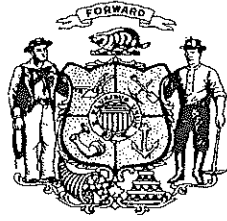


STATE OF WISCONSIN

SENATE CHAIR
Howard Marklein

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ASSEMBLY CHAIR
Mark Born

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Howard Marklein
Representative Mark Born

Date: April 17, 2024

Re: DATCP Report to JFC

Attached is a report on the Wisconsin Farmland Preservation program from the Department of Agriculture, Trade and Consumer Protection, pursuant to s. 91.04, Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

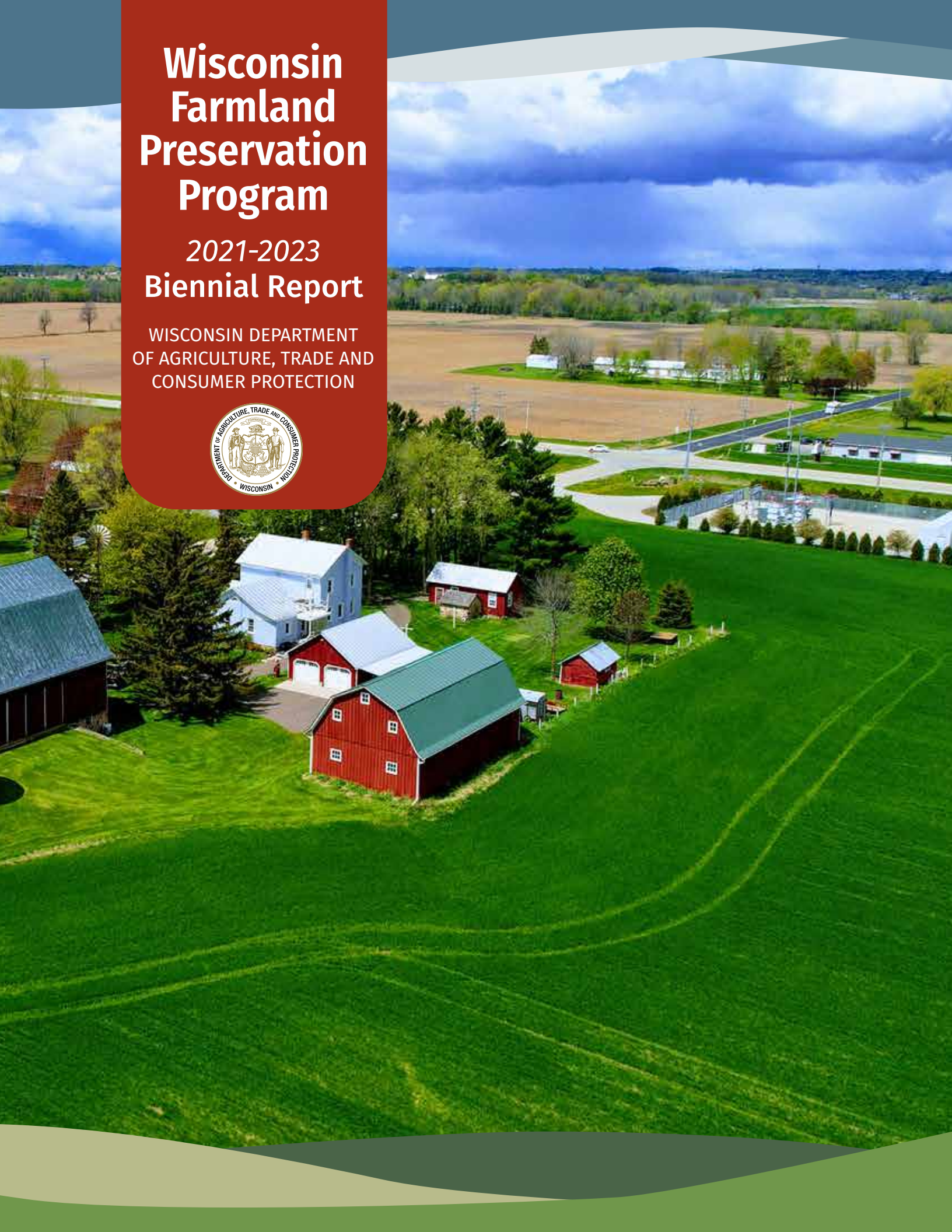
Attachments

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Wisconsin Farmland Preservation Program

2021-2023 Biennial Report

WISCONSIN DEPARTMENT
OF AGRICULTURE, TRADE AND
CONSUMER PROTECTION





State of Wisconsin
Governor Tony Evers

Department of Agriculture, Trade and Consumer Protection
Secretary Randy Romanski

Greetings,

Agriculture is one of the state's most vital resources. Farmers work to support a strong state economy, feed their friends and neighbors healthy food, strengthen community ties, and preserve our vital soil and water resources. In Wisconsin, agriculture contributes \$104.8 billion annually to the state's economy and 11.8% of the state's workforce. The DATCP Farmland Preservation Program helps farmers and local governments preserve farmland, protect our land and water resources, and minimize local land use conflict.

Each biennium, the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP), in cooperation with the Wisconsin Department of Revenue (DOR), provides a report on the Farmland Preservation Program to the DATCP Board and the Wisconsin Department of Administration (DOA). This 2021-23 biennial report includes information on zoning, Agricultural Enterprise Areas (AEAs), planning grants, and much more.

Farmland preservation relies on cooperation and partnerships among landowners, local governments, and the state. On December 8, 2023, Governor Evers signed updates for the Farmland Preservation Program into law in order to increase the farmland preservation tax credit, reduce the number of years required for a farmland preservation agreement, and expand eligibility for the program. This was made possible through collaboration among landowners, local governments, industry supporters, and the state legislature. This continued investment and interest in this program helps ensure that Wisconsin's land resources are preserved for generations to come.

Above all else, this report demonstrates that preservation of farmland also means the preservation of Wisconsin's heritage and economic future. Thank you for your interest in this report and in Wisconsin agriculture.

Sincerely,

Randy
Secretary

Wisconsin Department of Agriculture, Trade and Consumer Protection

Wisconsin - America's Dairyland

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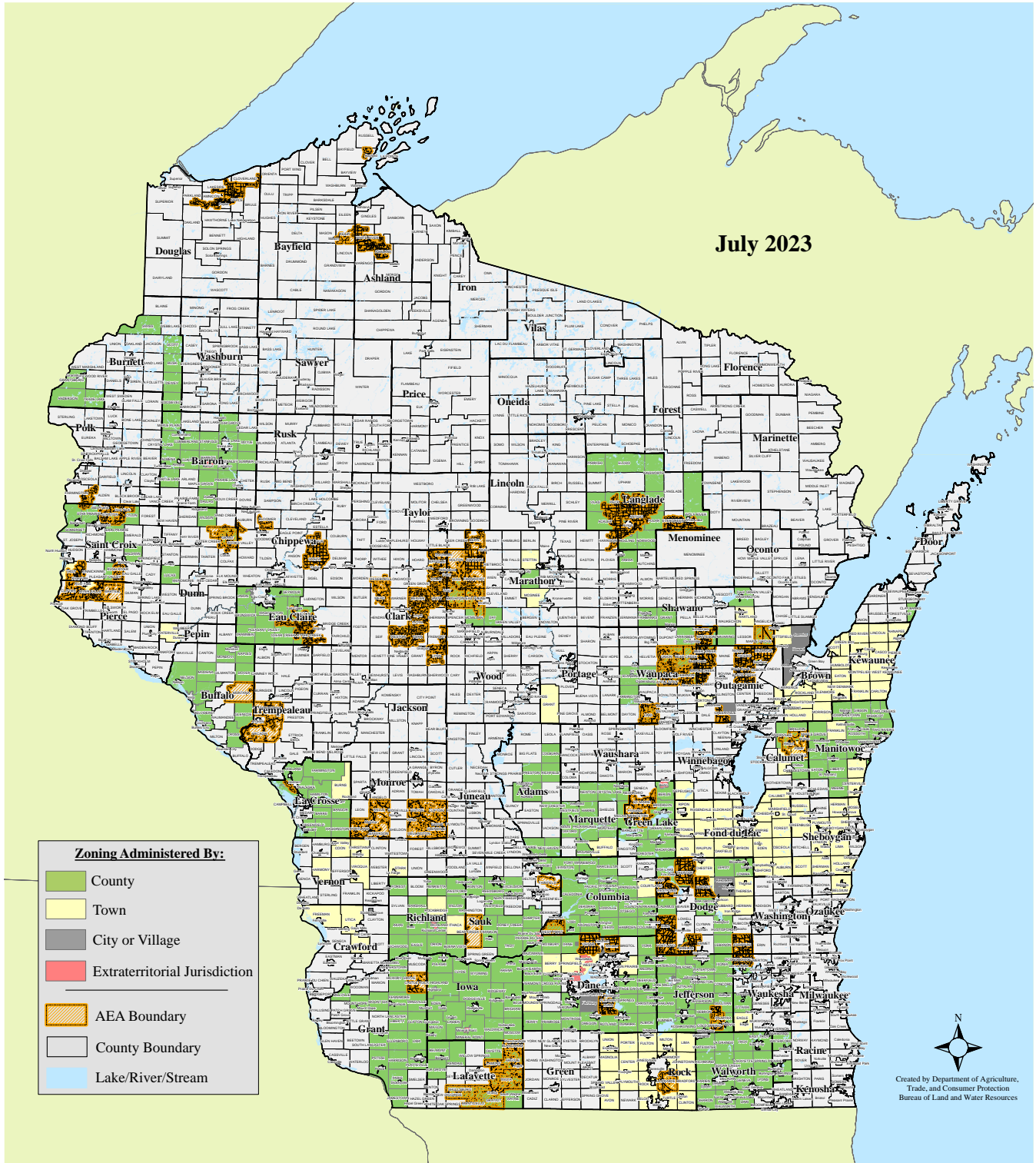
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Farmland Preservation Participation Map

Map 1. Programmatic map during 2021-23 biennium. This map shows jurisdictions in the state with farmland preservation zoning and boundaries of designated Agricultural Enterprise Areas.



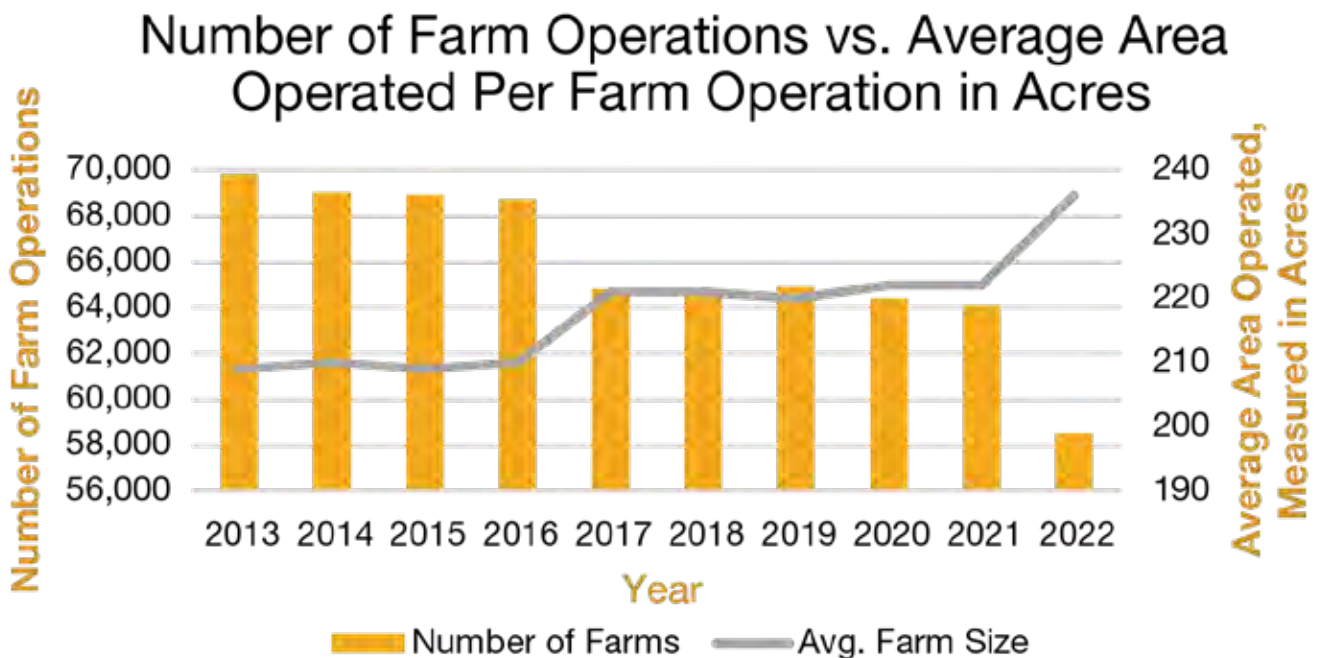
Trends

Wisconsin's diverse agricultural community is fundamental to the state's character and economy. Annually, agriculture contributes \$104.8 billion to the state's economy and 435,700 jobs, or 11.8% of the state's employment. On-farm production contributes an estimated 154,000 jobs and agricultural processing contributes an estimated 282,000 jobs to the Wisconsin workforce (DATCP, 2023). Farmland preservation continues to be an important tool in conserving these areas and in promoting healthy soil and water resources. The agricultural industry is ever changing, a fact that is exemplified in the 2021-23 biennium's trends of farmland consolidation, increasing rental rates, fluctuating land values, and expansion of renewable energy.

