

authorized \$743 million for the FRPP, a historic high, which encouraged new state and local efforts including the authorization of PACE in Missouri in 2011. The 2014 Farm Bill repealed FRPP and consolidated the program with the Grassland Reserve Program and Wetlands Reserve Program to create the Agricultural Conservation Easement Program (ACEP). The Agricultural Land Easements component of ACEP continues to protect working agricultural lands and limit non-farm development by providing matching funds for easement acquisitions.

Functions and Purposes

PACE compensates landowners for permanently limiting nonagricultural land uses. Selling an easement allows farmers to cash in a percentage of the equity in their land, thus creating a financially competitive alternative to development. Permanent easements prevent development that would effectively foreclose the possibility of farming. Because non-agricultural development on one farm can cause problems for neighboring agricultural operations, PACE may help protect their economic viability as well.

Removing the development potential from farmland generally reduces its future market value. This may help facilitate farm transfer to the children of farmers and make the land more affordable to beginning farmers and others who want to buy it for agricultural purposes. The reduction in market value may also reduce property taxes.

PACE provides landowners with liquid capital that can enhance the economic viability of individual farming operations and help perpetuate family tenure on the land. For example, the proceeds from selling agricultural conservation easements may be used to reduce debt, expand or modernize farm operations, invest for retirement or settle estates. The reinvestment of PACE funds in equipment, livestock and other farm inputs may also stimulate local agricultural economies.

Lastly, PACE gives communities a way to share the costs of protecting farmland with landowners. Non-farmers have a stake in the future of agriculture for a variety of reasons, including keeping land available for local food production and maintaining scenic and historic landscapes, open space, watersheds and wildlife habitat. PACE allows them to “buy into” the protection of farming and be assured that they are receiving something of lasting value.

Issues to Address

The effectiveness of PACE programs depends on how jurisdictions address several core issues, which include:

- What is the stated purpose of the program
- What kind of farmland to protect, which areas to target and how to set priorities
- What restrictions to put on the use of the land
- How to determine the value of easements
- How to raise purchase funds
- How to distribute state funds among local jurisdictions
- How to administer PACE programs
- How to monitor and enforce easements

Benefits

- PACE protects farmland permanently, while keeping it in private ownership
- Participation in PACE programs is voluntary
- PACE can be implemented by state or local governments, or by private organizations
- PACE provides farmers with a financially competitive alternative to development, giving them cash to help address the economic challenges of farming in urban influenced areas
- PACE programs can protect ecological as well as agricultural resources
- PACE may make agricultural land relatively more affordable to farmers
- PACE programs involve the non-farming public in farmland protection

Drawbacks

- PACE is expensive
- PACE can rarely protect enough land to eliminate development pressure on unrestricted farms
- PACE programs are generally unable to keep up with farmer demand to sell easements
- Purchasing easements is time-consuming
- The voluntary nature of PACE programs means that some important agricultural lands are not protected
- Monitoring and enforcing easements requires an ongoing investment of time and resources

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For more information, see the resources about [PACE](#) programs and [policies](#) on the Farmland Information Center (FIC) website. The FIC is a clearinghouse for information about farmland protection and stewardship. The FIC is a public/private partnership between the USDA Natural Resources Conservation Service and American Farmland Trust.