



2014 Agricultural Enterprise Area Program (AEA) Report

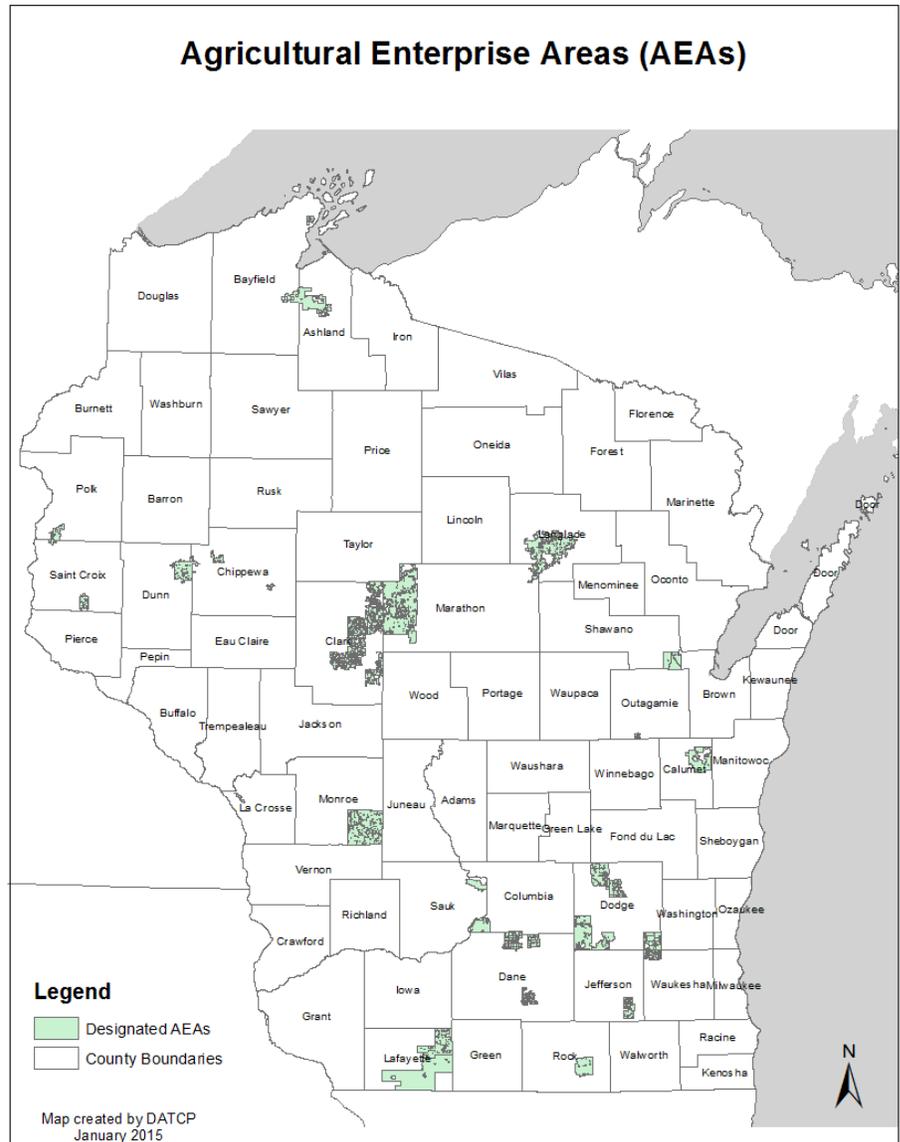
Wisconsin Department of Agriculture,
Trade and Consumer Protection

April 2015
ARM-PUB-253

Program Status

The Wisconsin Department of Agriculture, Trade and Consumer Protection (the department) designates an agricultural enterprise area (AEA) under Chapter 91 of Wisconsin Statutes in response to a petition submitted jointly by landowners and local governments. AEAs are developed through a public process that typically involves outreach to local residents and the town and county governments. Since the program's inception in 2009, 29 AEAs have been designated (Map 1; Appendix A). These 29 AEAs cover approximately 925,000 acres in portions of 22 counties and 85 towns. The petitions requesting the designation have been signed by over 1,200 landowners. Agricultural production within the 29 designated areas is representative of the state's diverse agricultural industry and includes row crops, dairy products, fruit, livestock, specialty vegetables, and organic products. The AEAs range in size from 1,400 acres to 225,500 acres, although most of the areas cover between 10,000 and 40,000 acres.

