

**NEW YORK FARMLAND
PROTECTION STUDY
2009**

**New York State
Department
of Agriculture & Markets**

NEW YORK FARMLAND PROTECTION SURVEY

2009

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**NATIONAL AGRICULTURAL STATISTICS SERVICE
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10B Airline Drive
Albany, New York 12235**

**Stephen C. Ropel, Director
Blair L. Smith, Deputy Director**

Special thanks to:

**Alicia K. Ferri, IT Specialist
Vicki L. Crogan, Computer Assistant**

Cooperating With:

NEW YORK STATE DEPARTMENT OF AGRICULTURE AND MARKETS

Patrick Hooker

Commissioner

Jerry Cosgrove

Deputy Commissioner

and

AMERICAN FARMLAND TRUST

New York Office

David Haight, Director

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Telephone (518) 457-5570

E-Mail: nass-ny@nass.usda.gov

Home Page: www.nass.usda.gov/ny

New York Farmland Protection Study

Introduction

The New York State Department of Agriculture and Markets, in partnership with the American Farmland Trust, requested the U.S. Department of Agriculture, National Agricultural Statistics Service (NASS) to help it gather information about New York's long time Farmland Protection Program. The study was conducted by the NASS New York Field Office.

This project specifically targeted past participants in the Farmland Protection Program funded by New York State. The study had several objectives and in general was designed to help understand how participants used funds from sale of development rights and how the Program affected the viability of those farms. Other objectives included assessing the pros and cons of the program, participant attitudes and overall satisfaction with the program.

The New York Farmland Protection Program

In 1996, Article 25-AAA of the Agriculture and Markets Law was amended to include authorization for funding for implementation of approved county or municipal agricultural and farmland protection plans. To date, these implementation grants have been awarded exclusively for purchase of development rights (PDR) projects. Long Island communities pioneered PDR as a farmland protection technique in the 1970's. PDR is a voluntary approach that pays farmland owners to permanently protect their land with an agricultural conservation easement. These easements extinguish non-agricultural development rights and limit the use of the properties to agriculture and other compatible uses.

New York State's Farmland Protection program currently provides up to 75 percent of the cost of these PDR projects with funding from the State's Environmental Protection Fund. As of 2009, New York State has awarded over \$173 million to assist municipal and county governments and local project partners in 29 counties on projects that would permanently protect over 72,000 acres of agricultural land. More than 160 projects have been completed, protecting over 31,000 acres with a state investment of more than \$84 million.

Study Highlights

- **Overall satisfaction with the Farmland Protection Program was high.**
Seventy-five percent of participants said they were very satisfied .
- **Preserving land was the primary motivation to participate.**
Sixty-eight percent of farmers selling development rights indicated they did so to preserve land for future farming and future generations.
- **Preserving the rural community was a major benefit of the Program.**
Survey results showed that preserving rural communities ranked as the highest benefit of the Farmland Protection Program.
- **Without the Farmland Protection Program, significant pieces of land would have been lost to farming.** Slightly under one-half of the survey respondents, 46 percent, indicated their land would have been developed for housing or another use if the Farmland Protection Program was not in place.
- **Money was used to keep farmers in business and preserve their future.**
Thirty percent of the farmers used funds from the Program primarily to pay down debt followed by purchasing more farmland.

Study Procedures

The first step in this study was to gather farm names and contact information of all participants in the Farmland Protection Program. In many cases, initial records were no longer valid as farms passed on to heirs or were bought and sold after first protecting the land from development. After extensive effort with the help of American Farmland Trust to determine the primary contact, the study ended with 141 farms eligible for contact.

All interviewing was supervised by NASS and done by telephone using a select group of four highly trained enumerators. Two individuals were assigned morning and daytime calling and two were assigned evening and night calling. All four interviewers were trained about the questionnaire used and the Farmland Protection Program to be able to answer any questions which may come up during the interview. Study participants received an introductory letter signed by the Commissioner of Agriculture and Markets describing survey intent and encouraging everyone to participate prior to being called. Interviews were conducted from early November to mid December. Out of the 141 possible farms, 92 farms were contacted. Of the 92 contacted, 74 provided usable

information, 9 declined to participate and 9 were unable to provide enough useful data. The remaining 49 farms were unable to be reached.

