



Minnesota Agricultural Land Preservation Program

Legislative Report 2024 & 2025

Minnesota Statutes Chapter 40A & Chapter 473H

03/01/2026

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This report cost approximately \$500 to prepare, including staff time, printing, and mailing expenses (MINN. STAT. 3.197).

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Executive Summary

The Agricultural Land Preservation Policy Act of 1984 (MINN. STAT. Chap. 40A) established the Minnesota Agricultural Land Preservation Program, a statewide program consisting of:

- Tools for agricultural land preservation at the local level, including guidelines for agricultural land preservation planning and official controls, voluntary “agricultural preserve” restrictive covenants, and property tax incentives for their creation
- A program to foster awareness of agricultural land preservation and conservation issues
- A program of technical and financial assistance to local government

This legislation was preceded in 1980 by legislation establishing the Metropolitan Agricultural Preserves Program (MINN. STAT. Chap. 473H), which served as a model for the statewide program.

Within the three counties currently participating in the Minnesota Agricultural Land Preservation Program (Waseca, Winona, and Wright), a total of 124,022 acres is protected by agricultural preserves covenants. As of 2025, this includes 77,241 acres in Waseca County, 38,321 acres in Winona County, and 8,550 acres in Wright County. Together with the Metropolitan Agricultural Preserves Program (which has 188,990 enrolled acres), a total of 313,012 acres are protected statewide.

Minnesota Department of Agriculture (MDA) staff provide direct, ongoing technical assistance on land preservation to local governments upon request and have advised and disseminated information on a wide range of rural planning issues. Since the inception of the Minnesota Agricultural Land Preservation Program, MDA staff have worked with over one-third of Minnesota counties to develop agricultural land preservation plans and implement land-use controls.

In 2024 and 2025, the MDA focused its awareness and assistance efforts on the following projects:

- Conducted community engagement with farmers and local government officials in the seven-county metropolitan region, in collaboration with staff at the Metropolitan Council
- Developed a legislative proposal to pilot a \$10-per-acre tax credit for farms enrolled in an agricultural preserve program and certified through the Minnesota Agricultural Water Quality Certification Program (MAWQCP). While the proposal didn’t pass, it had support from farmers.
- Engaged county planners from the 30 counties at greatest risk of farmland loss to assess local policies and increase awareness of the Minnesota Agricultural Land Preservation Program

Introduction

The Agricultural Land Preservation Policy Act of 1984 (MINN. STAT. Chap. 40A) establishes a statewide agricultural land preservation program consisting of:

- Tools to support agricultural land preservation at the local level, including guidelines for agricultural land preservation planning and official controls, voluntary “agricultural preserve” restrictive covenants, and property tax incentives to encourage enrollment
- A program to raise awareness of agricultural land preservation and conservation issues
- Technical and financial assistance for local governments

This report is required by the Minnesota Legislature (MINN. STAT. 40A.17):

“The commissioner shall report to the legislature on March 1 of every even year on activities under this chapter. By July 1, 1985, the report must include the survey of public awareness in the awareness program. The report shall include recommendations for funding levels and other necessary legislative action.”

The report covers implementation activities undertaken in the calendar years of 2024 and 2025.

Background

The Minnesota Agricultural Land Preservation Program grew out of earlier preservation efforts in the Twin Cities region. The Metropolitan Agricultural Preserves Program, established in 1980 (MINN. STAT. Stat. Chap. 473H), served as the primary model for the statewide framework later authorized in 1984 (MINN. STAT. Chap. 40A).

As set forth in the Act, the Minnesota Commissioner of Agriculture selected five counties to participate in a pilot program for county-level agricultural preservation, based on criteria established in statute. The five pilot counties – Douglas, Kandiyohi, Waseca, Winona, and Wright – submitted their agricultural land preservation plans and proposed official controls to the Commissioner by the December 31, 1987, deadline (MINN. STAT. 40A.03). Grants of \$20,000 per county were provided to the five pilot counties. Three of those counties — Waseca, Winona, and Wright — established agricultural preserve programs that continue to this day. Douglas and Kandiyohi counties decided not to accept restrictive covenants due to concerns about long-term funding of the program.

Since January 1, 1987, any county located outside the Twin Cities metropolitan area is eligible to prepare a proposed agricultural land preservation plan and implement controls under the program for the Commissioner of Agriculture’s review. Elements that must be addressed by county plans and official controls are detailed in statute. Counties that adopt agricultural land preservation plans and implement controls may offer agricultural preserves, which are restrictive covenants on qualifying land that limit its use to agriculture or forestry. In return, participating farmers receive property tax credits, protection for normal agricultural practices, and other benefits.