Farm Consolidation

The 2021-2023 biennium continued to illustrate a trend of farm consolidation in Wisconsin. As seen in Figure 1, the number of farm operations in the state has consistently decreased since 2013 while the average number of acres per operation has increased. More specifically, the number of farm operations decreased from 69,800 in 2013 to 58,521 in 2022 – a 17.58% decrease. In contrast, the average number of acres per operation has increased from 209 acres in 2013 to 236 acres in 2022 – a 12.13% increase. This is likely influenced in part by technology, as developments in agricultural technology allow a single owner to manage more acres (MacDonald and Hoppe, 2018).

Figure 1. Number of farm operations vs. average area operated in Wisconsin 2013-2022 (Wisconsin Agricultural Statistics, 2018; Wisconsin Agricultural Statistics, 2022; USDA-NASS, 2024).

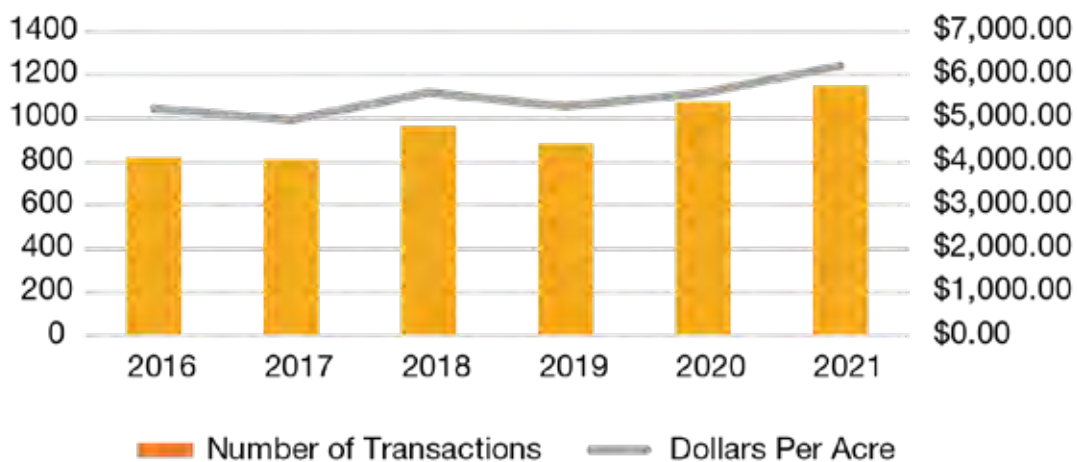


Land Value

Agricultural land sold without buildings and improvements is, on average, sold for more dollars per acre when it is diverted to other uses compared to when it is bought for continued agriculture use. In 2021, agricultural land sold without buildings and improvements diverted to non-agricultural uses sold for 135.32% more dollars per acre than land sold and kept in agricultural use. Between 2016 and 2021, the average price per acre of land sold for continued agricultural use has grown by 17.17% (Figure 2). There has also been a steady growth in the number of agricultural land sales for continued agricultural use during the same period; 33.6% more transactions in 2021 than in 2016. Data represented herein is a statewide average.

Figure 2. Average price per acre for agricultural land sold without buildings and improvements for continued agricultural use; data represented is a statewide average (USDA-NASS and DATCP, 2022).

Agricultural Land Sales, Land without buildings and improvements, Wisconsin 2016-2021



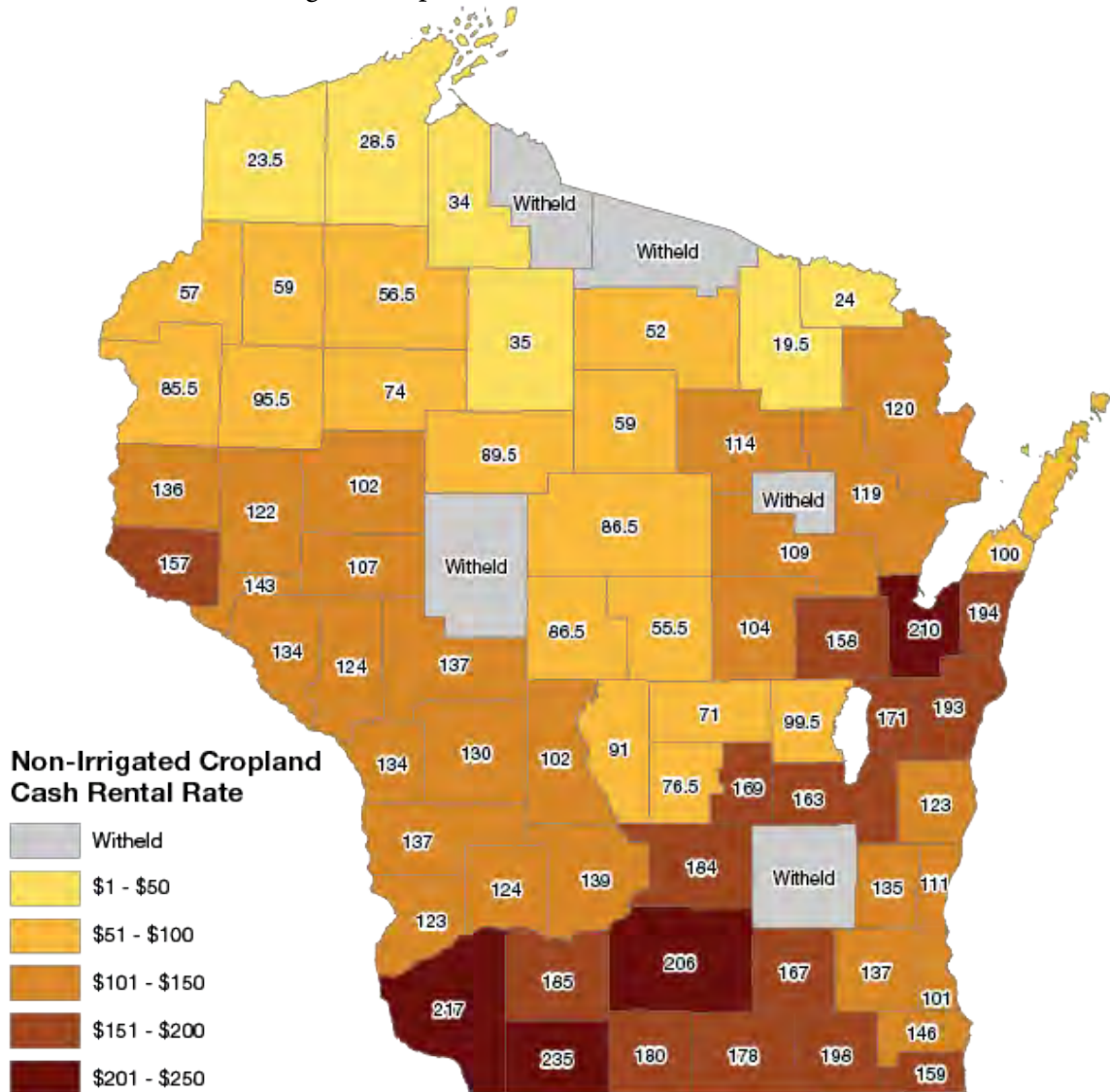
Since 2014, Wisconsin has lost an estimated one-third of total dairy farms (Vinick, 2022). Despite difficult economic conditions affecting this segment of the agricultural economy, many farms that were previously operated as dairies were not forced to sell their land and were able to crop or rent their land to another operator. This has limited land supply on the market and may be contributing to increases in average price of land sold for continued agricultural use. Increased prices may also be attributable to increases of the price of corn and beans during the same period (Schlesser).

Non-Irrigated Cropland Cash Rent

Many operators in the state rent some or all of the agriculture land on which they work. According to the 2012 National Census on Agriculture, an estimated 40-49% of Wisconsin farmland is rented to a non-owner operator. Rental rates may be affected by a number of factors, including soil types, yield potential, local demand or competition for land, total contiguous acres, topography,

or land characteristics that affect ease of farming, length of contracts, enrollment in government programs, etc. (Farm Management Program). In 2022, the average rental rate in the state per acre for non-irrigated cash cropland was \$145.00 per acre, which was up from the 2020 rate of \$138 and the 2018 rate of \$134. The rental rates in the state greatly vary from county to county. Some of the rental rate information is withheld to protect individual landowner information. The cumulative average of non-irrigated cropland rental rate in 2022 for counties portrayed as “withheld” in Map 2 was \$149 per rented acre. The highest rental rate was in Lafayette County at \$235 per acre, followed by Grant County at \$217 per acre. The mean value of non-irrigated cropland cash rent in areas covered by certified farmland preservation zoning or agricultural enterprise areas for 2022 was \$122 per acre, slightly below the state average. This is indicative of program participation in counties with both high and low rental rates. The highest rental rate for pasture cash rent in 2022 was in Lafayette County at \$71 per acre, followed by Rock County at \$69 per acre (USDA-NASS, 2022).

Map 2. 2022 Wisconsin non-irrigated cropland cash rental rates (USDA-NASS, 2022).



Farmland Conversion to Renewable Energy

In August of 2019, Governor Tony Evers signed an executive order relating to clean energy in Wisconsin. The order required the Department of Administration to create an Office of Sustainability and Clean Energy. Among other things, the Office of Sustainability and Clean Energy was charged with partnering with state agencies and utilities to implement a goal that all electricity consumed in Wisconsin be carbon-neutral by 2050. The order further acknowledged that Wisconsin agricultural is paramount to state heritage, quality of life, economy, and ability to attract and retain businesses in diverse industries. (State of Wisconsin, Office of the Governor, 2019). According to a 2021 report by RENEW Wisconsin, the state is projected to have 2,500 megawatts of solar in service by 2023 (Kaeding, 2021). In 2022 wind, solar and biomass accounted for 6.17% of state electric grid resources (Wind Exchange, n.d.). More renewable energy projects are anticipated in order to meet state goals for carbon neutrality.

Long, flat stretches of land that are often the best areas for farming are also the preferred type of land for siting solar energy fields. One megawatt of solar capacity requires about five to seven acres of land (UW-SP CLUE, 2022). With the growth of renewable energy siting across the state, increased agricultural conversion and possible co-location is anticipated to be a continuing trend into the next biennium. This trend will impact farmland preservation planning at the county level, as well as outreach in areas with Agricultural Enterprise Areas, Farmland Preservation Zoning, and to landowners with land subject to effective farmland preservation agreements. In 2023, the legislature introduced Senate Bill (SB) 468 and Assembly Bill (AB) 480 related disallowing farmland preservation tax credits for any part of a claimant's qualifying acres on which a photovoltaic solar energy system is located and is not an integral part of or incidental to an agricultural use. At the time of this report, AB 480 was vetoed by the Governor.

