

Agricultural Conservation Easements 101

April 24, 2025



Agenda

1. Welcome and introductions
2. ACE basics
3. Myths and misconceptions
4. Protecting Fall Creek Ranch
5. Questions and answers



What you will learn

- What it means to protect a farm or ranch and why it's important
- What an agricultural conservation easement (ACE) is and how it works
- Who holds easements and how entities pay for this work
- How ACEs benefit ag landowners and communities



Why save farm and ranch land?

America's agricultural land provides food, fuel, fiber, and other goods. Ag land:

- Is the “factory floor” for the U.S. agricultural sector
- Provides environmental services--filters water, reduces flooding, and mitigates and wildfire risk. Well-managed land can sequester carbon and provide habitat for plants and animals.
- Is a finite, irreplaceable resource.

The U.S. developed 26 million acres of farm and ranch land from 1982 to 2016 and may lose another 18-24 million acres by 2040.



What does it mean to "protect" a farm or ranch?

- Several public policies & programs address the conversion of agricultural land to non-farm uses
- Agricultural conservation easements (ACEs) **permanently** protect farm and ranchland from development
- ACEs can be used by landowners outside of public programs



What is an agricultural conservation easement (ACE)?

- A voluntary legal agreement between a landowner and a conservation organization
- A kind of conservation easement
- Keeps land available for farming and ranching
- Limits certain uses and activities
- Most are permanent

How do ACEs work?

- Separate the bundle of the landowner's property rights
- Give easement holders the right to monitor and enforce limits on uses and activities
- Enable landowners to retain ownership of the land
- Stay in place after ownership changes



What can ACEs allow or limit?

PERMITTED



Agricultural activities



Agricultural structures

CONDITIONAL



Houses



Permanent agricultural structures



Subdivision



Rural enterprises



Renewable energy structures



Impervious surfaces

PROHIBITED



Unlimited residential



Unlimited subdivision



Commercial and industrial development



Commercial mineral extraction



Activities that harm agricultural resources or prevent agricultural use



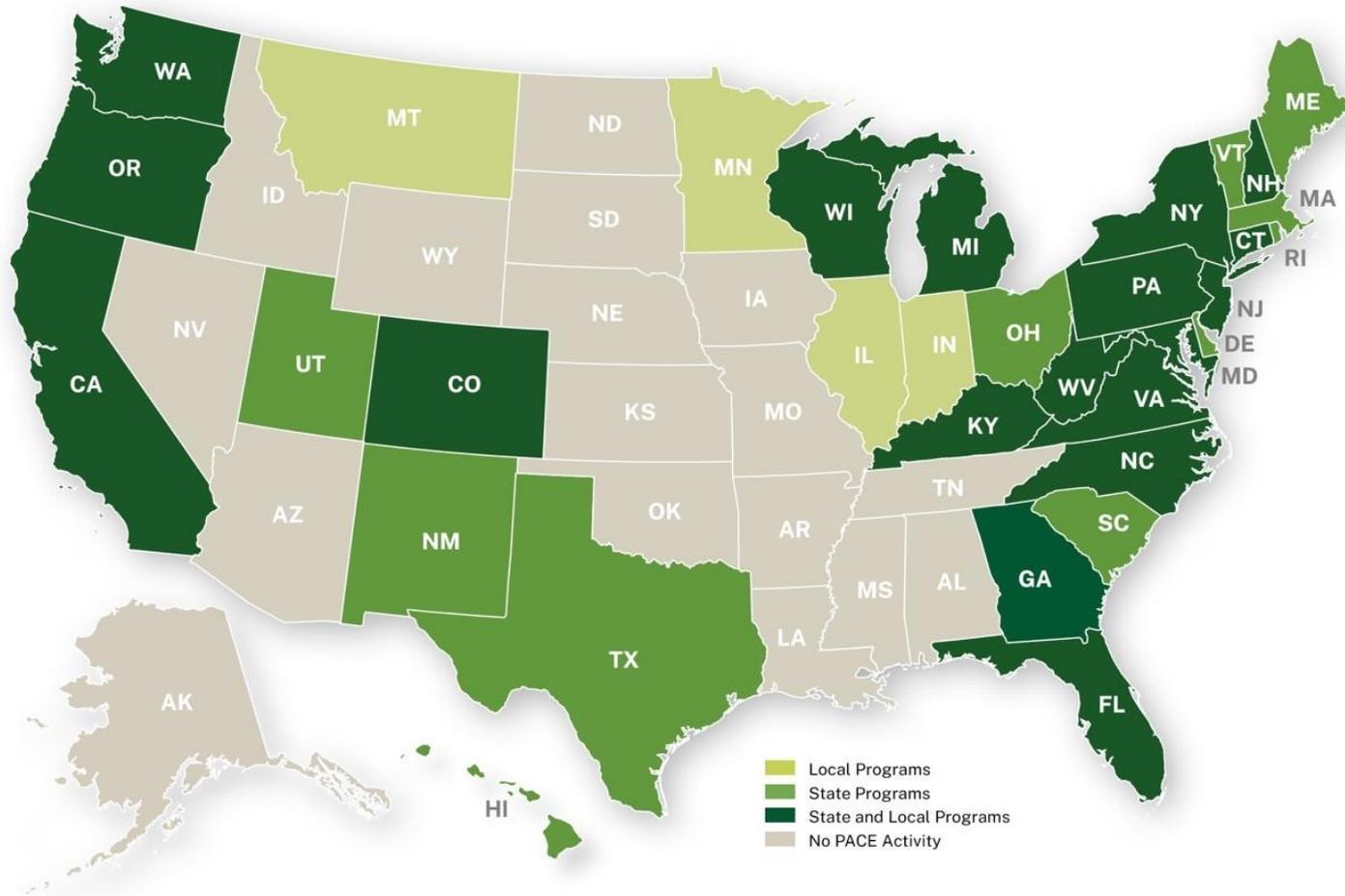
Who are easement holders?