The program’s preservation framework is based on comprehensive land use planning and growth management, which are prerequisites for offering agricultural preserves and property tax credits to property owners. Only three counties have chosen to fully participate in the program and offer agricultural preserves. Since 1984, most Minnesota counties have received information on agricultural land preservation and its relationship to planning and implementation tools, and nearly half of Minnesota counties have received direct technical assistance.

Overview

The Minnesota Agricultural Land Preservation Program is intended to protect farmland for future generations and provide farmers with greater confidence to make long-term decisions. The program also intends to reduce problems associated with uncontrolled development of farm and forest lands. By limiting non-farm rural development, the program helps contain public service costs paid by taxpayers, including increased expenses for road maintenance, school transportation, and police and fire protection. Controlling such development also decreases the likelihood of conflicts between farmers and nonfarm residents over noise, dust, and odors produced by farming operations. Additionally, preserving agricultural land on the suburban-rural “fringe” is important for addressing land access challenges for small farms that sell directly to markets in those cities.

The central feature of the program is the “agricultural preserve,” a restrictive covenant on qualifying land that limits its use to agriculture or forestry. Through the Minnesota Agricultural Land Preservation Program, owners of qualifying land may receive property tax credits of \$1.50 per acre per year, along with other benefits, in exchange for committing their land to long-term agricultural use. These property tax credits are funded by a surcharge on mortgage and deed recordings.

To be able to offer the benefits of agricultural preserves to property owners, a county must adopt an MDA-approved agricultural land preservation plan and official controls (MINN. STAT. 40A.04–05). An agricultural land preservation plan is a part of a comprehensive land use plan that designates land for long-term agricultural use, while also providing for expected growth around urbanized areas. The official controls are land use regulations — usually zoning and subdivision provisions — that restrict uses to agriculture and require low residential densities (typically one dwelling unit per 40 acres) in areas designated for long-term agricultural use.

The Minnesota Agricultural Land Preservation Program statute also directs the MDA to administer programs of public awareness, technical assistance, and financial assistance.

The public awareness program is designed to increase understanding of the need for agricultural land preservation and conservation; the consequences of resource degradation; the physical, environmental, and social factors that affect agricultural land use; and the availability and effectiveness of agricultural land preservation, conservation approaches, and technologies (MINN. STAT. 40A.14). Through this public awareness program, MDA staff work with local governments, farmland owners, and the public to build awareness of the Minnesota Agricultural Land Preservation Program as well as broader farmland preservation issues. In recent years, this outreach has included listening sessions with key partner organizations, meetings with county planners, engagement with farmers and farm advocacy groups, and speaking at conferences and events.

Staff provide direct and ongoing technical support to farmers and local governments upon request, including answering specific inquiries about the program, providing information about state laws and policies, referrals to other farmland preservation services, and resolving problems. In the early days of the Minnesota Agricultural Land Preservation Program, MDA staff worked with over one-third of Minnesota’s counties to develop agricultural land preservation plans and implement controls. In 2025, MDA staff found that the 30 counties at greatest risk of losing farmland in Minnesota were using available zoning tools to limit development on farmland, but most were unaware of the Minnesota Agricultural Land Preservation Program. Apart from the pilot phase and the program’s early years, the program’s financial assistance component has not received legislative funding.