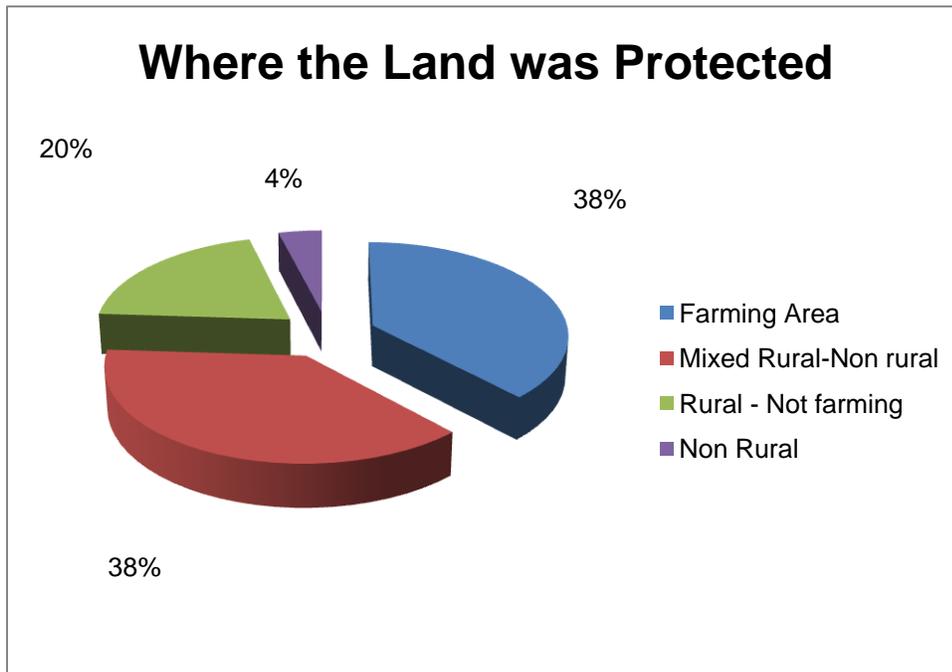
Eighteen different counties are represented in the responses with regional breakouts as follows:

Region	Number of Reports
Long Island	21
Lower Hudson Valley	15
Capital Region	10
North Country	4
Finger Lakes/Central New York	19
Western New York	5

Farm Profile

Survey respondents from the 74 farms represented just over 23,000 acres of land in farms for an average of 311 acres. About 74 percent of the land under protection was used for agriculture with nearly 98 percent of it tillable. Another 6 percent of the farm land was pasture. About 9 percent of land in farms was forest and the remaining 11 percent was unspecified land use by buildings, waste, ponds, etc.

Respondents categorized their area where the farm is located as being “Farming Area” 38 percent of the time matching the amount of respondents located in a “mixed rural –



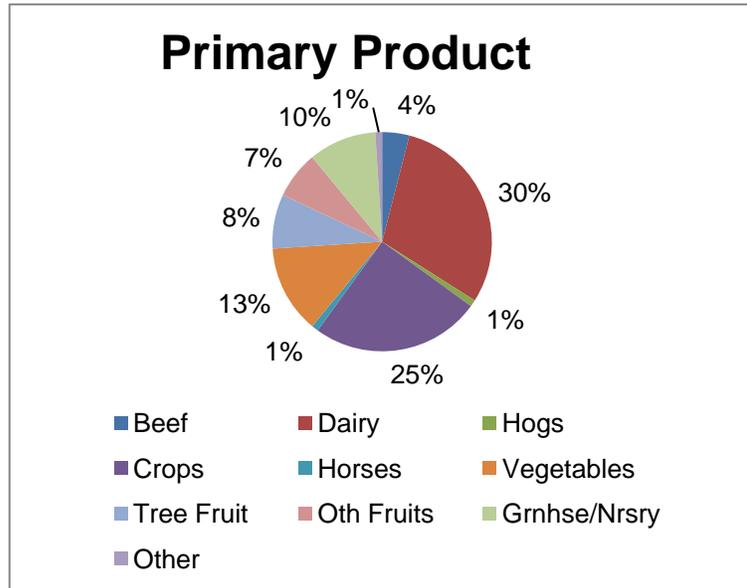
non rural” area. “Rural but not strong farming area” was reported by 20 percent of respondents. Only 4 percent said they were in a “non rural residential area.”