The program has undergone several changes since its creation 5 years ago. One statutory change in 2012 established a simplified process by which the AEAs are designated, allowing the designation to be made through an order issued by the department rather than through an administrative rule process. A second change, in 2014, increased the state's authority to designate agricultural enterprise areas to 2 million acres. The program has also experienced small changes that are a result of an evolution of the petition process. Many of these changes reflect the efforts made by the local communities when developing a petition requesting designation as an AEA. For example, as part of petition development, local communities now seek a greater number of petitioner signature pages and solicit letters of support from other stakeholders, including ag-related businesses, local non-profit groups, legislators, neighboring jurisdictions, and non-farm landowners.



Farmland preservation agreements

Once an AEA is designated, the designation establishes landowner eligibility to enter into a farmland preservation agreement. By voluntarily signing this agreement, landowners agree to keep their land in agricultural use for 15 years and to meet soil and water conservation requirements. In exchange, the landowner is eligible to claim the farmland preservation income tax credit, which is \$5 per acre or \$10 per acre if the land is also covered by farmland preservation zoning.

The farmland preservation agreement directs state investment to areas with a serious commitment to farmland preservation and soil and water conservation in the form of the farmland preservation tax credit. These agreements also enable the community to show its commitment to agriculture, which can foster increased confidence and encourage investments in other types of agricultural enterprises in the area.

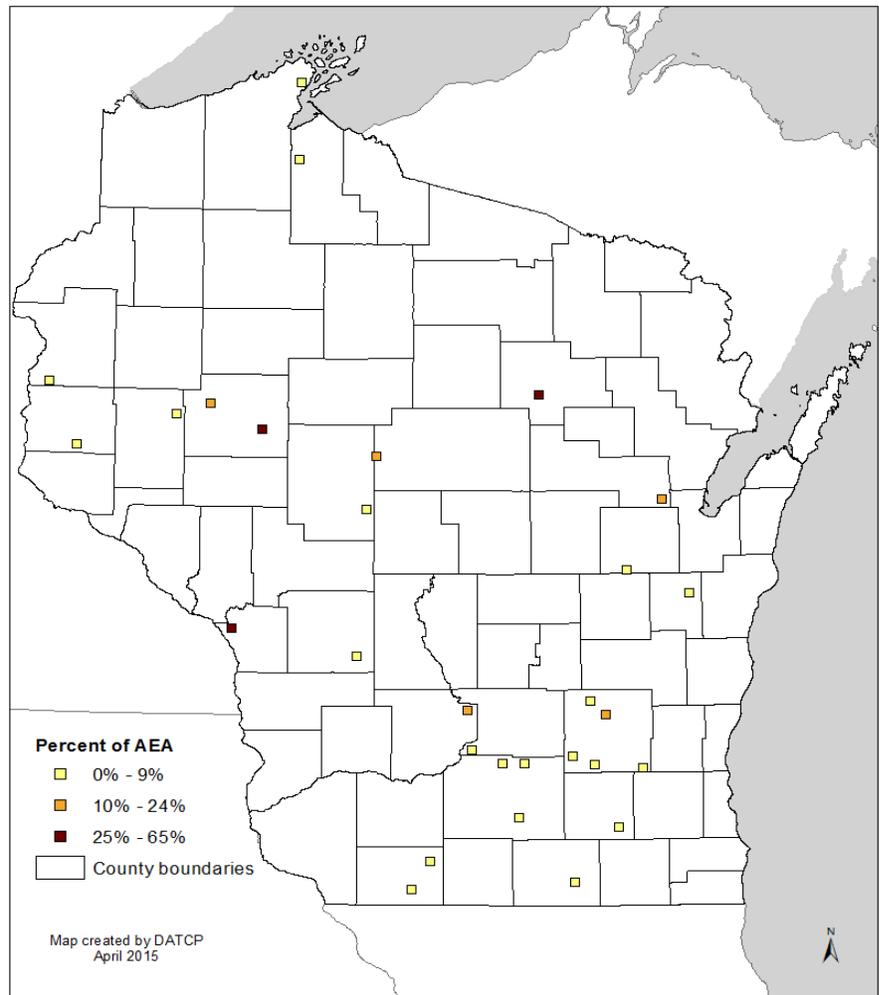
To date, 443 agreements have been signed on about 97,200 acres, or 11% of the 925,000 designated acres eligible for an agreement (Map 2, Appendix A). Applications for agreements on another 8,000 acres have been received since January 1, 2015.