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 2021-23 biennium, counties across the state continued to update their farmland preservation plans allowing interested landowners and local governments to take advantage of other program components.

During the 2021-23 biennium, DATCP certified 11 new or amended farmland preservation plans, including one new county who had not updated their plan since the Working Lands Initiative in 2009 (Table 1). This reflects the dynamic nature of land use planning around the state. Updating a farmland preservation plan provides counties with an opportunity to evaluate existing land uses, consider the role that agriculture plays in local communities and economies, and evaluate how to plan for agriculture into the future.

Table 1. Farmland Preservation Plan Certifications 2021-2023.

County Name	Certification Type	Year of Amendment or Revision	Expiration Date
Calumet	Map Amendment	2021	2029
Dane	Full Plan	2022	2032
Dodge	Full Plan	2021	2031
Dodge	Map Amendment	2022	2031
Fond du Lac	Full Plan	2021	2031
Jefferson	Map Amendment	2022	2031
La Crosse	Full Plan	2022	2032
Manitowoc	Map Amendment	2022	2024
Marquette	Map Amendment	2022	2025
Taylor	Full Plan	2021	2031
Winnebago	Map Amendment	2021	2030

Despite the potential benefits of planning for farmland preservation, several counties have chosen not to update their farmland preservation plans (Map 3). Some reasons for not planning for farmland preservation may include limited agricultural land base, limited interest in participating in other aspects of the program, local political will and, at times, the perception that the cost of participating in the program may outweigh the benefits for landowners. As a result, landowners in these counties cannot petition for agricultural enterprise areas and local zoning authorities may not 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 and may not be based on landowner preference. A plan area must not include lands planned for development within the next 15 years. Because productive agriculture may not be compatible with non-agricultural 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 criteria for including lands within a farmland preservation plan area during the 2021-23 biennium were: lands historically and currently used for agriculture, forestry, or related uses; lands planned for agricultural, forestry, or related uses in local comprehensive plans; productive classifications of agricultural soils; and undeveloped natural resources or open spaces that connect farmland to created large, uninterrupted blocks of preserved land. The most commonly applied criteria for excluding lands from a farmland preservation plan area included: land identified for future developmental use; tax exempt lands; lands within or adjacent to cities or villages; and

existing land uses in conflict with farmland preservation. These criteria have been commonly applied across past biennium.

Under Wis Stat. § 91.10(1)(d), a farmland preservation plan must clearly identify areas that the county plans to preserve for agricultural use and agricultural-related uses for the foreseeable future. The plan area may not include lands that are planned for nonagricultural development within 15 years after the date on which the plan is adopted. Typically, in a land use planning and zoning context, renewable energy generation is categorized as either an accessory or commercial/utility use. This distinction is made based on where the energy is generated and later being used. Energy that is both generated and solely used on site is considered an accessory use. Energy that is generated on-site but partially or entirely used elsewhere is considered a commercial or utility use.

- Accessory (Wis. Stat. § 91.44(1)(b) or Wis. Stat. § 91.46(1)(b)) and commercial renewable energy generation (Wis. Stat. § 91.44(1)(f) or Wis. Stat. § 91.46(1)(f)) may be authorized uses in farmland preservation zoning districts.
- Under Wis. Stat. § 91.84(1)(e)5., criteria for designation of an Agricultural Enterprise Area (AEA) require that the land be primarily devoted to agricultural use, having the meaning given in Wis. Stat. § 91.01(2). If as the result of a change in land use an AEA is no longer devoted primarily to agricultural use, DATCP may modify the AEA boundary by order. Energy generation is not an agricultural use for the purposes of Wis. Stat. § 91.01(2).
- Renewable energy uses that qualify as an agricultural accessory use on a farm may be sited on lands enrolled in a farmland preservation agreement under Wis. Stat. § 91.62(1)(c)1. Commercial energy production may not be sited on lands enrolled in an effective farmland preservation agreement.

Under the current framework of the farmland preservation law, renewable energy facilities may be included in farmland preservation plan areas, depending on local planning criteria. Commercial or utility renewable energy generation often requires a large land base to generate energy for a group or community. Facilities may require hundreds or sometimes thousands of acres. Given the scale of commercial or utility renewable energy projects in contrast to traditional utility uses, the impact of siting these projects in agricultural areas is becoming a growing topic of discussion in land use planning.

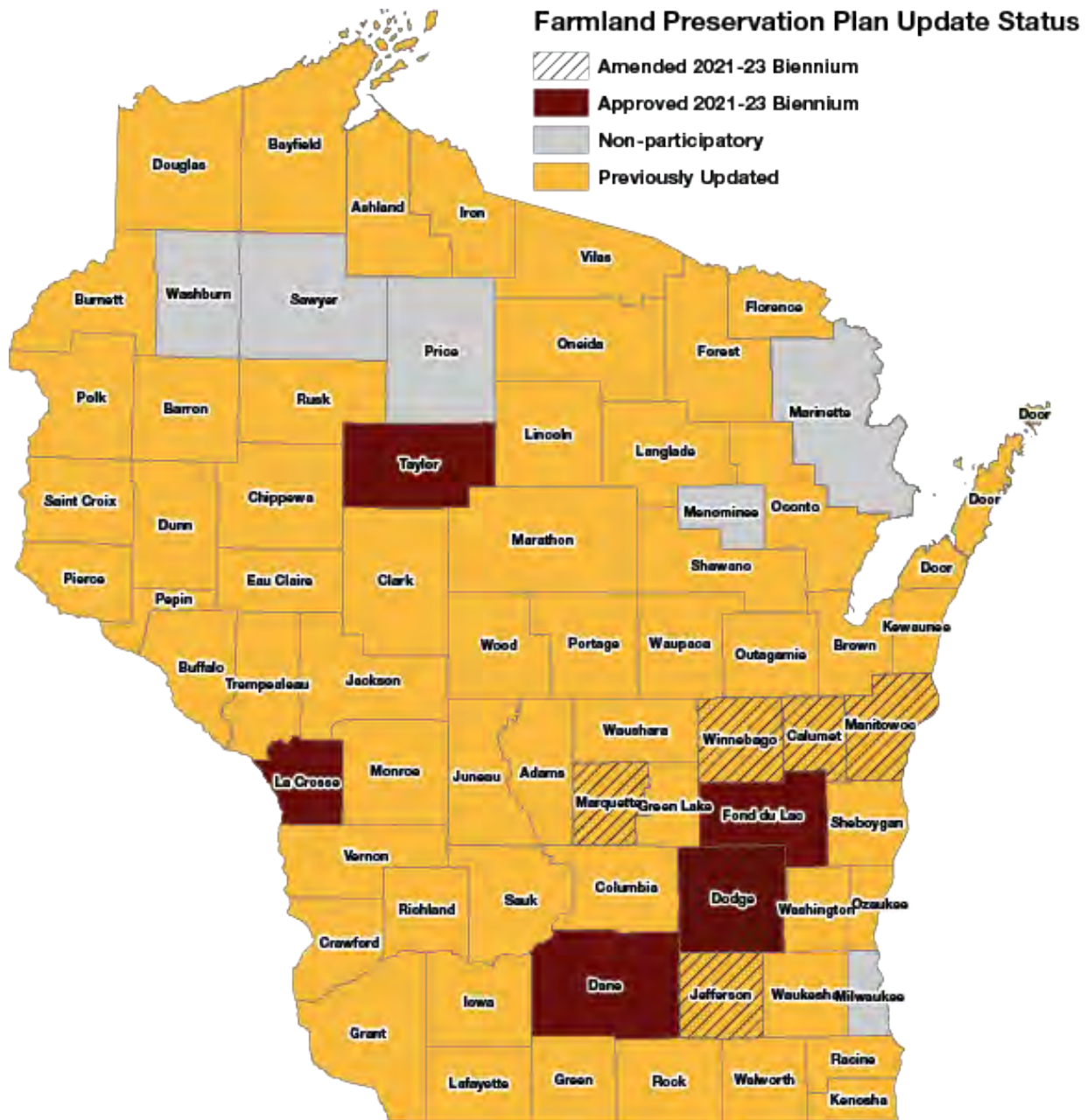
Some planning authorities have started to more carefully consider renewable energy infrastructure in the context of development. In some circumstances, access to a utility may be a criterion for planning agricultural lands for future development. Consequently, when planning for farmland preservation, any lands that are planned for development within the next 15 years must be excluded from the farmland preservation plan area per Wis. Stat. § 91.10(1)(d). Some plans fully certified during the biennium directed future renewable energy projects towards existing infrastructure in hopes of minimizing impacts the agricultural lands. While others planned for renewable energy uses as compatible with agricultural lands, particularly as a source of potential supplemental income for landowners. Looking ahead to future biennium, planning discussions related to the siting of commercial or utility renewable energy projects in farmland preservation areas will continue to grow.

Between 2021 and 2023, DATCP certified five full farmland preservation plans. During the same period, the department certified six farmland preservation plan amendments. There are a number of reasons to revise a certified farmland preservation plan, including: mapping updates required for concurrent certification of a farmland preservation zoning ordinance, mapping changes required to designate an agricultural enterprise area, changes to a local comprehensive plan, or adding towns previously not planned for farmland preservation. Since 2009, counties have had 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 ultimately caused the number of planning expirations to fluctuate from year to year. Looking to the next biennium, there will be 28 counties with plans expiring during 2024 and 2025.

During the 2021-23 Biennium, DATCP awarded \$339,263 in planning grant funds to 15 counties for completing and updating farmland preservation plans. DATCP is eligible to pay up to half of the costs of completing or updating a farmland preservation plan through a planning grant contract. This means that during the biennium, counties invested more than \$678,000 in planning for the future of agriculture and participation in the program. Planning grants continue to be a critical resource as counties plan for their second farmland preservation plan certifications since 2009 and other counties weigh the options of planning for the first time. The demand for county planning grant funding may be variable in years where there are limited plan expirations. Providing grants for planning is a foundational step to ensure that local governments and landowners have planned for the future of agriculture at the local level and will subsequently have the option to apply for certification of a local farmland preservation zoning ordinance or petition for an AEA in the future. Active solicitation of counties with upcoming expirations has been critical in securing grant awards during the biennium.



Map 3. Farmland preservation plans during the 2021-23 biennium.



Farmland Preservation Zoning

Farmland preservation zoning is a tool available to local governments to help protect productive agricultural lands. A farmland preservation zoning district provides dedicated areas for agriculture and compatible uses. It also prevents neighboring land use conflicts by requiring incompatible uses to be located in a different zoning district. Zoning districts are certified for farmland preservation using the standards laid out in Wis. Stat. § 91. Farmers who own land located within a farmland preservation zoning district may be eligible to claim the farmland preservation tax credit. All lands

zoned for farmland preservation must be located within a certified 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 recertify their ordinances according to a set schedule. See Map 4 for all certified farmland preservation ordinances statewide.