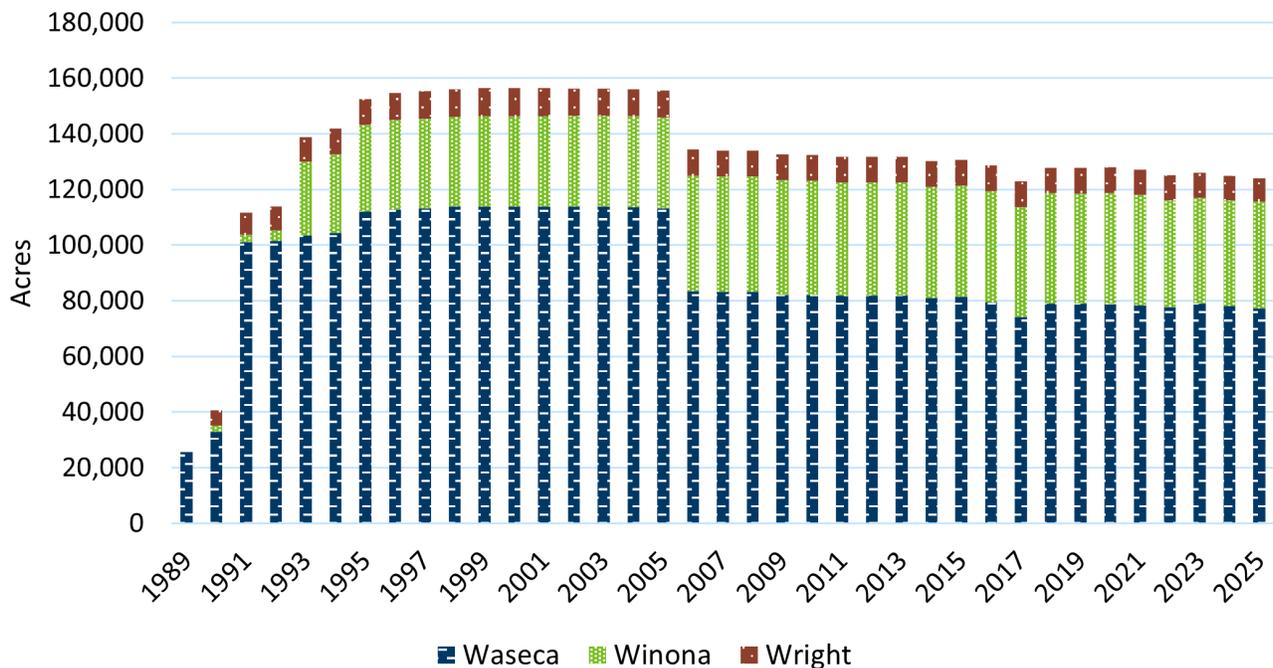
Program Participation

Within the three counties currently participating in the Minnesota Agricultural Land Preservation Program (Waseca, Winona, and Wright), a total of 124,022 acres is protected by agricultural preserves covenants. As of 2025, the following acres are protected:

- 77,241 acres in Waseca County
- 38,231 in Winona County
- 8,550 in Wright County

Since 2006, the program has seen a gradual decline in the number of protected acres due to fewer enrollments and more covenants reaching expiration. Landowners or counties may initiate expiration of an agricultural preserve covenant, which then ends eight years after the expiration is initiated (Minn. Stat. 40A.11).

Figure 1. Acres enrolled in the Minnesota Agricultural Land Preservation Program (see Appendix for a table of the same data)



Together with the Metropolitan Agricultural Preserves Program (which has enrollment of 188,990 acres), a total of 313,012 acres is currently protected.

Conservation Credits and Funding

One of the benefits received by landowners who enroll in the Minnesota Agricultural Land Preservation Program agricultural preserve restrictive covenant is a \$1.50 per acre property tax credit, also known as a “conservation credit.” The value of this tax credit has not changed since 1984 despite several proposals to increase it over the

years. Additional benefits to landowners enrolled in the program include limits on local governments' ability to restrict or regulate normal agricultural practices, including:

- Annexation proceedings affecting agricultural preserves are limited and must meet additional criteria.
- Eminent domain proceedings affecting preserves are limited and subject to public and administrative review.
- Public sanitary sewer, public water, and public drainage systems are prohibited within agricultural preserves.

Land enrolled in a preserve may not be assessed for the cost of nearby public projects unless the project is necessary to serve land primarily in agricultural use or if the landowner chooses to use and benefit from the project.

Agricultural preserve landowners enrolled in the Metropolitan Agricultural Preserves Program also receive a conservation credit. In the metropolitan program, the rate is equal to the "tax capacity value multiplied by 105 percent of the previous year's statewide average tax rate levied by townships outside the metropolitan area." The property tax due is either the amount determined by this formula, or by the local tax rate for the city or township where the property is located (whichever is less), with a minimum tax rate of \$1.50 per acre.

