

PROJECT ABSTRACT

For the Period Ending June 30, 2012

PROJECT TITLE:	Farmland Conservation in Minnesota
PROJECT MANAGER:	Jennifer Jambor-Delgado, J.D.
AFFILIATION:	Farmers' Legal Action Group, Inc. (FLAG)
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WEBSITE:	www.flaginc.org
FUNDING SOURCE:	Environment and Natural Resources Trust Fund
LEGAL CITATION:	ML 2010, Chap. 362, Sec. 2, Subd. 3j.

APPROPRIATION AMOUNT: \$100,000

Overall Project Outcome and Results

The report that resulted from this project—“*Preserving Minnesota’s Agricultural Land: Proposed Policy Solutions*”— recommends a new statewide approach to preserving our state’s diminishing agricultural lands to ensure that our state’s best farmland is preserved. The state’s prime farmland – that most well suited for farming – has been developed at a steady rate, with significant negative consequences for the security and stability of our natural resources and food supply.

The report notes that existing state farmland preservation programs can be invaluable tools for the immediate and short-term preservation of farmland, but they have not successfully preserved farmland for the long-term because they suffer from poor incentives and limited promotion. State land use planning requirements could facilitate farmland preservation, but Minnesota’s fail to because they do not require local governments to address farmland preservation in their comprehensive plans or zoning ordinances.

Among the report’s recommendations are:

- Adopt state farmland preservation goals and a statutory requirement for comprehensive plans and zoning ordinances to include farmland preservation plans.
- Develop a statewide Purchase of Agricultural Conservation Easement (PACE) program to be offered in counties with farmland preservation plans. Include soil and water conservation and stewardship plans in the easements. Consider building upon Dakota County’s PACE program, which explicitly joins farmland protection with water quality protection.

- Streamline the Metro and Greater Minnesota Programs into one comprehensive state program administered by the Minnesota Department of Agriculture. Make the program available in all counties with farmland preservation plans.
 - Tiered incentives should be used to promote conservation and long-term protection.
 - Add a permanent and a 30-year agricultural preserve option.
 - Require preservation of similar quantity and quality of farmland to acquired farmland when enrolled land is acquired through eminent domain or annexation.

- Make all working farms, including small-acreage farms, eligible for Green Acres program benefits. Farms most affected by existing size restrictions are Community Supported Agriculture farming operations, beginning and immigrant farmers, small-scale diversified farms, direct marketers, and farms that raise grass fed livestock or that allow animals to forage. Current restrictions result in excluding farms using production methods that are better for the environment and thwarts economic development by denying benefits to burgeoning small-scale farming operations.

- Develop policies and allocate resources to help to facilitate the transfer of land from one generation of farmers to the next and allow for affordable access to good quality farmland. Consider adopting a tax credit for those who lease land to beginning farmers; conservation measures could be made a required component of such leases.

Project Results Use and Dissemination

The report has been distributed to a regional media list; federal, state, and local public officials and staff; farm organizations; and influential farmers and other citizens. The report's contents (and a link to the report online) has also been distributed to almost 3,000 contacts. Plans are underway for any follow up strategies farm organizations may pursue in the legislative sessions ahead.

Environment and Natural Resources Trust Fund (ENRTF) 2010 Work Program Final Report

Date of Report: ~~August 15, 2012~~ October 24, 2012 Work Program Amendment Request.

Final Report

Date of Work Program Approval: June 9, 2010

Project Completion Date: June 30, 2012 **Amendment Approved July 28, 2011.**

I. PROJECT TITLE: Farmland Conservation in Minnesota

Project Manager: Jennifer Jambor-Delgado, J.D.
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FAX Number: 651-223-5335
Web Site address: www.flaginc.org

Location: Saint Paul, MN; with outreach throughout the state.

Total ENRTF Project Budget:	ENRTF Appropriation:	\$ 100,000.00
	Minus Amount Spent:	\$ 100,000.00
	Equal Balance:	\$ 0.00

Legal Citation: ML 2010, Chap. 362, Sec. 2, Subd. 3j.