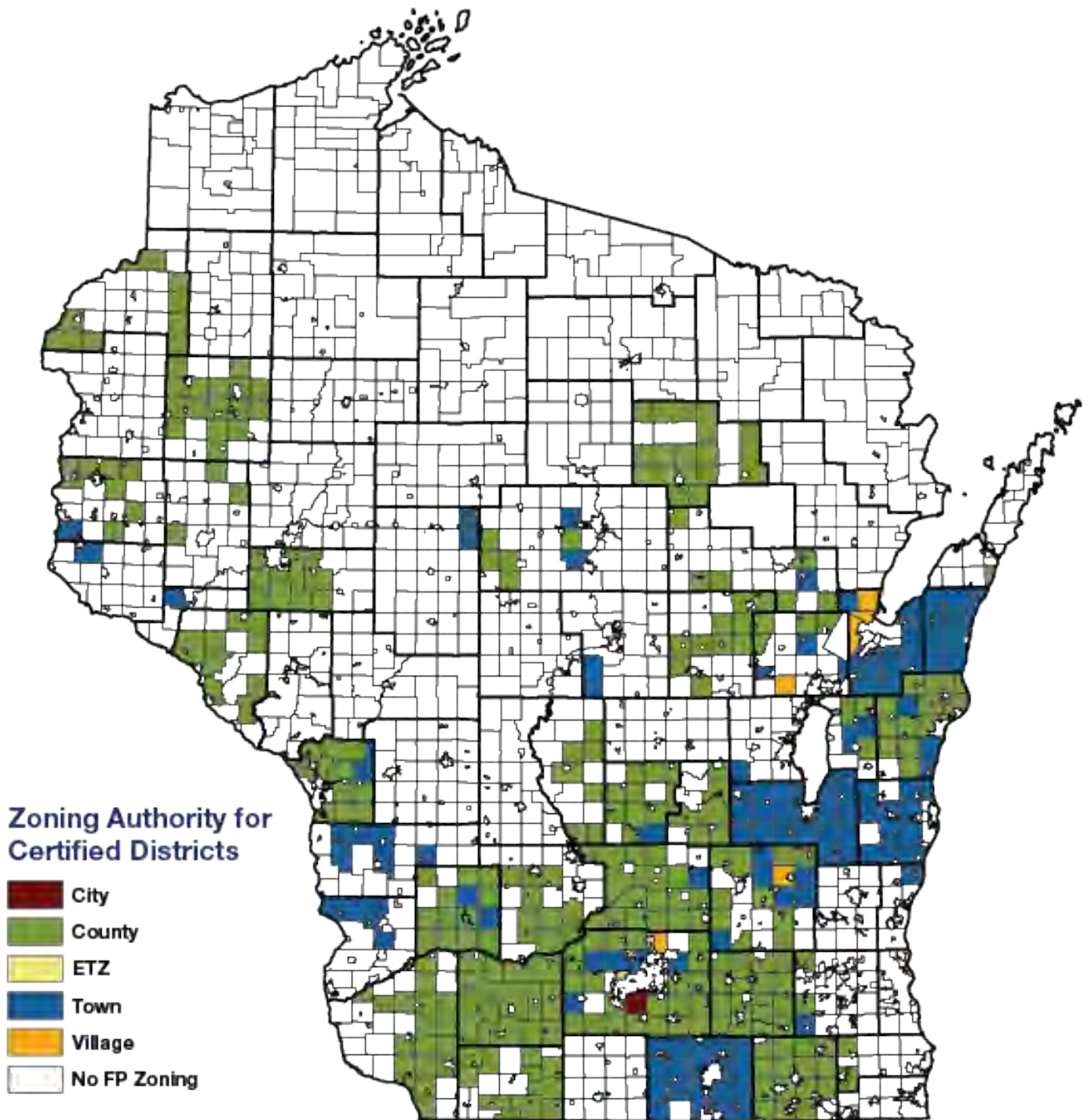
While the majority of ordinances certified from 2021-23 were updates to existing ordinances (Table 2), farmland preservation zoning has continued interest from a number of local municipalities that did not previously have farmland preservation zoning. During the biennium, staff certified two zoning ordinances for jurisdictions that had not previously been certified: The Village of Greenville in Outagamie County and the Town of Freeman in Crawford County. Staff have also contacted zoning jurisdictions with existing general zoning districts that are already close to meeting the certification standards in Wis. Stat. § 91.

Landowners who claim the farmland preservation tax credit under certified farmland preservation zoning must meet the state soil and water conservation standards enumerated in the Conservation Compliance Section of this report. Starting in tax year 2023, landowners claiming the farmland preservation tax credit will be eligible for a higher rate of \$10/acre for land located in a farmland preservation zoning district. Land located in a farmland preservation zoning district and covered by an effective farmland preservation agreement signed or modified after July 1, 2009 will be eligible for \$12.50/acre.

Table 2. Farmland Preservation Zoning Ordinance Certifications 2021-23.

County	Jurisdiction	Zoning Authority	Certification Type
Brown	Town of Pittsfield	Town	Full
Brown	Village of Howard	Village	Full
Brown	Town of Holland	Town	Full
Brown	Town of Rockland	Town	Full
Calumet	Town of Chilton	Town	Full
Crawford	Town of Freeman	Town	Full
Dodge	Dodge County	County	Full
Dodge	Town of Burnett	Town	Full
Dodge	Town of Chester	Town	Full
Jefferson	Jefferson County	County	Full
Outagamie	Village of Greenville	Village	Full

Map 4. Certified farmland preservation zoning ordinances by zoning authority, 2021-23 biennium.



Farmland Preservation Rezones

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. There were 5,507 acres rezoned out of certified farmland

preservation zoning districts in 2021 and 5,133 acres in 2022, a 28% increase compared to the previous biennium. Some of these rezones may be the result of changes in local future land use plans. Figure 3 below displays the total acres reported as rezoned out of a certified farmland preservation zoning district for each of the last six years. During this biennium, 28 zoning jurisdictions reported zero acres rezoned out of a farmland preservation district, just half of the total during the previous biennium.

Figure 3. Total acres rezoned out of certified farmland preservation zoning districts, 2017-22.



See Map 5 for an illustration of reported acres rezoned for each city, village, and town located in a certified farmland preservation zoning ordinance during the biennium. All rezones are depicted per city, village, and town to allow for more accurate spatial analysis amongst different sized zoning jurisdictions.

To understand potential trends where rezones occurred during the biennium, interstate highway corridors were used as a variable. If a city, village, or town (CVT) is centrally located within five miles of an interstate highway, it is considered within the corridor. Out of all 301 CVTs that reported rezones during the biennium, 194 (64%) are located within an interstate highway corridor (Figure 4). Of those 194 CVTs, 37 reported greater than 50 acres rezoned during the biennium (Figure 4). Those 37 CVTs located within interstate highway corridors accounted for 42% of all rezoned acres during the biennium, despite representing only 12% of total CVTs with reported rezones (Figure 5). In other words, 12% of the total reporting land base contained nearly half of the total acres rezoned out of certified farmland preservation zoning districts during the biennium. Additionally, 75% of rezone totals greater than 100 acres occurred in CVTs within an interstate highway corridor (Figure 6). This number is higher than expected, as only 64% of all reporting CVTs are located within an interstate highway corridor. Altogether, this data demonstrates that the greater rezone totals during the biennium occurred more often within interstate highway corridors. This suggests a correlation between proximity to interstate corridors and rezones due to development pressures within certified farmland preservation zoning districts, although definitive causes are likely more complex.

Figure 4. All CVTs that Reported Rezones.

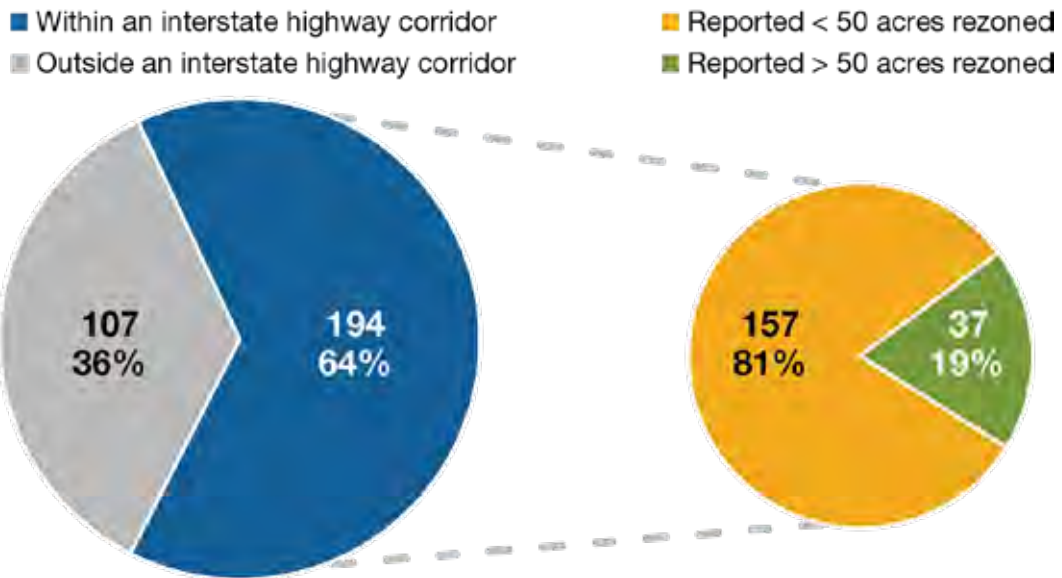


Figure 5. All Rezoned Acres Reported During the Bienniums.

- CVTs within an interstate highway corridor that reported > 50 acres rezoned
- All other CVTs that reported rezones

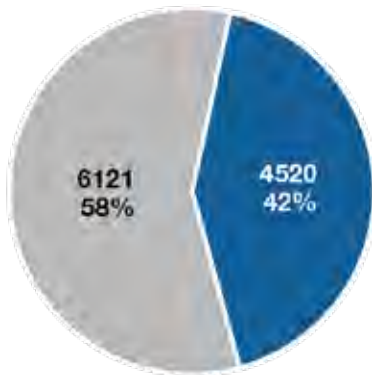
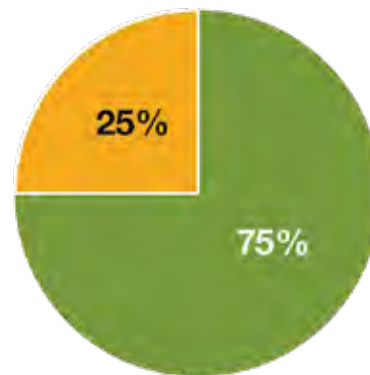
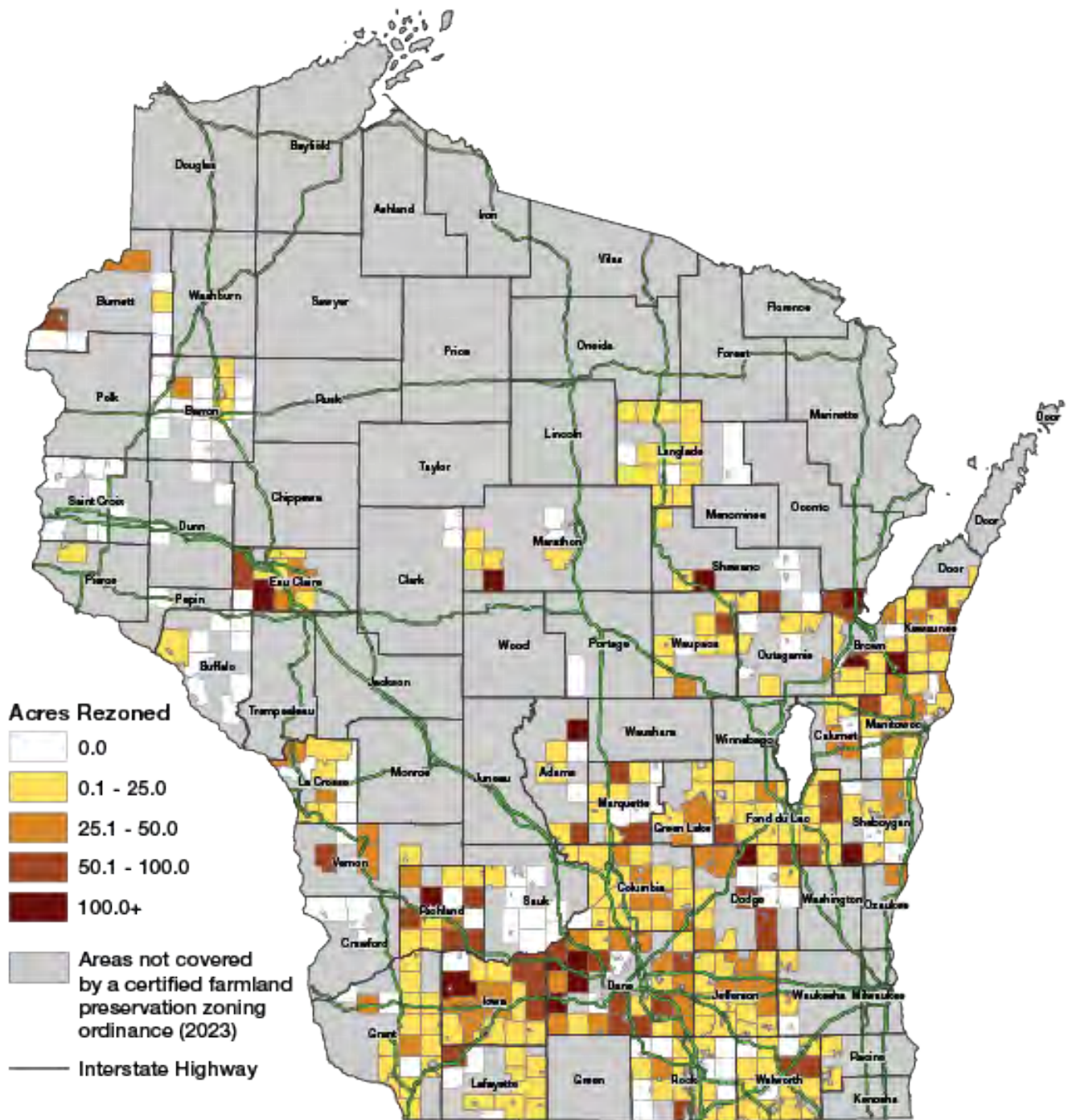


Figure 6. CVTs That Reported Rezones >100 acres.

