



Agricultural Conservation Easement Factsheet

ABOUT AGRICULTURAL CONSERVATION EASEMENTS

An agricultural conservation easement is a powerful tool for ensuring that agricultural land remains forever available for the production of food, feed, fiber, and fuel. With such easements, landowners voluntarily place deed restrictions on their property. While these restrictions can be tailored to meet the unique goals of the landowner, all agricultural conservation easements limit non-agricultural development in perpetuity and spell out allowable uses of the land. An easement can be donated or sold to a qualified entity such as a public agency or a private land trust. The entity that holds the easement is then responsible for making sure that the restrictions are followed. The value of the easement is determined by appraisal. Land under easement remains in private ownership, and the landowner is free to transfer the land to a new owner at any time with the conditions of the easement transferring along with the land.

BENEFITS OF AGRICULTURAL CONSERVATION EASEMENTS

In addition to protecting farmland and ranchland in perpetuity, agricultural conservation easements have many other benefits:

- **Promote agricultural business investment** – Proceeds from the sale of an agricultural conservation easement are often reinvested into a farm or ranch operation, improving farm profitability. Farmers and ranchers have used proceeds to construct, expand, or repair agricultural buildings; buy equipment for farming, processing, or marketing products; or buy additional land.¹
- **Strengthen the economy of rural communities** – A June 2020 report done by the Regional Economic Development Institute at Colorado State University found that an \$88.9 million federal investment in Colorado’s currently pending agricultural conservation easement projects could generate \$195 million in new economic activity in the state, creating 1,233 new jobs at an average wage of \$50,000 per year and \$97,000,000 in additional economic value (e.g., profits, wages, interest, rent, taxes) for the state.
- **Help a new generation of farmers gain access to land** – Access to affordable farmland is a primary barrier for many new and beginning farmers. Purchase of Agricultural Conservation Easement (PACE) programs help to expand access in several ways.² Some beginning farmers benefit from buying already protected land, which is typically less expensive. Others finance a land purchase through a simultaneous sale of an easement. And some benefit from Buy-Protect-Sell projects which are described in greater detail later in this factsheet.
- **Encourage on-farm resource conservation and carbon sequestration** – A 2013 survey of owners of land protected in part through the federal Farm and Ranch Lands Protection Program found

¹ American Farmland Trust, “Impacts of the Federal Farm and Ranch Lands Protection Program: An Assessment Based on Interviews with Participating Landowners,” 2013.

² Ibid.

that more than 2/3rds of respondents had a written conservation plan, and 2/3rds reported implementing practices to prevent soil erosion or to protect water quality. This is a significantly higher rate of conservation practice adoption than the general farm population.³ In addition, since eased lands are less likely to be lost to develop, they represent ideal opportunities for longer-term investment into practices that sequester carbon.

- **Contribute to Food Security** – The United Nations estimates that the global population is expected to rise from 7.8 billion today to 9.7 billion in 2050. Agricultural land is the literal and figurative foundation of our food security. When we lose our most productive, versatile, and resilient acres to development, greater pressure is placed on land less suitable for agriculture. Such land can be far more difficult to manage effectively using climate-forward practices.
- **Enable older producers to transfer land without liquidating their most valuable asset** – Many older farmers and ranchers are land rich and cash poor. Focus groups of older farmers in New York and New England found that farmers see the sale of an easement as an important alternative to selling off land for development to finance their retirement or facilitate an intra-family land transfer. Virtually all farmers in the study wanted to see their land remain in farming and saw the sale of an easement as the only means to make their land affordable for a next generation producer.⁴ Including non-operator landlords, seniors aged 65 and older own more than 40 percent of the agricultural land in the United States, suggesting an impending generational transfer of more than 370 million acres of farmland. Public PACE programs are a critical tool in keeping this land in agriculture as it transfers.

PUBLIC AGRICULTURAL CONSERVATION EASEMENT PROGRAMS

The federal government and many state and local governments recognize the incredible public benefits of agricultural conservation easements. Since the late 1970s, states and county governments have used Purchase of Agricultural Conservation Easement (PACE) programs to permanently protect over 3.6 million acres of working agricultural land. 28 states have active PACE programs; an additional 98 county and municipal governments in over 20 states operate local PACE programs. In 1996, Congress enacted a pilot federal program to assist with the purchase of agricultural conservation easements. This support was formalized in the 2002 Farm Bill as the Farm and Ranch Lands Protection Program (FRPP). In 2014, FRPP was consolidated with the Wetlands Reserve and Grasslands Reserve programs into a single Agricultural Conservation Easement Program (ACEP) that protects farm and ranch lands, grasslands, and wetlands which is funded at \$450 million annually. ACEP's Agricultural Land Easement program currently provides a cash match of up to 50 percent on the fair market value of an easement and a 75% match for grasslands of special significance.

BUY-PROTECT-SELL TRANSACTIONS

Buy-Protect-Sell is a specific type of agricultural conservation easement transaction wherein a land trust purchases land outright, protects the land with an easement (often working with another land trust or a public PACE program), and sells the protected land to a farmer. This transaction enables land trusts to act quickly in protecting uniquely valuable or threatened agricultural land. It can also be a critical tool in helping socially disadvantaged and/or beginning producers gain access to and eventually purchase land at a more affordable price. The 2018 Farm Bill added to ACEP the ability to fund buy-protect-sell transactions.

³ Ibid.

⁴ American Farmland Trust, "[Keeping Farmers on The Land](#)," 2017. Accessed April 20, 2021.