Funding for the conservation credits is derived from a surcharge on mortgage and deed recordings. All seven counties in the Metropolitan Agricultural Preserves Program, and the three counties participating in Minnesota Agricultural Land Preservation Program, are required to charge a \$5.00 fee on each recording or registration of mortgages and deeds subject to the mortgage and deed taxes, which is called the "conservation fee". One half of the fee (\$2.50) is deposited in a special conservation account in the county general revenue fund, and the other half (\$2.50) is transferred to the Commissioner of Revenue for deposit in the state treasury. One half of the money in the state treasury (\$1.25) is credited to the Minnesota Conservation Fund, and one half (\$1.25) is credited to the general fund. Funds from the county conservation account must be used to reimburse the county and taxing jurisdictions within the county for the agricultural preserves' property tax credit. If the cost of the property tax credits exceeds funds available in the county conservation account, the county is reimbursed from the Minnesota Conservation Fund for the amount the tax credits exceed the county account (MINN. STAT. 40A.151-2). Any funds remaining in county conservation accounts after reimbursements must be spent for purposes specified in the statute or returned to the state.

Tables 1 and 2 show the revenue and credits reimbursed from the county conservation accounts in addition to the balance in the county conservation account and reimbursements made from the Minnesota Conservation Fund to the county. The Minnesota Department of Revenue paid the 2024 conservation credits for acres in agricultural preserves with the 2023 county conservation account revenue and the 2025 conservation credits for acres in agricultural preserves with the 2024 county conservation account revenue. From 2017 to 2021, the expenditures exceeded revenue to the Minnesota Conservation Fund, requiring expenditures from the state general fund as provided in statute. From 2022 to 2024, the conservation fund was able to fully pay for the tax credits, and no general funds were needed. However, in 2025, the tax credits required \$138,122 in expenditures from the state general fund.

Table 1. 2024 County and State Conservation Accounts

| County | 2024 Acres Enrolled | 2023 County Conservation Account Revenue | 2023 Minnesota Conservation Fund Revenue | Credits Reimbursed from County Accounts | Reimbursed from Minnesota Conservation Fund and State General Fund | Total Credits Paid | Funding Remaining in County Conservation Accounts After Reimbursements Made |
|------------|---------------------|------------------------------------------|------------------------------------------|-----------------------------------------|--------------------------------------------------------------------|--------------------|-----------------------------------------------------------------------------|
| Waseca | 78,211 | \$3,078 | \$1,539 | \$3,078 | \$112,965 | \$116,043 | \$0 |
| Winona | 37,778 | \$5,795 | \$2,897 | \$5,795 | \$50,872 | \$56,667 | \$0 |
| Wright | 8,845 | \$22,852 | \$11,426 | \$12,861 | \$0 | \$12,861 | \$9,991 |
| Anoka | 569 | \$42,563 | \$21,282 | \$1,009 | \$0 | \$1,009 | \$41,554 |
| Carver | 98,132 | \$15,960 | \$7,980 | \$15,960 | \$181,731 | \$197,691 | \$0 |
| Dakota | 68,169 | \$49,600 | \$24,800 | \$49,600 | \$69,378 | \$118,978 | \$0 |
| Hennepin | 9,381 | \$134,496 | \$67,248 | \$105,722 | \$0 | \$105,722 | \$28,774 |
| Ramsey | 0 | \$49,282 | \$24,641 | \$0 | \$0 | \$0 | \$49,283 |
| Scott | 8,523 | \$18,635 | \$9,318 | \$14,671 | \$0 | \$14,671 | \$3,964 |
| Washington | 6,259 | \$34,615 | \$17,307 | \$13,614 | \$0 | \$13,614 | \$21,001 |
| TOTAL | 315,867 | \$376,876 | \$188,440 | \$222,310 | \$414,946 | \$637,256 | \$154,567 |

Note: The full amount was paid from the state conservation fund, with nothing paid from the state general fund.
 Source: Minnesota Department of Revenue

Table 2. 2025 County and State Conservation Accounts

| County | 2025 Acres Enrolled | 2024 County Conservation Account Revenue | 2024 Minnesota Conservation Fund Revenue | Credits Reimbursed from County Accounts | Reimbursed from Minnesota Conservation Fund and State General Fund | Total Credits Paid | Funding Remaining in County Conservation Accounts After Reimbursements Made |
|----------|---------------------|------------------------------------------|------------------------------------------|-----------------------------------------|--------------------------------------------------------------------|--------------------|-----------------------------------------------------------------------------|
| Waseca | 77,241 | \$3,003 | \$1,502 | \$3,003 | \$111,901 | \$114,904 | \$0 |
| Winona | 38,231 | \$5,795 | \$2,898 | \$5,795 | \$50,659 | \$56,454 | \$0 |
| Wright | 8,550 | \$18,360 | \$9,180 | \$12,664 | \$0 | \$12,664 | \$5,696 |
| Anoka | 569 | \$43,135 | \$21,568 | \$1,733 | \$0 | \$1,733 | \$41,401 |
| Carver | 97,805 | \$16,690 | \$8,345 | \$16,690 | \$353,354 | \$370,044 | \$0 |
| Dakota | 67,115 | \$51,846 | \$25,923 | \$51,846 | \$122,906 | \$174,752 | \$0 |
| Hennepin | 9,319 | \$136,870 | \$68,435 | \$136,870 | \$36,908 | \$173,778 | \$0 |