Farmland preservation zoning

Adoption of a farmland preservation zoning ordinance is another way to achieve farmland preservation goals. Whether a local town or county

adopts a farmland preservation zoning ordinance is independent of AEA designation; however, having both the AEA designation and certified farmland preservation zoning has other benefits. A farmland preservation ordinance lends support to farmland preservation goals within an AEA by limiting the conversion of agricultural land to non-farm uses in a designated farmland preservation district. Additionally, landowners with a farmland preservation agreement and in a farmland preservation zoning district can claim a farmland preservation tax credit worth \$10 per acre.

Map 2: Percent of AEA under a farmland preservation agreement



Currently, 48 of the 85 towns within a designated AEA are covered by a certified farmland preservation zoning ordinance. These ordinances cover just over 560,000 acres of the 925,000 designated acres, or about 61% (Map 3, Appendix A).

Program Activities

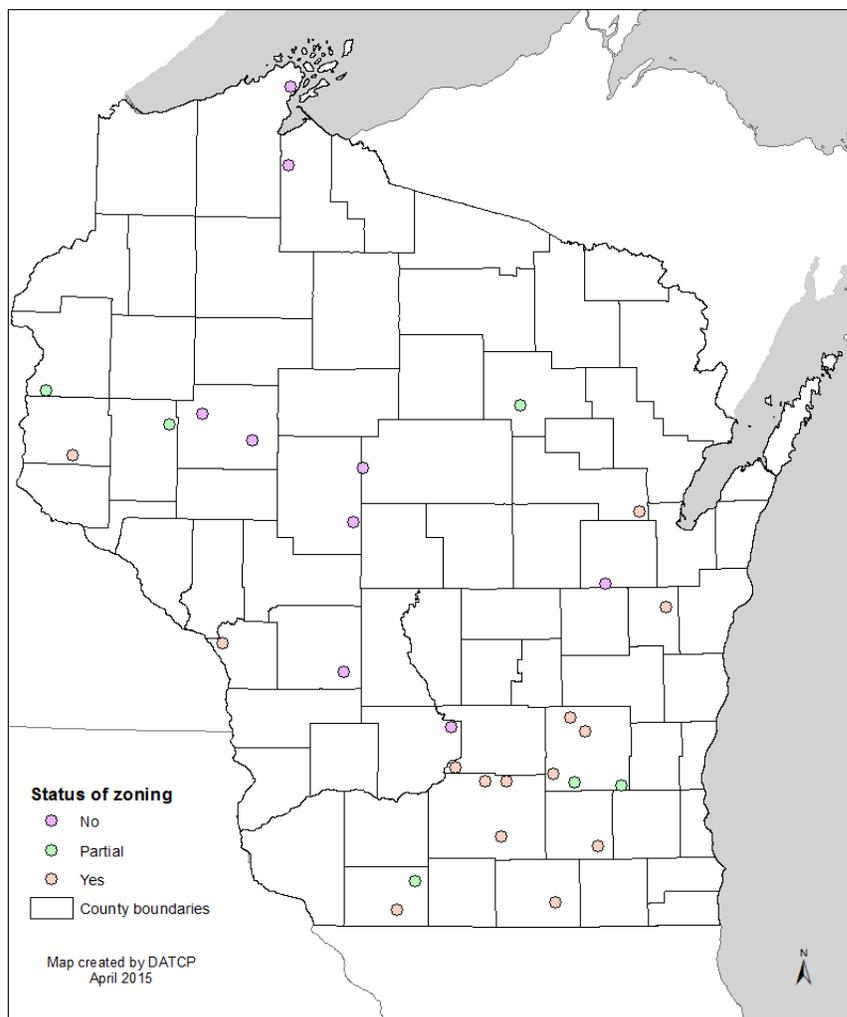
Program activities in 2014 focused on program outreach to the individual AEs. The department designed and created files for each individual AEA for use in making promotional materials and for creating signs for posting on roadways or at an individual farm. Monthly “Item of Interest” emails and webinars provided information about a diverse range of topics to landowners and others within the area. One webinar offered information on farm transition planning, while a second webinar provided information about the benefits and challenges of establishing a transfer of development rights program within a local jurisdiction.