The average age of the primary operator was 57.5 years. The age range

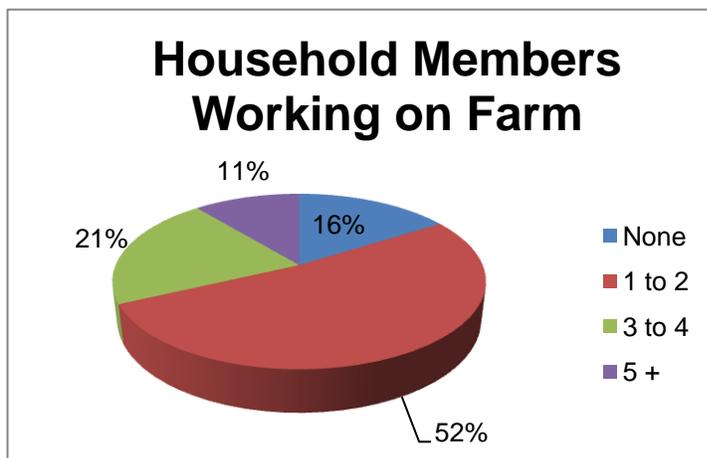
extended from oldest at 92 years to youngest at 23 years and the age mid-point was 56

years. Seventy-one percent of respondents reported farming their land themselves and 21 percent rented out all of their land. Another 5 percent have an arrangement where they farm some land and rent some of the protected farm. The final group, of 3 percent, says their protected land is farmed by a family member on a non-cash basis. Study farms were in family hands on average 71 years with the median length at 62 years of family operation.

Dairy production was the primary farm activity on 30 percent of the protected farms. Field crops/ hay/ straw production followed as the second listed product on 25 percent of the farms surveyed. Vegetables ranked third at 13 percent. Less than one-half of the farms, 44 percent, listed a second major product. Field crops/hay/straw was listed most often, 41 percent of the time and vegetable production followed, second, listed 34 percent of the time. Only 18 percent more farms reported producing a third major commodity which predominantly was vegetables. That was reported on only 15 percent of those farms with the rest marking “none” or “other” most of the time.



None of the surveyed farms ran a secondary business from their place. However, 26 percent of them marketed farm products directly to consumers at a farm stand, farmer’s market or other channel.



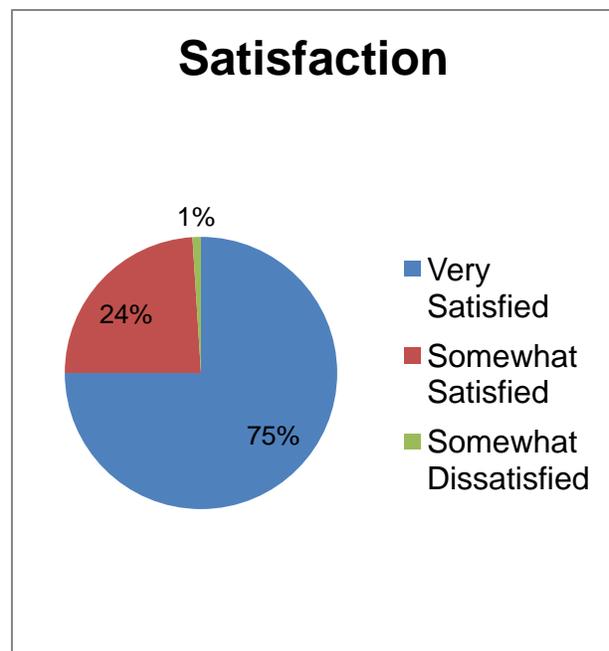
Eighty percent of the farm operators were not employed off the farm and only 31 percent reported that some other household member was employed off the farm. The majority of farms, 52 percent, indicated only 1 or 2 people from the household were engaged in on-farm activities. Another 21 percent said 3 to 4 family members work on the farm. About 16 percent said no

one works on the farm and the remaining records indicated from 5 to 12 family members are active on the farm.