- Within an interstate highway corridor
- Outside an interstate highway corridor

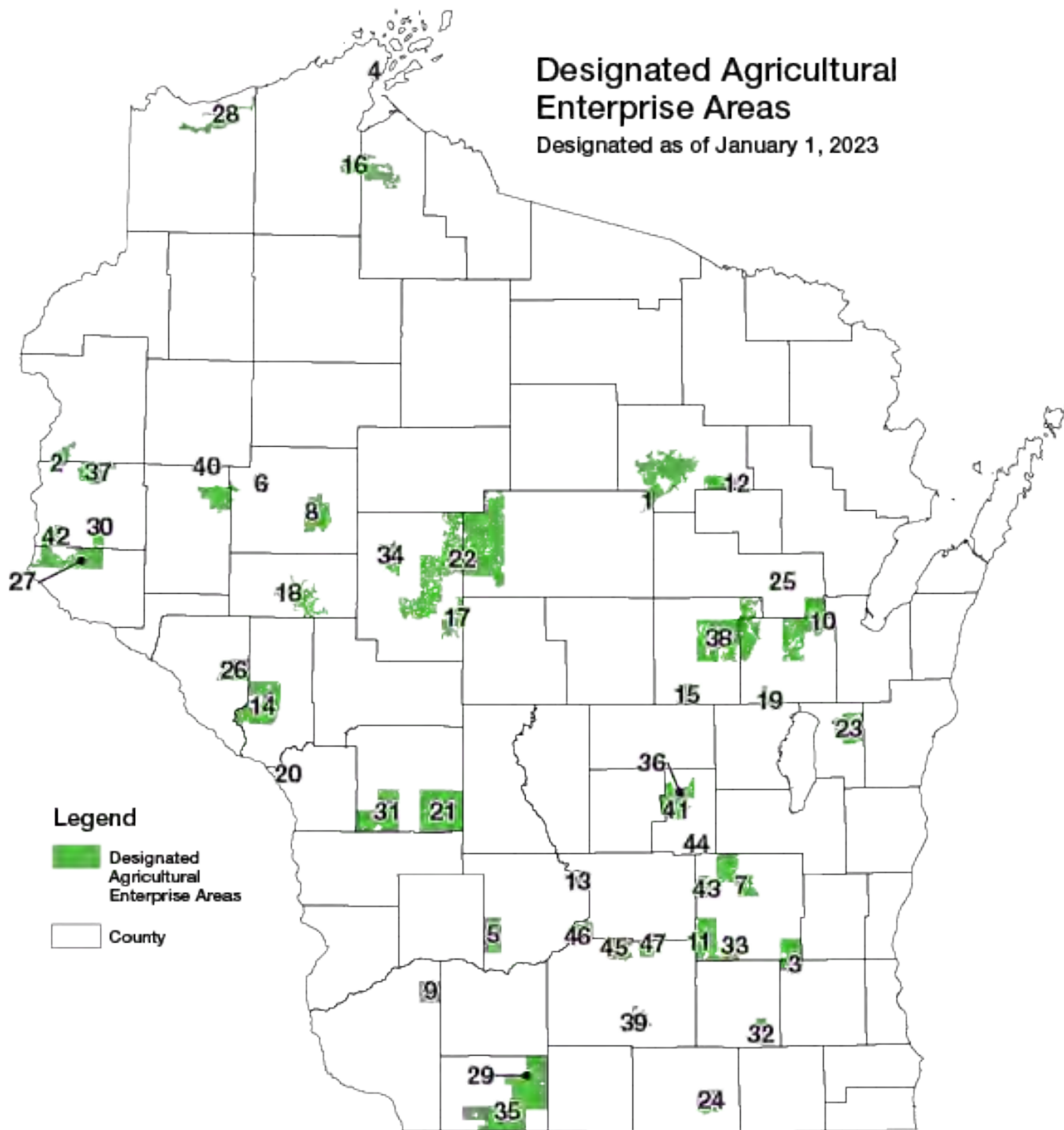


Map 5. Rezones out of certified farmland preservation zoning districts in calendar years 2021-22.



Agricultural Enterprise Areas (AEAs)

Map 6. Designated Agricultural Enterprise Areas as of January 1, 2023.



Map ID #	AEA Name	County(ies)
1	Antigo Flats AEA	Langlade, Marathon
2	Ashippun-Oconomowoc AEA	Dodge, Waukesha
3	Bayfield AEA	Bayfield
4	Bloomer Area AEA	Chippewa
5	Cadott Area AEA	Chippewa
6	La Prairie AEA	Rock
7	Maple Grove AEA	Shawano
8	Rush River Legacy AEA	Saint Croix
9	Scuppernong AEA	Jefferson
10	Apple Lake AEA	Polk, Saint Croix
11	Town of Dunn AEA	Dane
12	Windsor AEA	Dane
13	Burnett AEA	Dodge
14	Fairfield AEA	Sauk
15	Heart of America's Dairyland AEA	Clark, Marathon
16	Hilbert Ag Land on Track AEA	Calumet
17	Trenton AEA	Dodge
18	Elba-Portland AEA	Dodge
19	Halfway Creek Prairie AEA	La Crosse
20	Pecatonica AEA	Lafayette
21	Shields-Emmet AEA	Dodge
22	Vienna-Dane-Westport AEA	Dane
23	Fields, Waters and Woods AEA	Ashland, Bayfield
24	Southwest Lead Mine Region AEA	Lafayette
25	Town of Grant AEA	Chippewa, Dunn
26	Friends in Agriculture AEA	Clark
27	Greenville Greenbelt AEA	Outagamie
28	The Headwaters of Southeast Monroe County AEA	Monroe
29	West Point AEA	Columbia
30	Golden Triangle AEA	Eau Claire
31	Scenic Ridge and Valley AEA	Monroe
32	Evergreen- Wolf River	Langlade
33	North- West Pierce County	Pierce

34	Farming Forward AEA	Waupaca
35	Farming for the Future AEA	Trempealeau
36	Three Rivers AEA	Outagamie, Waupaca
37	Town of Troy AEA	Saint Croix
38	Bear Creek AEA	Sauk
39	Castle Rock Township AEA	Grant
40	South Fork AEA	Clark
41	Cicero Blackmour AEA	Outagamie
42	St. Marie AEA	Green Lake
43	Town of Westford AEA	Dodge
44	Northern Douglas County AEA	Douglas
45	Montana Society for Responsible Land Use	Buffalo
46	Stanton Farmland Heritage Preservation AEA	Saint Croix
47	Town of Princeton AEA	Green Lake

Wisconsin’s Agricultural Enterprise Areas (AEAs) cover over 1.57 million acres of diverse agricultural landscapes across the state. With 47 designated AEAs in 30 counties and the Bad River Reservation, each AEA contributes to the state-wide effort to protect and conserve important agricultural resources. Currently, the department has authority to designate up to two million acres of land in AEAs.

Wisconsin’s AEA program continues to grow (Map 6). Each AEA is designated by the department in response to locally crafted petitions. These petitions bring together local farmers, town and county officials and staff, and supporting agricultural businesses who cooperatively identify important agricultural areas in their community that merit preservation and economic investment. Through the petition, the community identifies specific goals for the AEA that will support the next generation of farmers through maintaining the productivity of agricultural resources, promoting the development of local agricultural processing facilities, and working in conjunction with local land use regulations. The process also starts a conversation between these groups about the value that agriculture brings to their region, allowing them to discuss their goals for agricultural preservation and economic development. AEAs can be designated in areas without farmland preservation zoning, or in conjunction.

Beginning on December 8, 2023, agricultural landowners within the AEA who meet the other eligibility requirements can sign a 10-year farmland preservation agreement. Prior to December 8, 2023, the minimum terms for an agreement was 15 years. Those landowners who sign a farmland preservation agreement agree to comply with the state soil and water conservation standards and in return they may claim the farmland preservation tax credit.

Innovation Grants

During the biennium, seven counties utilized the SEG innovation grant program to incentivize, educate, and inform landowners about agricultural land, soil, and water conservation practices, with a focus on designated AEAs. These counties consisted of Ashland, Columbia, Dodge, Langlade, Marathon, Monroe, and Sauk. With the flexible nature of the grants, each county was able to make a custom program to fit their community and blend with other initiatives. As an example, Ashland County identified a goal to promote nutrient management. In addition to creating an incentive program within the Fields, Waters, and Woods AEA, the county partnered with Douglas, Iron, and Bayfield counties to apply for a National Association of Conservation Districts grant to fund an agronomy technician and get nutrient management on the ground, an essential step in establishing eligibility for the Farmland Preservation Program. Dodge County, which is home to six designated AEAs, focused its innovation programming on the Town of Westford AEA. Their program targeted pollution reductions in the Beaver Dam Lake area and rewarded landowners who make a long-term commitment to water quality practices through farmland preservation agreements. Langlade County's strategy focused on targeting landowners already familiar with the Farmland Preservation Program. From these initial contacts, interest grew through word of mouth.

The flexibility of the program also helped address barriers to the Farmland Preservation Program. Sauk County was able to connect with all landowners in the Bear Creek AEA through the use of multiple avenues of communication. Improved lines of communication in Columbia County also produced great results as local enthusiasm led landowners to connect with the county conservation office. Marathon County's informational landowner dinner drew nearly 100 people, leading to many new contacts between the county and the landowners. Langlade County saw so much interest in the program that they made the decision to apply for a second grant in 2023 to enroll the backlog of interested landowners into farmland preservation agreements. The biggest barrier that the county faced was a lack of staff to address all of the interest the incentives brought to program participation. In 2023, Langlade County was able to also leverage the overall success of their Farmland Preservation Program, including the AEA, farmland preservation agreements, and certified farmland preservation zoning participants, to petition the county board for approval for additional full-time staff in the land conservation office to support the program and other conservation efforts in the county.

Success Meeting Petition Goals

Each of the 47 AEAs across the state are developed with specific goals to help support the local agricultural community, promote agricultural development, and preserve the area's natural resources. These goals go above and beyond the implementation of farmland preservation agreements. Common goals across the AEAs include:

- Support local food production through local or specialty branding for local markets.
- Provide educational and outreach opportunities with the local agricultural community to discuss the importance of the state's soil and water conservation standards.

- Provide educational and outreach opportunities with the local non-agricultural community to discuss on-farm conservation and preservation efforts to bridge the gap between neighboring communities.
- Develop and implement other programs such as farmland preservation zoning or producer-led watershed groups to help bolster support for the community's efforts, reinforce local agricultural goals and provide additional incentives for conservation and preservation.
- Cluster protected farmland to promote investment in agricultural infrastructure.
- Connect landowners with resources to help support their agricultural business, on farm conservation efforts and network building opportunities within the community.

While many petitions put a heavy focus on enrolling landowners into agreements to accomplish these goals, agreements are not the only way for the community to find success. Many strategies that petitioners have developed require a multi-tiered approach in order to achieve these goals. This includes extensive outreach and education efforts, relationship building with partners and the community and program implementation for programs and activities like nutrient management planning, which are essential to participating in a farmland preservation agreement.

