

UNLOCKING FEDERAL FARMLAND PROTECTION MONEY FOR INDIANA

a Roadmap

Agriculture contributes \$35.1 Billion to Indiana's economy each year.¹ From 2010 to 2022, Indiana lost 350,000 acres of valuable productive farmland to development.² While some of this recent conversion has been to solar development, most of the loss has been to residential and commercial development.³ Is there more Indiana could be doing to protect our irreplaceable farmland, ensure our long-lasting food security, and develop our Hoosier food systems? **YES**

Federal conservation easement funding programs can protect farmland in Indiana while also helping Hoosier farmers and farmland owners re-invest in their farm operations, fund retirement, and transfer their land to a farm successor. How? By selling conservation easements, these programs allow farmers and farmland owners to tap some of the equity in their land without having to sell the land itself. These programs provide matching money to buy agricultural conservation easements from landowners who sell the "development rights" to their farms and forest ground, while keeping other

rights and economic uses of the land, such as agriculture. As development increases in Indiana, easements protect land for food and fiber production, fueling Indiana's robust agricultural economies. These programs are entirely voluntary; landowners continue to own the land and can manage it as they wish for agriculture. The land remains on local tax rolls.

Total available federal funding nationwide in Fiscal Year 2025 for agricultural and wetland easements through ACEP alone is \$950 million. For over 20 years, Indiana has consistently ranked last in the nation for leveraging these federal funds, leaving this federal investment unused. Indiana should be receiving \$21 million⁴ of this based on agricultural land and economic indicators.

Indiana currently only has 2 ACEP Agricultural Land Easements (ALE) and 3 REPI easements in place. HFRP has not been utilized in Indiana since closing on an easement in 2015. No conservation easement has been purchased with federal Forest Legacy funding in Indiana since 2012.

Federal Programs for Funding Conservation Easements

- United States Department of Agriculture (USDA) Agricultural Conservation Easement Program (ACEP)
 - Agricultural Land Easements (ALE)
 - Wetland Reserve Easements (WRE)
- USDA Healthy Forest Reserve Program (HFRP)
- USDA US Forest Service (USFS) Forest Legacy Program (FLP)
- Department of Defense (DoD) Readiness and Environmental Protection Integration (REPI)

Why isn't a bigger share of this money coming to Indiana?

Conservation easements must be held by charitable organizations such as land trusts or state and local units of government authorized to hold easements.

- Indiana's state agencies are limited by statutory authority and/or capacity to hold and maintain conservation easements.
- In contrast, over half of states in the country have a system for their state governments to hold conservation easements.
- Indiana's land trusts that are willing to hold agricultural easements seldom have sufficient organizational or financial capacity to hold and monitor agricultural easements, including basic transactional costs to secure the easement.
- Grants or outside funds available to landowners for transactional costs of establishing a conservation easement are limited or non-existent in Indiana.

Calls to action

The Indiana General Assembly should make farmland easements a policy priority by:

1. Providing financial support to nonprofit land trusts so they can work directly with farmers and landowners to leverage federal funding and acquire agricultural conservation easements. The State of Indiana could protect its investment by co-holding easements that land trusts acquire using federal and state funding.
2. Creating a state Purchase of Agricultural Conservation Easement (PACE) program, similar to what has been adopted in 30 states around the country. A PACE program could purchase easements directly from farmers and landowners.

What's a conservation easement?

A conservation easement is a voluntary deed restriction used to protect natural resources on land. An agricultural conservation easement makes land available for agricultural uses, which may keep land affordable and support land access and succession. A conservation easement may also provide tax benefits to landowners. Agricultural conservation easements limit what can be built on the property and non-agricultural development, subdivision, and other uses that depart from agriculture.

Dandy Breeze Dairy Farm | SHERIDAN, IN

Tom and Sally Waitt have operated their dairy farm in Sheridan since 1981. In 2016, due to the challenging environment of the wholesale dairy industry, Tom and Sally took a risk to build an on-site creamery to produce fresh milk to sell directly from the farm. The creamery has been a great success and wonderful addition to the community as folks from all over the Indianapolis metro come to purchase the freshest and most nutritious milk available. Tom and Sally's vision for the farm is for a younger farmer to assume the operation while maintaining the regenerative farming practices they have put in place and continuing the direct milk sales to the community. Tom and Sally are proud of the family farm they have built and are determined to see their land remain in agricultural production instead of losing it to rapidly expanding sprawl.