Appropriation Language:

\$100,000 is from the trust fund to the commissioner of natural resources for an agreement with the Farmers *[sic]* Legal Action Group, Inc. to assess the implementation of applicable laws for preserving agricultural land and develop a comprehensive and systematic approach and policy tools to preserve agricultural lands.

II. and III. FINAL PROJECT SUMMARY:

Amendment Request (10/24/12):

The project has been completed and a final report was submitted to LCCMR. We are requesting this amendment because we need to revise several budget line items to make them consistent with the amount of reimbursement we are seeking. The revisions reflect the final distribution of work, which shifted resources from Travel and Legal Research line items to Personnel. Attachment A details the revised budget.

This project delivered a 278-page report, entitled "*Preserving Minnesota's Agricultural Land: Proposed Policy Solutions*," that details statewide legal policy and zoning tools and a broader policy strategy for use preserving our state's diminishing agricultural lands, particularly in the regions surrounding urban areas, to ensure that agricultural lands remain a healthy and precious natural resource. Minnesota's farmland not only produces food, fiber, and fuel, it is also critical to the quality of the state's natural resources—water quality and quantity; biodiversity; economic, recreational, and cultural

health. Abundant, well-managed farmland is central to natural resource conservation. However, the laws that affect farmland preservation are an inconsistent patchwork of local, county, and state laws, many of which either ignore or even deter the conservation of agricultural lands. Between 1982 and 2010, the state lost at least 808,456 acres of farmland and 13,382 farms. To find solutions, staff working on this project reviewed and analyzed applicable laws; interviewed farmers; convened meetings of stakeholders and experts on preservation of Minnesota's farmland; assessed the effectiveness of current and potential laws and regulations; and lastly assembled a report which delivers a comprehensive and systematic approach and policy tools to preserve agricultural lands. The report provides the tools necessary to preserve this valuable and finite resource, including a summary of trends in the conversion of Minnesota's farmland to other uses; a review and analysis of existing state laws regarding land use and farmland preservation and the laws' strengths and weaknesses; data illustrating how widely the programs are used and their fiscal impact on the state; an overview of land use planning tools commonly used to preserve farmland; a look at farmland preservation policies and tools used in other states, and how those models might be useful for Minnesota; recommendations for streamlining and strengthening current programs; and recommendations of tools that can be used to establish a cohesive state framework for preserving farmland that accommodates local approaches and circumstances.

Project Results Use and Dissemination

FLAG's "*Preserving Minnesota's Agricultural Land: Proposed Policy Solutions*" report will be used in the months and years ahead to inform public debate and public policy on farmland preservation. The report has been distributed to a regional media list; federal, state, and local public officials; farm organizations; and influential farmers and other citizens. In the weeks ahead, the report's contents (and a link to its entirety online) will be distributed to almost 3,000 influential contacts on FLAG's mailing list. Follow-up work on the report is planned for farm organizations and public officials that may affect legislative work in the sessions ahead.

So far, in the days since the report was released, we know that a state Department of Agriculture official is, as a result of FLAG's report, planning to add farmland preservation to the agenda of the next Minnesota Natural Resources Conservation Service (NRCS) State Technical Committee (MSTC) meetings; Minnesota Farmers Union is planning to send notice of the report to its legislative and press contacts list; FLAG was invited to present information on farmland preservation to the Metropolitan Council as part of its preparation for 2040 comprehensive plans for the Twin Cities region; and 66 copies of the report were downloaded from the FLAG website (<http://www.flaginc.org/topics/news/index.php#20120628a>) in the first month it was available.

IV. OUTLINE OF PROJECT RESULTS:

RESULT/ACTIVITY 1: *Preserving Minnesota Agricultural Land: Proposed Policy Solutions*

Description: FLAG's legal staff will review and analyze farmland preservation models in Minnesota and across the nation; interview farmers and solicit their experiences and input; convene meetings of stakeholders and experts who are knowledgeable about and can speak to challenges to preservation of Minnesota farmland; and produce proposed policy options, solutions, and tools that promote a more comprehensive and systematic approach to preserving Minnesota's farmland.