The largest group of farms, 30 percent, hired no non-family members to work on the farm. Two more groups, each at 15 percent, hired either one or two workers. The remaining farms ranged from hiring 3 to as high as 70 farm workers. Almost three-fourths of the farms, 73 percent, indicated their employment practices stayed the same after protecting their farm. Just over 20 percent indicated their employment increased somewhat or significantly while about 7 percent said they decreased somewhat or significantly. Only 12 farms reported adding farm workers since protecting their farm and the average number added was about 5 workers. Three more farms reported decreasing workers since protecting the farm and average number lost was 2 workers.

Overall Program Assessment

A primary objective of this project was to assess the overall satisfaction of participants in the Farmland Protection Program. Overall satisfaction ranked very high among participants with 75 percent reporting they were “Very Satisfied” and another 24 percent considered themselves “Somewhat Satisfied.” Only one report came back with a rating “Somewhat Dissatisfied.” These ratings were very consistent across all the regions. Almost 95 percent of the current program participants said they were “somewhat likely” or “very likely” to participate in the program again, given an opportunity.



The most often expressed reason why people were influenced to participate in the Farmland Protection Program was because of its “Ability to preserve land for future farming.” That response was checked on 49 percent of all responses. The second most important factor, listed on 19 percent of responses, was its “Ability to preserve land for future generations.” The third and fourth most influential factors were financial. Tied at 12 percent of responses each were “to get money to pay down farm debt” and “to get money to expand the operation.” Fifth was “To get retirement income,” reported on 6 percent of the returns.

Rank Factors Influencing Decision to Participate Pct. Response

1	Ability to preserve land for future farming	49
2	Ability to preserve land for future generations	19
3	Financial – to get money to pay down debt	12
4	Financial – to get money to expand the operation	12
5	Financial – to get retirement income	6
6	Other	2

These responses are consistent with the listed major benefits of the program. The number one benefit expressed was “Preserving rural community”, marked 42 percent of the time followed by “Protection of farmland” on 29 percent of responses. The third most important factor, expressed 9 percent of the time, was “Allowing farm to pay off mortgage or lower mortgage.”

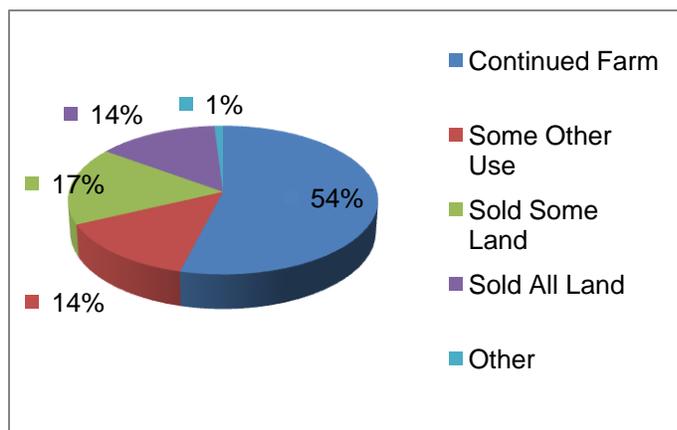
Rank Major Benefits of the Farmland Protection Program Pct. Response

1	Preserving rural community	42
2	Protection of farmland	29
3	Allowing farm to pay off mortgage or lower mortgage	9
4	Ability to purchase more farmland	7
5	Ability to pass farm on to future generations	5
6	Provide money to upgrade buildings or equipment.....	3
7	Provide capital for various other needs	1
8	Other reasons	4

Although minor, there was dissatisfaction expressed with the program. Only 1 percent of the response was “Somewhat Dissatisfied” with the program but about 11 percent of respondents claimed some issues of dissatisfaction. One-third of those who expressed dissatisfaction said the “Process of selling development rights is difficult.” Another 14 percent claimed the program “Placed too many restrictions on how to use the property.” Approximately 10 percent claimed the “Property tax didn’t change.” And the final 5 percent said the “Process of purchasing a protected farm is difficult.” Looking deeper into why the selling of development rights was considered difficult, 60 percent of the time people said it “took too long”. Another 28 percent said it was “too complicated” and

9 percent checked “Lack of local guidance about the program.” Three more percent of respondents said it “Cost too much money to participate.”

