



Wisconsin Department of Agriculture, Trade and Consumer Protection

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Department of Agriculture, Trade and Consumer Protection
Sheila E. Harsdorf, Secretary

November 2017

Board of Agriculture, Trade and Consumer Protection
2811 Agriculture Drive
Madison, WI 53718



Sheila Harsdorf
Secretary

Dear ATCP Board Members:

In agriculture, our most valuable resources are our farmers and the land they tirelessly work. Our state is home to 68,700 farms, growing livestock, grains and specialty crops on 14.4 million acres. Wisconsin's Farmland Preservation Program helps farmers and local governments preserve farmland, protect soil and water, and minimize land use conflicts.

Each biennium, the Wisconsin Department of Agriculture, Trade and Consumer Protection, in cooperation with the Wisconsin Department of Revenue, provides a report on farmland preservation to you, as the ATCP Board, and the Department of Administration. This 2015-2017 biennium report includes information on farmland availability, farmland use trends, program participation and more.

One thing that is clear from this report is farmland preservation relies on cooperation among landowners, local governments, county officials and the state. The programs that exist provide an incentive for us to participate in this important effort together. We continue this work to ensure that Wisconsin's agriculture industry has the opportunity to grow and thrive.

Agriculture is part of Wisconsin's strong heritage, current economic engine and prosperous future. Thank you for your interest and attention to this biennium report.

Sincerely,

Sheila Harsdorf
Secretary

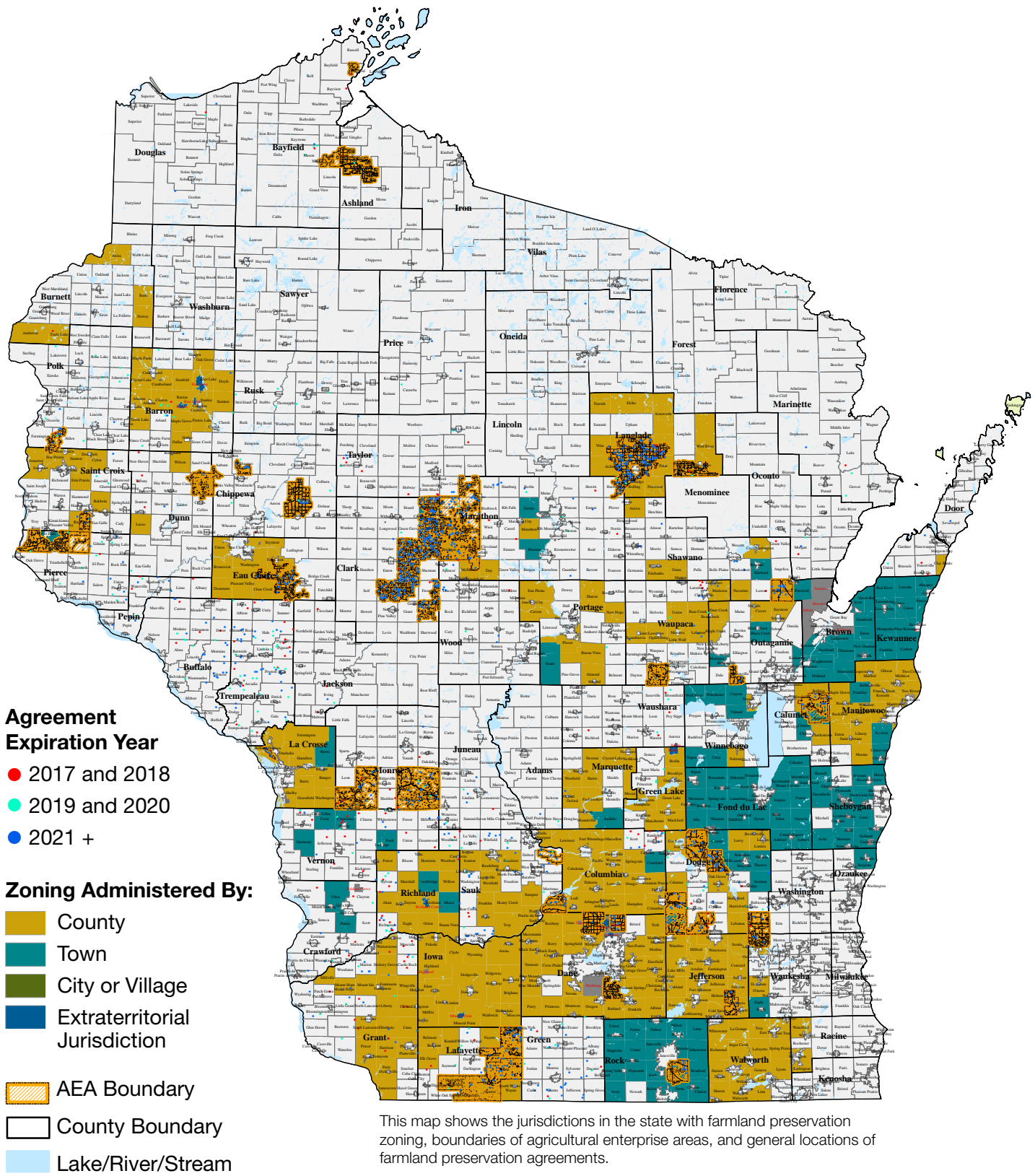
Agriculture generates \$88 billion for Wisconsin

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Map 1: Farmland Preservation Program Participation



Farmland Trends

Introduction

The farmland preservation program serves to protect the land base for food and fiber production and promotes conservation of the state's soil and water resources. Farmland not only supports the many farmers and agriculture-related businesses across the state, it is also what people imagine when they think of Wisconsin. Communities around the state have a vested interest in the health and vibrancy of this limited resource and the Farmland Preservation Program can help make sure that land remains available and viable for current and future generations of farmers.

Farmland Loss

Agriculture is vital to Wisconsin. A national leader in cheese, cranberries, ginseng, and snap beans for processing, the agricultural sector contributes \$88.3 billion dollars a year to the state's economy. In addition, jobs in agriculture make up nearly 12% of the state's workforce. That is slightly over 400,000 jobs. According to the Wisconsin Agricultural Statistics Service, each job in agriculture supports nearly 1.5 jobs elsewhere in the state.

Despite the important role that agriculture plays in the state's economy, Wisconsin continues to lose farmland every year. Since the last biennium, land in agricultural use has decreased by 200,000 acres – a 100,000-acre loss each year – with the total land in farming now measuring 14.4 million acres.

Similarly, the number of farming operations continues to decline. In 2014, there were 69,800 farms in the state. This number dropped by 800 in 2015 and in 2016 it dropped again by another 300. Meanwhile the average size of farms grew slightly from the last biennium and now is 210 acres.

Although 40% of the state's land is in agricultural use, the continued loss of farmland



is concerning (**Table 1**, page 5), particularly when farmland is converted to nonagricultural development. Once farmland is paved over, the land is removed from production forever.

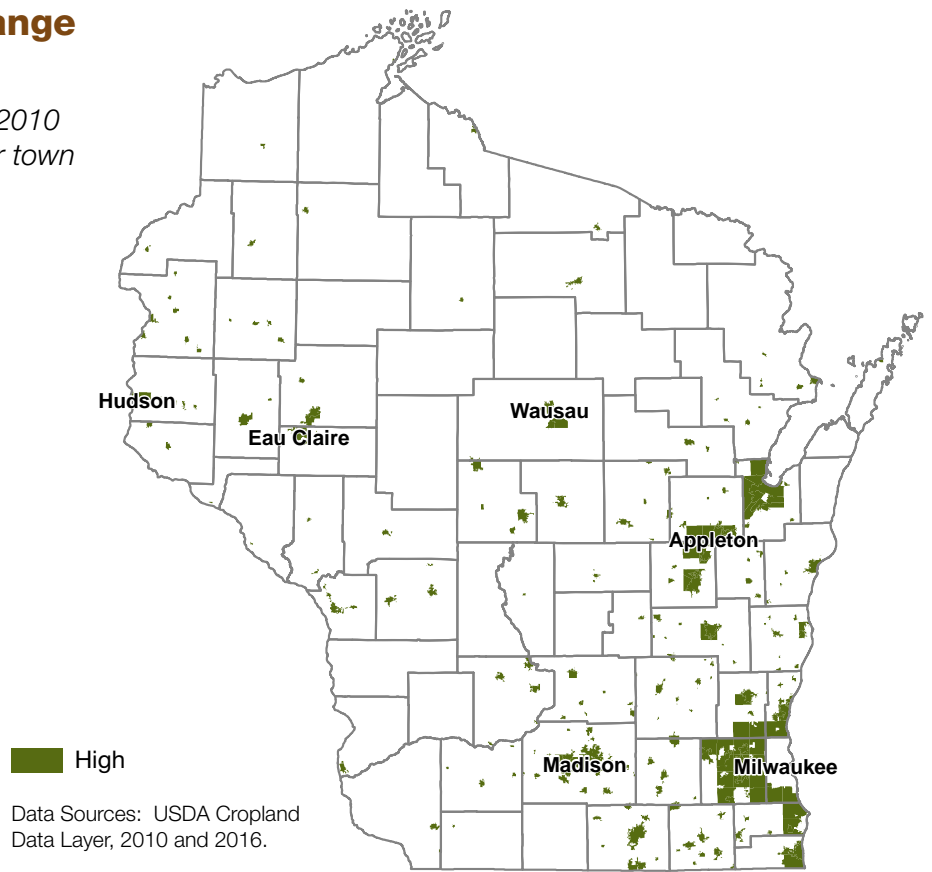
Farmland loss occurs across the state each year; however, certain regions experience greater farmland conversion. The last biennial report analyzed National Land Cover Database (NLCD) data for 2001 to 2011, showing where the loss of productive agricultural land was occurring across the state. The majority of the agricultural acres lost occurred in southeastern Wisconsin, near Green Bay and the Fox Valley, and outside of Madison.

New data has not been published since the last report was issued, but a comparison of the biennial Cropland Datasets from 2010 and 2016 shows that developed land has increased around these same areas (see **Map 2A**). The green areas are areas with a high proportion change relative to land area.