| County | 2025 Acres Enrolled | 2024 County Conservation Account Revenue | 2024 Minnesota Conservation Fund Revenue | Credits Reimbursed from County Accounts | Reimbursed from Minnesota Conservation Fund and State General Fund | Total Credits Paid | Funding Remaining in County Conservation Accounts After Reimbursements Made |
|------------|---------------------|------------------------------------------|------------------------------------------|-----------------------------------------|--------------------------------------------------------------------|--------------------|-----------------------------------------------------------------------------|
| Ramsey | 0 | \$46,435 | \$23,218 | \$0 | \$0 | \$0 | \$46,436 |
| Scott | 8,067 | \$18,365 | \$9,183 | \$18,365 | \$1,263 | \$19,628 | \$0 |
| Washington | 6,115 | \$38,105 | \$19,053 | \$28,492 | \$0 | \$28,492 | \$9,613 |
| TOTAL | 313,012 | \$378,604 | \$175,725 | \$275,458 | \$327,424 | \$526,855 | \$103,146 |

Note: \$189,302 was paid from the state conservation fund with the remainder (\$138,122) paid from the state general fund.

Source: Minnesota Department of Revenue

2024 and 2025 Awareness and Technical Assistance Work

MDA staff routinely provide technical assistance to farmers and local government officials on agricultural preserves and farmland preservation. In 2024 and 2025, this work also included the following activities:

Community Engagement in the Metropolitan Region

The MDA collaborated with the Metropolitan Council to engage farmers and local government officials in the 7-county metropolitan area on farmland preservation and related agricultural policy issues. This collaboration provided an excellent opportunity to raise awareness of the Metropolitan Agricultural Preserves Program and gather stakeholder input on MDA’s work and possible policy proposals.

- 16 city and township officials attended focus groups, representing the diversity of Metropolitan communities with agricultural land
- 17 farmers attended focus groups, three farmers participated in key informant interviews, and 51 farmers took an online survey, representing a diversity of farm types and operations
- The MDA assessed awareness of 12 types of farmland preservation tools. Awareness was low for most tools, indicating a need for more outreach and engagement.
- The MDA received several recommendations for improving technical assistance and outreach efforts, which staff have begun implementing. MDA staff also received recommendations for policy changes to the Metropolitan Agricultural Preserves Program.

Policy Proposal to Incentivize Farmland Preservation and Water Quality

MDA staff collaborated across department divisions to develop a policy framework that combines agricultural land preservation with water quality protection, paired with an enhanced tax credit for farms that are enrolled

in one of the state's agricultural preserves programs and certified through the [Minnesota Agricultural Water Quality Certification Program](#). The goal was to test whether an enhanced tax credit would incentivize the preservation of more farmland in the state, with a strategic focus on encouraging the preservation of farmland that is using best practices for soil and water management.

County Planner Outreach

MDA staff reached out to county planners in the 30 counties most at risk of losing farmland in Minnesota to talk about ag land preservation. All these counties were doing what they could with their zoning ordinances to minimize the loss of farmland to development, but most were not aware of the Minnesota Agricultural Land Preservation Program. Only a few of the planners were interested in possibly using the program in the future.

External Evaluations of the Minnesota Agricultural Land Preservation Program

In January 2008, the Office of the Legislative Auditor released an evaluation report titled, ["Green Acres" and Agricultural Land Preservation Programs](#), which includes an evaluation of the Minnesota Agricultural Land Preservation Program.

The Farmers' Legal Action Group, Inc. (FLAG) issued a report in 2012 entitled, [Preserving Minnesota's Agricultural Land: Proposed Policy Solutions](#).