The most significant program activity took place from October 2014 through March 2015. Program staff met in person with representatives of nearly all 29 of the AEs. Attendance at meetings varied, and included staff from county conservation, planning, zoning and corporation counsel departments; town officials; landowner petitioners; UWEX faculty; representatives of county economic development organizations; and land trust staff. The goals of the meetings were to:

- Revisit local and state goals for the program
- Discuss farmland preservation agreement successes and challenges
- Identify local needs to further support the AEA

These AEA meetings enabled the department to have in-depth conversations with the AEA representatives about program challenges, and about opportunities to further local efforts to support farmers and the agricultural community.

Map 3: Status of farmland preservation zoning in the AEs



Opportunities to improve the AEA program identified at the meetings include farmland preservation agreements, program development, program outreach and awareness, and program expansion.

Farmland preservation agreements. Although there has been some success getting agreements in the AEAs, participation is still much lower than originally anticipated when the AEA program was created. Developing strategies to address the roadblocks identified below could lead to an increase in agreements:

- Lack of awareness and understanding of the program and opportunity to sign agreement
- Credits are too viewed as insufficient
- Conservation compliance requirements are seen as too daunting and/or expensive
- Term of the agreement are viewed as too long and landowners hesitate to make decisions for future generations
- Landowners who rent their land to a farm operator may only claim the credit if the operator meets soil and water conservation standards

Program development. Another opportunity to strengthen the AEA is to develop additional incentives for communities that have successfully petitioned for AEA designation. Establishing program enhancements would enable the AEA communities to achieve locally identified farmland preservation and economic development goals. Program enhancements could include;

- Access to technical assistance to support and develop economic development initiatives
- Support for new agricultural businesses or operators to enable them to grow or diversify, and connect with resources such as land, producers or workforce
- Dedicated funding sources (grants or loans) to achieve goals related to farmland preservation, business and economic development, conservation compliance, and agreement sign-up
- Infrastructure improvements or policy changes, and/or funding for infrastructure needs such as for roads or manure management solutions
- Enhanced land use control, such as annexation protection, zoning flexibility, and restrictions on non-metallic mining and non-farm development

Program outreach and awareness. Those representing the AEAs also recognized the need for increased awareness of the designation within their community. Opportunities to increase awareness of the AEAs include the development of AEA-specific brochures, posting road signs at the boundary of the area or on farms covered by an agreement, and the development of websites and other promotional pieces.

Program expansion. The department has the authority to designate up to 2 million acres as a agricultural enterprise area. Currently, we have about 925,000 acres designated as an AEA. Eleven of the 29 AEAs

expressed an interest in submitting a future petition to expand their AEAs. In addition, new areas continue to contact the department with the intention of pursuing a future designation. This reflects a continuing interest in the program. If the current level of interest remains steady, the state will likely reach the 2 million acre cap by 2018 or 2019.

Opportunities beyond AEAs

Although the recent AEA meetings were intended to discuss issues related to the AEA program, the conversation often identified other critical issues related to farmland preservation efforts in the state. Select themes from these conversations are identified below.

