



## FARMS FOR THE FUTURE MASSACHUSETTS' INVESTMENTS IN FARMLAND CONSERVATION

### *Executive Summary*

Family farms are an integral part of the Massachusetts' economy, culture and landscape. These 6,100 farms produce a wide variety of food and farm products for domestic and global markets, generating \$384 million in annual sales and employing 13,545 workers. To meet growing local demand for food, farmers are expanding their retail marketing, selling directly to consumers through more than 164 farmers' markets, 414 roadside stands and 72 Community Supported Agriculture farms across the state. Massachusetts-grown foods are now being served in 167 school districts, representing 42 percent of the Commonwealth's students.

Massachusetts' farmers are caretakers of 519,000 acres of productive cropland, pasture, wetlands and woodlands—land that provides essential and in some cases irreplaceable environmental benefits, such as aquifer recharge, water filtration, flood prevention, wildlife habitat and carbon sequestration. These benefits, or non-market ecosystem services, have been estimated in value at \$632 million annually. Much of this land is open to the public for a variety of recreational uses; all of it helps to balance municipal budgets by contributing more in local property taxes than it requires in municipal services. One of the most valued attributes of Massachusetts' farms and farmland is their contribution to rural character and quality of life, qualities that attract residents and tourists alike to the Commonwealth.

### *Farmland Loss*

The amount and rate of farmland loss in Massachusetts over the past 25 years can be pieced together through three different data sources. While these sources are somewhat dated (new Census of Agriculture and MassGIS data will be available in 2009), they provide the best available picture of farmland loss.

**MassGIS:** Between 1971 and 1999, Massachusetts lost approximately 79,000 acres of cropland, pasture and woody perennials such as cranberry bogs, nursery land and Christmas tree farms—or about 2,900 acres annually.

**USDA–National Resources Inventory:** On average, 2,000 acres of cropland and pasture were converted to developed uses every year from 1997 to 2003. During this time period, more than 15,000 acres of forestland were lost annually to development.

**US Census of Agriculture:** From 1997 to 2002, land in farms in Massachusetts declined annually by an average of nearly 12,000 acres. The Census does not indicate whether or not this land was developed.

### *The Commonwealth's Investments in Farmland Conservation*

Three capital investment programs within the Massachusetts Department of Agricultural Resources (MDAR) are helping to protect the Commonwealth's agricultural resources while improving the

*Farms for the Future: Massachusetts' Investments in Farmland Conservation* reviews state programs that are saving farmland, protecting the environment and helping improve farm profitability. The report, released by American Farmland Trust in December 2008, also recommends a number of actions to strengthen and complement those programs. *Farms for the Future* is available on AFT's Web site at <http://www.farmland.org/programs/states/ma/default.asp> or by contacting AFT's New England Office.

economic viability of family farms. In fiscal year 2007, these three programs represented just 31 percent of the MDAR spending.

#### **Agricultural Preservation Restriction (APR) Program**

Since 1980, the APR Program has permanently protected 61,855 acres of productive farmland at a cost of \$172.5 million. Land protected through the program represents just 11.8 percent of Massachusetts' land in farms, and rising land values are reducing the program's rate of protection; between 2003 and 2007, Massachusetts protected an average of only 1,828 acres each year, an 18 percent drop from the historical average. The program leverages significant other public and private resources; from fiscal year 2004 through fiscal year 2008, 41 percent of the value of APR projects was contributed from sources other than state bond funding. The APR program is helping to grow a new generation of farmers and protect local food production capacity while encouraging reinvestment in agriculture.

#### **Farm Viability Enhancement Program (FVEP)**

Enacted in 1996, the FVEP has helped 278 farm families develop and implement business plans to improve their profitability at a cost to the Commonwealth of \$13.5 million. In exchange, more than 29,000 acres of farmland have been temporarily protected from development through the program. More than 70 percent of program participants have used their state grants to leverage additional resources, at an average of \$31,791 per farm. The FVEP is improving farm profitability by helping farmers develop value-added products and new marketing options and opportunities.

#### **Agricultural Environmental Enhancement Program (AEEP)**

The AEEP provides cost-share assistance to farmers to install on-farm conservation measures that improve air or water quality. This small program, which often supplies the necessary match to a companion federal program, the Environmental Quality Incentives Program, helps offset some of the costs to producers of complying with increasingly complex environmental regulations. Since 1999, the AEEP has awarded 267 grants totaling \$2.3 million.

### ***Recommendations***

The *Farms for the Future* report recommends a number of actions to strengthen and complement the state's farmland conservation programs:

- An annual investment of \$25 to \$30 million will be needed to permanently protect 20 percent of the Commonwealth's land in farms by 2020—a significantly higher level of investment than envisioned in the 2008 Environmental Bond bill.
- A comprehensive evaluation of the APR program, FVEP and AEEP should be undertaken to quantify the public benefits these programs provide.
- Changes to current programs and new tools will both be needed to increase the rate of farmland protection in Massachusetts, such as:
  - Establish a process to consider changes to APR program policies, including the price paid per acre to farmers;
  - Adopt new farmland protection financing tools, such as Installment Purchase Agreements;
  - Improve coordination of farmland protection, agricultural economic development and smart growth through creation of a statewide agricultural district program; and
  - Find ways to compensate farmers for the ecosystem services they provide.

