models for Farm Sustainability**
Rich Hubbard
Kathy Ruhf
Ellie Kastanopolous
Peter Westover

**Brainstorming & Discussion**
(Breakout Session I)

Lunch

**Brainstorming & Discussion**
(Breakout Session II)

**Breakout Session Findings**

**Reflections and Next Steps**

Adjourn

**Breakout Sessions**

All six topics were offered in Sessions I and II. They were facilitated by the Community Mediation Center and supported by resource people who are experts on the topics.

A. Farm Succession Planning: Over 25% of Rhode Island farmers are over 65 years of age. What can we do to support the transition of these farms to the next generation of farmers?

*Resource Person: Katie Cavanagh*, Farms Forever Coordinator, Southeastern Massachusetts Agriculture Partnership (SEMAP)

B. Maintaining Affordability and Building Equity: Current farmland protection programs purchase development rights, but do not ensure affordability. How can farmers build equity when farming protected land and still make the land affordable for future farmers?

*Resource Person: Ellie Kastanopolous*, Technical Assistance Director, Equity Trust

C. Keeping Protected Farmland in Production: Protecting farmland does not ensure that the land will stay in productive use. How can farmland FarmRI 2.0 Crafting the Next Generation of Initiatives for Saving Rhode Island’s Working Farms protection programs be structured to keep the land in production?

*Resource Person: Kathy Ruhf*, Co-Director, Land for Good

D. Building Community Support for Farming: With Rhode Island’s development trends, farms are in close proximity to other land uses. What are some strategies for strengthening the farmers’ connections to community and town hall?

*Resource Person: Pete Westover*, Partner, Conservation Works LLC

E. Own v. Lease: Protected and unprotected Rhode Island farmland is still some of the most expensive farmland in the Northeast. What are some alternative tenure strategies that can provide access to farmland for new farmers?

*Resource Person: Jon Jaffe*, Vice President, First Pioneer Farm Credit

F. Rhode Island’s Farmland Protection Program: Purchase of development rights (PDR) has been an important strategy for keeping many Rhode Island farms in production, but it still does not assure affordability nor are the easements always supportive of farming practices. What should be the goal of the next generation of farmland protection programs?

*Resource People: Rich Hubbard*, Executive Director, Franklin Land Trust and Stephen Searl*, Project Manager, Peconic Land Trust
Appendix III
Most Important Next Steps Identified by Participants

FarmRI 2.0 wrapped up with participants reporting what they think is the most important next step for preserving Rhode Island's working farms. These are the participants' responses. They are grouped by topic and some are repeated because they address two topics.

Process
• We should bring this body together again to begin to develop working tasks to bring key points forward.

Economic
• Conduct an economic impact study on the effect of agribusiness on Rhode Island economy and use those numbers to educate the (community about) the importance of agribusiness to quality of life in RI.
• Support information gathering on farming contributions - Investigate economic importance of farming industry.
• Farms=Small Business. Agriculture needs to be included in state economic plans.
• Statewide assessment of agriculture's contribution to the economy.
• Embed local agriculture in town comprehensive plans as an economic driver.

Farmland Protection – Affordability – In Production
• Model conservation easement language that supports/ allows practical/ feasible farming on conserved land.
• Support information gathering - Inventory and qualify existing and potential farmland.
• Create an APR program similar to Massachusetts.
• Look at Massachusetts model for farmer to purchase land (APR).
• Circulation of model documents that have been successfully used elsewhere that help keep farmland affordable, in active production etc.
• Legal due diligence to ensure that any proposed new models are permissible in RI.
• Land trusts must look toward preserving the "view" of active farms and not only scenic views.
• Focus on small acreage and access to it for agriculture.
• Making affordability permanent.
• “Fallow” land trust lands offered to farmers.

Succession/Transition Planning -- Matchmaking -- Leasing
• Agriculture Partnership, Agriculture Extension (Kristen) and Land for Good get together to plan for “case management,” promotion, matching, succession planning, beginning farmer support, landowner education, RI’s “one stop shop approach,” etc.
• Focused presentation program to an initial and strategic group of landowners (e.g. municipalities) helping them see the benefit of leasing land etc. to farmers.
• SARE Grant to fund land transfer trainings and guidance (partnership w/ regional people).
• Educating both landowners and leasees re: all the options, details, possible problems etc. that can come up in a lease situation.
• Farmland Networking Apparatus – linking owners to potential leasers or buyers – mediation & advising – examples of successful arrangements
• Land-link network – “matchmaker” approach.
• “Fallow” land trust lands offered to farmers.
• Farm succession – how to facilitate.
Municipal
- Embed local agriculture in town comprehensive plans as an economic driver.
- Establish Agricultural Commissions (town/regional) to promote and educate town officials and public on economic benefits of local farming. (3 people listed this)
- Form Agriculture Commission in my town.
- Farmer involvement in local government.
- Participating in comprehensive plans and zoning.
- Draft a “Resolution of Agricultural Preservation and Sustainability” 1 page with goals. Have it adopted (endorsed) by state legislature and every town council.
- Appraise farmland at use value instead of highest use.