Summary Budget Information for Result/Activity 1: ENRTF Budget: \$ 100,000.00
Amount Spent: \$ 100,000.00
Balance: \$ 0.00

Deliverable/Outcome	Completion Date	Budget
1. Review and analyze existing Minnesota laws and models relevant to farmland preservation.	October 30, 2010	\$10,000
2. Interview stakeholders regarding efficacy of existing Minnesota laws and models relevant to farmland preservation.	March 31, 2012 <i>Amendment Approved July 28, 2011.</i>	\$15,000
3. Review and analyze farmland preservation models from other states.	October 31, 2011 <i>Amendment Approved July 28, 2011.</i>	\$15,000
4. Interview stakeholders regarding efficacy of farmland preservation models from other states.	February 28, 2012 <i>Amendment Approved July 28, 2011.</i>	\$15,000
5. Convene and solicit input from stakeholders regarding a comprehensive approach to farmland preservation.	March 31, 2012 <i>Amendment Approved July 28, 2011.</i>	\$15,000
6. "Preserving Minnesota Agricultural Land: Proposed Policy Solutions," report and recommendations.	June 30, 2012 <i>Amendment Approved July 28, 2011.</i>	\$30,000
GRANT TOTAL		\$100,000

(add or remove rows to Deliverable table as needed)

Result Completion Date: *June 30, 2012* **Amendment Approved July 28, 2011.**

Final Report Summary:

Deliverable/Outcome 1: Review and analyze existing Minnesota laws and models relevant to farmland preservation.

- Researched, analyzed, and summarized statutes relevant to farmland preservation and land use planning in Minnesota; researched and analyzed cases interpreting those statutes.
- Researched history of farmland preservation efforts in Minnesota.
- Compiled and surveyed prior reports and their recommendations regarding how to best preserve Minnesota's farmland.
- Read, analyzed, and drafted summaries of six prior reports and recommendations regarding Minnesota's existing farmland preservation programs. The prior reports were issued or commissioned by the Minnesota Department of Agriculture, the Metropolitan Council, and the Office of the Legislative Auditor.
- Conducted research regarding local-level efforts to preserve farmland.
- Obtained, analyzed, and annotated sixty-five county comprehensive plans to determine if they address farmland preservation issues. Drafted an internal working memorandum regarding: (a) the number of county comprehensive plans that seek to preserve farmland, and (b) implementation plans or policies to achieve farmland preservation goals.
- Performed research regarding federal and state laws governing regulatory takings; analyzed how regulatory takings precedent may apply in the context of farmland preservation programs. Drafted an internal working memorandum regarding same.
- Analyzed United States Department of Agriculture census data to determine statewide trends related to farmland conversion in Minnesota.
- Applied for and received supplemental support through the Center for Urban & Regional Affairs (CURA) of the University of Minnesota for a graduate research assistant.
- With assistance from the CURA researcher, developed a case study regarding trends in Scott and Dakota counties: obtained and analyzed data sets showing farmland conversion trends in Scott and Dakota counties.
- Analyzed legislation making changes to the Green Acres Program and the Rural Preserve Property Tax Program. Read and analyzed February 14, 2012, report

issued by the Minnesota Department of Revenue regarding valuation of agricultural land for Green Acres Program purposes.

- Obtained data from the Department of Revenue, the Metropolitan Council, and the Minnesota Department of Agriculture regarding: (1) participation in the Metropolitan and Minnesota Agricultural Preserves Programs; (2) conservation credit amounts; (3) county and state shares of the mortgage and registration fee that funds the programs; (4) and surveys conducted to obtain farmer and county commissioner views on farmland preservation tools and techniques.