Jawtak Farm | LANESVILLE, INDIANA

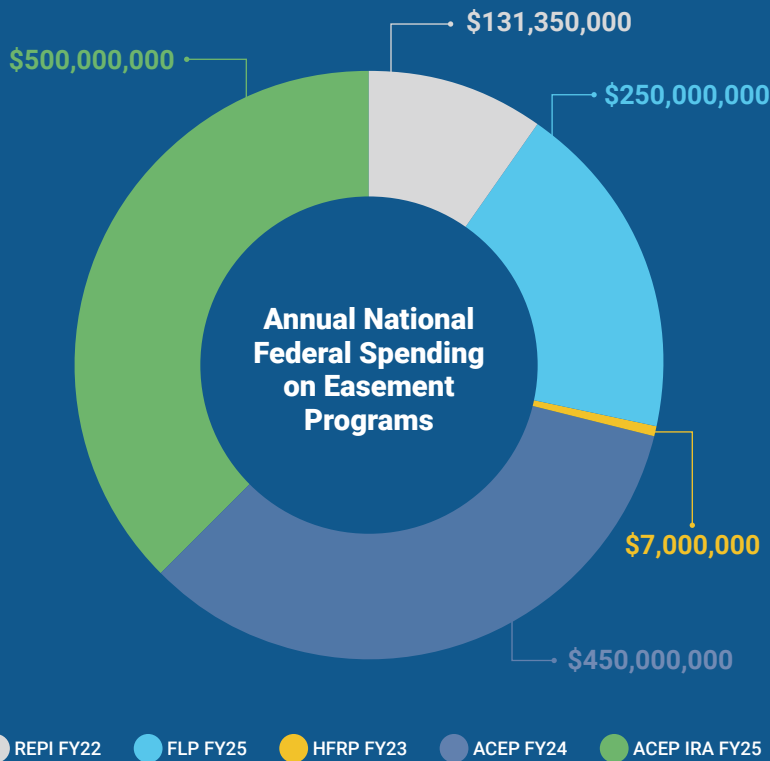
Farmer and widower Virgil Jawtak of Lanesville, Indiana, 17 miles outside of Louisville, Kentucky, didn't want to see development on his farm. Working with George Rogers Clark Land Trust, Harrison County Commissioners, and Harrison County Community Foundation, Jawtak protected his farm. After he passed, a young couple purchased the farm. The farm was likely more affordable for them than it would have been with its development rights still in place. Observes Pat Larr, Board President of George Rogers Clark Land Trust, "It would be great if all of our farms could end up in the hands of young folks like that, who value the farm and its value to the community. I'm hoping it works out well for them, that they can meet their objectives and keep that farm going." Working with Harrison County leadership and USDA NRCS, George Rogers Clark Land Trust has protected seven farms in their area, but their capacity is limited. Their only labor force is made up of five volunteers. Currently, the land trust is seeking funding for a paid Director and to cover transactional costs of placing and maintaining an Agricultural Conservation Easement.

As for the Jawtak farm, as a result of a donation from Virgil Jawtak's estate to the George Rogers Clark Land Trust, an endowed fund at the Harrison County Community Foundation is now named for him. His farm's young successors operate Bundle Sticks Farm @bundlesticksfarm.

"If the land hadn't been placed in an ag conservation easement we feel certain it would have sold to developers before we even had the chance to look at it. The ag easement also meant we could afford a larger farm, closer to the city that we ever expected."

Also, there's another property in a similar easement just down the road from us, and others in the area, and we love knowing that at least these handful of properties around us will remain farmland and protect the agricultural community in the region into the future. We'd love to see more!

— ELIZABETH & BRIAN FROM BUNDLESTICKS



SOURCES

- <https://www.in.gov/isda/about/about-indiana-agriculture/>
- <https://www.in.gov/isda/files/Inventory-of-Lost-Farmland-FULL-REPORT.pdf>
- <https://www.in.gov/isda/divisions/policy-and-regulatory-affairs/inventory-of-lost-farmland/>
- USDA NASS data; Estimate uses Indiana's proportional share of gross cropland value per state and multiplies that by the total national annual funding for ACEP