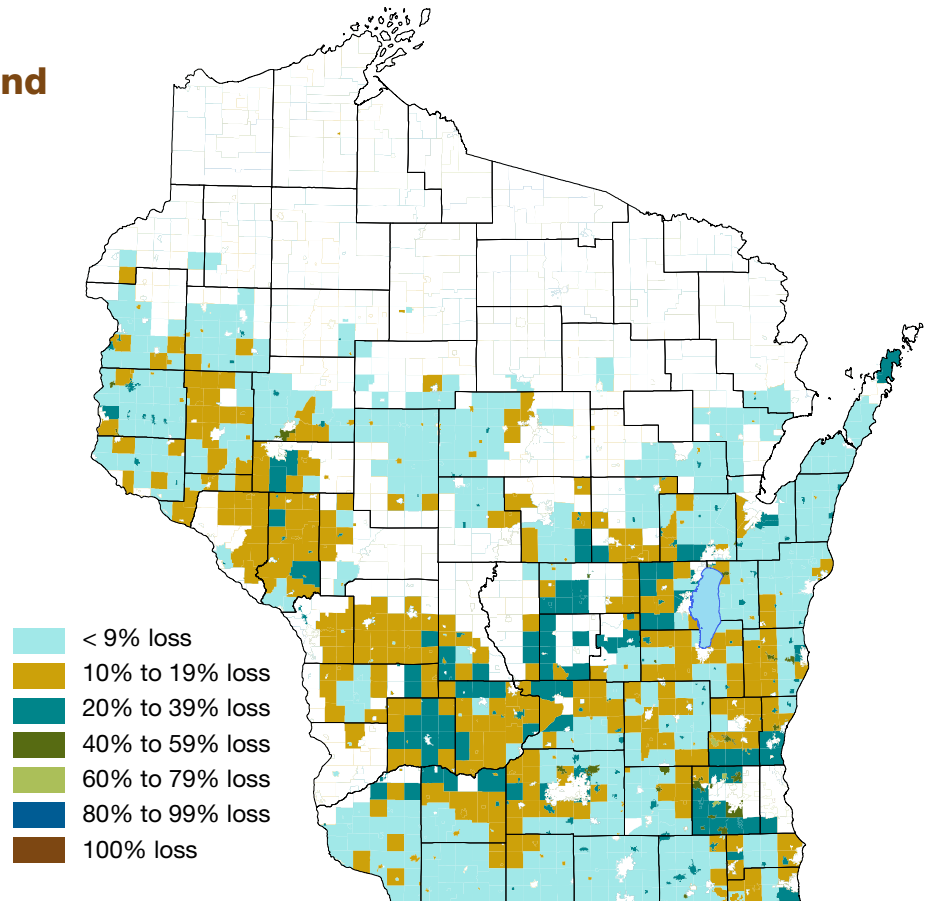
Map 2B (page 4) shows the change in cropland and pasture for those towns, cities, and villages where more than 40% of the land was in agricultural use in 2010. Most of the areas experienced a loss in cropland and pasture of less than 10%. Municipalities surrounding Milwaukee show a 20-39% decrease in cropland and pasture.

Map 2A: Development Change 2010 to 2016

Developed land area change between 2010 and 2016, normalized by city, village, or town area.



Map 2B: Change in Cropland and Pastureland Between 2010 and 2016



Land Value

The cost of buying land that will remain in agricultural use slightly decreased over the biennium. In 2015, the average price per acre of farmland sold that would continue in agricultural use fell .4 percent from 2014 to reach \$5,383 per acre. However, this is still well above 2011-2013 values. Overall prices, including land diverted to other uses, increased by about 0.5 percent. It is also important to note that for other Midwestern states, land values did not hold quite as steady. Appraisers contribute

Wisconsin's Farmland Preservation Program provides tools for communities across the state to combat farmland loss

Wisconsin's resiliency to its diverse agricultural economy¹.

1 Wisconsin Public Radio. 2016. Wisconsin Farmland Values Steady as Other Midwest States See Declines.

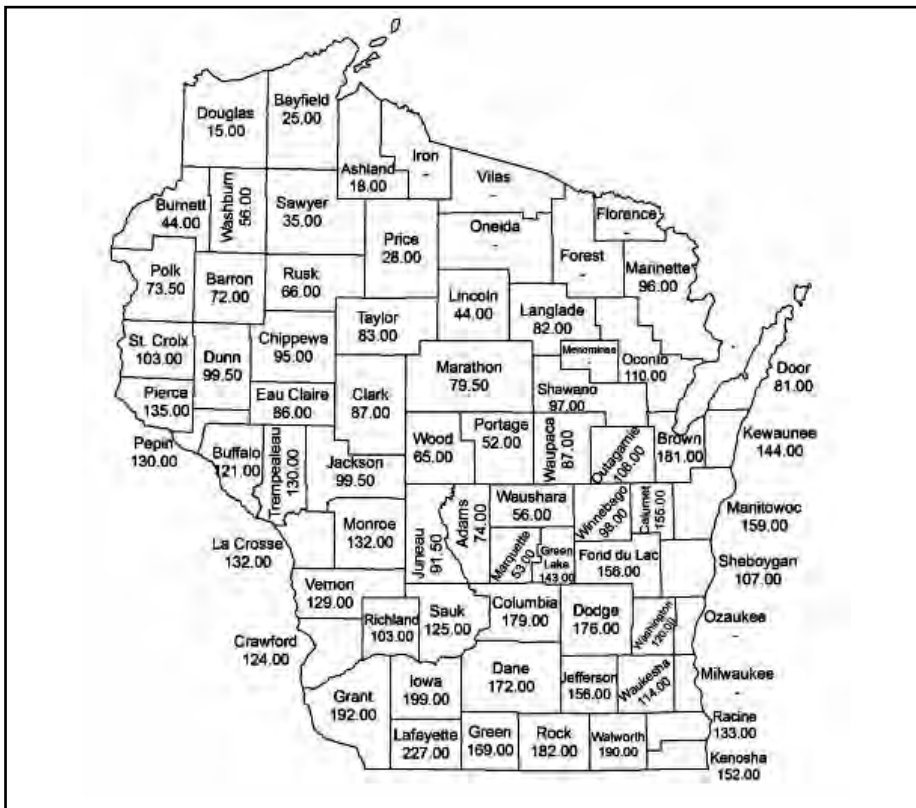
Accessed at: <http://www.wpr.org/wisconsin-farmland-values-steady-other-midwest-states-see-declines>

Table 1: Wisconsin Land Cover/Use of Non-Federal Rural Land		
Year	Cropland (thousands of acres)	Total Rural Land (thousands of acres)
1982	11,467.4	30,869.6
1987	11,340.2	30,747.0
1992	10,835.3	30,595.8
1997	10,606.6	30,415.2
2002	10,273.2	30,268.3
2007	10,160.4	30,043.8
2012	10,364.9	30,043.8
Total (thousands of acres)	-1,102.5	-825.6

Table 2: Total Agricultural Land Sales in Wisconsin, 2011-2015 for Lands with and without Improvements									
Year	Agricultural land continuing in agricultural use			Agricultural land diverted to other uses			Total of all agricultural land		
	Number of Transactions	Acres Sold	Dollars per acre	Number of Transactions	Acres Sold	Dollars per acre	Number of Transactions	Acres Sold	Dollars per acre
2010	1,425	103,619	3,861	128	4,899	5,909	1,553	108,518	3,953
2011	1,784	129,108	4,288	103	3,764	5,818	1,887	132,872	4,332
2012	2,194	144,971	4,615	88	4,277	7,229	2,282	149,248	4,690
2013	1,817	116,979	4,791	98	4,419	6,638	1,915	121,398	4,859
2014	1,511	97,419	5,407	117	5,846	5,846	1,628	102,136	5,428
2015	1,457	93,611	5,383	115	4,334	4,050	1,572	97,945	5,457
2016	1,463	98,017	5,483	98	3,227	7,085	1,531	101,244	5,534

Non-Irrigated Cropland Rent Per Acre Averages by County in 2016

State average: \$131.00 per rented acre



* County estimate not published

Figure 1: Non-irrigated Cropland Cash Rent Source:

https://www.nass.usda.gov/Statistics_by_State/Wisconsin/Publications/County_Estimates/WI_County_Cash_Rent_09_2016.pdf

In 2016, the average price per acre of farmland sold that would continue in agricultural use rose 1.7 percent from 2015 values. Overall prices, including land diverted to other uses, increased by about 1.4 percent (Table 2, page 5).

Much of the agricultural land in Wisconsin continues to be rented. The state average rent for non-irrigated cropland rose to \$131 per acre in 2016, though the range across the state varied quite a bit. While cropland in Portage County rented for \$52 per acre, land in Lafayette County went for \$227 per acre. Figure 1 (left) displays the breakdown of cash rents by county.



Farmland Preservation Planning

A county farmland preservation plan serves as an overview of agriculture-related activities at the county level. The plan identifies the status of agriculture in that county, anticipates future trends, sets the tone for policies related to agricultural development, and identifies areas a county expects will remain in agricultural use for the foreseeable future. Planning for farmland preservation is the first step in making land eligible for participation in other parts of the farmland preservation program such as farmland preservation zoning, agricultural enterprise area designation and farmland preservation agreements. In the 2015-2017 biennium, counties across the state continued to update their farmland preservation plans so that interested landowners and local governments could take advantage of other program components.

Plan Development

The farmland preservation planning process allows counties the opportunity to take stock of the role that agriculture plays in their local economy. Several of the counties that worked on updating their farmland preservation plans during the 2015-2017 biennium are not traditionally considered agricultural counties. In such a county, updating the farmland preservation plan provides the opportunity to consider the existing agricultural land uses, the role agriculture plays in the local economy and how to plan for agriculture into the future.

Despite the potential benefits of planning for farmland preservation, the decision to develop and certify a farmland preservation plan remains a local decision. During the 2015-2017 biennium, Menominee, Milwaukee and Washburn Counties decided not to update their farmland preservation plans. As a result, landowners in these counties cannot petition for an agricultural enterprise area and local zoning authorities may not request to certify a farmland preservation ordinance unless the counties choose to update their plans at a later date.

As a county considers how to develop a farmland preservation plan, it must identify local areas important for the future of agriculture. The criteria used to identify these areas must be based on objective criteria. A plan area must not include lands planned for development within the next 15 years and may not be based on landowner preference. Because productive agriculture may not be compatible with nonagricultural land uses, planning based on subjective criteria can lead to land use conflicts and farmland preservation plan maps that contain islands of farmland. Planning based on objective criteria is intended to protect large contiguous blocks of farmland. The most commonly applied factors for including lands within a farmland preservation plan area during the 2015-2017 biennium were prime agricultural soils; identified on existing land use maps as agricultural, conservancy, or forest; existing zoning; and lands in historical agricultural use. The most commonly applied factors for excluding lands from a farmland preservation plan area during the biennium included lands within city or village boundaries, lands currently zoned for incompatible uses and tax exempt lands.

Number and Location

Counties update their farmland preservation plans according to a schedule established by law. The schedule was based on population increases, by county, between 2000 and 2007. Those counties that had experienced the greatest population growth had plans that expired first. Those counties that are now updating their plans have historically experienced lower population pressures.

Between 2015 and 2017, the department certified 20 plans, bringing the number of plans updated since 2009 to 58 (**Map 3**, page 9). During this biennium, planning certifications were mostly concentrated in the northeast and western areas of the state. Brown County, which had previously certified its farmland preservation plan following the 2009 update of Chapter 91, re-certified its plan in 2017, becoming the first county to re-certify a plan since 2009.

Counties have the option to request an extension of the plan expiration date for one or two years to coordinate the farmland preservation planning process with other planning or zoning efforts. This has caused the total number of plan certification expirations to fluctuate from year to year. Seventeen of the plans approved during the 2015-2017 biennium had requested and received a one or two year extension of their original county farmland preservation plan expiration as scheduled in statute (**Table 3**, page 11).

According to the Population Estimates Program of the U.S. Bureau of the Census, 10 of the counties that updated their farmland preservation plans in the 2015-2017 biennium increased in population in the four years leading up to this report (Brown, Chippewa, Dunn, Florence, Iowa, Jackson, Lafayette, Portage, Trempealeau and Vernon). However, the other 10 counties that updated their farmland preservation plans during the biennium (Adams, Ashland, Barron, Burnett, Forest, Kewaunee, Lincoln, Marquette, Pepin and Richland)

recorded population decreases during the same period¹.

While the counties that updated their farmland preservation plans during the 2015-2017 biennium faced varying rates of population pressure, all were located within regions that experienced an overall loss in farmland acres. Eighteen of the farmland plans that were updated during the past two years reported more than 200 acres sold and diverted to nonagricultural use. Ten other counties reported more than 500 acres in 2015 converted (**Map 4**, page 10).