- Confusion about program requirements
- Challenges achieving soil and water conservation goals
- Impact of demographic changes of Wisconsin and changes in the agricultural industry
- Difficulties facing new and beginning farmers that impede entry into the industry
- Lack of a “next generation” to take on the farm business
- Lack of appropriate incentives to encourage desired outcomes
- No mechanism to allow the program to support itself
- Interest in program flexibility
- Program perception that the program primarily benefits large, permitted farming operations

Although a significant amount of work has already been done, it is clear that more work is needed to refine our efforts to protect our state’s valuable farmland, safeguard our agricultural economy, and preserve our agricultural heritage. Moving forward, it is imperative to cultivate opportunities to achieve these goals through traditional and non-traditional means. One starting point is to review the work of the Working Lands Initiative Steering Committee from 2005 and the “Future of Farming and Rural Life in Wisconsin” report compiled in 2007 by Wisconsin Academy of Sciences, Arts and Letters.

Please contact Coreen Fallat for more information about the Agricultural Enterprise Area Program.

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APPENDIX A: Agricultural Enterprise Areas (AEAs) Summary Statistics (as of April 6, 2015)

AEA Name	County	Acreage	Towns	Under FP Zoning	Zoning acreage (approx.)*	Number of FP Agreements**	Acres under agreement**	Percent of AEA under agreement
Antigo Flats	Langlade, Marathon	74,104	Town of Vilas (Langlade)	Yes	61,397	108	27,837	38%
			Town of Harrison (Marathon)	No				
			Town of Ackley (Langlade)	Yes				
			Town of Antigo (Langlade)	Yes				
			Town of Neva (Langlade)	Yes				
			Town of Peck (Langlade)	Yes				
			Town of Polar (Langlade)	Yes				
			Town of Price (Langlade)	No				
			Town of Rolling (Langlade)	Yes				
Ashippun-Oconomowoc	Dodge, Waukesha	28,841	Town of Ashippun (Dodge)	No	9,499	5	423	4%
			Town of Oconomowoc (Waukesha)	Yes				
Bayfield	Bayfield	2,821	Town of Bayfield	No	0	0	0	0
Bloomer Area	Chippewa	4,380	Town of Bloomer	No	0	3	487	11%
Burnett	Dodge	14,736	Town of Burnett	Yes	14,736	13	2,664	18%
Cadott Area Cooperative	Chippewa	1,640	Town of Goetz	No	0	6	1,062	65%
			Town of Delmar	No				
Elba-Portland	Dodge	38,580	Town of Elba	Yes	38,580	13	2,771	7%
			Town of Portland	Yes				
Fairfield	Sauk	9,501	Town of Fairfield	No	0	3	2,234	24%
Fields, Waters and Woods	Ashland, Bayfield, Bad River Band	41,089	Town of Ashland (Ashland)	No	0	2	389	1%
			Town of Marengo (Ashland)	No				
			Town of White River (Ashland)	No				
			Town of Kelly (Bayfield)	No				
Friends in Agriculture	Clark	16,705	Town of Fremont	No	0	N/A	N/A	N/A
			Town of Lynn	No				

AEA Name	County	Acreage	Towns	Under FP Zoning	Zoning acreage (approx.)*	Number of FP Agreements**	Acres under agreement**	Percent of AEA under agreement
Greenville Greenbelt	Outagamie	1,420	Town of Greenville	No	0	N/A	N/A	N/A
Halfway Creek Prairie	La Crosse	1,647	Town of Holland	Yes	1,647	4	917	56%
			Town of Onalaska	Yes				
Headwaters of Southwest Monroe County	Monroe	86,306	Town of Clifton	No	0	N/A	N/A	N/A
			Town of Glendale	No				
			Town of Wellington	No				
			Town of Wilton	No				
Heart of America's Dairyland*	Clark, Marathon	225,511	Town of Beaver (Clark)	No	84,805	201	42,031	19%
			Town of Colby (Clark)	Yes				
			Town of Loyal (Clark)	No				
			Town of Mayville (Clark)	Yes				
			Town of Unity (Clark)	No				
			Town of Weston (Clark)	No				
			Town of York (Clark)	No				
			Town of Brighton (Marathon)	Yes				
			Town of Hull (Marathon)	Yes				
			Town of Frankfort (Marathon)	No				
			Town of Holton (Marathon)	No				
			Town of Johnson (Marathon)	No				
			Town of Bern (Marathon)	No				
			Town of McMillan (Marathon)	Yes				
Town of Eau Pleine (Marathon)	Yes							
Hilbert Ag Land on Track	Calumet	28,217	Town of Brillion	Yes	28,217	6	2,260	8%
			Town of Chilton	Yes				
			Town of Rantoul	Yes				