Recommendations for Funding Levels and Legislative Action

There are numerous recommendations, from external program evaluations and stakeholder feedback, on ways to improve ag land preservation programs in the state. Below is a list of policy and funding recommendations that would be most impactful in the near-term:

1. Increase the tax credit to at least \$10/acre for the Minnesota Agricultural Land Preservation Program and the Metropolitan Agricultural Preserves Program. One way this could be funded is by increasing the existing surcharge on mortgage and deed recordings. The original credit of \$1.50/acre meant a lot in the wake of The Farm Crisis of the 1980's when the program started. The tax credit has not kept up with inflation, which would put it at about \$4.40/acre today, and it has certainly not kept up with the rising market value of farmland or what developers are willing to pay for competing uses like solar energy or data centers.
2. More clearly specify who has the authority to enforce the Minnesota Agricultural Land Preservation Program and the Metropolitan Agricultural Preserves Program.
3. Change the minimum acreage requirements in the Metropolitan Agricultural Land Preservation Program to reduce barriers to entry for small farms that wish to enroll in the program.

[Wisconsin's Farmland Preservation Program \(PDF\)](#), which offers \$10 or \$12.50 per acre, has seen steady growth in enrollment over the past decade and has farms participating in most of Wisconsin's counties. If Minnesota does not increase the value of the tax credit for our agricultural preserve programs, we will very likely continue to see declining enrollment and no additional counties participate beyond the original ten.

Appendix

Table 3. Acres enrolled in the Minnesota Agricultural Land Preservation Program

| Year | Waseca County | Winona County | Wright County | Total |
|------|---------------|---------------|---------------|---------|
| 1988 | 0 | 0 | 0 | 0 |
| 1989 | 25,712 | 0 | 0 | 25,712 |
| 1990 | 32,948 | 2,207 | 5,478 | 40,633 |
| 1991 | 101,022 | 2,750 | 7,846 | 111,618 |
| 1992 | 101,536 | 3,633 | 8,752 | 113,921 |
| 1993 | 103,615 | 26,386 | 8,814 | 138,815 |
| 1994 | 104,423 | 28,230 | 9,208 | 141,861 |
| 1995 | 112,092 | 31,107 | 9,208 | 152,407 |
| 1996 | 112,666 | 32,234 | 9,825 | 154,725 |
| 1997 | 113,224 | 32,234 | 9,825 | 155,283 |
| 1998 | 113,776 | 32,234 | 9,981 | 155,991 |
| 1999 | 113,776 | 32,576 | 10,024 | 156,376 |
| 2000 | 113,776 | 32,576 | 10,024 | 156,376 |
| 2001 | 113,776 | 32,576 | 10,077 | 156,429 |
| 2002 | 113,776 | 32,651 | 9,706 | 156,133 |
| 2003 | 113,776 | 32,725 | 9,706 | 156,207 |
| 2004 | 113,612 | 32,725 | 9,706 | 156,043 |
| 2005 | 113,164 | 32,725 | 9,706 | 155,595 |
| 2006 | 83,381 | 41,501 | 9,516 | 134,398 |
| 2007 | 83,221 | 41,364 | 9,292 | 133,877 |
| 2008 | 83,221 | 41,364 | 9,292 | 133,877 |
| 2009 | 82,069 | 41,237 | 9,346 | 132,652 |
| 2010 | 82,058 | 41,067 | 9,327 | 132,452 |
| 2011 | 81,913 | 40,553 | 9,313 | 131,779 |
| 2012 | 81,896 | 40,658 | 9,293 | 131,847 |
| 2013 | 81,874 | 40,685 | 9,200 | 131,759 |
| 2014 | 81,086 | 39,866 | 9,187 | 130,139 |
| 2015 | 81,511 | 39,931 | 9,164 | 130,606 |
| 2016 | 79,509 | 39,893 | 9,197 | 128,599 |
| 2017 | 74,123 | 39,623 | 9,201 | 122,947 |
| 2018 | 79,060 | 39,584 | 9,128 | 127,772 |
| 2019 | 79,117 | 39,439 | 9,154 | 127,710 |
| 2020 | 78,834 | 39,939 | 9,149 | 127,922 |
| 2021 | 78,358 | 39,786 | 9,017 | 127,161 |
| 2022 | 77,725 | 38,459 | 8,986 | 125,170 |
| 2023 | 79,023 | 38,046 | 8,951 | 126,020 |
| 2024 | 78,211 | 37,778 | 8,845 | 124,834 |
| 2025 | 77,241 | 38,321 | 8,550 | 124,112 |