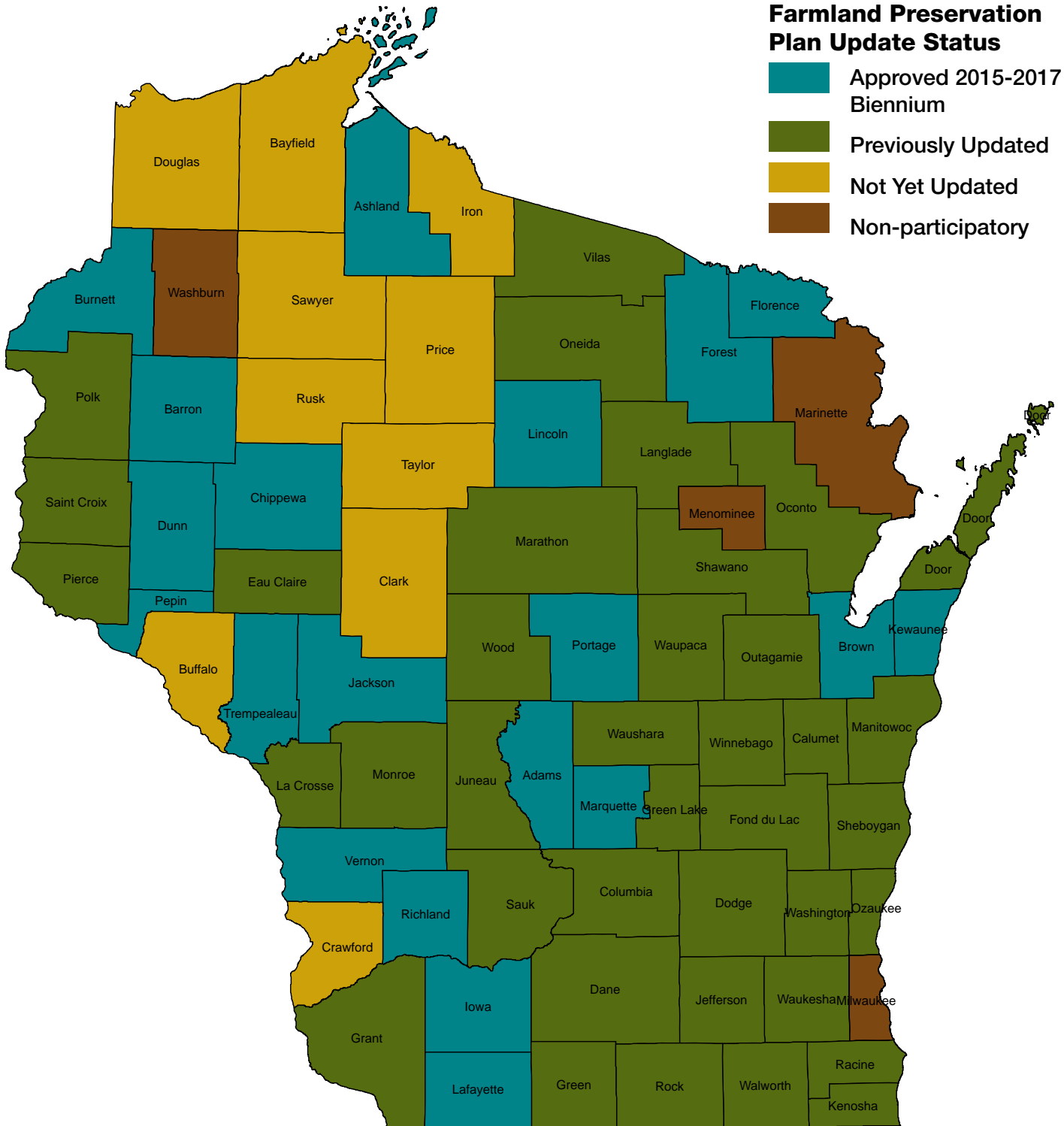
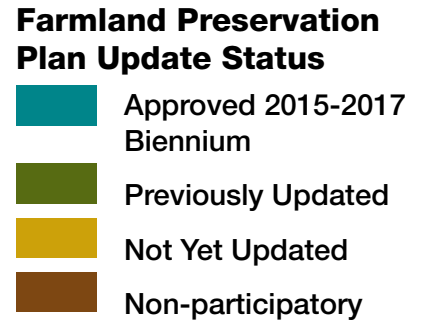
Beyond non-farm residences, certain areas of the state faced pressure from frac sand mining operations. In the west central and northwest regions, there were several reports of land diverted for mining, which led to an increase in the price per acre of farmland.

All counties scheduled to update their plans in the next biennium are located in regions of the state that reported more than 200 acres of converted agricultural land. Moving forward, the pressure of farmland conversion emphasizes the importance of planning to help minimize the impact of lands lost to nonagricultural uses.

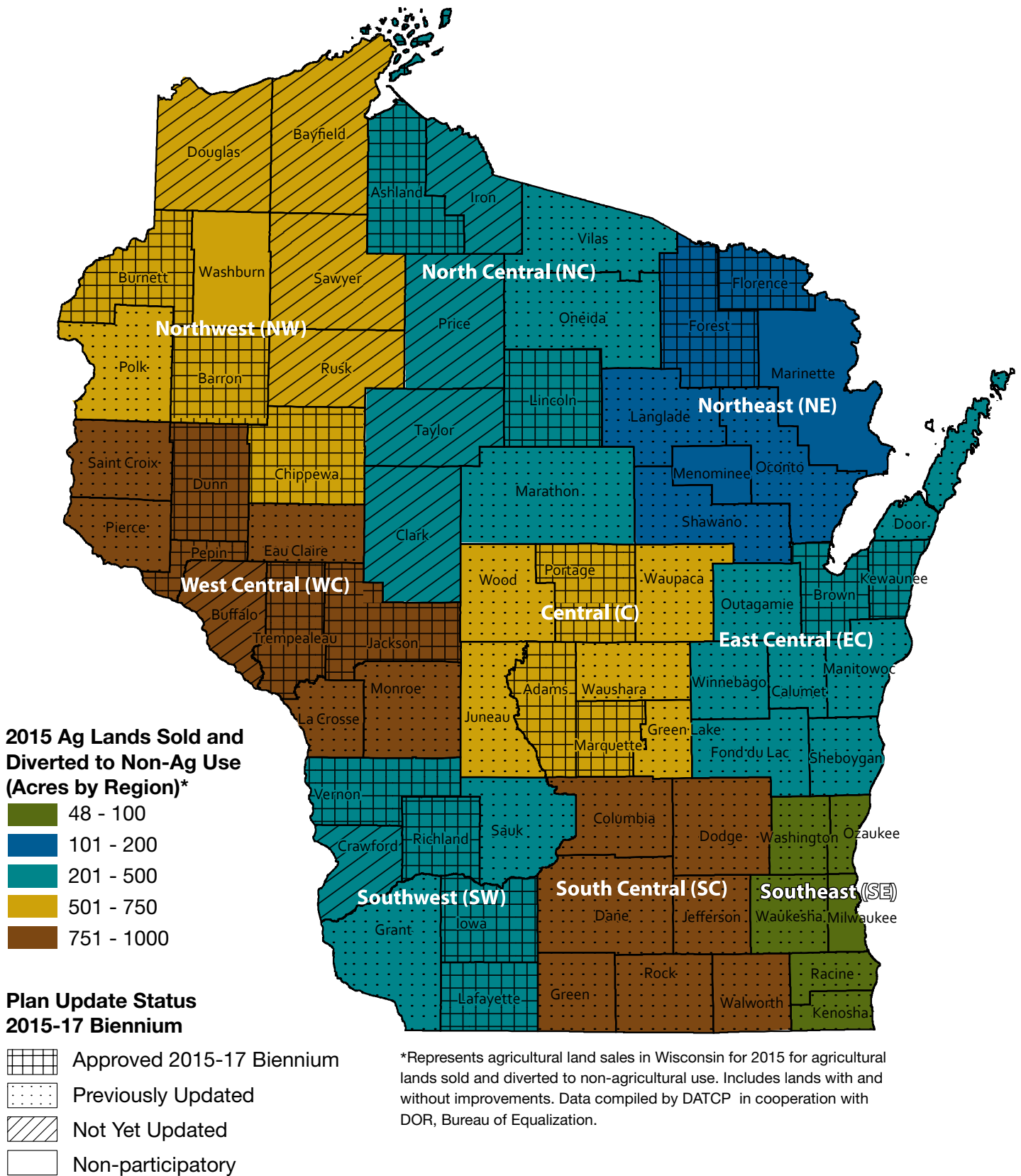
¹ <https://www.indexmundi.com/facts/united-states/quick-facts/wisconsin/population-growth#map>



Map 3: Farmland Preservation Plan Updates 2015-2017 Biennium



Map 4: Agricultural Lands Sold and Diverted to Non-Ag Use



**Table 3:
County Farmland Preservation Plan Expirations**

County Name	Initial Expiration	Expiration with Applicable Extension(s)	Number of Years Requested for Extension	Updated Expiration (Following Recertification)
Adams	2014	2016	2	2027
Ashland	2015	2016	1	2026
Barron	2013	2015	2	2025
Brown*	2017	2017	0	2027
Burnett	2014	2016	2	2026
Chippewa	2012	2014	2	2025
Dunn	2012	2014	2	2026
Florence	2015	2016	1	2026
Forest	2015	2015	0	2025
Iowa	2013	2015	2	2025
Jackson	2014	2016	2	2026
Kewaunee	2017	2017	0	2026
Lafayette	2015	2017	2	2027
Lincoln	2014	2016	2	2027
Marquette	2014	2015	1	2025
Pepin	2013	2015	2	2026
Portage	2013	2015	2	2026
Richland	2015	2017	2	2026
Trempealeau	2014	2016	2	2026
Vernon	2013	2015	2	2025

**Brown County's Farmland Preservation Plan initially expired in 2011. The county requested an extension to 2012 when the plan was first certified for 5 years to expire in 2017.*



Farmland Preservation Zoning

Farmland preservation zoning is a tool available to local governments to help protect productive agriculture. A farmland preservation district provides a place for agricultural and compatible uses. It also prevents neighboring land use conflicts by requiring incompatible uses to be located in a different district. Farmers who are located within the farmland preservation zoning district may be eligible to claim the farmland preservation tax credit. The farmland preservation zoning district must follow the farmland preservation plan area, though not all of the plan area must be included in the zoning district.

Not all cities, towns, villages, and counties in Wisconsin have a certified farmland preservation zoning ordinance. Those that do, however, must re-certify their ordinances according to a set schedule. Some jurisdictions have opted to adopt a farmland preservation zoning ordinance for the first time. Most, however, had a farmland preservation zoning ordinance that needed to be updated to meet statutory standards. See **Map 5** (page 15) for all certified farmland preservation ordinances statewide.

Most of the ordinances certified in 2015 and 2016 were updates to existing ordinances (**Table 4**, pages 13, 14). By the end of 2017, all ordinances that had been certified before 2009 will have been updated to meet the current statutory standards.

Farmland preservation zoning has also experienced a surge of interest in the past

two years. Many local governments that had never previously participated in the program are exploring whether farmland preservation zoning might work in their communities. Since July 2015, staff have completed 20 preliminary reviews of ordinances for jurisdictions that have never had certified ordinances. Staff have also contacted many towns with zoning districts that are close to meeting chapter 91 standards.