The number of agreements in an AEA is an easy number to quantify, while the impact of other activities might not be as easy to assess. Efforts to work with producers by shifting mindsets on land preservation and conservation through outreach, building confidence in using tools like Snap+ to write nutrient management plans through education, and creating a network of landowners to share and support one another through community activities like field days are all essential to the overall success and longevity to an AEA.



Landowners with farmland within a designated AEA can voluntarily enter into a 10-year farmland preservation agreement. Prior to December 8, 2023, the minimum term for an agreement was 15 years. By agreeing to meet the state’s soil and water conservation standards – and limiting covered lands to agricultural, accessory, and open space land uses – these agreements provide an option for landowners to protect their farmland. Commercial, industrial, or residential uses such as commercial solar arrays, private rural residential housing not associated with a farm, or nonmetallic mines are not allowed under a farmland preservation agreement. Beginning in tax year 2023, eligible agreement holders may claim the tax credit at a rate of \$10 per acre, or \$12.50 per acre if the land is also located in a certified farmland preservation zoning district. Previously, eligible agreement holders could claim the farmland preservation tax credit at the rate of \$5 per acre, or \$10 per acre if the land is also located in a certified farmland preservation zoning district. Since July 1, 2009, agricultural landowners have signed 905 farmland preservation agreements covering 198,975.357 acres, which is a total of 12% of the eligible acreage within designated AEA boundaries. The area covered by effective farmland preservation agreements across the state is equivalent to the size of 8.6 full-size townships. Over the last biennium, an additional 108 agreements were signed across the state covering a total of 21,359.4 acres. Table 3 shows the number of effective farmland preservation agreements across the state. Map 7 shows the number of effective agreements in each county. Landowners who claim the farmland preservation tax credit on a post-2009 farmland preservation agreement must meet the state soil and water conservation standards enumerated in the Conservation Compliance Section of this report.

Table 3. Effective Agreements as of July 1, 2023.

	Number of Effective Agreement as of 6/1/2023
Agreements in AEAs	905
Agreements signed prior to July 1, 2009	184
Agreements signed prior to July 1, 2009 and Modified after July 1, 2009	29



The Benefit of Investment in Farmland Preservation Agreements

After the designation of the first AEAs in 2011 and 2012, there was a large spike in enrollment in new farmland preservation agreements where we saw initial enrollment of over 150 new farmland preservation agreements and an overall annual growth rate of 142.3% (Figure 7). The annual growth rate was calculated by taking the average number of agreements between two years (Annual Growth Rate (%) = $[(\text{Total Number of Agreements Year B} - \text{Total Number of Agreements Year A}) / \text{Total Number of Agreements Year A}] \times 100$). While the program continues to enroll new participants, there has not been as large of a spike in participation in the program since. From 2016 to 2022, on average, 47 new agreements were enrolled annually and the average annual growth rate hovered around 6% (Figure 8). While the number of new agreements continues to steadily increase every year, the annual growth rate began to decline between 2016 and 2019. The largest spike in overall participation in the program occurred in 2021, which coincided with seven counties participating in the SEG Innovation Grant program. In 2021, there were 63 new farmland preservation agreement enrolled and an annual growth rate of over 8%.

As previously discussed in the AEA portion of this report, seven counties including Ashland, Columbia, Dodge, Langlade, Marathon, Monroe, and Sauk utilized the SEG innovation grant program to incentivize, educate, and inform landowners about agricultural land, soil, and water conservation practices, with a focus on designated AEAs. Many of these counties' main grant project goals were to increase the number of farmland preservation agreements within eligible AEAs in the county in order to support local efforts to protect local natural resources and educate about the benefits of soil and water conservation.

SEG innovation grants in AEAs have been successful at enrolling new participants into the program, reaching new communities, re-engaging with old communities, educating on the importance of farmland preservation, and promoting conservation on the farm. The success of SEG innovation grants in AEAs is directly related to the overall investment of both funding and staff time that state and county staff put into the grant program. Without the added bonus of the incentive payments outline in each grant or the extensive outreach campaign completed by DATCP and county LCD staff, this grant program would not have succeeded. These grants illustrated that investment in the Farmland Preservation Program will produce more participation in the program, preserving more farmland and promoting more conservation.

On December 8, 2023, the program was updated to increase the farmland preservation tax credit and decrease the minimum number of years land is required to be enrolled in a farmland preservation agreement. Farmland preservation agreement enrollment is anticipated to have another spike in enrollment during the next biennium as a direct result to these legislative updates.

Continued investment in the Farmland Preservation Program through grant opportunities, updated legislation, and additional staff at both the state and county levels will lead to continued and increased participation in the Farmland Preservation Program and in farmland preservation agreements.

Figure 7. Farmland preservation agreements enrolled from 2010-23 and annual growth rate.

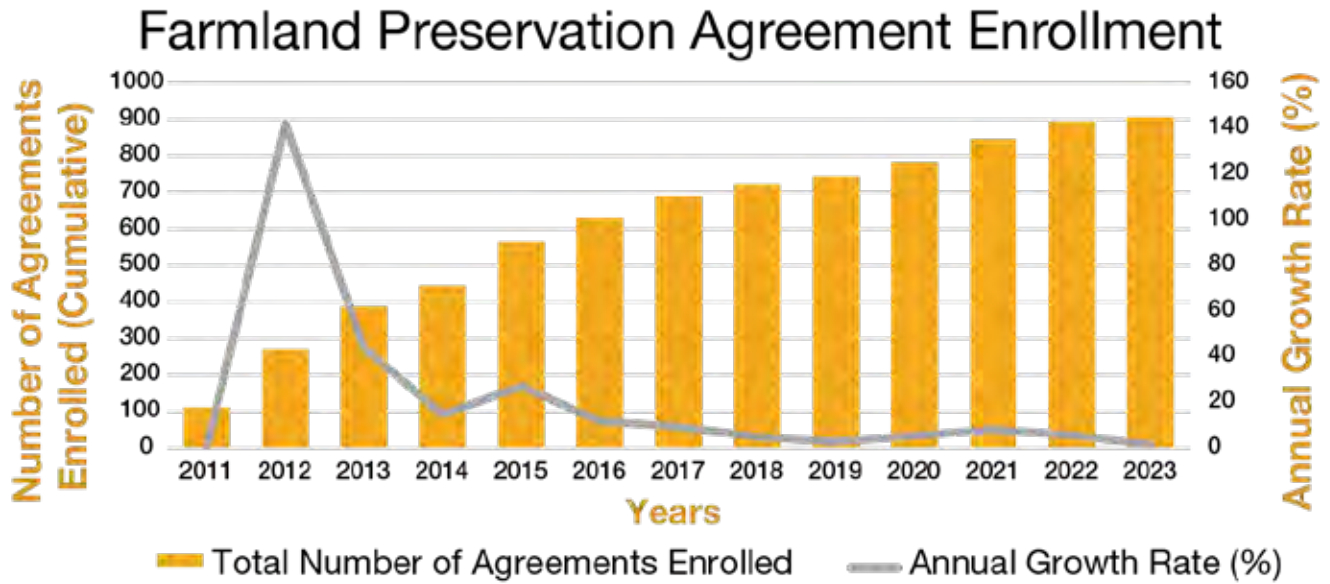
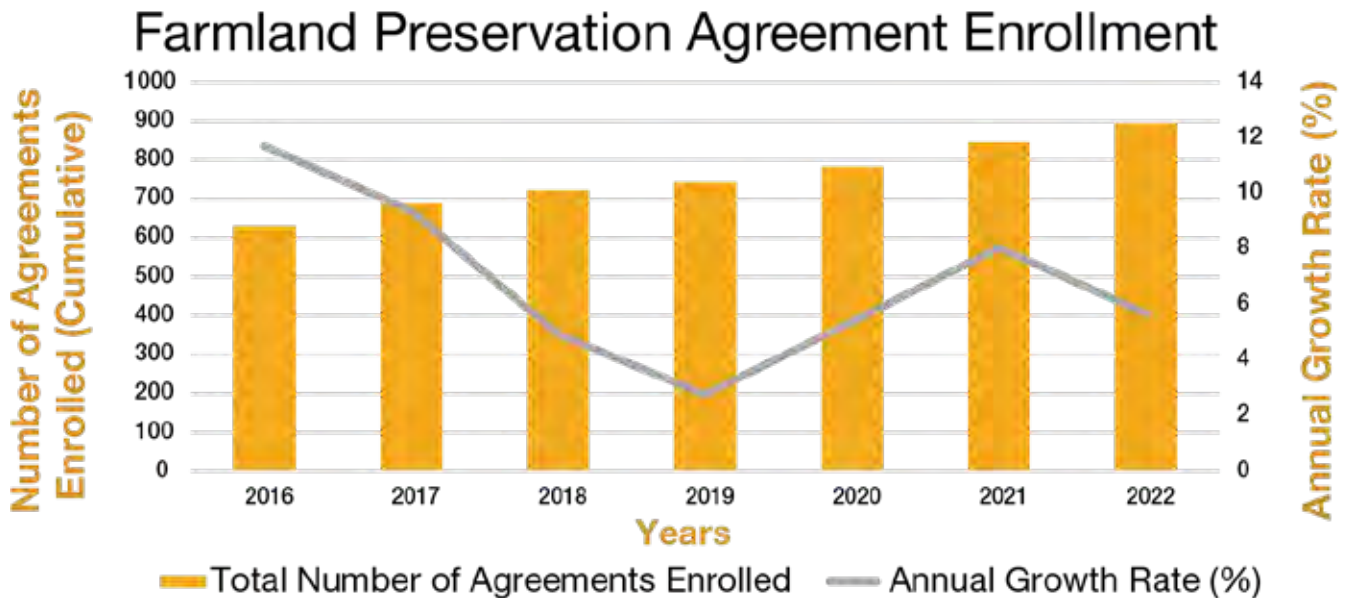


Figure 8. Farmland preservation agreements enrolled from 2016-22 and annual growth rate.



Farmland Preservation Tax Credits

- To claim the farmland preservation tax credit, all landowners must meet the following eligibility requirements:
- Own land that is located in a certified farmland preservation zoning district and/or covered by an effective farmland preservation agreement.
- Be Wisconsin residents. Corporations who wish to claim the credit must be organized under the rules of Wisconsin.
- Produced at least \$6,000 gross farm revenue during the preceding year or \$18,000 during the previous three tax years.
- Be in compliance with state soil and water conservation standards.
- Must not have claimed the homestead credit or the veterans and surviving spouses property tax credit for the same tax year.

Schedule FC

Some landowners still claim the farmland preservation tax credit using tax schedule FC if they own lands subject to an effective farmland preservation agreement signed before 2009. Agreements signed under 2009, Act 374 have all expired. Landowners who are eligible to participate in the program by owning land in a certified farmland preservation zoning district, or in a farmland preservation agreement signed or modified after July 1, 2009, may not file tax credit claims using tax schedule FC.

Table 4. Farmland Preservation Tax Claims on Schedule FC for Tax Years 2019-2022.

Year	Claims	Credit	Acres	Average Credits Awarded/ Claim	Average Acres/ Claim
TY 2019	701	\$428,646	119,382	\$611.48	170.3
TY 2020	642	\$380,152	107,055	\$592.14	166.75
TY 2021	487	\$272,541	80,422	\$559.63	165.14
TY 2022	512	\$298,934	82,374	\$583.86	160.89

Estimated tax claims¹ filed on Schedule FC during the last two biennia are depicted in Table 4. The number of claims and credits awarded under Schedule FC have continued to shrink as the number of acres under effective pre-2009 farmland preservation agreements continue to decline. The number of claims in tax year 2022 increased unexpectedly compared to the number of claims in tax year 2021. Starting in tax year 2023, landowners claiming on Schedule FC will be required to include their effective agreement number in their claim. Inclusion of the effective agreement number on Schedule

¹ Farmland Preservation tax credit claims may be filed up to four years after the un-extended deadline of the applicable year's tax return. The claims in the table have not been adjusted to reflect claims that may have been filed on amended tax returns during a different fiscal year.

FC is intended to reduce the number of landowners claiming on the incorrect schedule or expired agreements. The formula for awarding credits on schedule FC is based on property tax burden as compared to farm income. It awards the most credits to entities that have a high property tax burden and low income. During Tax Year 2022, an averaged claim on schedule FC was worth \$3.63/acre, notably lower than the credit awarded on the flat per acre schedule FC-A.

