

The FRPP (now the Agricultural Conservation Easement Program)
How has the protected land been used, and who will likely own it in the future?

A presentation by **Dick Esseks** (Center for Great Plains Studies, University of Nebraska-Lincoln) and **Brian Schilling** (Department of Agricultural, Food and Resource Economics, Rutgers University), based on the findings of a 2012 national survey of 506 owners of agricultural land protected in part with grants from the FRPP.

See this website for the full report:

<http://www.farmlandinfo.org/FRPPImpacts>

Slide 2: **The 2012 Sample**

- For drawing our random samples for the survey, USDA's Natural Resources Conservation Service provided us with lists of owners of protected agricultural land. The selected properties had easement closings during the period October 2005 through January 2012.
- **The response rate was 54%.**
- The telephone interviews were conducted between January and May 2012 by staff of the Bureau of Sociological Research, University of Nebraska-Lincoln.
- **The median interview was 36 minutes in length, while the average was 37 minutes.**

Slide 3: To what extent has the protected land been used for agricultural production?

Text of question about agricultural land use in the 2012 survey:

“In 2011 about how many of your total protected acres, [the computer inserts the number gathered from a previous question] were in *active agricultural production*, such as in crops, hayfields, pasture, rangeland, or orchards? **Please include in that estimated total any protected acres used for barns and other agricultural buildings and, secondly, any protected land you may have rented out to farmers or ranchers.**”



Slide 4: To what extent has the protected land been used for agricultural production?

Percent	2012 Survey	2005 Survey
0%	4%	3%
More than 0% to less than 25%	3	3
25% to less than 50%	7	9
50% to less than 75%	15	14
75% to less than 100%	22	33
100%	47	37
<i>(At least 75%)</i>	<i>(69%)</i>	<i>(70%)</i>
Did not know or not clear	2	2
Total surveyed owners	506	422

Table 5: Traits of surveyed owner-operators associated with having at least 75% of the protected land being in a farm operation (in 2011)

Statistically Significant Predictors ¹	% with Three-quarters or More Farmed	
Being an operator of protected land	Operators =72%	Non-operators=64%
Saving farmland was an objective when selling easements.	Yes, was an objective=73%	Was not =62%
Seeking financial benefits not related to the farm was an objective	Yes, was an objective = 87%	Was not = 68%
Next owner of protected land was likely to be someone who farms the land.	Yes, likely would be = 77%	Did not have this expectation = 64%
Being an owner-operator who was “retired” and whose 2011 receipts from the operation were less than \$250K	Had a “retirement operation” = 60%	Not a retirement operation = 70%
An owner-operator of a family farm with at least \$500K in revenue in 2011	Had that kind of operation = 86%	Did not have it = 67%
Protected land was in the Northeast.	Yes = 56%	No = 82%

¹Significant in logistic regression analysis when the number of protected acres and other hypothesized predictors were held constant

Slide 6: 356 or 70% of the surveyed owners were also operators: How do they compare to the 2012 Census findings as to the size of operations?

Size Categories	2012 FRPP Survey	2012 Census of Agriculture National Level
Less than \$10K in revenues	18%	54%
\$10K to less than \$100K	27%	27%
\$100K to less than \$250K	13%	7%
\$250K to less than \$500K	12%	5%
\$500K and higher	20%	8%
Don't know or would not answer	10%	Not applicable

Slide 7: The 356 owner-operators classified by size of their operation' receipts and by their occupation

Types	% of 356
"Retirement:" Operator told us he/she was retired and that gross 2011 receipts from operation were less than \$250K.	12%
"Residential /lifestyle operation:" Farming was not operator's principal occupation and gross receipts less than \$250K.	21%
Farming was his/her principal occupation, and gross receipts were less than \$100K	17%
Farming was his/her principal occupation, and gross receipts were in the range of \$100K to less than \$250K	9%
"Large family farm"—with receipts of \$250K to less than \$500K	12%
"Very large family farm:" receipts exceeding \$500K	20%
Lacked information needed to classify	10%

Slide 8: Opportunities provided by the FRPP-supported agricultural land conservation programs to young and beginning farmers/ranchers

Types of Opportunities	Number of <u>Young Farmers</u> (35 years old less)	Number of <u>Beginning Farmers</u> (Operators for 10 years or less)
Were “young” or “beginning” farmers when they first operated protected land that they owned.	26	68
Thy rented protected land to “young” or beginning farmers.	15	9
They reported that their successors as owners would be “definitely” or “probably” “young” or “beginning” farmers.	72	69
Number and % of total respondents (506) who either received or reported giving opportunities to” young” or “beginning farmers”	178 or 35% of the total of 506 respondents	

Slide 9: Opportunities provided by the FRPP-supported agricultural land conservation programs when the protected land is sold: Purchase price compared to that of similar land not under an easement

Perceived Affordability of the Sale Prices They Paid	All Owners who Purchased Protected Land	The Purchasing Owners Who Were Also Operators
Much lower	17 (39%)	13 (35%)
Somewhat lower	11 (26%)	11 (30%)
About the same	8 (19%)	7 (19%)
Somewhat higher in price	1 (2%)	0(0%)
Much higher	0 (0%)	0(0%)
Not sure or did not answer	6(14%)	6 (16%)
Total cases in this group	43	37

Slide 10: To what extent will the next owners be also operators of the protected land?

Status of Succession Planning as of First Half of 2012	% of 506
Had already completed a written plan as to who the next owner(s) would be.	47%
Had an oral agreement for that purpose	14%
Had either a written or oral agreement	61%
“Definitely likely” that the agreed-to next owner will “be a farmer who uses the protected land for agricultural production”	29%
“Probably likely” of having such a successor	14%
Combined “definitely” and “probably”	43%

Slide 11: Traits of surveyed owner-operators associated with “definitely” or “probably” having lined up a farmer successor

Statistically Significant Predictors ¹	Measures of the Relationship
Age	Among operators 36 to 50 years = <u>32%</u> had such successors. Among those 61 to 70 = <u>49%</u> had them.
Years as a farm operator	Among the 44% with such successors, the average = 35 yrs. Among the other 56% = <u>27</u> years.
Diversity of the farm operation	Having both one or more crops grossing at least \$1K and one or more livestock products earning that much = <u>53%</u> had such successors. Not being that diverse = <u>37%</u> had them.
Total number of acres in the operation the previous year	Upper quarter in size (800 acres plus) = <u>62%</u> had such successors. First to third quarters of the distribution = <u>37%</u> had them.
Number of separate conservation practices applied the previous year	Among the 44% with such successors = <u>2.60</u> practices on average were reported. Among those without = <u>2.06</u> on average.

¹Significant in logistic regression analysis when the number of protected acres and other hypothesized predictors were held constant