This outreach has led to an increase in towns covered by farmland preservation zoning. During this biennium, 24 new towns have been added to the program. Three of those towns had previously dropped out of the program, but renewed interest from landowners encouraged the towns to submit their ordinances for certification. Many of the added towns were incorporated into existing county ordinances through a county zoning map amendment. Thirteen out of the twenty-four towns, however, administer their own zoning ordinances.

Map 6 (page 16) shows the areas where farmland preservation ordinances were gained and lost over the past four years.

Interest in farmland preservation zoning should continue into the next biennium. Staff will continue to focus their efforts on encouraging new jurisdictions to adopt farmland preservation zoning where appropriate.



Table 4:
Certified Farmland Preservation Zoning Ordinances 2015-2017

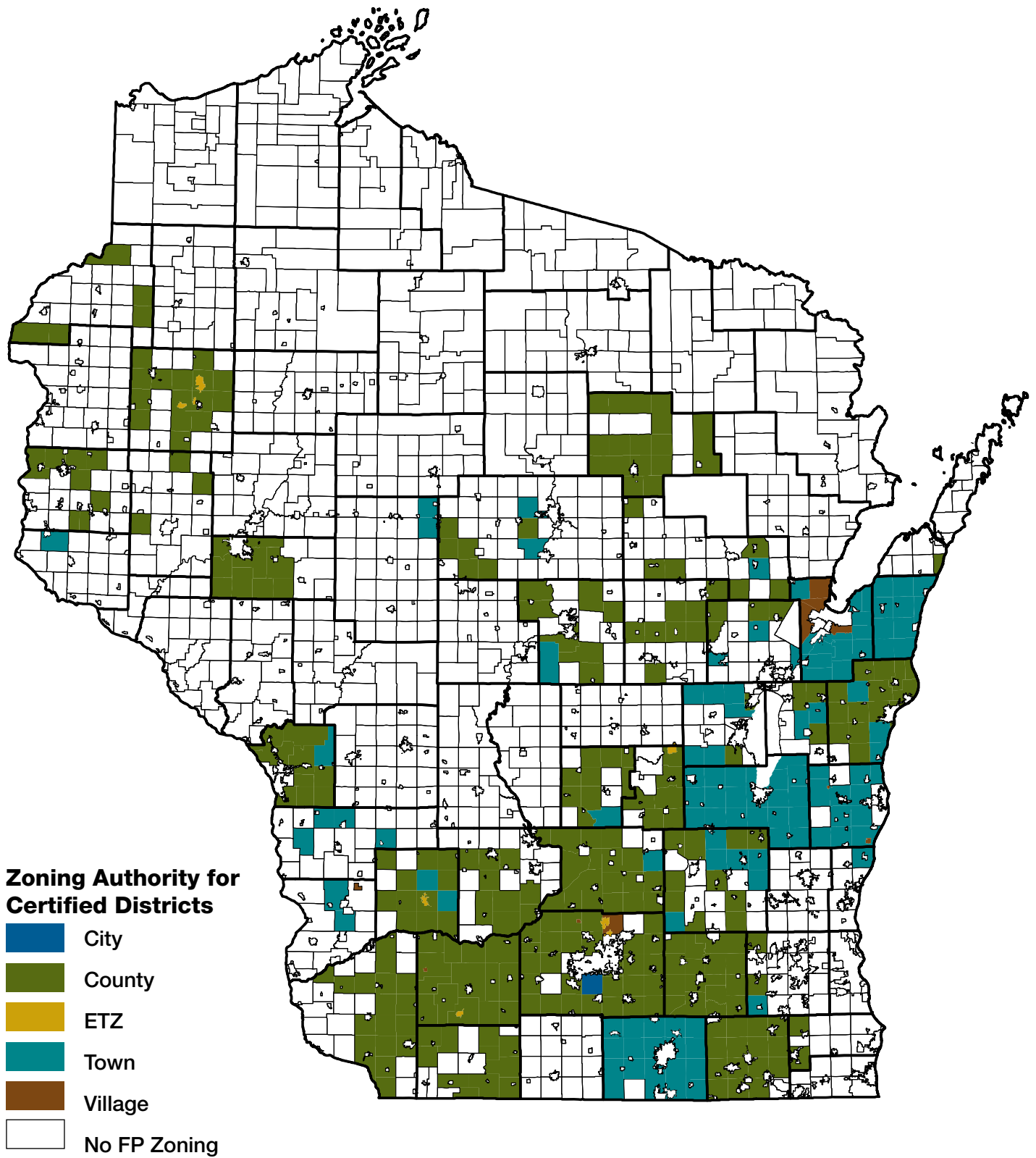
County	Jurisdiction	Zoning Authority	Certification Type
Barron	Barron County	County	Full
Brown	Town of Green Bay	Town	Full
Brown	Town of Lawrence	Town	Full
Brown	Town of Morrison	Town	Full
Brown	Town of New Denmark	Town	Full
Dane	Dane/Vienna	ETZ	Full
Dane	Village of Windsor	Village	Full
Dodge	Dodge County	County	Map Amendment
Dodge	Dodge County	County	Map Amendment
Dodge	Dodge County	County	Map Amendment
Door	Door County	County	Full
Dunn	Dunn County	County	Full
Eau Claire	Eau Claire County	County	Full
Iowa	Iowa County	County	Full
Kewaunee	Town of Montpelier	Town	Full
Racine	Racine County	County	Full
Rock	Town of Beloit	Town	Full
Rock	Town of Bradford	Town	Full
Rock	Town of Center	Town	Full
Rock	Town of Johnstown	Town	Full
Rock	Town of Milton	Town	Full
Rock	Town of Turtle	Town	Full

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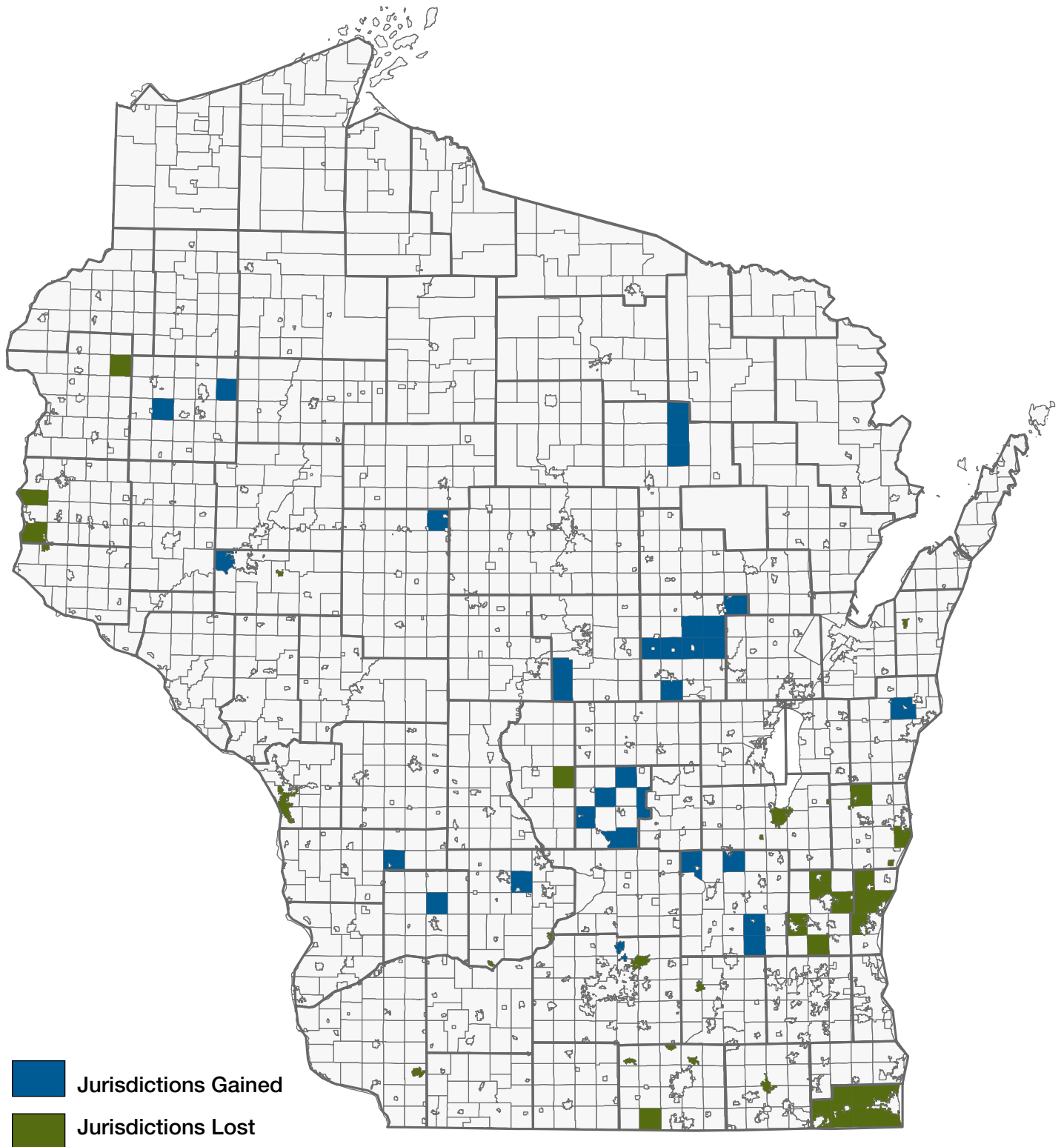
Table 4: CONTINUED
 Certified Farmland Preservation Zoning Ordinances 2015-2017

County	Jurisdiction	Zoning Authority	Certification Type
Pierce	Town of River Falls	Town	Full
Portage	Town of Grant	Town	Full
Langlade	Langlade County	County	Full
Manitowoc	Manitowoc County	County	Full
Manitowoc	Town of Newton	Town	Full
Manitowoc	Town of Centerville	Town	Full
Marathon	Town of Mosinee	Town	Full
Marathon	Town of Stettin	Town	Full
Marquette	Marquette County	County	Full
Marquette	Town of Buffalo	Town	Full
St. Croix	St. Croix County	County	Map Amendment
Sheboygan	Town of Herman	Town	Full
Sheboygan	Town of Holland	Town	Full
Sheboygan	Town of Lima	Town	Full
Sheboygan	Town of Mosel	Town	Full
Sheboygan	Town of Plymouth	Town	Full
Sheboygan	Town of Russell	Town	Full
Sheboygan	Town of Scott	Town	Full
Vernon	Town of Stark	Town	Full
Waukesha	Waukesha County	County	Full
Waukesha	Town of Eagle	Town	Full
Waupaca	Waupaca County	County	Map Amendment
Winnebago	Winnebago County	County	Full
Winnebago	Town of Utica	Town	Full
Winnebago	Town of Vinland	Town	Map Amendment
Winnebago	Wolf River	Town	Full

