

Farmland Protection

The Role of Public Preferences for Rural Amenities

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Introduction

America has a largely urban population living in a largely rural Nation—with approximately 3 percent of the land base that is urban¹ containing the vast majority (75 percent) of Americans. Despite the relatively small fraction of the land in urban uses, there is growing concern about the disappearance of farmland in some parts of the country. This concern is reflected in the adoption of an expanding array of farmland protection programs by nonprofit organizations and by county, State, and Federal governments.

Evidence of this concern includes:

- ◆ All 50 States have adopted right-to-farm laws and use-value assessment (American Farmland Trust (AFT)).
- ◆ Twenty-two States have implemented purchase of conservation easement programs (AFT).
- ◆ Since 1996, the Federal Farmland Protection Program has distributed \$50 million in matching funds to State and local farmland protection programs; and the 2002 Farm Bill increases this to approximately \$100 million per year for the next 6 years.
- ◆ In 1998, of 240 State and local ballot initiatives to curb urban sprawl, 72 percent passed. In 2000, 78 percent of 252 State and local measures were approved (Myers and Puentes).

What underlies this concern? Interest in protecting farmland arises in part from desires to maintain food security, support rural businesses, preserve an agrarian cultural heritage, safeguard natural resources, and prevent sprawl. It is noteworthy that reasons not

¹ As defined by the U.S. census. Note that the Natural Resources Conservation Service's broader category of "urban and built-up land" is about 3.9 percent.

related to agricultural production are often prominent. That farmland protection programs are increasingly adopted, even though Federal programs that limit agricultural production continue,² suggests that guaranteeing food supplies at a national level may not be of greatest importance (Anderson et al.)³

In this report, we examine farmland protection programs to discern the importance of the various reasons for protecting farmland. In particular, we consider how farmland protection helps to maintain "rural amenities," where "rural amenities" are roughly defined as those goods and services *other than food and fiber* that flow from agricultural land. Examples of rural amenities include "scenic views," "an agrarian cultural heritage," and "wildlife habitat."

Although other goals (such as food security and sprawl prevention) are also cited by proponents of farmland protection, they have received a fair amount of review (Heimlich and Anderson). In contrast, the effects of farmland protection on the provision of rural amenities have received less attention. This report seeks to address this deficiency by considering just what rural amenities are, what makes them unique, and what the public's preferences are toward these various goods and services. Since many farmland protection programs can be expensive to implement, understanding how the public values rural amenities can be crucial in determining preservation priorities.

² Although explicit limitations on production are no longer a condition for receiving farm support, several programs (such as the Conservation Reserve Program) do lead to reductions in agricultural production.

³ Concerns about protecting *local* food security may still be important.

Our focus is also motivated by the fact that providing rural amenities is often a byproduct of the agricultural production process. Rural landowners may not take into account that their land provides rural amenities when managing, and when considering whether to develop, their land. Hence, the normal workings of land markets may fail to adequately account for the benefits provided by rural amenities. Therefore, in many circumstances, public well-being will be enhanced when farmland protection programs act to maintain the flow of rural amenities from agricultural lands.

In fact, the provision of rural amenities is one of the most important reasons for farmland protection, especially for farmland near urban areas. Furthermore, given the wide variety of rural amenities, effectively providing rural amenities is not as simple as determining how much farmland to protect. Thus, information on what rural amenities can be provided by farmland, and how much these different rural amenities matter, can be useful when analyzing the effectiveness of farmland protection programs.

Farmland protection programs take many forms, varying from the use of zoning to regulate land held by the private sector to programs that offer incentives to encourage private landowners to continue farming (and thereby help maintain the flow of rural amenities). These include a variety of conservation easement programs, wherein the public pays a farmer to refrain from developing the land but the land remains in private ownership.

Despite the numerous programs to protect rural open space and to preserve farmland, very little is known about which individual rural amenities taxpayers really care about when they support farmland protection programs. For example, does the public care most about visual landscape aesthetics, about lessened congestion, about national and local food security, about viable farms, or about something else? Do these preferences vary across the Nation, and if so what explains this variation?

Our analysis is based on a close look at the experiences of State and county governments; in particular, we consider the structure and implementation of laws and programs designed to protect farmland. Representing legal and fiscal commitments, these programs—the legislative intent motivating them and the program

design—may provide insight into which rural amenities are considered most important by the public.

Prefacing our analysis, in the next chapter we explain our conceptual framework in terms of land market failures, review current land use patterns across the Nation, and describe the various kinds of farmland protection programs. We review the economic literature concerning rural amenities, and summarize some general findings on what factors influence the adoption of farmland protection programs.

The analysis starts with a broad overview of the legislative intent motivating formation of State farmland protection programs. We then more closely examine the priorities of county-level conservation easement programs in several Northeastern States, and end with several State-level case studies that place farmland protection programs within a broader array of rural land protection programs.

From these strands of evidence we derive some tentative conclusions as to the importance of “farming” in farmland protection programs and discuss future research directions. In general, we find that these programs largely focus on the protection of active agriculture, with many programs giving priority to the preservation of productive soils on which field crops are typically grown. This strategy holds implications for the set of amenities likely to be preserved. For example, emphasizing preservation of cropland vs. pastureland yields different scenic views, and holds different implications for water quality, wildlife habitat, and other environmental amenities. It also implies a tradeoff between long-term survival of some form of agriculture, at the possible cost of providing a less than optimal mix of rural amenities.

Although empirical evidence from studies that directly question taxpayers about their reasons for supporting farmland preservation programs is limited, it suggests that, in some States, the objectives of the farmland preservation programs do not coincide with voter priorities—particularly with regard to the relative importance of farmland as open space. However, our review of several States’ suites of rural land programs highlights the importance of considering the presence of complementary programs that also protect rural amenities, a consideration that helps explain the priorities observed in existing farmland protection programs.