

Glossary

Active Agriculture:

In this report, “active agriculture” signifies land that is actively engaged in producing agricultural outputs. The types of rural amenities produced by land in active agriculture can differ from those produced on farmland that is not currently being used for agricultural production.

Agrarian Cultural Heritage:

This report uses “agrarian cultural heritage” to signify institutions, practices, structures, and other human components of the rural landscape that embody an agricultural way of life.

Contingent Valuation:

A survey based method used for determining the value of various environmental goods and services. Essentially, individuals are asked to state the value they have for a specific good, such as “preserving farmland.” While offering a direct measure of the public’s willingness to pay for these goods, contingent valuation can suffer from a number of biases relating to the hypothetical nature of the choice offered to respondents.

Disamenities From Agriculture:

Undesirable effects of agricultural activity. This includes odors from farms, toxic agricultural chemicals applied to crops, runoffs of farm nutrients and pesticides, erosion pollutants from croplands and general ecosystem fragmentation.

Differential (use value) Assessments:

An agricultural property tax relief program that allows eligible farmland to be assessed at its agricultural value rather than its fair market value, where fair market value reflects “highest and best use,” and is typically greater than its agricultural value.

Easements:

The right granted by an owner of one tract of land to use the land for another purpose or to leave the land in its current use.

Farmland Preservation Programs, or Farmland Protection Programs:

These are programs designed to stop or slow the conversion of farmland to other uses such as urban development. Some programs, such as use value assessment programs, may apply to all farmland in a given area, while others, such as Purchase of Development Rights (PDR) programs, may use certain criteria to determine which lands to preserve (for example, rural lands close to population concentrations may be preferred, or the preservation of larger farms and blocks of farms).

Land Market:

A land market is a market in which the item being purchased and sold is land. A land market is considered to be operating properly when the sales price of land reflects the value of all goods and services that may be provided by that piece of land. This includes not only goods such as corn and wheat, which can be sold in agricultural commodity markets, but also development tracts which can be sold in the residential land market. In addition, to the extent that land prices do not reflect the values of non-market outputs of a parcel of land, then the land-market is not operating with economic efficiency.

Net Value:

The difference between the cost of providing a unit of a good, and its value to the consumer.

Non-market Goods and Services:

In the context of rural lands, when goods and services provided by land are not reflected in its sales prices, the outputs are referred to as ‘non-market’ goods and services. “Amenity” outputs such as “wildlife habitat” and “scenic views,” whose value is often not reflected in the price of a parcel of land, are examples of non-market goods and services.

Opportunity Costs:

The value of opportunities foregone as a result of a decision. For example, the opportunity cost of participating in a Purchase of Development Rights program is the sales price the landowner could have gotten, at some later date, from a land developer.

Pastoral Beauty:

This report uses “pastoral beauty” to signify aesthetically pleasing rural landscapes. For example, a well-tended pasture, with stone fences and classic barns, provides scenery that many find pleasant to look at.

Purchase of Development Rights (PDR) and Purchase of Agricultural Conservation Easements (PACE):

A program in which a landowner voluntarily agrees to sell the rights to develop his or her land to a public agency or non-governmental organization. Once the rights are sold, a restriction is put on the deed to the parcel preventing development and non-agricultural use of the land. The landowner retains ownership and all other rights associated with the land. The price of development rights is typically estimated at the difference between the unrestricted (market) value of the parcel and its restricted (agricultural) value as determined by appraisals, or by easement valuation “point” systems.

Rural Amenities:

These are socially desirable goods and services other than food and fiber, that are generated by agricultural land. Some of the most representative examples of these goods and services are “scenic views,” “an agrarian cultural heritage,” and “wildlife habitat,” but broadly speaking, rural amenities encompass a variety of desirable goods and services that require a rural setting that cannot be reduced to a transfer of a commodity.

Rural Land Conservation Programs:

The suite of programs designed to maintain rural land uses. Farmland protection programs are an example of a rural land conservation program. Other examples include purchase of parkland, forestland conservation, and watershed protection programs.

Sending and Receiving Areas:

These terms are typically used in conjunction with transfer of development rights (TDR, see below) programs. In TDR programs, landowners in designated ‘sending areas’ are allowed to sell development rights to developers, who purchase development rights and use them to develop at densities higher than what is allowed by underlying zoning in the ‘receiving area’ where growth is desired.

Transferable Development Right (TDR):

A program in which a landowner located in a government-designated “sending zone” voluntarily agrees to sell the rights to develop his or her land to a private party, such as to a developer. Developers purchase the rights and “transfer” them to build at higher densities in “receiving zones”, which are areas the government has zoned for increased development. Once the rights are sold, an agricultural conservation easement is attached to the deed of the sending parcel permanently preventing development and non-agricultural use of the land. The landowner retains ownership and all other rights associated with the land. The price of development rights is negotiated between the developer and the landowner.