State Policy
- Create an APR program similar to Massachusetts.
- Look at Massachusetts model for farmer to purchase land (APR).
- Draft a “Resolution of Agricultural Preservation and Sustainability” 1 page with goals. Have it adopted (endorsed) by state legislature and every town council.
- Appraise farmland at use value instead of highest use.
- State tax reform.
- Set a 10 year goal for RI farm production (sales and other benefits) -- apply tools as needed to support and grow the activity of farming.
- New legislation to protect farmers.
- Lower the inheritance tax.

Education—Information Clearinghouse
- Ag Education: public; farmers.
- Increase public awareness about: farming needs and contributions; the economic importance of the farming industry; existing and potential farmland.
- The data presented at the beginning of this program should be made available in brochure form so we can get the word out about food security and food safety and supply. Farmers could distribute at 43 (and growing) farmers markets.
- Establish a centralized information resource site.
- Forming a central information clearinghouse for farmers re. education resources and lease negotiation help. Also use land and water meeting to disseminate information re available land.
- Educational programs throughout schools and communities.
- More town/regional/state education on importance of agriculture in state/region.
- Raising profile of farms
  - Agriculture Commissions
  - Commercials imaging of issues, food security, business contribution etc.
- Hire a consultant to put together an analysis of Rhode Island “food” agriculture which could be used to educate the public. If we are to expand our agricultural output, we will need to bring more “public” to support us.
Appendix IV

Farm/Farmland Conservation Issues

documented for the charrette (and captured in this report)

From farmers’ perspective:

ECONOMIC

• Farms are small businesses. They need to be economically viable so farmers can make a living.
• Fortunately, customers are nearby for Rhode Island farmers. This enables a high level of direct sales to consumer and higher revenue for farmers.
• Farmers need increased market opportunities and higher revenue for their products to improve the economic viability of their farm.
• Farmers need reduced costs for land, property taxes, loans, etc. for the long term affordability and economic viability of farms.
• Farmers need housing that is affordable and near the land they are farming as well as affordable farmland.
• The public does not value the economic contribution of agriculture. The public and municipal leaders need to understand that working farms contribute to a community’s economic well being as much, or more than, new shops on Main Street and new subdivisions and recognize that the farmer’s interest is also the community's interest.
• Farm appraisal for Farm, Forest, Open Space program (use value taxation) is not uniformly implemented in all municipalities; it should be.
• Even after a farmer sells their development rights, a farm's value can appreciate so much and become so high that there are significant estate tax consequences for the family that inherits the farm.

COMMUNITY & MUNICIPALITIES

• Few state and municipal leaders understand farming and farm issues so they are not aware of the consequences of state and municipal decisions.
• Municipalities and the state sometimes adopt rules and regulations (land use, business, etc.) that are barriers to farmers’ adopting farming practices that are innovative and/or necessary to maintain the economic viability of the farm.
• Communities need to care about preserving farms as working farms and not just as cultural relics.
• Farmers need community support so that their farm remains economically viable.
• The public does not understand the needs of farms and the work of agriculture.
• Farmers need help in educating the public – connecting people and farms. There is a disconnect between what the agriculture community needs and what the public/community understands.
• Farmers need a strong, unified voice to communicate with/educate the public, state and municipal leaders.

LAND CONSERVATION

• Make sure farmland is not developed. Once it is developed there can be no more production.
• Many/most farmers deeply care about their land and want it to remain in agricultural use.
• Farmers need information on their options for protecting their farmland and they need assistance applying for the state and federal farmland protection programs.
• There is not sufficient funding available to protect the farms which have been approved for the state’s farmland protection program.
• Many new farmers and farmers expanding their operation are having difficulty finding farmland in Rhode Island. “The only way for farmers to get land in Rhode Island is to inherit it or marry somebody who is inheriting it.”
• Farmland in Rhode Island is some of the most expensive in the nation and is unaffordable for farmers to buy.
Farmland that is protected without a house or house lot is more affordable for farmers but the most affordable strategy for accessing land for farming is to lease.