What if there was no Farmland Protection Program?



When respondents were asked to indicate what they think might have happened to their farm had there been no farmland protection program, 54 percent of them said they would have continued to farm as they had in the past. Seventeen percent of them suggested they might have sold some of their land and 14 percent likely would have sold the entire farm. Another 14 percent would have used

that land for some other purpose.

If their farm had been sold, 46 percent of them thought at least some of it would have been developed for housing or other uses while another 18 percent suggested all of it would have been developed for housing or other uses. About 26 percent said that farm would still be actively farmed – not necessarily by themselves. The remaining 10 percent either did not know what would have happened or checked “Something else.”

Possible Use of Land without Protection	Long Island	Hudson Valley	Capitol Region	North Country	Finger Lakes	Western Region	New York
	Percent Response						
Still actively farmed	31	7	14	50	38	30	26
Some would be housing	53	46	43	25	46	40	46
All would be housing	16	27	29	-	8	20	18
Something else	-	7	-	-	-	-	1
Don't Know	-	13	14	25	8	10	9

Financial Experience of Having a Protected Farm

Only four respondents reported experience with transferring a protected farm. Two claimed that having a protected farm had a very positive impact on their ability to transfer by gift or will. One respondent claimed a “somewhat positive” experience and one checked “somewhat negative”. Also when asked how having a protected farm

impacted the respondent’s financial ability to purchase the farm, of four respondents, three marked “very positive” and one marked “somewhat positive”. Four respondents said that having a protected farm had a “very positive” impact on the purchase price of the farm and one report was “somewhat positive”. The ability to obtain financing for purchase of a protected farm was also “very positive” on two reports and “somewhat positive” on two more.

How the Money Was Used

The primary use of money received from selling development rights was to pay down debt, according to 30 percent of the respondents. Reported equally, and accounting for another 36 percent of the response, second among all uses were purchasing more farmland and using the money for retirement funds. Putting the money into general savings or investments was reported 14 percent of the time and ranked next highest. The fifth most important use of money from sale of development rights was to construct or improve farm buildings or other agricultural structures. That was reported on 6 percent of the surveys.

Use of Funds	First Use		Second Use		Third Use	
	Rank	Percent	Rank	Percent	Rank	Percent
Pay down debt	1	30	4	11	3	8
Purchase more farmland	2	18	4	11	-	-
Retirement fund	2	18	2	16	-	-
General savings or invest	4	14	2	16	2	18
Construct or improve structures	5	6	1	18	-	-
Other farm improvements	6	*	9	*	3	8
Trusts for children	6	*	-		3	8
Other uses	6	*	8	5	-	-
Daily farm expenses	9	*	7	8	3	8
Purchase more livestock	9	*		*	-	-
Purchase farm equipment	-	-	4	11	1	34
Travel or recreation	-	-	9	*	-	-
Add a farm store	-	-	-	-	3	8
Don't know	9	*	-	-	3	8

* Less than 5 percent

Secondary usage of development rights money received was only reported by about 51 percent of the survey respondents. Among those who had a secondary use, 18 percent of the time it went to improving or construction farm structures. Tied for second on 16 percent of the surveys was using the money for general savings or investments and for retirement funds. Paying down debt, purchasing more farmland or more equipment were all listed next, equally reported 11 percent of the time.

Only 16 percent of respondents reported having a third use of the money received from selling development rights. One-third of the time, those who answered reported their use was to purchase more farm equipment. Another 17 percent indicated their third use went toward general savings or investment. The remaining respondents were split among several different uses.