Map 5: Certified Farmland Preservation Ordinances



Map 6: Changes in Farmland Preservation Zoning Since 2012





Rezoning

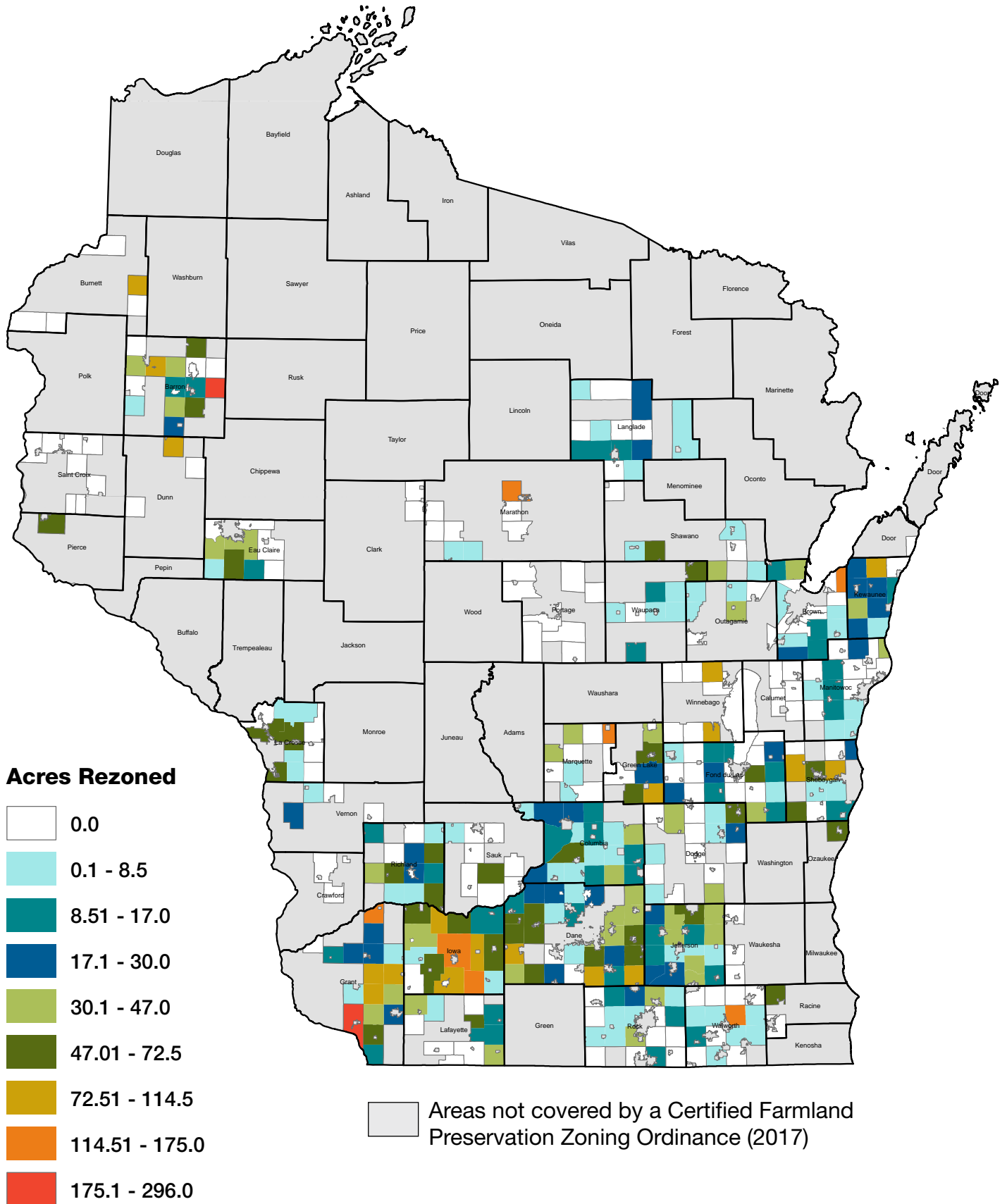
Every year, local governments with a certified farmland preservation zoning district must report the number of rezones and the acres of land rezoned out of a certified farmland preservation zoning district during the preceding year. In 2015, there were 4,669 acres rezoned out of certified farmland preservation zoning districts. In 2016, 4,460 acres were rezoned despite having an additional 5 jurisdictions with a certified ordinance. In 2016, 79 jurisdictions, including eight counties, reported zero acres rezoned out of a farmland preservation district. This was down from 2015 where 94 jurisdictions reported no acres rezoned.

Over the past biennium, the location of the rezones were largely concentrated in just a handful of jurisdictions. In 2015, only eight jurisdictions, all counties, reported more than 100 acres rezoned. These eight counties contained 67% of the rezoned acreage for that year with four of those counties reporting more than 500 acres rezoned. In 2016 that number

jumped to 16 jurisdictions with over 100 acres rezoned, including three towns. However, the rezones were more widely distributed across the state and only Dane County reported more than 500 acres rezoned. Those 16 jurisdictions made up 75% of the total acres rezoned for 2016. See **Map 7** (page 18) for an illustration of acres reported as rezoned from each city, town or village with certified zoning during the biennium. Zoning jurisdiction boundaries are not displayed. For the biennium, the greatest amount of acres rezoned from certified districts occurred in the southwest and south central regions of the state. It is important to note that many cities, towns and villages have not reported any rezones over the course of the biennium. Many of these are located in areas that are adjacent to significant residential and urban areas.

Map 7: Rezones Out of Farmland Preservation Zoning 2015-2017

*Displays rezone acres reported in 2016-2017 for parcel rezoned from certified districts 2015-2016



Agricultural Enterprise Areas

Wisconsin's Agricultural Enterprise Areas (AEAs) cover over 1.1 million acres. With 34 locations in 25 counties, these AEAs represent the diverse agricultural landscape Wisconsin has to offer. Current AEAs range in size, location, and predominant agricultural use.

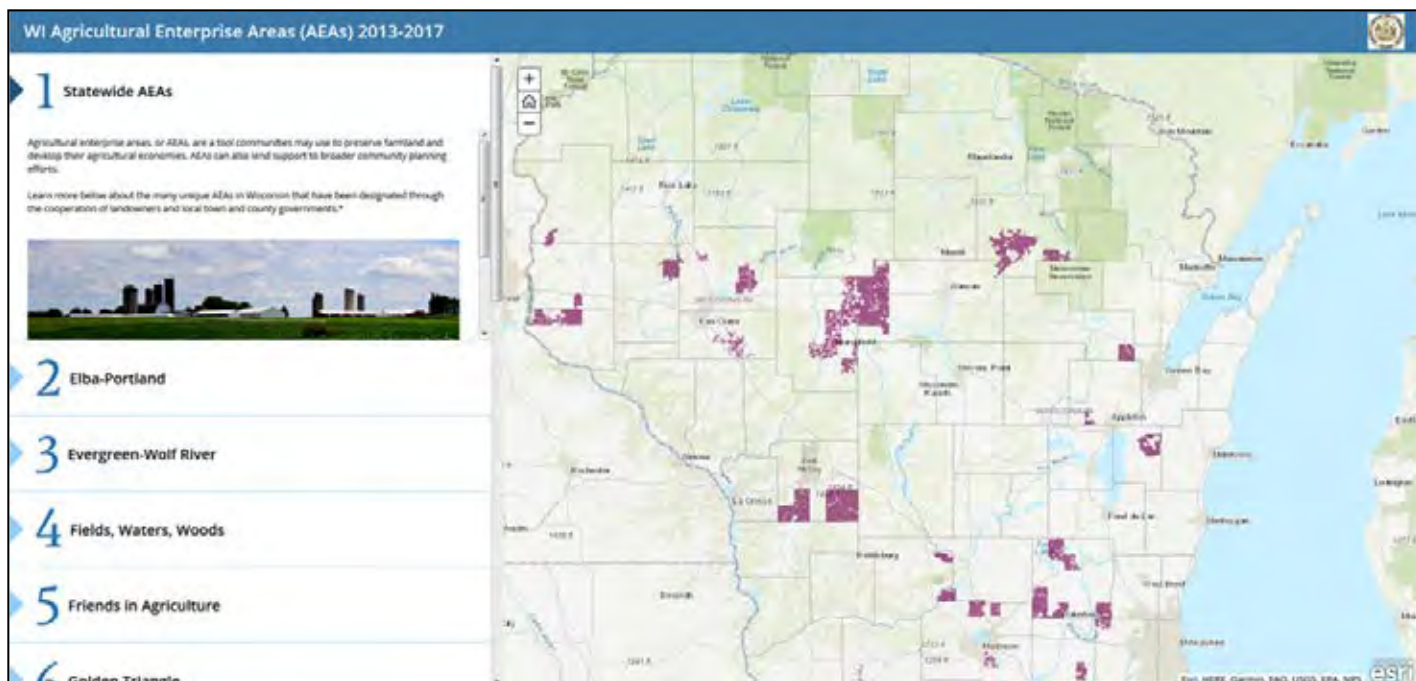
AEAs are community-led efforts where neighbors cooperatively determine which lands are important to remain in agricultural use. Petitioning for designation brings together local farm owners, county and town officials and staff, and the supporting agricultural business community. Participants are able to discuss their goals and demonstrate the value that agriculture brings to their region.

Each year Wisconsin's AEA program continues to grow (**Table 5**), with new areas requesting designation and existing areas requesting expansion to include additional landowners.

During the biennium, dairy farmers, grain producers, and potato and vegetable growers, among others, petitioned for new AEAs, reflecting Wisconsin's diverse farming community. As newly formed AEAs, their goals include supporting the next generation of farmers through preservation of productive agricultural land and sound conservation practices, promoting and supporting the local food movement, and retaining existing agricultural businesses while supporting new investments.

Landowners within an AEA who meet other eligibility requirements may sign a farmland preservation agreement, ensuring their land stays in agricultural use for the next 15 years. Read more about Farmland Preservation Agreements in the next section.

Table 5: Agricultural Enterprise Areas – Biennium Update				
Year	Name	New or Modified	Location (County)	Size (Acres)
2015	Golden Triangle	New	Eau Claire	21,394
	Greenville Greenbelt	Modified	Outagamie	6,178
	Scenic Ridge and Valley	New	Monroe	62,494
2016	Cadott Area Cooperative	Modified	Chippewa	34,141
	Evergreen Wolf River	New	Langlade	19,842
	North-West Pierce County	New	Pierce	51,069
2017	Farming Forward	New	Waupaca	19,262
Total	7	-	-	214,541



ArcGIS Story Maps illustrating the different AEAs across the state can be accessed at farmlandpreservation.gov and then by clicking on the AEA program page.