Farmers find that the language in some conservation easements prevents them from adopting best farming practices and new innovations that are necessary to maintain the economic viability of a farm.

It’s important that farmers can grow what they want, when they want, and how they want to ensure production and economic viability of farms.

Draft restrictions in conservation easements so they are less proscriptive. Too much detail in the conservation easement can limit farmers in ways that limit their flexibility, prevents use of best practices, and stops innovations that are necessary to maintain the economic viability of the farm.

Conservation easements need to enable the farmer to change with changing markets, farming practices, and technology.

Some farmland protected by the state, municipalities, land trusts or other organizations is “locked up,” taken out of production, and/or does not remain available for farming.

Land trusts and land conservation organizations need to be “farmer focused” and not just “farmer friendly.”

Land conservation organizations need to be focused on protecting working farms and not just land.

Farmers need someone at the land trust (conservation organization) that holds their farm conservation easement who: is a good liaison, communicates well, understands agriculture and can work with the farmer to maintain the economic viability of the farm.

**LEASING**

Farmers who lease protected land want long term leases so that they can invest in soil development and other activities essential for sound agriculture stewardship and the economic viability of the farm operation.

It’s difficult for farmers to lease farmland to another farmer. Issues include: the farmer’s need to trust the person leasing will care for their land; differing opinions on farming practices to use; etc.

Farmers who are farming protected land and other leased land want to be able to build equity in their operation.

Land conservation organizations (land trusts, municipalities, the state) are not experienced landlords. They don’t have the systems in place for managing properties that are leased, especially if a house or other building is involved.

**From land conservation organizations’ perspective:**

Protecting farmland is an important mission for many land conservation organizations, with different goals/purposes, including: saving working farms; sustaining local food production; open space protection; watershed/water quality protection; protecting scenic landscapes; protecting historic properties/landscapes; habitat protection; etc.

Interest in sustaining active agriculture varies among conservation organizations depending on their mission and leadership.

Land conservation organizations need to manage land that they have acquired. This stewardship responsibility can be time consuming and expensive so these organizations have an inherent incentive to lease farmland that they own.

Some land conservation organizations lease farmland that they own at below market rates or with other compensation arrangements that support farmers by reducing their “land costs.”

Land conservation organizations have concerns about leasing their land to farmers. They fear the farmer may not be a good steward. They also fear that the farmer may do something on the land that would reflect poorly on the land trust, e.g., cause a community relations problem. [Farmer/owners have similar concerns. Further, there are plenty of stories from leasing experiences that validate these concerns.]
Land conservation organizations (and municipalities) are not particularly experienced or skilled landlords. Leasing farmland can create management challenges, especially if a house and other buildings are involved and if they are an all volunteer organization.

Land conservation organizations need examples of strategies for finding farmers to lease their land (farmers that are a good match) and need examples of good lease agreements for farmland.

Land conservation organizations need assistance developing a lease that is good for both the organization and the farmer.

When land conservation organizations acquire farmland, they sometimes “inherit” the farmer who has been farming a property for years. This can be a positive or negative management issue for the organization.

Municipal land trusts, municipal government and the state are currently restricted by state law to the length of lease arrangements they can sign with farmers.

Bond funding is unreliable. The state needs to identify a better mechanism for providing stable funding for the state’s farmland protection program.

Land trusts are more willing to lease farmland to farmers in their community when they know the farmer and the farmer has a good reputation for strong land stewardship and sound farming practices.

From the community’s perspective:

- Working farms are important to the fabric of our communities and add to our quality of life. Most Rhode Islanders want to support farms and protect them so they are there for future generations. The community wants to protect farms for many reasons including: preserving green space, eating locally grown food, maintaining scenic qualities, nostalgia, protecting wildlife habitat and drinking water supplies, lower taxes, preventing sprawling development and maintaining local businesses.

- Strong public support for farmland protection is documented in voter support for state and municipal bonds to protect farmland, as well as strong sales at farmers’ markets and farm stands.

- Protected farms should remain affordable for farmers and should remain in agriculture production – i.e. farmland protected with public funding should be permanently available for farmers and in production. Presently, there is no mechanism to ensure that protected farmland protected is guaranteed to stay active.

