



FARM VIABILITY ENHANCEMENT PROGRAM – The role of agricultural covenants in supporting farm viability

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PROGRAM GOAL: *to provide business assistance to increase the financial viability of farm businesses and to preserve and support stewardship of agricultural resources.*

BACKGROUND:

- ▶ Farm Viability Enhancement Program initiated in 1996 in response to recognition that Massachusetts was losing farms to development.
- ▶ Legislation: M.G.L. c. 20, § 22 "the department may acquire non-development covenants for terms of limited duration...shall be exempt from any regulations that require an appraisal, an environmental site assessment and a survey. The department may require other expedited requirements appropriate for the duration of the non-development covenant."
- ▶ First program in the country to provide combined approach: business and technical assistance, grants, and term covenants.

FVEP Results to Date:

- **473 farms have benefited from assistance and grant funding;**
- **46,187 acres placed in protective covenants;**
- **Total grants to farms \$22,676,472 (\$47,942 average per farm)**



ANNUAL TIMELINE

- Open application period for farms to apply (*8 weeks in early spring*)
- Application review (*late spring/summer*)
- Notification of selection for Phase I (*Aug*)
- Orientation visits at farms (*Sept*)
- Phase I: Business planning & technical assistance (*Oct-March*)
- Phase II: Grants in return for Agricultural Covenants on farm property (*April*)
- Closeout visits – upon project completion; evaluations



PHASE I – Business Planning & Technical Assistance

- Each farm assigned a business planner to work with one-on one to develop a farm business plan including financial projections

- Additional technical assistance available based on individual farm needs. Examples include:
 - Quickbooks assistance
 - Marketing plans
 - Websites
 - Building layout/evaluation
 - Pasture management
 - Succession Planning



PHASE II – Grant for Covenant

- **Agricultural Covenant in return for the grant to ensure farm is kept in active agriculture for fixed 10 or 15-year term.**

The intention of the Agricultural Covenants is to protect and preserve agricultural lands; encourage sound soil management practices; preserve natural resources; and maintain land in active agricultural use through improving the agricultural economic viability of the Premises according to the terms of a Department approved FVEP Plan completed through the program.

- Covenant contains retained rights, prohibited uses, and activities that require prior approval from the Department; and affirmative duty to farm.
- Whole farm approach: entire farm property is protected. A minor exclusion may be considered by the Department if a separate parcel or legal description is provided. (No surveys or appraisals).
- Covenants signed by landowners & recorded with title at county Registry of Deeds; in case of P&S terms transfer to new owner
- Covenants enforceable through Article 97 of Massachusetts Constitution which protects land for conservation purposes and ensure they are not converted to other uses; a release requires Dept approval & 2/3 vote of legislature.

Phase II – Grant for Covenant

- ▶ Grant Contract – amounts vary: currently \$100,000 - \$200,000 (based on size of farm: GFI & total acreage) associated with a 10 or 15-year term
- ▶ Grant must be spent on agreed upon capital projects identified in the plan
- ▶ Eligible uses of funds flexible - based on needs of each operation - include farm infrastructure, equipment, or resource improvements.

Recent projects:

- Wash-pack building
- Heifer barn & milk tank upgrades
- Hay production equipment
- Well installation
- Maple equipment & concrete floor in sugarhouse
- Tractor
- Hay storage barn & equipment repair shop





PROGRAM IMPACTS

Participant Quotes:

FVEP has helped our farm to increase efficiency and begin the process of farm transition.

The program allowed the farm to create multiple income streams while also promoting agriculture within the commonwealth

Operating a farm in today's economy can be incredibly challenging, and without the availability of [this program], it simply wouldn't have been profitable to keep my farm running.

GREAT consultants - great business planning and support skills. Very happy with the program and blessed to have participated.

Thank you to all who make this program work - the taxpayers of the Commonwealth, the political leaders who secure the funding, the MDAR staff who interface with farmers. It's been a win-win proposition because it has greatly benefited our family as well as the community and state.

Preliminary questionnaire results:

- **43% of respondents who participated within last 10 years are more likely or somewhat more likely to be interested in permanently protecting their farm.**



RELATED MDAR PROGRAMS

- ▶ APR Program – state Agricultural Preservation Restrictions (APRs) - protected in perpetuity
 - Initiative of Farm Viability & APR staff working together reach out to expiring covenant holders to explore land use options

- ▶ Other MDAR Farm Viability programs modeled after FVEP:
 - APR Improvement Program (AIP)– farm viability assistance & infrastructure grants for permanently protected APR farms
 - Matching Enterprise Grants for Agriculture – farm viability assistance & matching grants for beginning farms 1-10 years in business

- ▶ Agricultural Business Assistance
 - Growing Your Farm Business plan course – group approach to develop a farm business plan
 - Farm-Pass – In 2025, MDAR is piloting one on one assistance for farms with identified successors to develop a written farm transfer plan

QUESTIONS?



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