- **Purchase of Agricultural Conservation Easement programs:** public programs administered by state or local governments
- **Land trusts:** non-profit conservation organizations



State and Local Funding

PACE Programs as of January 2024



Key Federal Programs

Agricultural Conservation Easement Program- Agricultural Land Easements (ACEP-ALE)

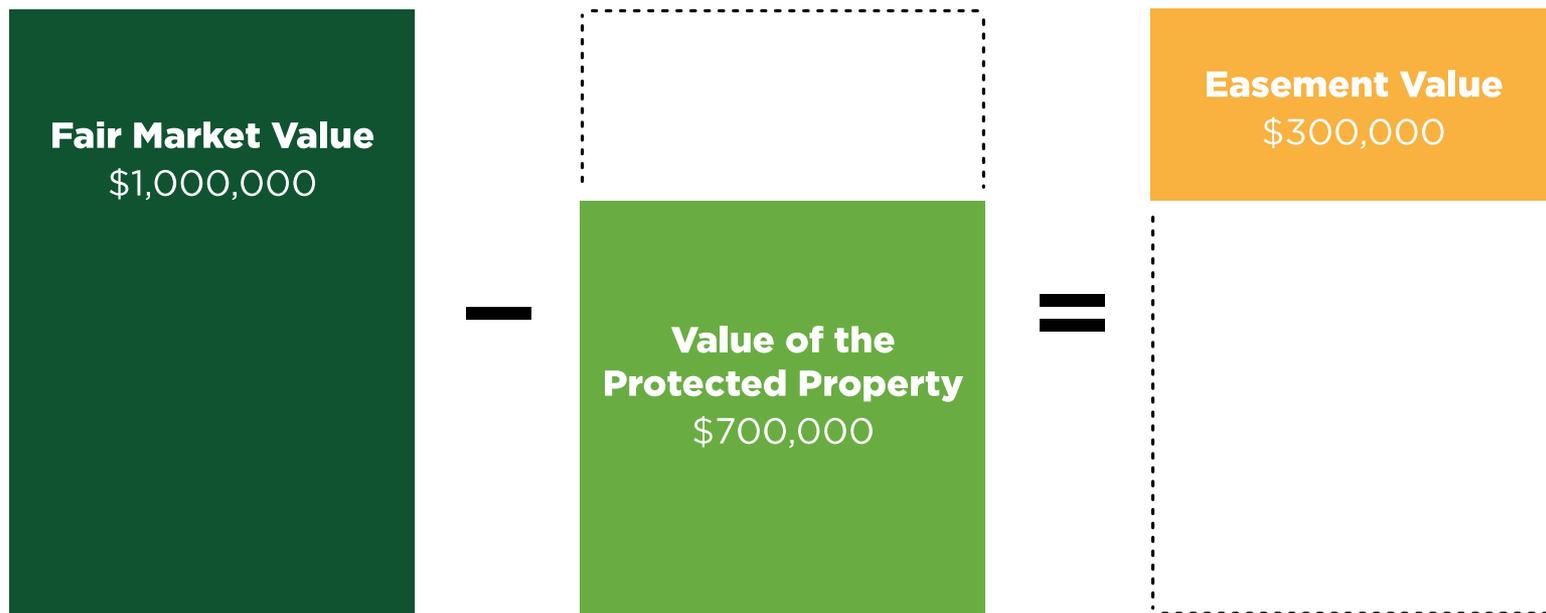
- Provides funds to eligible entities for easements
- Contributes up to 50% of easement value (up to 75% for certain grassland projects)

