

FARMLAND PRESERVATION IN GEORGIA: THREE POSSIBLE ROADS TO SUCCESS

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Abstract

Georgia is the fourth fastest growing state in the United States in terms of population, but also still has an economy tightly linked to agriculture with sixteen percent of all jobs in Georgia related to agriculture. Yet, Georgia has no statewide program to preserve farmland. Three different combinations of program administration and funding sources are considered: a privately-run program funded through voluntary membership dues, a state-run program funded through voluntary purchases of a special license plate for farmland preservation, and a state-run program funded by a mandatory tax levied on all Georgia taxpayers. Over a five year period, the privately-run program is estimated to be capable of permanently preserving approximately **45,000 acres** of Georgia farmland, a state-run program funded voluntarily by special license plates is estimated to be capable of permanently preserving **168,000 acres** of Georgia farmland, and a state-run program funded by new, dedicated tax revenue is estimated to be capable of permanently preserving **203,000 acres** of Georgia farmland. Nationwide, about 1.6 million acres of farmland have been permanently protected, so the potential acreage protected by all three programs is significant. The preservation rates predicted for Georgia, ranging from 9,000 to 40,000 acres per year, appear consistent with the very successful programs in Maryland and Pennsylvania, which have had preservation rates ranging from 10,000 to 30,000 acres per year over their existence. In conclusion, all three styles of farmland preservation program appear to be feasible in Georgia and are likely to be successful if implemented.

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Executive Summary

Georgia is the fourth fastest growing state in the United States in terms of population, but also still has an economy tightly linked to agriculture. Sixteen percent of all jobs in Georgia are tied to agriculture. Yet, Georgia has no statewide program to preserve farmland and protect this segment of the economy from the pressures of development. Other states and numerous counties and cities around the country have established successful farmland preservation programs, most notably programs in Maryland and Pennsylvania. Farmland preservation is an important topic because farmland provides benefits to the Georgia economy by paying local governments more in taxes than it requires in service expenditures, by providing environmental benefits (such as storm water management) as a free byproduct, and by providing vital wildlife habitat. This report details an attempt to assess the possibilities for a successful farmland preservation program in Georgia.

Three different combinations of program administration and funding sources are considered. The first is a privately-run program funded through voluntary membership dues. The second is a state-run program funded through voluntary purchases of a special license plate for farmland preservation, mimicking the non-game wildlife habitat program currently in force in Georgia. The third program considered is a state-run program funded by a mandatory tax levied on all Georgia taxpayers, with the resulting revenue dedicated exclusively to farmland preservation.

The feasibility of each program was assessed through surveys of Georgia farmland owners and Georgia citizens to evaluate the willingness of both to support and participate in these different farmland preservation programs. Approximately 400 farmland owners (all owning a minimum of 300 acres) and 500 randomly selected Georgia residents over 18 participated in the project. Farmland owners were surveyed by mail to determine their willingness to sell the development rights to 100 acre parcels at a variety of possible prices. In such a scenario, the farmland owner receives money now in exchange for agreeing to a permanent deed restriction on the land that prevents the future development of that land. Thus, the land will remain forever in agriculture (which can include timber production). Georgia citizens were surveyed by phone concerning their willingness to pay for the three different programs, focusing on how popular support for the programs is impacted by both the funding mechanism and the amount of money requested.

The results of this research suggest that all three programs would be successful if tried in Georgia. Many farmland owners are willing to sell the development rights to (at least some of) their farmland, providing significant supply of land for farmland preservation at prices that seem in line with reasonable estimates of the development value of the land being preserved. Many citizens are willing to voluntarily contribute to both public and private farmland preservation programs, through membership dues to a private group or by purchasing special license plates

for an additional fee. Further, a majority of citizens say that they would vote in favor of a mandatory tax to provide a dedicated funding source for a public farmland preservation program.

Specific findings and estimates of the rate of farmland preservation that could be achieved under the three programs considered include:

- ❖ The average farmland owner would be willing to sell the state the development rights to 100 acres for a price of \$4,780 per acre.
- ❖ The average farmland owner would be willing to sell a private group the development rights to 100 acres for a price of \$4,988 per acre.
- ❖ For a privately-run program, the average price at which owners were willing to sell development rights is estimated to be \$4,527 per acre in South Georgia, \$4,956 per acre in Central Georgia, and \$5,034 per acre in North Georgia.
- ❖ For a state-run program, the average price at which owners were willing to sell development rights is estimated to be \$4,287 per acre in South Georgia, \$5,030 per acre in Central Georgia, and \$5,904 per acre in North Georgia.
- ❖ Thus, we find that farmers in South Georgia would sell their development rights for less money to a state-run program while North Georgia land owners would sell for less money to a privately-run program.
- ❖ Citizens would vote in favor of a mandatory, state tax for dedicated funding for farmland preservation by a 66 to 34 percent margin if the tax was \$20 per year and by 53 to 47 percent if the tax was \$50 per year.
- ❖ Special license plates used to voluntarily fund a state-run program would be purchased by 40 percent of the population at both additional cost levels of \$20 and \$50.
- ❖ Many citizens said they would join a private group dedicated to farmland preservation and pay membership dues to fund such a group. At \$20 per year, 48 percent would join, at \$50 per year, 32 percent said they would join.
- ❖ The most money would be raised under the tax since, if passed, all taxpayers would have to pay, but all proposed programs enjoy significant public support.
- ❖ The amounts of money raised by all three mechanisms are substantial. At the low end, the private group is predicted to raise almost \$145 million in five years with \$20 annual dues and \$242 million over five years with \$50 annual dues. At the high end, the \$50 per year new tax would raise a little over \$914 million in a five year period, which is about six times an optimistic forecast of funding for the Georgia Community GreenSpace Program over the same period.

- ❖ Over a five year period, the privately-run program is estimated to be capable of permanently preserving approximately **45,000 acres** of Georgia farmland.
- ❖ Over a five year period, a state-run program funded voluntarily by special license plates is estimated to be capable of permanently preserving approximately **168,000 acres** of Georgia farmland.
- ❖ Over a five year period, a state-run program funded by new, dedicated tax revenue is estimated to be capable of permanently preserving approximately **203,000 acres** of Georgia farmland.

To put these numbers in perspective, the federal Farm and Ranch Land Preservation Program has allocated approximately \$87 million across all 50 states for fiscal year 2004 with slightly above \$1.2 million designated for Georgia. In contrast, the privately-run program funded with voluntary membership dues would be able to spend twice that amount *each month* and the tax-funded state program could spend that amount *every 2.5 days*. Nationwide, only 1.6 million acres of farmland have been permanently protected, so the potential acreage protected by all three programs would be significant. The top two states in terms of farmland preserved to date are Pennsylvania and Maryland which have protected approximately 276,000 and 229,000 acres, respectively. Maryland's program is 25 years old, so the preservation rates predicted for Georgia, ranging from 9,000 to 40,000 acres per year, appears consistent with these two very successful programs which have had preservation rates ranging from 10,000 to 30,000 acres per year over their existence.

In conclusion, all three styles of farmland preservation program appear to be feasible in Georgia and are likely to be successful if implemented. Georgia has the public support to fund one of the leading farmland preservation programs in the country and the land owner support to turn that funding into a permanent legacy of protected farmland for future generations of Georgians.

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