AEA Name	County	Acreage	Towns	Under FP Zoning	Zoning acreage (approx.)*	Number of FP Agreements**	Acres under agreement**	Percent of AEA under agreement
			Town of Woodville	Yes				
La Prairie	Rock	21,093	Town of La Prairie	Yes	21,093	9	1,754	6%
			Town of Turtle	Yes				
Maple Grove	Shawano	21,669	Town of Maple Grove	Yes	21,669	13	2,282	11%
Pecatonica	Lafayette	45,776	Town of Argyle	Yes	34,698	14	2,810	6%
			Town of Blanchard	No				
			Town of Lamont	Yes				
Rush River Legacy	St. Croix	8,370	Town of Rush River	Yes	8,370	0	0	0
Scuppernong	Jefferson	14,015	Town of Cold Spring	Yes	14,015	4	458	3%
			Town of Hebron	Yes				
			Town of Palmyra	Yes				
			Town of Sullivan	Yes				
Shields-Emmet	Dodge	16,051	Town of Emmet	No	12,656	3	299	2%
			Town of Shields	Yes				
Southwest Lead Mine Region	Lafayette	103,143	Town of Gratiot	Yes	103,143	15	2,834	3%
			Town of Monticello	Yes				
			Town of Shullsburg	Yes				
			Town of Wiotia	Yes				
Squaw Lake	Polk	9,607	Town of Alden (Polk)	No	1,624	1	240	2%
			Town of Farmington (Polk)	No				
			Town of Somerset (St. Croix)	Yes				
			Town of Star Prairie (St. Croix)	Yes				
Town of Dunn	Dane	10,038	Town of Dunn	Yes	10,038	0	0	0
Town of Grant	Chippewa, Dunn	25,920	Town of Auburn (Chippewa)	No	22,291	1	893	3%
			Town of Cooks Valley (Chippewa)	No				
			Town of Colfax (Dunn)	No				
			Town of Grant (Dunn)	Yes				

AEA Name	County	Acreage	Towns	Under FP Zoning	Zoning acreage (approx.)*	Number of FP Agreements**	Acres under agreement**	Percent of AEA under agreement
			Town of Otter Creek (Dunn)	No				
			Town of Sand Creek (Dunn)	No				
Trenton	Dodge	26,492	Town of Trenton	Yes	26,492	9	1550	6%
Vienna-Dane-Westport	Dane	20,681	Town of Dane	Yes	20,681	1	90	0%
			Town of Vienna	Yes				
			Town of Westport	Yes				
West Point	Columbia	15,888	Town of West Point	Yes	15,888	N/A	N/A	N/A
Windsor	Dane	10,775	Town of Windsor	Yes	10,775	9	940	9%

AEA Summary Information								
29 AEA's	22 counties	925,016 designated acres	85 towns	48 towns with FP zoning	562,314 acres under FP zoning*	443 FP agreements**	97,223 acres under FP agreement**	11% of AEA's covered by FP agreement***

*Acreage listed as under farmland preservation zoning should be considered estimated. In some cases, portions of the AEA may be designated, and planned for farmland preservation, but not certified for farmland preservation zoning.

**Agreement numbers and acres under agreement are as of April 6, 2015.

***Landowners in AEA's designated in 2014 are not eligible to enter into an agreement until January 1, 2015, however the total AEA acres includes all designated acres. Therefore the percent of AEA covered by FP agreement is anticipated to increase throughout the year as the landowners in all designated AEA's continue to enter into FP agreements.

N/A = Landowners in these AEA's were not eligible to enter into an agreement until January 1, 2015.