Schedule FC-A

Most landowners who participate in the program use tax schedule FC-A, indicating that their land is located in a certified farmland preservation zoning district, is covered by a farmland preservation agreement signed or modified after July 1, 2009, or both. During the biennium, landowners who owned land subject to an effective agreement signed or modified after July 1, 2009 could claim \$5/acre. 4% of statewide claims in Tax Year 2022 were based on lands subject to an effective agreement signed or modified after July 1, 2009. Landowners who owned land located in a certified farmland preservation zoning district could claim \$7.50/acre. 90% of statewide claims in Tax Year 2022 were based on lands located in a certified zoning district. Landowners who owned land located in a farmland preservation zoning district and covered by an effective agreement signed or modified after July 1, 2009, could claim \$10/acre on tax schedule FC-A. 6% of statewide claims in Tax Year 2022 were based on lands located in a certified zoning district and covered by an effective farmland preservation agreement signed or modified after July 1, 2009. Starting in tax year 2023, landowners claiming the farmland preservation tax credit will be eligible for a higher rate of \$10/acre for land subject to an effective agreement signed or modified after July 1, 2009 or land located in a farmland preservation zoning district. Land located in a farmland preservation zoning district and covered by an effective agreement signed or modified after July 1, 2009 will be eligible for \$12.50/acre. Additionally, lands covered by an agricultural conservation easement purchased under s. 93.73, Wis. Stats to the extent planned for farmland preservation will be eligible to claim the tax credit at a rate of \$10/acre. The new rates apply only to claims made for tax years 2023 or later.

Table 5. Farmland Preservation Tax Claims on Schedule FC-A for Tax Years 2019-2022.

Year	Claims	Credit	Acres	Average Credits Awarded/ Claim	Average Acres/ Claim
TY 2019	10,572	\$15,838,346	2,089,808	\$1,498.14	197.67
TY 2020	10,335	\$15,549,940	2,054,923	\$1,504.59	198.83
TY 2021	9,002	\$13,751,973	1,819,563	\$1,527.66	202.13
TY 2022	9,902	\$15,225,402	2,012,096	\$1,537.61	203.02

Most claimants will file their farmland preservation tax claims by the un-extended due date for that applicable tax year, but claims may be filed up to four years after the un-extended deadline of the applicable year's tax return. Data reported for timely claims made relative to Tax Year 2021 reflects a 14.8% reduction in the number of claims filed as compared to data reported for Tax Year 2020.

For the same period, there was a 13.1% reduction in the number of credits awarded and a 12.9% reduction in the number of acres claimed on. However, data for tax year 2022 indicates that number of claims, credits awarded, and acres claimed on increased by 10.0%, 10.7%, and 10.6%, respectively, compared to 2021. For the last two biennia, average acres per claim on schedule FC-A have hovered around 200, just short of Wisconsin's average farm size of 222 acres. Data in Table 5 has not been adjusted to reflect claims filed on amended returns in subsequent fiscal years.

Conservation Compliance

In order to claim the farmland preservation tax credit, landowners must demonstrate compliance with state soil and water conservation standards. These standards help protect the state's water resources, reduce soil erosion, and encourage the effective management of manure and other nutrients that can impair water quality.

The standards that a 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, employing strategies to ensure that the nutrient management plan adequately controls phosphorus runoff.
- Avoid tilling within five 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.

Issuing Certificates of Compliance

County land conservation departments determine if a landowner is complying with these soil and water conservation standards by conducting farm inspections. If the landowner is found to be 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. County land conservation departments conduct an inspection of farmland owned by participating landowners at least once every four years to ensure continued compliance with the conservation standards.

As of tax year 2022, counties had issued nearly 14,716 certificates of compliance covering an estimated 2.45 million acres of farmland. This estimate does not exclude lands that have been certified as compliant with state soil and water conservation standards where a landowner does not file a farmland preservation tax credit claim. This acreage estimate excludes certifications for which a notice of noncompliance has been issued by the County Land Conservation Committee under s. 91.82, Wis. Stats. and has not subsequently been cancelled. When a county determines that a landowner is not complying with the conservation standards, the county will issue a notice of noncompliance to the landowner. A copy of this notice is sent to the Wisconsin Departments of Revenue (DOR) and Agriculture, Trade and Consumer Protection to document the landowner's ineligibility for the farmland preservation tax credit until the notice is cancelled. DOR data shows that an estimated 10,441 farmland preservation tax claims were filed in Fiscal Year 2023 on an estimated 2.082 million acres of land. The difference between claims filed and certificates of compliance issued suggests or illustrates:

- There is more land in compliance than total acreage filed for under farmland preservation tax claims.
- Some compliant landowners may choose not to claim the credit, may not meet other eligibility requirements, or may be missing an opportunity to claim the tax credit.

Challenges in Administering Conservation Compliance

Administering conservation compliance across the state presents several challenges, particularly in monitoring the sale and purchase of eligible farmlands. Changes in land ownership, life events such as marriage or death, and alterations in ownership entity names can impact eligibility for filing farmland preservation tax claims and determining eligible acres.

Managing landowner information, tracking land transactions, and ensuring conservation compliance becomes a substantial administrative responsibility, especially for counties with a significant number of participants. County land conservation departments work diligently when land changes hands, ownership structures evolve, or compliance statuses shift. This effort includes issuing or updating certificates of compliance, issuing notices of non-compliance, and managing cancellations of non-compliance as needed.

Counties employ diverse strategies for monitoring land transactions, participant tracking, and compliance status management. These methods may encompass the use of geographic information systems, custom databases, spreadsheets, annual self-certifications, nutrient management checklists, and various other tools.

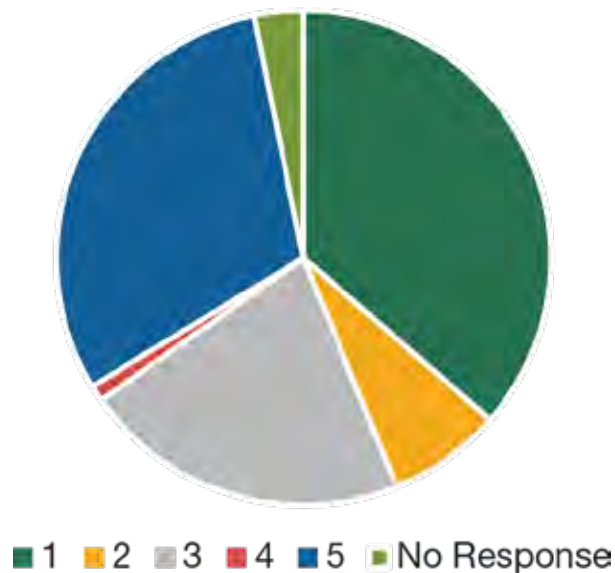
Effectively implementing conservation compliance and accurately reporting total eligible acres necessitates a substantial investment of human resources, fiscal resources, and time commitment within county conservation departments throughout the state.

Notices of Non-Compliance in the Farmland Preservation Program

A Notice of Non-Compliance (NoN) is a formal notification issued to landowners within the Farmland Preservation Program when they fail to meet the conservation standards or other eligibility requirements. NoNs are important because they serve as a mechanism to ensure that landowners adhere to regulations aimed at conserving soil and water resources, protecting water quality, and maintaining the integrity of agricultural land. These notices play a crucial role in maintaining compliance with program guidelines and safeguarding the program's objectives.

Below is an overview of NoNs issued over the last biennium to offer insight into the nature and distribution of landowner non-compliance, as well as recommend strategies for program improvement. During the biennium, a total of 181 NoNs were issued within the program.

Figure 9. Reasons for issuance of Notices of Non-Compliance (NoNs) during 2021-22.



The reasons for the issuance of NoNs in Figure 9 are detailed below:

- 1. Non-Compliance with Conservation Standards (37%):** The most prevalent reason for NoNs was the failure to comply with applicable land and water conservation standards. These can include, but are not limited to, compliance with nutrient management plans, tillage setbacks, and tolerable soil loss.
- 2. Failure to Comply with Performance Schedules (7%):** While counties may extend the accommodation of a schedule of compliance to assist landowners, it's important to highlight that, despite this flexibility, some landowners still did not manage to meet the compliance schedule.
- 3. Failure to Certify Compliance (24%):** Some landowners did not fulfill the mandatory compliance certification requirement imposed by the county. In certain counties, compliance certification may be an annual obligation, typically accomplished through a letter, postcard, or by documenting the receipt of a nutrient management plan checklist.

4. **Eligibility Issues (1%):** There were instances where properties were ineligible for farmland preservation tax credits due to the absence of farmland preservation agreements or zoning district coverage.
5. **Voluntary Waiver of Rights (29%):** Landowners signed voluntary waivers of rights to withdraw themselves from program eligibility, leading to NoNs in this category.

Landowners who are issued a NoN can return to the program once they address the reason for which the NoN was issued. When they come back into compliance, the county will issue a Cancellation of a Notice of Non-compliance to the landowner. This allows the landowner to resume participating in the Farmland Preservation Program and claiming the farmland preservation tax credit. During the biennium, 26 of the 181 NoNs were issued a Cancellation of a Notice of Non-compliance.

Program Costs, Issues, Opportunities, and Recommendations

Costs: Planning Grants

Counties may request grant funds to help facilitate planning for agricultural preservation at the local level. Farmland preservation planning grants support local planning efforts and help counties prepare an updated farmland preservation plan. A county may request up to 50% of the costs of preparing a farmland preservation plan, but no more than \$30,000. During the biennium, DATCP awarded \$339,263 in planning grant funds for completing and updating farmland preservation plans to 15 counties. This constitutes a 384.13% growth in total farmland preservation planning grant awards over the previous biennium. Factors that correlated to an increase in planning grant applications and awards include more scheduled plan expirations, expirations for counties that requested one-to-two-year planning extensions which initially expired during the 2019-2021 biennium, and reprioritization of work that was shifted to accommodate local planning priorities during the pandemic.

The county farmland preservation planning grant awards indicate that 15 counties cumulatively made plans to invest \$678,000 on planning for the future of farmland during the biennium. This number, however, does not include the total amount of time that counties spent on plan map amendments, developing agricultural enterprise areas, crafting farmland preservation zoning ordinances, or evaluating compliance and developing conservation or nutrient management plans. Looking to 2024-2025, there are 28 counties with expiring plan certifications. Farmland preservation planning grants continue to be a critical resource to ensure that counties will have the resources to plan for the future of agriculture. However, it can be difficult for counties to find the financial and staff resources necessary to implement the program once a plan has been developed and certified by DATCP.

DATCP will continue to look for opportunities and resources to help citizens and local governments fund the implementation of their county plans, such as AEAs and farmland preservation zoning ordinances. Granting DATCP the authority to invest unused planning grant dollars on local projects to implement certified farmland preservation plans would address some of this challenge.

Investing in plan implementation would help achieve local land use, preservation, conservation, and outreach goals. Funding could support objectives such as the development of new farmland preservation zoning ordinances, facilitate economic investment in AEAs, or help mitigate the burden of implementing soil and water conservation standards at the county level (for administration and outreach) or at the landowner level. Landowner assistance through a localized or targeted grant could be achieved through something like an enrollment incentive to defray the costs of coming into compliance or preparing a nutrient management plan. Farmland preservation plan implementation grants have been proposed in iterations of budget bills and legislation during the last two biennium but are not yet authorized by law or current appropriations.

Costs: Tax Credits

In tax year 2021, timely farmland preservation tax claims totaled \$15,449,899. This constitutes about a 4.98% decrease in total credits awarded over timely claims in tax years 2019 and 2017 as reported in previous program biennial reports.

Historic data for timely claims has suggested a downward trend in the number of farmland preservation tax claims since the requirement for a Certificate of Compliance Number was enacted on Schedule FC-A for tax year 2016. However, farmland preservation tax credit claims may be filed up to four years after the un-extended deadline of the applicable year's tax return. DATCP will continue to coordinate with DOR to monitor trends related to retroactive claims looking forward. New data for tax year 2022 should become available in the late fall of 2023 or spring of 2024. Program staff will be looking to monitor trends related to timely tax claims and total number of claimants and acres claimed on.