Deliverable/Outcome 2: Interview stakeholders regarding efficacy of existing Minnesota laws and models relevant to farmland preservation.

- Developed list of stakeholders to interview and began outreach to stakeholders.
- Conducted individual interviews with twenty-five stakeholders. Stakeholders included farmers, land use planners with farmland preservation expertise, and people who are involved in administering or overseeing Minnesota's existing farmland preservation programs. The stakeholders who participated in the project were from metropolitan-area counties and counties in Greater Minnesota, and the farmer stakeholders represented a diversity of types and sizes of farming operations.
- Synthesized stakeholder feedback and used it to assess changes that should be made to existing farmland preservation programs and additional preservation tools that should be adopted by the state.

Deliverable/Outcome 3: Review and analyze farmland preservation models from other states.

- Drafted summary and analysis of land use planning tools and policies commonly used to preserve farmland.
- Compiled initial set of materials regarding farmland preservation models from other states and began analysis of those materials.
- Drafted internal working memoranda regarding state farmland preservation programs and policies in Oregon, Connecticut, Wisconsin, Maryland, and Pennsylvania.
- Examined state incentives for local food purchasing which might help to make farms more resilient and therefore counteract pressures that lead farmers to convert farmland to other uses. Researched and analyzed additional economic development initiatives used by other states to promote community-based food systems.

- Researched and analyzed state programs designed to increase beginning farmers' access to land.
- Developed recommendations to incorporate some aspects of the programs used in other states. These recommendations are included in FLAG's report, entitled *Preserving Minnesota's Agricultural Land: Proposed Policy Solutions*, released on June 30, 2012. Copies of the report were provided to the Legislative-Citizen Commission on Minnesota Resources prior to the report's release.

Deliverable/Outcome 4: Interview stakeholders regarding efficacy of farmland preservation models from other states.

- Conducted interviews with four land use and farmland preservation experts who work with farmland preservation programs in Wisconsin, Oregon, and Pennsylvania to learn about the successes and challenges of farmland preservation efforts in those states, and lessons Minnesota can learn based on those experiences.

Deliverable/Outcome 5: Convene and solicit input from stakeholders regarding a comprehensive approach to farmland preservation.

- Drafted farmland preservation survey; developed survey distribution plan and a plan for survey follow-up.
- Distributed survey at the annual Minnesota Farmers Union convention, reviewed survey results, and adjusted stakeholder input plan to focus on individual stakeholder interviews rather than survey responses.
- Held a half-day facilitated meeting with a group of five farmers to discuss farmland preservation, barriers to land access, and regulatory issues that affect farmland preservation.
- Brought together a group of nine stakeholders, including farmers, representatives of membership-based farm organizations, and land use planning and farmland preservation experts for a facilitated discussion about existing programs and possible policy changes that would help to achieve a better, more comprehensive approach to farmland preservation in Minnesota.

Deliverable/Outcome 6: "Preserving Minnesota Agricultural Land: Proposed Policy Solutions," report and recommendations.

- Drafted report outline.
- Performed legal research for report sections.
- Wrote and edited initial draft of report.

- Sent report draft out for peer review by staff from the Minnesota Department of Agriculture and Dakota County and by representatives from Minnesota Farmers Union and Minnesota Farm Bureau.
- Synthesized peer review feedback and incorporated it into the report. Note that while the peer reviewers' comments were all considered and extremely helpful, the conclusions and recommendations contained in this report are the authors' entirely.
- Conducted extensive substantive editing and copyediting process.
- Cite-checked and formatted report.
- Published and distributed report, entitled *Preserving Minnesota's Agricultural Land: Proposed Policy Solutions*. The report analyzes Minnesota's current laws and practices regarding farmland preservation, suggests steps the state can take to strengthen and streamline existing programs, and recommends new tools the state can adopt to better preserve farmland. The report was widely distributed to the media, policymakers, community organizations, and individuals through issuance of a press release and many follow-up e-mails to individuals and organizations.