- Farms are businesses and need to be economically viable to provide jobs, contribute to the local economy, and pay taxes.

- Farms are good for municipal budgets because they create few demands on municipal services and pay more tax revenue than their services cost.

- Locally grown food is high quality, safe, and contributes to our “food security.”

- Farmers’ communication with the community and neighbors is critical to the community’s understanding of, and support for, the farmer’s activities.

- A key characteristic of protected farms being able to change and adopt new practices etc. is a strong, open relationship/rapport and good communications between the farmer and the land conservation organization and between the farmer and neighboring property owners.
Appendix V

Farm Budget Illustrations for Land Tenure Scenarios (buy/lease)

Illustrations for discussion purposes only
Prepared by Jon Jaffe, First Pioneer Farm Credit

Models

Jones Vegetable Farm
Joe and June Jones own a 50 acre farm that contains their residence, retail stand and storage barn. This farm contains 40 acres of crop acreage that they actively operate. Most of the crops are sold through the farm stand with the excess sold wholesale. They have two full-time employees and several part-time employees.

Smith Fruit Farm
Sam and Sue Smith own a 50 acre farm that contains their residence, retail stand and storage barn. This farm contains 25 acres of fruit trees and 15 acres of small fruit (strawberries, blueberries and raspberries) that they actively operate. Most of the crops are sold through the farm stand with the excess sold wholesale. They have one full-time employee and two part-time employees.

Scenario 1: Traditional Ownership.
Each farm above has full development rights available. Each farm has a fair market value of $750,000. Both farmers were able to put 1/3 down ($250,000) and financed the $500,000 remaining total @5% interest over a 20 year term.

Scenario 2: Development Rights Already Sold.
Each farm above already has the development rights sold. This has reduced the fair market value of the farms from $750,000 to $400,000. These farmers put down $150,000 and financed the remaining $250,000, again at 5% interest and over a 20 year term.

Scenario 3: Rental of Farm
Each farm is rented from the current owner for $1,500 per month for the land and farm buildings (shown in rental expense) and $1,000 for the house (shown at bottom of spreadsheet).

Discussion Points
1. Tradeoff of Ownership Rights for Increased Net Earnings
2. Residence on Farm or Residence off Farm
3. Others?

(see next page)
**Appendix V continued**

*(Costs that change between scenarios are highlighted)*

**Illustrations for discussion purposes only**

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### RI Farm Vegetable Farm - Case Study

#### Scenarios

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<th>Income/Expense</th>
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<th>W/O Develop Rights</th>
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FarmRI 2.0: Crafting the Next Generation of Initiatives for Saving Rhode Island’s Working Farms

Videotaped presentations from the FarmRI 2.0 Charrette are available at www.RILandTrusts.org

A day-long forum brought together farmers, land conservation and agriculture leaders to discuss farm conservation. Seven short videos capture the day’s key presentations and a wrap up.

Introductory remarks, Barbara van Beuren (7 min)

RI farmland trends and farm conservation issues, Rupert Friday (22 min)
There is an urgent need to conserve RI’s remaining farms. The state lost most of its farmland, many farmers will retire soon, and remaining farmland could be lost to development.

Massachusetts’ farmland protection program, Richard Hubbard (15 min)
Massachusetts’ program improvements ensure that the farmland it protects stays in production and affordable for farmers.

Farm transition/transfer/succession planning for exiting farmers & land access for entering farmers, Kathy Ruhf (15 min)
Helping farmers pass their farms to the next generation or to another farmer.

Farm affordability, equity and land tenure strategies, Ellie Kastanopolous (15 min)
Innovative strategies help new farmers get access to farmland when farm values are high and help them to build equity when they are leasing the land they farm. An inspiring story about a retiring farmer transferring his farm to a new farmer.

Agricultural Commissions improve communications and ensure farmers have a voice in government decisions Peter Westover (15 min)
Town Agricultural Commissions in Massachusetts ensure that farmer’s interests and perspectives are represented in town decisions. They also facilitate communications between farmers and other town residents and town officials.

Recap & reflections on FarmRI 2.0 discussions, Ken Ayars (10 min)

also at www.RILandTrusts.org:

Agriculture in Rhode Island (25 min)
Five farmers share their stories. The urgent need to protect Rhode Island’s remaining working farms is complicated by challenges that farmers face: finding land to farm and sustaining the economic viability of farms. This video presents many of the issues discussed during FarmRI 2.0.