In 2023, assembly bill 133 and senate bill 134 were introduced with proposed amendments to chapters 91, Farmland Preservation, and 71, Income and Franchise Taxes for State and Local Revenues. The proposed legislation includes increases to the farmland preservation tax credit. AB 133 was subsequently amended in the assembly to remove a proposed index for inflation. The amended language introduced in AB 133 to the Farmland Preservation Program was signed into law on December 6, 2023 as 2023 Act 42, with the updates to the tax credit rate in tax year 2023. All changes in Act 42 went into effect on December 8, 2023.

The increase to the tax credit will positively affect participation in the program, investments in conservation, and support of farm viability. While this will be a concrete benefit to landowners, it may create additional workloads for county land conservation departments who work to verify farm compliance with the state soil and water conservation standards. Objectively, where increasing farmland preservation participation and implementing soil and water conservation standards is a matter of statewide importance, additional resources may be required to ensure that this growth is a practical goal. Looking forward, DATCP continues to produce educational content to try to illustrate the financial, land use, and conservation benefits that can be achieved through program participation. DATCP also offers resources to assist landowners in writing their own nutrient management plans to provide a vehicle to mitigate the costs of conservation compliance.

Looking to the future, program goals for farmland preservation tax credits continue to include reaching new landowners to afford land use protections, easing some tax burdens, and encouraging the implementation of conservation practices.

Costs: Staff

Currently, DATCP's Farmland Preservation Program has six team members contributing an estimated 2.6 full-time equivalent positions working on farmland preservation planning, AEAs, farmland preservation agreements, farmland preservation zoning, conservation compliance, data tracking, analysis, and reporting. During calendar year 2021, the program was also supported by an intern. There is approximately \$260,996.22 in segregated funds (SEG) allocated to these positions annually, including salaries and benefits. The program would benefit from more staffing resources on the state and local levels.

Staff from towns, villages, cities, counties, and other state agencies are also integral to program operations. Each year, DATCP works with municipal clerks, planners, zoning administrators, committee members, land conservationist staff, and team members at DOR to operate the Farmland Preservation Program.

Other Issues, Opportunities, Recommendations

- **Expand Program Support Through Partnership Networks** - The Farmland Preservation Program is successful because of the support it receives from partners. County conservationists and local land conservation staff all serve a critical role in locally administering and implementing the Farmland Preservation Program. These partners all serve as the local face of the Farmland Preservation Program and are generally the first ones landowners or operators will turn to when looking for assistance. However, the increasing interest in the program can put a strain on resources in these local departments, especially those with small or limited staff.

Without the ability to directly fund additional positions in county land conservation departments to support the Farmland Preservation Program, partnerships in outside departments and organizations can provide education and information about the Farmland Preservation Program to alleviate some of that strain. In the next biennium, program staff will continue reaching out to other partners, such as local planning and zoning offices, political subdivisions, and AEA non-petitioning cooperators to build a larger support network for landowners. In addition to increasing the community's understanding of the Farmland Preservation Program, a larger network of partners can also foster more local ownership of the program, encourage additional participation, and meet the goals of local farmland preservation plans, land and water resource management plans, and AEAs.

- **Outreach and Education**—The state's Farmland Preservation Program has many steps to participation. Where there continues to be confusion about program benefits, there is a need for more outreach and education, especially with respect to program and tax credit eligibility and conservation compliance.

County conservationists and local conservation staff are often the first interaction a landowner or operator has with the Farmland Preservation Program. Anecdotally, several county land conservation departments have also reported preparing for the retirement of tenured staff members who have worked on the Farmland Preservation Programming for decades. Looking to the next biennium, state program staff will be looking to provide additional training and outreach resources specific to support the needs of county staff. This will include trainings on monitoring for conservation compliance, communicating the conservation standards and their benefits to landowners, and producing resources that clarify conservation compliance requirements.

- **Redefining Mechanisms and Roles for Economic Development Within AEAs** – When first introduced under the Working Lands Initiative in 2009, AEAs were intended to be used as part of a broader local strategy to promote agriculture and related enterprises. That strategy may include other local initiatives such as zoning, agricultural conservation easements, land purchases, land donations, development grants, cooperative agreements, and financial incentives. To encourage communities to think about how to incorporate an AEA into these local goals and initiatives, AEA petitions are required to include a clear description of enterprise development goals for proposed AEAs, as well as a plan for achieving those goals that enumerates planned investments, grants, development incentives, cooperative agreements, and promotional and public outreach activities.

The Farmland Preservation Program has clearly defined vehicles to help landowners in AEAs achieve agricultural preservation goals through farmland preservation agreements, implementation of the conservation standards, and the option to adopt farmland preservation zoning within AEA boundaries. However, the Farmland Preservation Program does not offer a clear framework or funding string to support locally drafted goals for economic development in AEAs. Due to that lack of financial resources and clearly defined framework, the economic development aspect of AEAs has not been fully actualized.

The original intent of the enterprise aspect of AEAs was to be defined and managed locally. While there are limited resources at the state and local level to implement these goals, development and investment in agricultural enterprises is critical for the long-term success of an AEA and local agricultural community. Over the next biennium, program staff will work with communities in designated AEAs to evaluate current goals for enterprise development, review available tools and resources DATCP can provide to support these goals, and work to renew interest in this aspect of the AEA program. Program staff will also work with petitioners for new AEAs to instill the importance of developing practical and implemental goals to support local enterprise development.

- **Integrated Approaches to Planning** – The foundation of the Farmland Preservation Program is a county-drafted farmland preservation plan. These plans establish a county's goals for farmland preservation and policies to achieve them. Within the requirements for certification of farmland preservation plans are opportunities for the county to incorporate other planning efforts which support local goals for soil and water conservation and farmland preservation. As we move into the second decade of the Farmland Preservation Program and counties begin

recertifying their farmland preservation plans, planners should look towards other locally adopted plans, such as Land and Water Resource Management plans, Nine Key Element Watershed plans, or Climate Change Action plans, and integrate common goals or policies that would directly support local implementation of the Farmland Preservation Program.

- **Delay of AEA Designation** - Under s. 91.84(5), Wis. Stats., the designation of an AEA takes effect on January 1 of the calendar year after the order designating the area is published. This means that landowners who collaborate on a petition may have to wait more than a year between the start of petitioning for an AEA, being eligible to sign a farmland preservation agreement, and subsequently claiming the farmland preservation tax credit. For example, DATCP posts petition materials and instructions to request designation for a new or modified AEA in January of each calendar year. Locally crafted materials must be submitted to the department for review by the AEA evaluation committee in August of each year and petitions recommended for designation do not go into effect until January 1 of the following calendar year. After designation, landowners are eligible to sign farmland preservation agreements within the AEA. Once a farmland preservation agreement goes into effect, the landowner is typically eligible to apply for tax credits on the covered lands during the following tax year. Landowners who participate in the program via certified farmland preservation zoning may be eligible to claim the tax credit in the year immediately following adoption of a certified farmland preservation zoning district if they can obtain a certification of compliance from their county land conservation department. Looking forward, the legislature should consider adjusting the effective date of designated AEAs to enable petitioners to apply for designation of an AEA and sign a farmland preservation agreement within the same calendar year. This would compress the time between establishing eligibility and providing some tax relief to landowners.



Looking to the Future

Wisconsin loses thousands of acres of farmland each year to non-agricultural development. While some amount of loss may be inevitable, DATCP's Farmland Preservation Program is intended to preserve farmland and soil and water resources for future generations. Over the next biennium, program staff will prioritize clarifying and supporting administrative responsibilities to the program by updating outreach materials and providing additional technical resources for program implementation. Doing so will serve to foster both new and existing relationships with local government staff and other local stakeholders. Program staff will also look for new ways to bridge local departments and partners who work with the program to create a more integrated network of support for both those local departments and for participants.

Ultimately, the program requires substantial investment and commitment on all levels ranging from landowner actions, to implementing conservation practices, to county conservation offices offering technical assistance, and local governments partnering with state agencies to increase areas eligible for program participation. Planning for agriculture and implementing tools to protect farmland is a statewide priority. Stakeholders have identified points of improvement that would support current participation and grow future participation. In 2023, the legislature took steps towards improving the program by increasing the tax credit and reducing the number of years required for a farmland preservation agreement. However, the program will still need continued and additional support both at the state and local level to meet the administrative demands of implementing it. Additionally, continued evaluation of the tax credit rates will be instrumental in ensuring Farmland Preservation Program remains relevant and worthwhile to participants.



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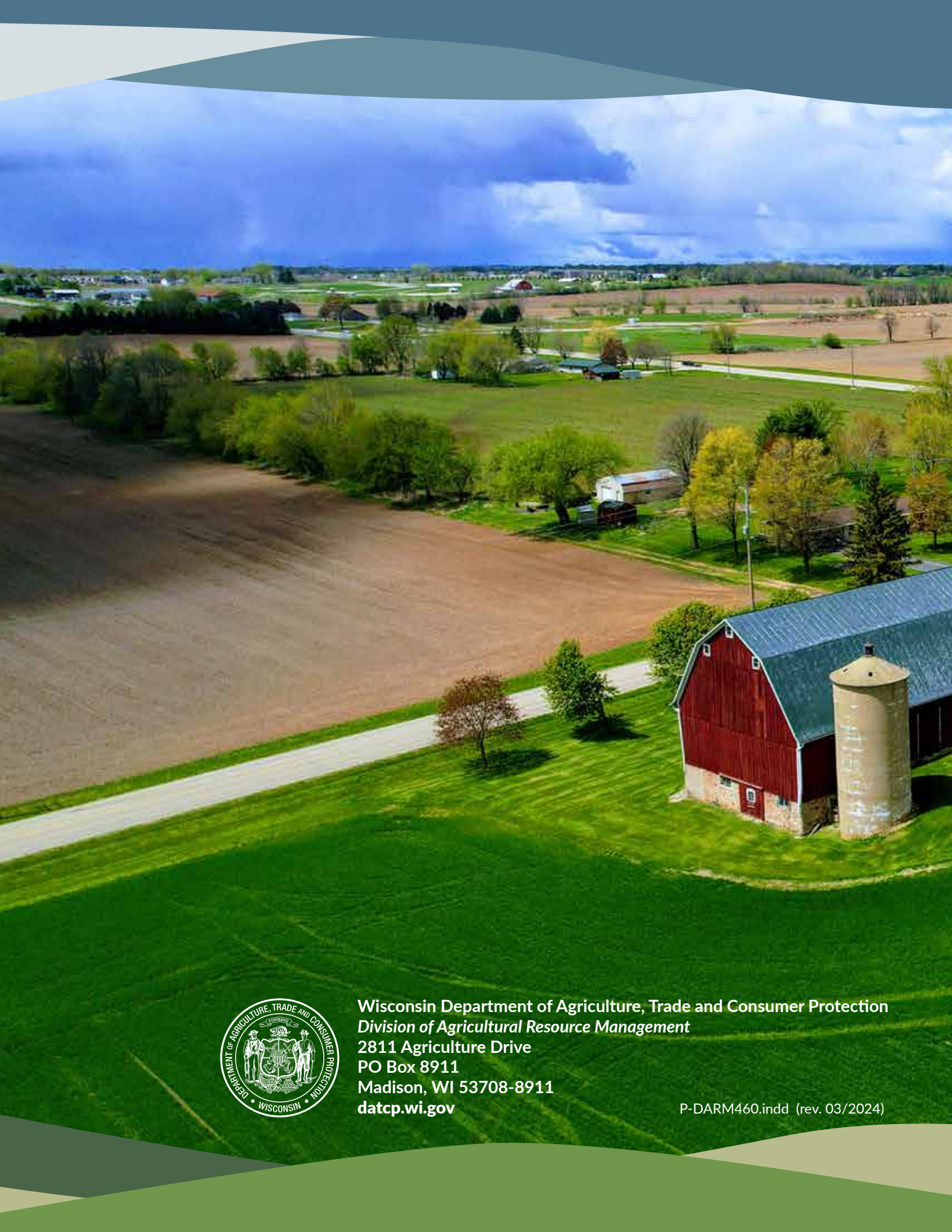
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