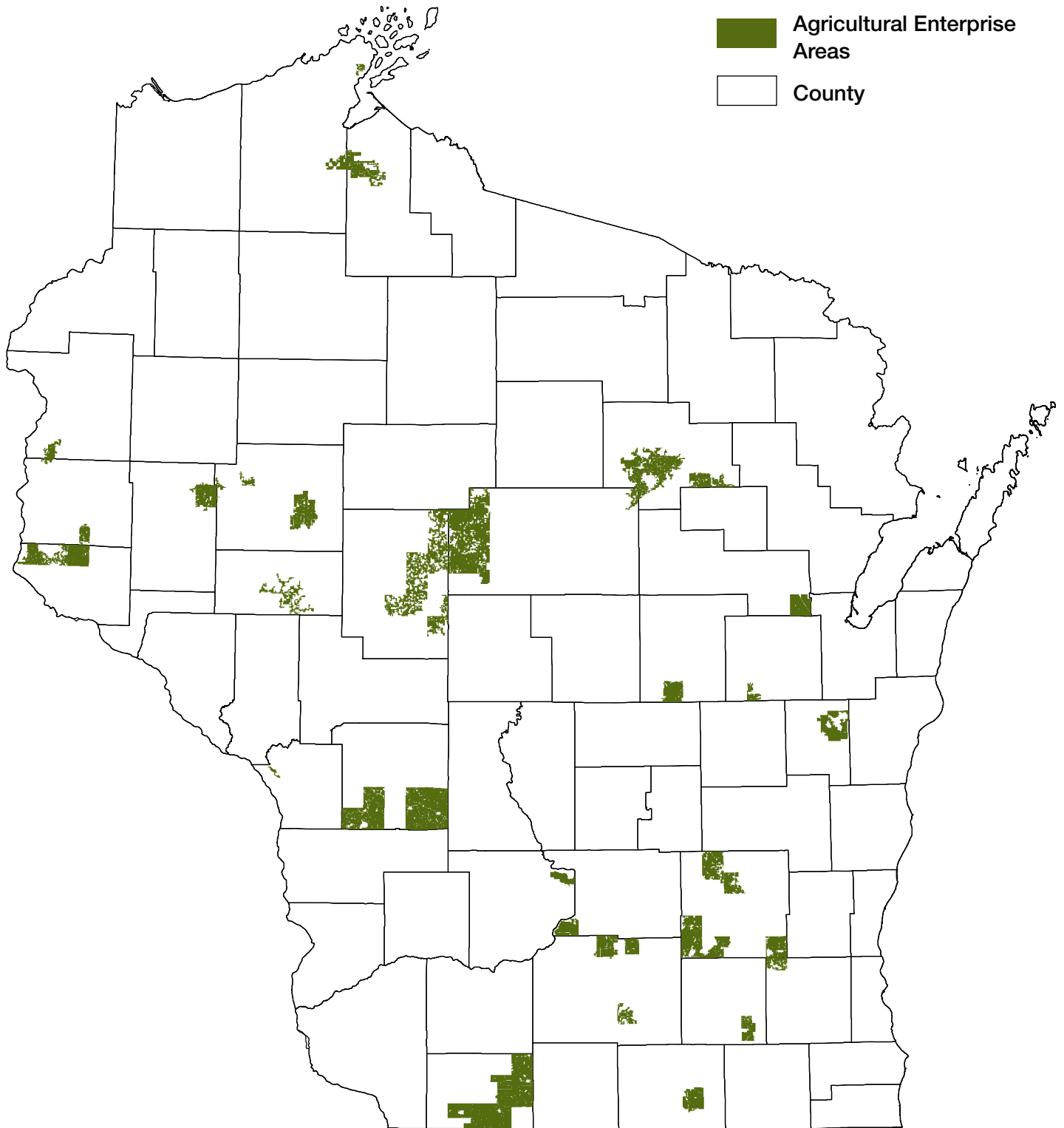
Outreach

Over the past two years, program staff have held informational meetings and workshops on AEAs across the state throughout the year. Landowners who are interested in the petition process and in the value that the designation might bring to their communities frequently ask for more detailed presentations. Though the number of petitions for designations has decreased in the past biennium, staff continue to look for ways to add value to established AEAs, support goals identified by the areas, and increase the public's understanding of the program. Staff have also utilized ArcGIS storymaps to showcase different AEAs around the state.

RCPP

During this biennium, staff submitted a successful proposal for a United States Department of Agriculture (USDA) / Natural Resources Conservation Service (NRCS) Regional Conservation Partnership Program (RCPP) project within the two AEAs in Lafayette County. Over the next five years, the Lafayette County AEA Water Quality Improvement Project aims to utilize a designated pot of Environmental Quality Incentive Program (EQIP) funding to increase the adoptions of conservation practices and ultimately improve the water quality and soil health of the area. The project brings together 13 partner organizations to assist farmers regarding their conservation options and encourage the adoption of certain practices such as cover crops and nutrient management planning. Staff will continue to look for other creative ways to enhance existing AEAs over the next biennium.

Map 8: Statewide Map of AEAs



Farmland Preservation Agreements

Landowners whose land is located within a designated agricultural enterprise area can choose to enter into a 15-year farmland preservation agreement with the department. By clustering agreements within AEAs, farmland is protected in blocks. These blocks can create areas where farmland is less vulnerable to conversion out of agricultural use and less susceptible to conflict with neighboring incompatible uses.

When land is covered by an agreement, it can be used only for agricultural, accessory, and/or open space use. The landowner must also comply with state soil and water conservation standards. In exchange, landowners can claim the farmland preservation tax credit of \$5 per acre, or \$10 per acre if the land is also in an area zoned for farmland preservation.

Since July 1, 2009, the department has signed 648 farmland preservation agreements covering 140,653 acres of land. This encompasses 12.6% of the total land located within a designated AEA. To increase landowner interest and awareness of farmland preservation agreements, staff have undertaken an effort to contact landowners directly about the possibility of signing an agreement. In cooperation with

the land conservation departments of Dunn, Monroe, Clark, La Crosse, Rock, Marathon, Jefferson, Dodge, and Langlade Counties, staff have sent postcards to landowners within 16 different AEAs. Staff have received overwhelmingly positive feedback from these counties and will continue to work with those who are interested in direct landowner outreach.

Map 9 (page 23) shows the concentration of acres under Farmland Preservation Agreements signed after July 1, 2009. It shows the number of acres per township and range, and is clipped so that only areas within designated AEAs are shown. The color blue signifies areas within AEAs that do not have acres under an agreement. The map depicts acres under effective agreements as of July 17, 2017.

Pre-2009 Agreements

Prior to the creation of the AEA program in July 2009, landowners were eligible to sign a farmland preservation agreement in many areas throughout the state. A number of these agreements are still in effect. If the land is not located within a designated AEA, then the landowner may not sign a new agreement when the old agreement expires. Therefore, each

Table 6: Current Agreements as of July 1, 2017		
	Number	Acres
Pre-2009 Agreements	727	121,148.29
Post-2009 Agreements	648	140,653.02
Total Agreements	1,375	261,801.31

Table 7: Expiring Pre-2009 Agreements and Their Location to AEAs		
Expiration Year	Agreements Expiring from Program (Not Located in an AEA)	Availability to Re-enroll (In an AEA)
2017	132	7
2018	136	16
2019	120	12
2020	41	3



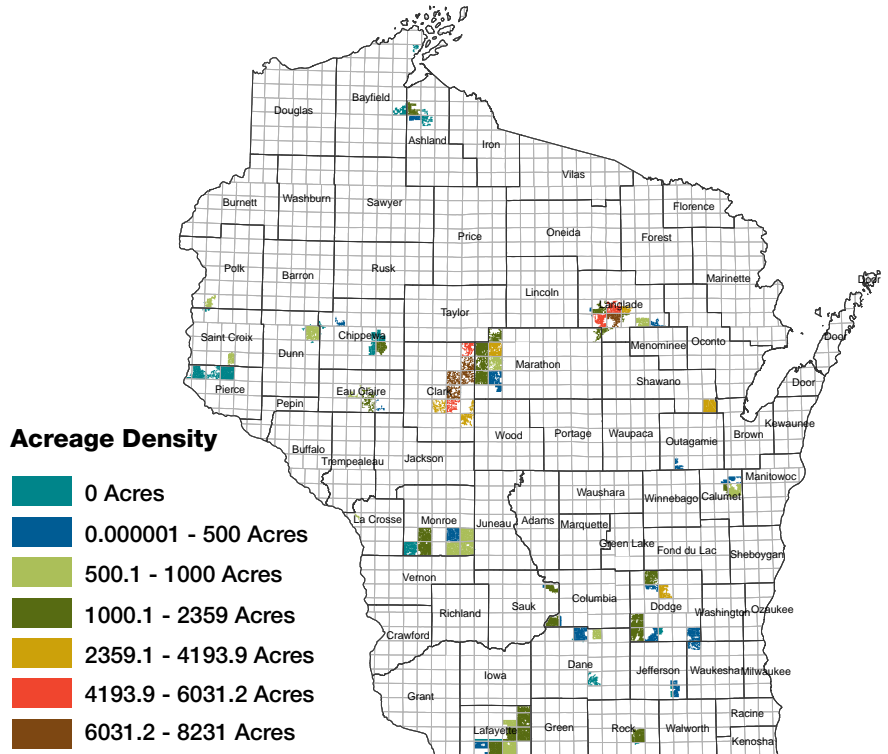
year the number of pre-2009 agreements decreases (See **Table 7**).

During 2017, a total of 738 agreements signed prior to July 1, 2009 remained in effect. Of these, 57 agreements are located within an AEA and therefore may be eligible to sign a new agreement when the old agreement expires.

Map 10 shows the number of pre-2009 farmland preservation agreements by township and range. The highest concentration of the old agreements is in Buffalo, Trempealeau, Richland, Columbia, and Green Counties. It's worth noting that these areas of historically high sign-up rates do not always align with currently designated AEAs. The map depicts effective pre-2009 agreements as of January 1, 2017.

As old agreements expire, the number of landowners within AEAs who sign new agreements has not kept pace with the number of expirations. **Figure 2** (page 24) shows that expirations of pre-2009 agreements have outnumbered the signing of new agreements.

Map 9: Acres Under Farmland Preservation Agreements Within AEAs



Map 10: Farmland Preservation Agreements Signed Before July 1, 2009

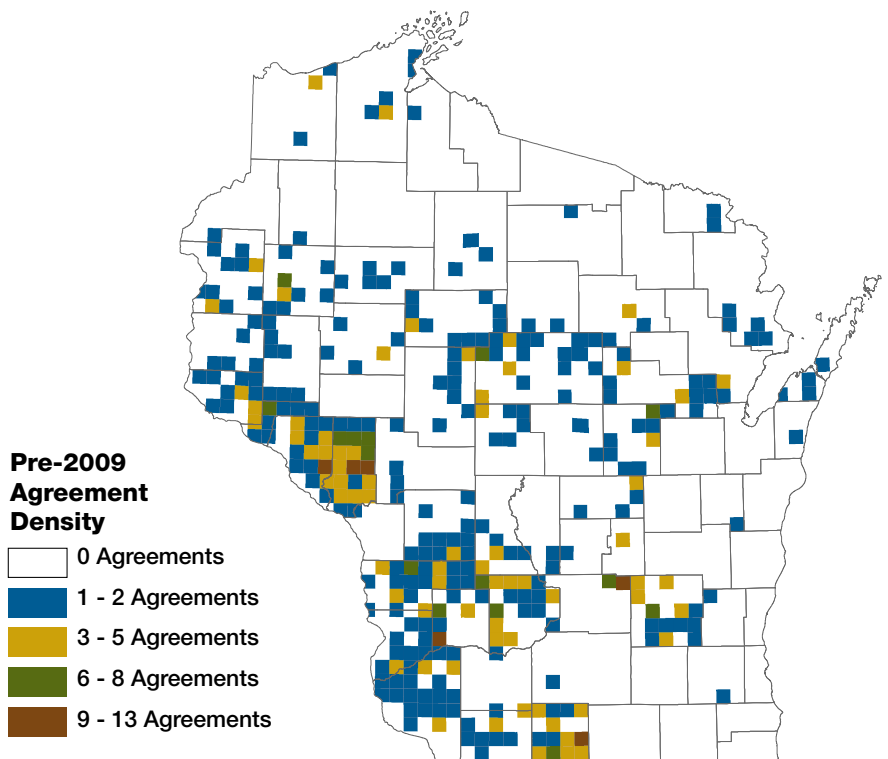


Table 8: Agreement Expirations and New Agreements				
Expiration Year	Agreement Expirations		New Agreements	
	Number	Acres	Number	Acres
2015	239	23,676.59	119	26,330.15
2016	180	23,058.06	66	14,686.59
2017	226	28,548.94	18*	2,465.55*
2018	236	34,493.67	-	-
2019	190	31,672.14	-	-

