

Fact Sheet: Farm and Ranch Lands Protection Program

January 2009

Overview

The Farm and Ranch Lands Protection Program (FRPP) is a voluntary program that helps farmers and ranchers keep their land in agriculture. FRPP is funded through the Commodity Credit Corporation. The FRPP share of the easement cost must not exceed 50 percent of the appraised fair market value of the conservation easement. The program provides matching funds to State, Tribal, or local governments and non-governmental organizations with existing farm and ranch land protection programs to purchase conservation easements. FRPP is reauthorized in the Food, Conservation, and Energy of 2008 (Farm Bill). The U.S. Department of Agriculture's (USDA) Natural Resources Conservation Service (NRCS) manages the program.

Land and Landowner Eligibility

To qualify for FRPP, the land offered must be part or all of a farm or ranch and must:

- Contain land with prime, unique, or other productive soil, land with historical or archaeological resources; or land that supports the policies of a state or local farm and ranch protection program;
- Be included in a pending offer from a State, Tribal, or local government or nongovernmental organization's farmland protection program;
- Be privately owned;
- Be covered by a conservation plan for any highly erodible land;
- Be large enough to sustain agricultural production;

- Be accessible to markets for what the land produces;
- Be surrounded by parcels of land that can support long-term agricultural production; and
- Be owned by an individual or business entity that does not exceed the Adjusted Gross Income (AGI) limitation and is in compliance with the wetland and highly erodible land conservation provisions of the Farm Bill.

The AGI provision of the 2008 Farm Bill impacts eligibility for FRPP and several other 2008 Farm Bill programs. Individuals or business entities that have an average non-farm AGI exceeding \$1.0 million for the three tax years immediately preceding the year the contract is approved are not eligible to receive program benefits or payments. However, an exemption is provided in cases where two-thirds of the AGI is derived from farming, ranching, or forestry operations. If the land cannot be converted to nonagricultural uses because of existing deed restrictions or other legal constraints, it is ineligible for FRPP.

Cooperating Entity Eligibility

A cooperating entity must be a unit of State, local, or Tribal government or a non-governmental organization that meets the requirements in the 2008 Farm Bill. A cooperating entity must also:

- Have an established a farmland protection program;
- Have demonstrated a commitment to the long-term conservation of agricultural lands;
- Utilize a voluntary easement purchase or other legal device(s) to protect farmland;



- Have the authority and demonstrate the capability to acquire, hold, manage, or enforce conservation easements or their equivalent;
- Have title appraisal policies or standards;
- Have staff capacity or formal agreement with other entities dedicated to monitoring and easement stewardship; and
- Have sufficient funds available for easement acquisition.

How FRPP Works

USDA works through State, Tribal, and local governments and non-governmental organizations to conduct the FRPP. These cooperating entities acquire conservation easements from landowners. Participating landowners agree not to convert their land to non-agricultural uses and to develop and implement a conservation plan for any highly erodible land. All highly erodible lands enrolled must have a conservation plan developed based on the standards in the NRCS Field Office Technical Guide and approved by the local conservation district. Landowners retain rights to use the property for agriculture.

To participate, a landowner submits an application to a cooperating entity—a State, Tribal, or local government or a non-governmental organization—that has an existing farm or ranch land protection program. The cooperating entity submits the applications to the NRCS state office. The NRCS State Conservationist, with advice from the State Technical Committee, ranks the farms and ranches in the applications and awards funds to the cooperating entities with the highest-ranked farms and ranches to purchase perpetual conservation easements. The funds are obligated in a cooperative agreement that specifies the conditions under which the easement must be acquired.

The cooperating entity must contribute a minimum of 50 percent of the appraised fair market value of the easement. As part of its share of the cost of purchasing a conservation easement, a State, Tribal, or local government or nongovernmental organization may include a charitable donation by the landowner. As a

minimum, a cooperating entity must provide, in cash, 25 percent of the purchase price (appraised fair market value minus any landowner donation) of the conservation easement.

Cooperating entities purchase permanent easements of the land in FRPP. The conservation easement deeds are recorded in the county real estate records. The easement restricts the ability of current and future landowners to use the property for anything except farming, ranching, timber management, and recreation that does not require infrastructure. Subdivision and mining is prohibited. The amount of impervious surfaces is limited. Construction is limited to buildings and roads that support the farming or ranching operation. The easements prohibit future easements and rights-of-way for roads, gas lines, power lines, telecommunications facilities, energy generation facilities, or any other non-agricultural use.

Legislative and Regulatory Changes

The 2008 Farm Bill changed the purpose of the program from protecting topsoil to protecting agricultural use. It changed the role of the Secretary of Agriculture from purchasing easements to providing funding for the purchase of easements.

The 2008 Farm Bill made churches, universities, and hospitals eligible as cooperating entities. It added land that supports the policies of a State or local farm and ranch protection program as eligible land. It also specifically included forestland as eligible land.

The 2008 Farm Bill established ‘certified entities’ as a special classification of entities that have demonstrated excellent performance in administering FRPP. Certified entities are eligible for cooperative agreements that can obligate funding for five or more years without re-negotiating the cooperative agreement. Non-certified cooperating entities are eligible for cooperative agreements that can obligate funding for three to five years.

The 2008 Farm Bill gives the cooperating entities the option of selecting an industry approved appraisal standard, either the Uniform Standards for Professional Appraisal Practice or the Uniform Appraisal Standards for Federal Land Acquisition.

More Information

For more information and updates about FRPP and other Farm Bill topics, please refer to the U.S. Department of Agriculture Web site www.usda.gov/farmbill or the Natural Resources Conservation Service Web site www.nrcs.usda.gov/programs/farmbill/2008.