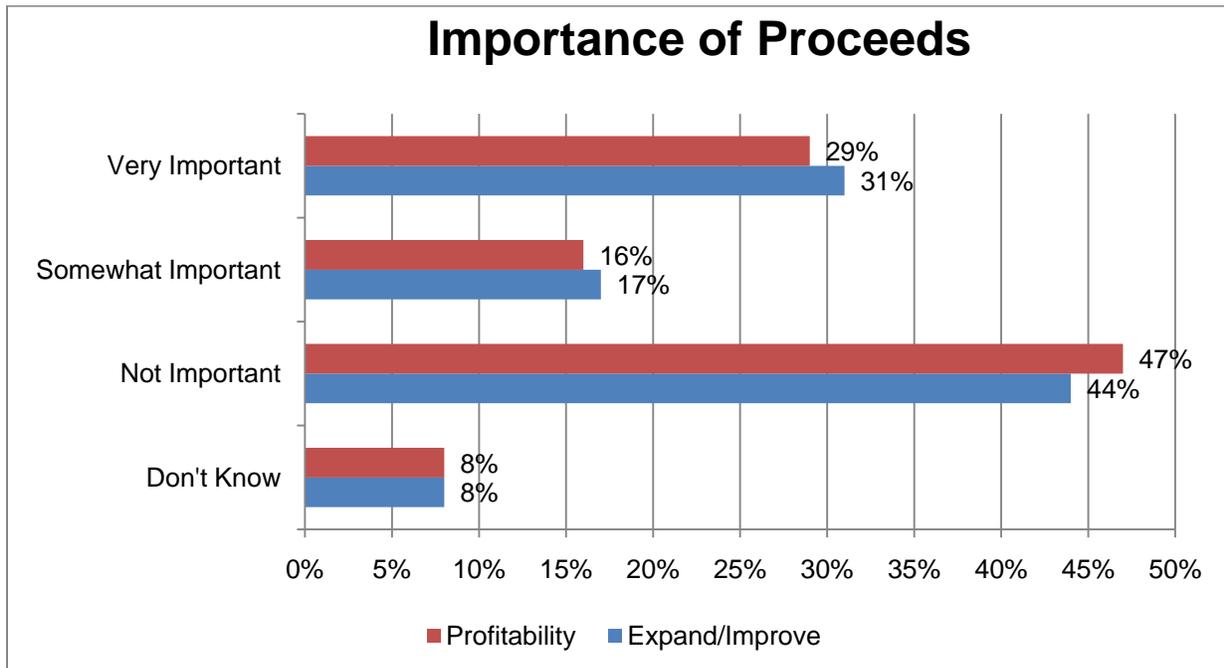
Importance of Proceeds	Not Applicable (1)	Not Important (2)	Some Importance (3)	Very Important (4)	Avg. Rating
	Percent Response				No.
Paying down debt	28	31	7	34	2.5
Purchase more land	34	34	7	25	2.2
Purchase farm equipment	36	41	15	8	1.9
Purchase livestock	62	33	5	-	1.4
Constructing/Improving structures	30	35	20	15	2.2
Hiring staff	46	48	-	6	1.7
Purchase supplies	42	44	11	3	1.7
Retirement funds	30	33	7	30	2.4

Survey respondents were asked to list their top three changes made to their farm as a result of having a protected farm. Overwhelmingly, 60 percent of survey respondents said they made no change to their operation. A distant second, listed 17 percent of the time was to purchase more land. Ranking third, at 10 percent was to construct or improve farm buildings. Constructing or improving farm buildings was the last identified important change made. Only one out of every six survey respondents listed a secondary change made to their farm and split evenly, the top three secondary changes listed were: Bought new farm equipment, bought more land and increased tillable acreage. The last item was to improve or construct farm buildings.

Affects on Financing and Ability to Improve Farm

One-half of the survey respondents indicated they tried to obtain a loan since protecting their farm. Eleven percent of them said that having a protected farm played a very positive role in their ability to get a loan. Another 61 percent said it played a “somewhat positive” effect. About 17 percent said it had a “no impact” on their ability to obtain a loan. The last 11 percent said having a protected farm had a “somewhat negative” effect on their ability to get a loan.