V. TOTAL ENRTF PROJECT BUDGET:

Personnel: \$ 94,390.00

Contracts: \$ 3,375.00

Equipment/Tools/Supplies: \$ 0

Acquisition (Fee Title or Permanent Easements): \$ 0

Travel: \$ 800.00

Additional Budget Items: \$ 1,435.00

TOTAL ENRTF PROJECT BUDGET: \$100,000.00

Explanation of Capital Expenditures Greater Than \$3,500: N/A

VI. PROJECT STRATEGY:

A. Project Partners: N/A

B. Project Impact and Long-term Strategy: Minnesota's farmland has a critical and undisputed impact on the state's water quality and quantity, biodiversity, aquatic health, economic health, and recreational, cultural, and spiritual qualities of life. This project will assist the state in considering and devising a broader policy strategy to preserve Minnesota's rapidly diminishing farmland, particularly in the regions surrounding the state's urban areas.

C. Other Funds Proposed to be Spent during the Project Period: Since FLAG's original application to the LCCMR, we acquired other funds from The McKnight

Foundation and Blue Cross and Blue Shield of Minnesota, small portions of which supplemented this project.

D. Spending History: FLAG's work in Minnesota farmland preservation in the two years before July 1, 2010, included funding from The McKnight Foundation (\$50,000), and Blue Cross and Blue Shield of Minnesota (\$75,000).

VII. DISSEMINATION: The report has been distributed to a regional media list; federal, state and local public officials; farm organizations; influential farmers and other citizens. In the weeks ahead, the report's contents (and a link to its entirety online) will be distributed to almost 3,000 influential contacts on FLAG's mailing list. 66 copies of the report were downloaded from the FLAG website in the first month it was available.

VIII. REPORTING REQUIREMENTS: Periodic Work Program progress reports will be submitted not later than: January 31, 2011, July 31, 2011, and January 31, 2012. A final Work Program report and associated products will be submitted between June 30 and August 15, 2012, as requested by the LCCMR.

IX. RESEARCH PROJECTS: N/A

Attachment A: Final Budget Detail for 2010 Project												
Project Title: Farmland Conservation in Minnesota												
Project Manager Name: Jennifer Jambor-Delgado												
Trust Fund Appropriation: \$100,000												
2010 Trust Fund Budget	<u>Result 1 Budget:</u>	Revised Result 1 Budget 10/16/12:	Amount Spent: 2010	Balance: December 31, 2010	Amount Spent: Jan-June 2011	Balance: June 30, 2011	Amount Spent: July-Dec. 2011	Balance: Dec. 31, 2011	Amount Spent: Jan.-June 2012	Balance: June 30, 2012	TOTAL BUDGET	TOTAL BALANCE
	Farmland Conservation in Minnesota	Farmland Conservation in Minnesota									Farmland Conservation in Minnesota	
BUDGET ITEM												
PERSONNEL: Wages and benefits	\$94,390	\$95,990	\$24,794	\$71,196	\$5,212	\$65,984	\$3,705	\$62,279	\$62,279	\$0	\$94,390	0
Contracts												
CURA Graduate Student.	3,375	3,375	3,375	0	0	0	0	0	0	\$0	3,375	0
Travel expenses in Minnesota	800	100	48	52	21	31	0	31	31	\$0	800	0
Other: Legal research (LexisNexis)	1,435	535	216	319	54	265	0	265	265	\$0	1,435	0
COLUMN TOTAL	\$100,000	\$100,000	\$28,433	\$71,567	\$5,287	\$66,280	\$3,705	\$62,575	\$62,575	\$0	\$100,000	0

Preserving Minnesota's Agricultural Land: Proposed Policy Solutions

June 30, 2012

A Publication of
Farmers' Legal Action Group, Inc. (FLAG)

Funding for this project was provided by the Minnesota Environment and Natural Resources Trust Fund as recommended by the Legislative-Citizen Commission on Minnesota Resources (LCCMR)

FLAG



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