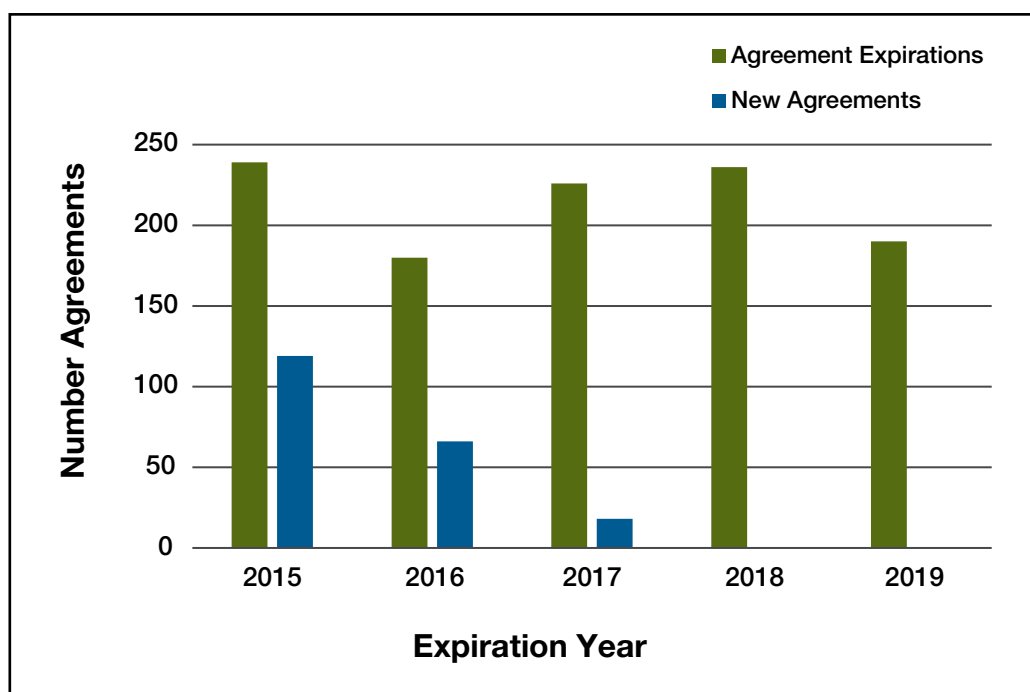


Figure 2: 2017 New agreements through July 1, 2017

Agreement Modifications

Landowners with agreements signed prior to July 1, 2009, may modify their farmland preservation agreements to comply with current statutory standards. Often these modified agreements allow the landowner to claim a higher tax credit than the landowner could claim under the previous agreement. As of July 1, 2017, landowners have modified 82 agreements associated with 20,391 acres. This encompasses approximately 11% of all effective

pre-2009 agreements. Once an agreement is modified, the land is subject to the soil and water conservation requirements in effect on the date of the modification. Modifying an agreement does not extend the expiration date. As with unmodified agreements, a modified agreement will not have an option to renew if it is not located within an AEA.



Tax Credits

To claim a farmland preservation tax credit, landowners must meet the following eligibility requirements:

- They must own land that is located in a certified farmland preservation zoning ordinance and/or covered by a farmland preservation agreement signed with the state.
- They must be Wisconsin residents.
- Their land must produce at least \$6,000 gross farm revenue during the preceding tax year or \$18,000 for the previous three tax years.
- Their land must be in compliance with state soil and water conservation standards. (See Conservation Compliance section for compliance requirements).

Many farmers still claim the farmland preservation tax credit using Schedule FC, indicating that they have a farmland preservation agreement signed before 2009. Because hundreds of these agreements expire each year and no new claims can be made using Schedule FC, the number of claims made using Schedule FC decreases each year. For tax year 2015, there were 1,630 claims on 291,772 acres and in tax year 2016 there were 1,185 claims on 207,986 acres.

Most participants in the program who claim the credit use Schedule FC-A, indicating that their land is located in a farmland preservation zoning district, is covered by a new (post-2009) farmland preservation agreement with the state, or both. Landowners whose land is covered

by a farmland preservation agreement may claim \$5 per acre and landowners whose land is located in a certified farmland preservation zoning district may claim \$7.50 per acre. Those landowners with land located in both a certified district and covered by an agreement may claim \$10 per acre.

In tax year 2015, nearly 12,000 claims on 2.2 million acres were filed using Schedule FC-A. In tax year 2016, the number of claims dropped to under 11,000 claims on 2.1 million acres. 2015 claims totaled approximately \$17 million, whereas 2016 claims totaled just under \$16 million. In total there were over 13,000 claims on 2.5 million acres in tax year 2015 and over 11,000 claims on 2.2 million acres in tax year 2016.

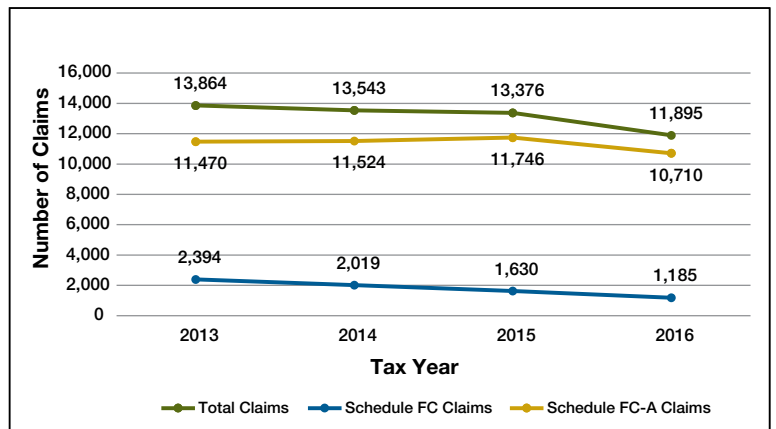


Figure 3: FPP Acres Claimed

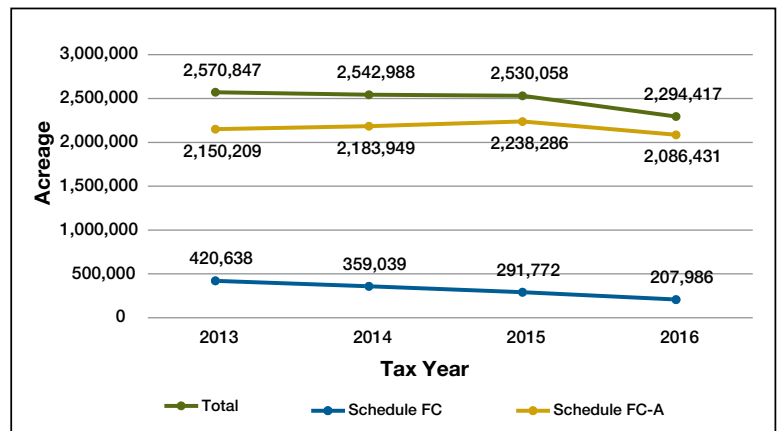


Figure 4: FPP Tax Claims



Changes to claiming the Farmland Preservation Tax Credit

Before 2016, when claiming the farmland preservation tax credit under Schedule FC-A, landowners were required to check a box indicating that they were in compliance with state conservation standards; however, landowners were not required to offer actual proof of compliance. Further complicating matters, county land conservation department staff who were charged with monitoring participants for compliance did not know who was actually participating. As a result, there may have been landowners claiming the farmland preservation tax credit who were not eligible to claim.

To address the possibility of erroneous claims, DATCP, DOR, and county land conservation

staff began implementing a process in 2016 to ensure that landowners who claimed the farmland preservation tax credit were meeting the conservation standards. County land conservation staff issued certificates of compliance with a unique seven-digit number to each landowner who was found to be in compliance with state conservation standards. Landowners were then required to indicate their seven-digit number on Schedule FC-A if they wished to claim the tax credit.

It was likely due to this new process that total claims for tax year 2016 dipped below 2013 levels; however, the new process of issuing certificate of compliance numbers ensures that only landowners who meet the state soil and water conservation standards are able to claim the farmland preservation credit.



Conservation Compliance

In order to claim the farmland preservation program tax credit, landowners must demonstrate compliance with state soil and water conservation standards. These standards help protect the state's water resources, reducing soil erosion and encouraging the effective management of manure and other nutrients that can impair water quality. The standards that the landowner must meet include the following:

- Ensure that cropping and pasturing on fields does not exceed the tolerable soil loss ("T")
- Develop and implement a nutrient management plan according to NRCS 590 standards
- Use the phosphorus index (PI) standards to ensure that the nutrient management plan adequately controls phosphorus runoff
- Avoid tilling within 5 feet of the edge of the bank of surface waters
- Ensure that manure storage facilities are built to code, have no visible signs of leakage or failure, and are maintained to prevent the overflow of manure
- Ensure that unused storage facilities are closed in a way that meets state standards
- Avoid stacking manure in unconfined piles within 300 feet of streams or 1,000 feet of a lake
- Divert clean water runoff away from all feedlots, manure storage areas, and barnyards within 300 feet of a stream or 1,000 feet of a lake
- Limit access to or otherwise manage livestock along lakes, streams, and wetlands to maintain vegetative cover and prevent erosion
- Prevent significant discharge of a feedlot or stored manure from flowing into lakes, streams, wetlands, or groundwater

- Prevent significant discharge of process wastewater from milk house, feed storage, or other areas into lakes, streams, wetlands, or groundwater.

County land conservation departments determine whether a landowner is complying with these standards. If the landowner is in compliance, the county will issue a certificate of compliance. The certificate signifies that the landowner is meeting the conservation standards and, if otherwise eligible, may claim the farmland preservation tax credit. In 2016, counties issued nearly 13,000 certificates of compliance covering over 2.4 million acres of farmland.

County land conservation departments must inspect each farm every four years to ensure continued compliance with the performance standards. Some counties also require claimants to certify that they are meeting these standards every year. When a county determines that a landowner is not complying with the required standards, the county will issue a notice of noncompliance to the landowner. A copy of this notice is sent to the department of revenue, preventing the landowner from claiming the credit until the notice is cancelled. In 2015, 326 notices of noncompliance were issued while 387 were issued in 2016. In 2015, only 19 notices were cancelled and in 2016, 65 were cancelled.

Issuing Certificates of Compliance

County land conservation departments are charged with ensuring that landowners claiming the farmland preservation credit meet the soil and water conservation eligibility requirement. Before 2016, county staff did not know who was participating in the program. Because tax credit information is protected, the list of landowners claiming the credit could not be shared with the counties. Beginning in 2016, however,

counties worked diligently to issue certificates of compliance with a unique seven-digit code to landowners within the county. As tax credit recipients began filing their taxes and realized that they needed to enter a seven-digit code on their tax forms, more individuals contacted the county land conservation departments to receive a number and counties were able to check that more farms were in compliance with state conservation standards.

This new numbering process was a significant undertaking for county staff; however, now that there are lists of compliant landowners, counties will have a record of which lands need to be rechecked every four years. One challenge will be tracking those landowners over time. There is no requirement that landowners notify county land conservation staff when land changes hands. So counties may have challenges tracking ownership and knowing when they need to issue a new certificate of compliance to a new landowner. Hopefully, the need for a seven-digit number will impel newly participating landowners to contact their local county land conservation department and request a certificate.