Regional Conservation Partnership Program (RCPP)

- NRCS and partners co-invest in “conservation activities” to address resource concerns regionally
- Farmland protection is an allowable conservation activity



How are ACEs valued?



How much land is protected with ACEs?

Top State PACE Programs by Acres Protected

Colorado	878,364
Pennsylvania	632,948
Maryland	479,241
New Jersey	250,697
California	234,603
Vermont	174,323
Delaware	148,356
New York	114,910
Ohio	106,319
Massachusetts	75,433

Top Land Trusts by Acres Protected

The Montana Land Reliance	1,220,084
Colorado Cattlemen's Agricultural Land Trust	705,415
California Rangeland Trust	363,008
Virginia Outdoors Foundation*	358,631
Colorado Open Lands	356,617
Wyoming Stock Growers Land Trust	292,938
Texas Agricultural Land Trust	263,000
Vermont Land Trust	204,800
Palmer Land Conservancy	110,257
Tejon Ranch Conservancy	108,877

About 8 million acres permanently protected!



What are steps for protecting land with an ACE?

1. Landowners find an easement holder—a PACE program or land trust to acquire their easement
2. Easement holders evaluate farms and ranches and prioritize projects using criteria
3. Easement holders make offers to landowners
4. Easement holders and landowners work together to complete the land protection project



What are steps to complete an ACE transaction?

1. Ensure there are no issues with ownership
2. Confirm the easement boundary
3. Negotiate the easement deed
4. Determine the easement value
5. Document current site conditions
6. Record the easement

These steps may take 1-2 years.



Easement Stewardship Activities

- Use/Activity Approvals
- Easement Amendments
- Easement Assignments/Transfers
- Violations and Enforcement
- Annual Easement Monitoring



Easement Monitoring Goals & Purposes

1. Develop and maintain landowner relationships
2. Discover changes in uses or new activities
3. Learn about potential ownership changes
4. Ensure conservation values are protected and uncover violations
5. Document conditions on the property over time
6. Establish a record in case of future defense needs
7. Enhances public support and confidence in land trusts and ACEs



AFT Farmland Protection Programs

- **Land Protection Projects:** Acquires agricultural conservation easements, leads Buy-Protect-Sell+ program, regularly visits/monitors properties and stewards the easement.
- **Farmland Information Center:** Is a clearinghouse for information about farmland protection and stewardship.
- **National Agricultural Land Network:** Works to build the capacity of public agencies, farm and conservation organizations, and land trusts.
- **Policy:** Advocates for federal, state and local programs and policies.



AFT's Approach to Acquiring ACEs

1. Primary purpose is to permanently protect ag. land for future ag. use.
2. Draft with flexible terms to support ag. use (farmer housing, ag. structures, compatible commercial activities)
3. “Whole Farm” approach to conservation values
4. Demonstrate/highlight ways to innovate and advance the farmland protection movement (e.g. funding, land access, conservation practices, cultural resources, BPS+)



Financial Benefits of an ACE

- ✓ Cash
- ✓ 1031 Exchange
- ✓ Income tax benefits
- ✓ Estate tax benefits
- ✓ Property tax benefits



Community Benefits of an ACE

- ✓ Ensures land will remain available for agriculture
- ✓ Helps facilitate farm or ranch transfers
- ✓ Makes land less expensive for future owners
- ✓ Safeguards investments in conservation practices



Questions?



American Farmland Trust
SAVING THE LAND THAT SUSTAINS US