After development rights to a farm were sold, proceeds from the sale was very important or somewhat important to 48 percent of the places to help them expand or improve their farm. The largest individual group, 44 percent, said those proceeds were not important for them to expand or improve.



Eighteen respondents reported purchasing additional land to add to their protected farm. One-third of them indicated the additional land was already protected and the remaining farms purchased were not. Three of the 18 have sold development rights from their new purchase.

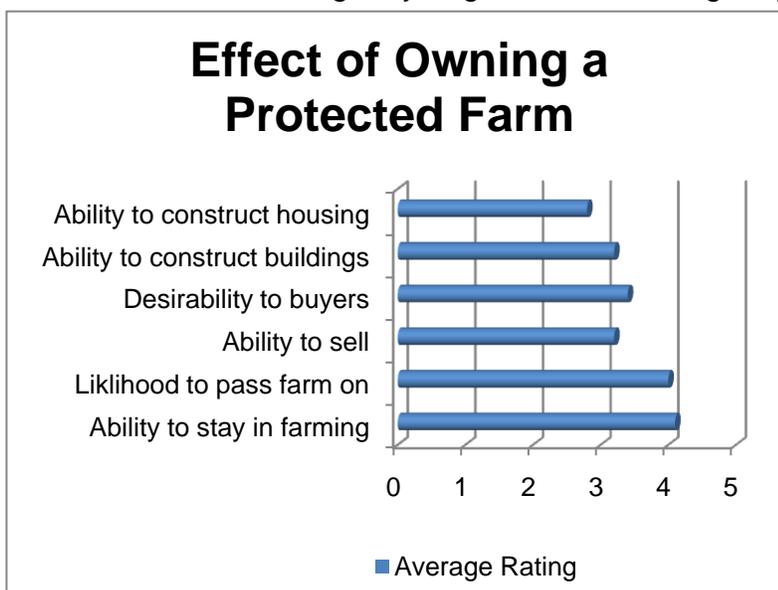
Possibilities for the Future

Approximately 92 percent of survey respondents indicated they were very likely or somewhat likely to continue farming for at least the next ten years. In addition, 50 percent of them suggested they were very likely or somewhat likely to improve or change their agricultural use of the land. Sixty-four percent of respondents were either somewhat or very likely to pass on their farm to children or other family members. And over 91 percent of program participants were very unlikely to use the land for non-agricultural purposes. However about one-quarter were very likely or somewhat likely to sell their farm.

Plans for next 10 years	Very Likely (1)	Some-What Likely (2)	Some-What Unlikely (3)	Very Unlikely (4)	Not Applicable (5)	Avg. Rating
	Percent Response					No.
Continue with current ag use	80	12	4	3	1	1.3
Improve or change ag use	29	21	7	40	3	2.7
Pass farm to children or other family	44	20	14	16	6	2.2
Use land for non-ag use	3	-	4	91	2	3.9
Sell farm	7	17	10	64	2	3.3

Impact of Owning a Protected Farm

For most of the participants owning a protected farm, having it protected has been beneficial to them. On a scale of 1 to 5 with 1 being very negative and 5 being very positive, 41 percent said having a protected farm was very positive and an additional 31 percent said it was somewhat positive. Forty-six percent of the farms also reported it had a very positive impact on their likelihood of being able to pass the farm on to children or other family members. When asked how the restrictions affected their ability to



sell the farm for agricultural purposes, the majority, 46 percent stated it had no impact while 32 percent indicated either a very positive or somewhat positive impact. How having a protected farm affected the overall desirability of the farm to potential buyers was more mixed. Just over one-quarter, 26 percent, indicated a very positive effect and another 26 percent indicated no impact. About one-in-five said it was somewhat positive but just over 15 percent said it was somewhat negative. About 9 percent said it was very negative. Nearly 29 percent of the respondents indicated a protected farm was positive to some extent on their ability to construct farm buildings with the majority indicated no impact. The opposite was true about their ability to construct farm housing as about 25 percent said it was very or somewhat negative but 62 percent said their was no impact.