Meeting Nutrient Management Standards

Nutrient management plans help farmers optimize yields, manage nutrient applications, and protect our soil and water resources. Farmland preservation continues to help encourage nutrient management planning. For 2016, 2.96 million acres of farmland were covered by nutrient management plans. Though farmers often find that having a nutrient management plan makes good business sense, the department has found that farmland preservation participation has encouraged increased nutrient management planning around the state.

The number of certificates issued and the corresponding amount of acreage covered is slightly larger than the number of claims



(10,710) and the claimed acreage (2.1 million) for the same tax year. There are a variety of likely reasons for these discrepancies. One possible explanation for the difference in acreages may be attributed to compliance determinations. When county land conservation staff check for compliance, they look at an entire farm, regardless of whether the owner may claim the credit on the entire farm. For example, if a farm is 400 acres, but only 220 acres are located within a farmland preservation zoning district, all 400 acres must be in compliance even though the landowner can only claim on 220 of those acres.

The discrepancy between number of certificates issued and tax credits claimed may be due to a variety of factors: some landowners may have ownership interests in multiple farms (and thus receive multiple certificates) but only claim on a single tax form; some landowners may meet the compliance requirement but fail to meet other eligibility requirements; some landowners may wish to be determined in compliance but decline to claim the tax credit; and some landowners may simply not have filed their 2016 taxes as of this writing.

Program Costs, Issues, and Recommendations

Costs

Planning Grants

Counties that were working on updating their farmland preservation plans continued to request planning grants during the past two years. These grants support planning efforts and help counties prepare an updated farmland preservation plan. The county may request up to 50% of the costs of preparing a plan, but no more than \$30,000. In rounds four and five of the planning grant allocation, the department awarded \$390,463 to 21 counties.

Counties cumulatively spent nearly \$781,000 on planning for the future of farmland. This number, however, does not include time that counties spent on plan map amendments, developing agricultural enterprise areas, or crafting farmland preservation zoning ordinances. In some instances, counties reported that they could have applied for more funding to continue planning work. In other instances counties found it difficult to provide an eligible match in order to receive planning grant funds. On average, for the counties that certified farmland preservation plans during 2015 and 2016, it had been 31.3 years since they had previously updated their local farmland preservation plans. (See **Table 9**, page 30).

Tax Credits

The farmland preservation tax credit for tax year 2015 totaled \$18 million. In 2016 the amount decreased to \$16 million. The drop in claims may be attributed to increased efforts on the part of DATCP, DOR, and county land conservation staff to prevent ineligible landowners from claiming the credit.



For landowners claiming under Schedule FC-A, the average acreage per claim increased in tax year 2015 and again in 2016. The amount of credits per claim, however, dipped slightly lower in 2015 and then rose in 2016 (See **Figures 5-6**, page 31).

Staff

Currently the program has 4.0 full time equivalent positions working on various parts of the farmland program. There is approximately \$315,000 allocated to these positions annually and the money is drawn from segregated funds.

Issues and Recommendations

Wisconsin loses thousands of acres of farmland each year. While some amount of loss may be inevitable, the farmland preservation program is intended to ensure that there continues to be land available for future generations of farmers. The concern, however, is whether the program

Table 9:
Farmland Preservation Plan Updates and Grants Awarded

County Name	Previous Update	Most Recent Update	Grant Awarded	Years Between Updates
Ashland	1982	2016	\$ 30,000.00	34
Barron	1979	2015	\$ 29,000.00	36
Burnett	1982	2016	\$ 16,447.48	34
Chippewa	1980	2015	\$ 4,286.55	35
Dunn	1979	2016	\$ 12,455.54	37
Eau Claire	1983	2015	\$ 30,000.00	32
Florence	1982	2016	\$ 23,013.00	34
Forest	1983	2015	\$ 9,084.00	32
Green Lake	1984	2015	\$ 30,000.00	31
Iowa	1980	2015	\$ 30,000.00	35
Jackson	1986	2016	\$ 4,299.63	30
Kewaunee	2007	2016	\$ 15,000.00	9
Marquette	1982	2015	\$ 30,000.00	33
Oneida	1983	2015	\$ 8,974.00	32
Pepin	1979	2016	\$ 15,887.88	37
Portage	1985	2016	\$ 13,115.96	31
Richland	1982	2016	\$ 30,000.00	34
Trempealeau	1981	2016	\$ 30,000.00	35
Vernon	1981	2015	\$ 19,610.37	34
Vilas	1983	2015	\$ 5,121.74	32
Wood	2005	2015	\$ 4,167.00	10

is sufficient in stemming the tide of farmland loss. Is the program providing agricultural landowners with realistic alternatives to selling their land for development? Is the program addressing the actual pressures that may be hastening farmland conversion (such as access to affordable farmland and succession to the next generation of farmers)? If participation in the program is declining, are there better ways to promote and protect farmland around the state?

To answer these questions, program staff rely on public feedback; however, much of the data collected is anecdotal and landowner attitudes towards farmland protection have not been adequately captured. Some landowners

and local governments may feel that the tools available are sufficient while others may wish that the state would do more to support local farmland protection efforts. Staff recommend obtaining more concrete data to help shape the future of the program.

Though the number of farmland preservation tax credit claimants has dipped, more and more jurisdictions are adopting farmland preservation zoning. Further, landowners continue to discuss forming agricultural enterprise areas. Thus, the numbers of tax credit claimants alone may not tell full the story. Farmers in some areas may appreciate the protections afforded by a farmland preservation zoning district or feel pride in being a part of an agricultural



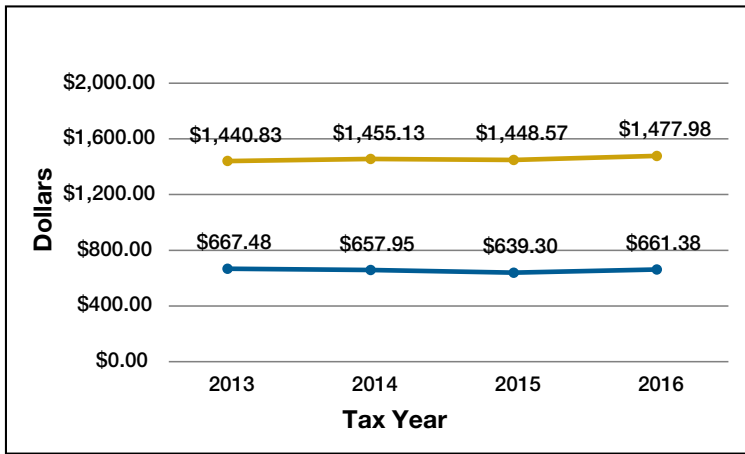


Figure 5: Average dollar amount per claim

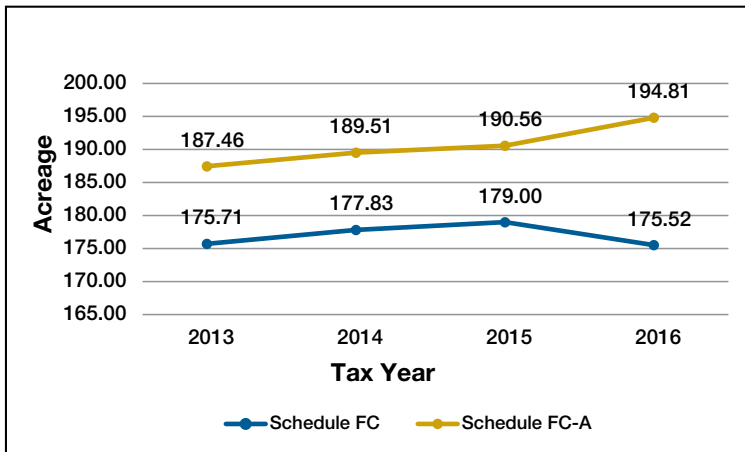
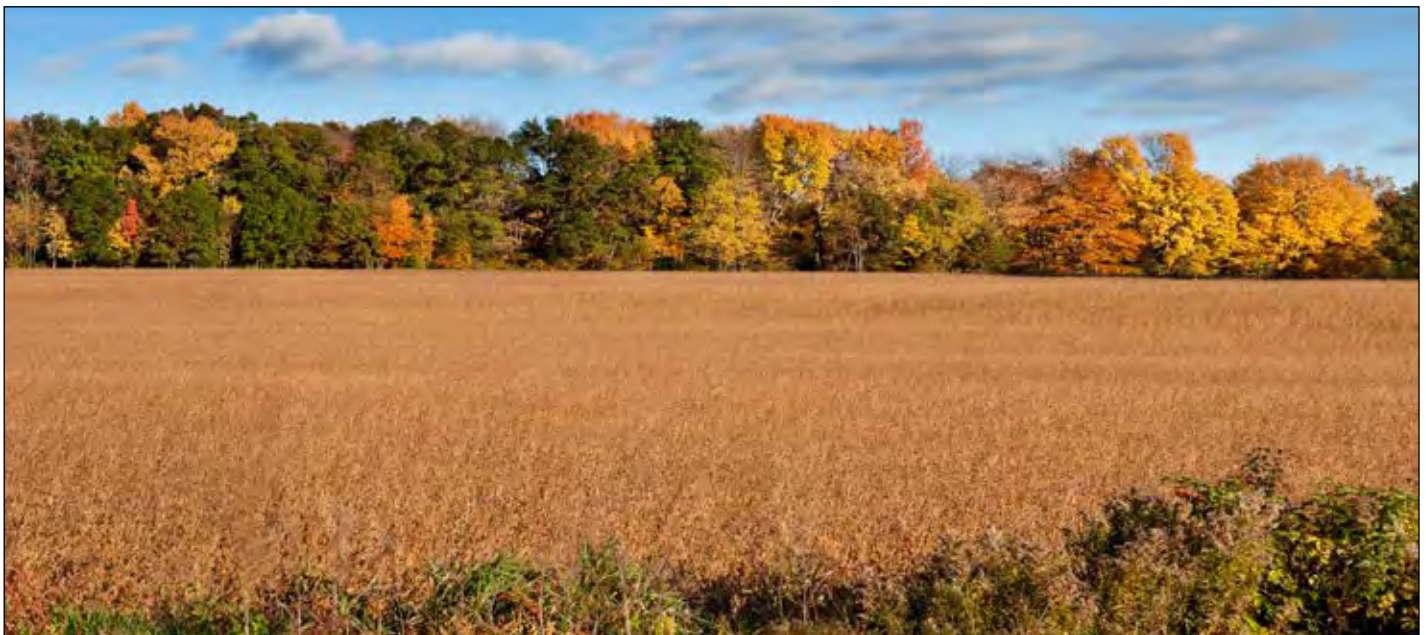


Figure 6: Average acres per claim

enterprise area even though the farmer may choose not to claim the farmland preservation tax credit or sign a farmland preservation agreement. Over the next biennium, staff should continue to work with landowners and local governments to support and facilitate participation in the farmland program. Whether through hosting nutrient management trainings for farmers or by reviewing an uncertified ordinance text with a town clerk, farmland preservation program staff remain committed to assisting the public in protecting the state’s agricultural land and soil and water resources.



Notes



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Bureau of Land and Water Resources

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The report is available on the following website:
http://datcp.wi.gov/Environment/Working_Lands_Initiative/