

ACEP-ALE OVERVIEW FOR ENTITIES



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WHAT IS ACEP-ALE?

The **Agricultural Conservation Easement Program (ACEP)** is a voluntary conservation program that protects agricultural land from conversion to non-farm uses and conserves and restores wetlands. **Agricultural Land Easements (ALE)** are a program enrollment option that keep working lands available for agriculture by protecting the farming uses or protecting grazing uses of grasslands and related conservation values. ACEP-ALE is administered by the Natural Resources Conservation Service (NRCS), a federal agency within the United States Department of Agriculture (USDA) that works with farmers and ranchers to improve and protect their soil, water, and other natural resources.

ACEP-ALE provides matching funds to eligible entities to purchase **agricultural land easements**. An ALE is a permanent easement deed that is recorded as an encumbrance

on the property deed and stays in effect even if ownership changes. It contains provisions that limit future uses and non-farm development to protect agricultural uses. Generally, NRCS may contribute up to 50 percent of the fair market value of the agricultural land easement as determined by appraisal. If you are protecting grasslands of special environmental significance, NRCS can contribute more—up to 75 percent of the fair market value of the agricultural land easement.

There are two types of ACEP-ALE transactions. The most widely used is the Standard ALE transaction, whereas the eligible entity has a written pending offer to purchase the agricultural land easement from a landowner. A Buy-Protect-Sell (BPS) transaction may be an option for certain eligible entities if they own or are purchasing land on a transitional basis for the purposes of securing the agricultural land easement and timely transfer of the ownership of the land to a qualified farmer or rancher.

HOW THE PROGRAM WORKS

① Check Your Eligibility

First, you determine if your organization meets the criteria for being an eligible entity. (See Partner Entity Eligibility checklist below.) An eligible entity can be an Indian tribe, state or local government body, or a non-profit organization like a land trust that protects farmland and ranchland. As an eligible entity, you will be the point of contact and will shepherd the project from pre-application to closing and stewarding of the easement in perpetuity.

② Screen the Project

Before you invest a lot of time, find out if the landowner is comfortable working with a federal agency and is willing to live with a permanent restriction on their property. If a project passes your initial screening, you can decide on a transaction type and spend more time confirming landowner and land eligibility. Refer to "ACEP-ALE Overview for Landowners" for detailed requirements.

To help assess the project's likelihood of success, consider current land uses, review the easement configuration, ranking

PARTNER ENTITY ELIGIBILITY

To be eligible to apply for funding, your organization must meet all the criteria. You must be able to answer yes to the questions below **prior** to applying to the program. If you do not know the answer, that is okay. Contact [your state's ACEP-ALE program contact](#), usually located in the NRCS state office, to discuss your eligibility.

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Are you a state or local government, Indian Tribe, or nongovernmental organization?

Be prepared to provide your articles of incorporation, operating agreements, and/or bylaws. State and local government entities are not eligible to undertake buy-protect-sell transactions.

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Do you have a farmland protection program?

Be prepared to describe your entity's commitment to long-term conservation of agricultural or ranch lands, which could include your mission statement along with a description of past projects.

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Do you possess the authority and capability to acquire, manage, and enforce agricultural land easements?

Be prepared to reference the statutory authority that allows the entity to acquire conservation easements. You may also need to provide a list of easements acquired, held, managed and/or enforced by your organization.

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Are you currently registered in System for Award Management (SAM), which requires a Dun and Bradstreet Data Universal Numbering System (DUNS) Number?

Register or print a SAM report for your organization.

If you are not registered, visit <https://sam.gov/SAM/>.

SAM and DUNS guidance:

www.nrcs.usda.gov/wps/portal/nrcs/detailfull/national/programs/?cid=stelprdb1257063

www.sam.gov/SAM/transcript/Quick_Guide_for_Grants_Registrations.pdf

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Do you have entity records established with the USDA Farm Service Agency (FSA), the agency responsible for maintaining records for USDA programs?

If not, make an appointment with your local FSA county office to complete the USDA eligibility forms. Ask for printouts that prove your entity's eligibility.

<https://offices.sc.egov.usda.gov/locator/app>

criteria, and conservation deed terms. It is important to complete this step before applying to avoid delaying the closing if the project is selected. If you and the landowners are interested in moving forward on a standard ALE transaction, you can prepare a written pending offer to the landowners to acquire the conservation easement.

3 Complete Application Forms

If you and the landowners are interested in moving forward, you will prepare a written pending offer. The written pending offer may be extended by the eligible entity to the landowner to acquire the conservation easement, or it may be from the landowner to the eligible entity to sell the conservation easement. You will fill out the application forms and supply supporting materials. Applications are typically due in the spring of each year so that funds can be obligated to projects by September 30, which is the end of the NRCS fiscal year. Once the application has been submitted, NRCS staff in each state rank applications using criteria posted on the state's website.

4 Prepare to Acquire

If your application is selected for funding, you will coordinate with NRCS and manage the acquisition process through closing: the final step in the real estate transaction. This may take one to two years once you sign an agreement with NRCS, depending on your commitment to due diligence and project management. This is necessary to ensure that a project is effectively protecting farmland in perpetuity.

5 Steward the Easement

After closing, the agricultural land easement will be held by your organization. You will monitor the parcel each year onsite to ensure landowners are following the terms set forth in the agricultural land easement document.

ROLE OF OTHER PARTNERS

How can an entity participate in the program if they are not an eligible entity? If your organization does not meet all these criteria, then you are not eligible to apply to ACEP-ALE. However, there are ways that you can help facilitate new ALE projects in your area.

For example, you could identify a potential match between eligible partners and interested landowners or assist with



screening potential applications. You may also contribute financial support toward the project. Your organization may be a co-holder or third-party rights holder in an ALE.

BENEFITS OF ACEP-ALE

The program is an important source of matching funds to help permanently protect agricultural land for agricultural uses. Your ability to pay an agricultural landowner for an easement can help create new land protection opportunities. For owner-operators, their land may be their most valuable assets. They may not be in a financial position to take advantage of federal and state tax benefits that encourage easement donations. Compensating landowners, rather than relying on donations, can enable your entity to consider a broader range of projects and be more strategic in its land protection efforts.

ALE can also:

- Help facilitate the transfer of agricultural land to the next generation
- Make agricultural land relatively affordable by limiting future development that tends to increase fair market value
- Give agricultural landowners capital to implement on-farm conservation practices or make other investments to improve the viability of their operations



PHOTO COURTESY OF USDA

TAKE THE NEXT STEP

The first step to take as an eligible entity is to ensure you meet all the criteria. Gather the necessary documents that prove you meet the criteria. Locate landowners that are interested in protecting their farmland through an agricultural conservation easement. You may also find other farmland protection partners to assist with acquiring ALE parcels.

- ➔ Contact your local NRCS office for information:
<https://offices.sc.egov.usda.gov/locator/app>

- ➔ If you have questions about your entity's eligibility or program questions, contact the NRCS ACEP-ALE program manager in your state: www.nrcs.usda.gov/wps/portal/nrcs/sitenav/national/states/

Select your state, click the "Contact Us" tab, and navigate to the "State Office" option.

- ➔ For more information, visit
<https://farmlandinfo.org/acep-ale/>