



# Ohio's Agricultural Easement Purchase Program: From pilot to permanent presence A survey of AEPP participants

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July 21, 2010

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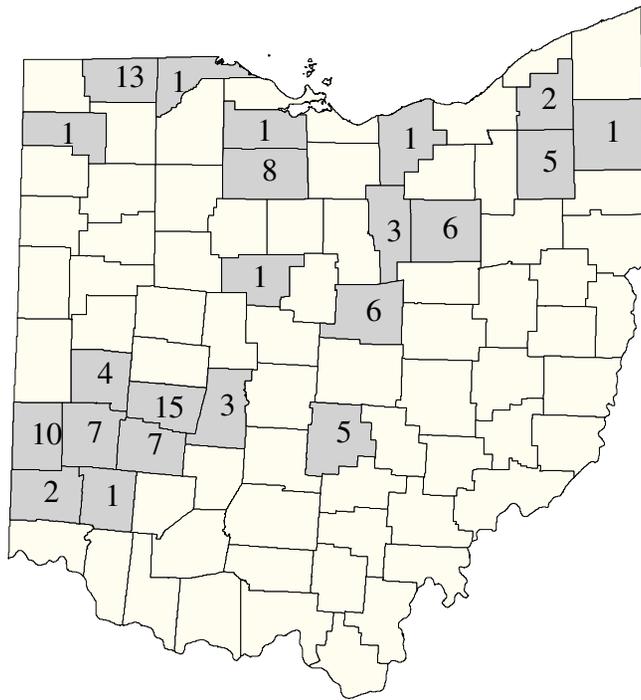
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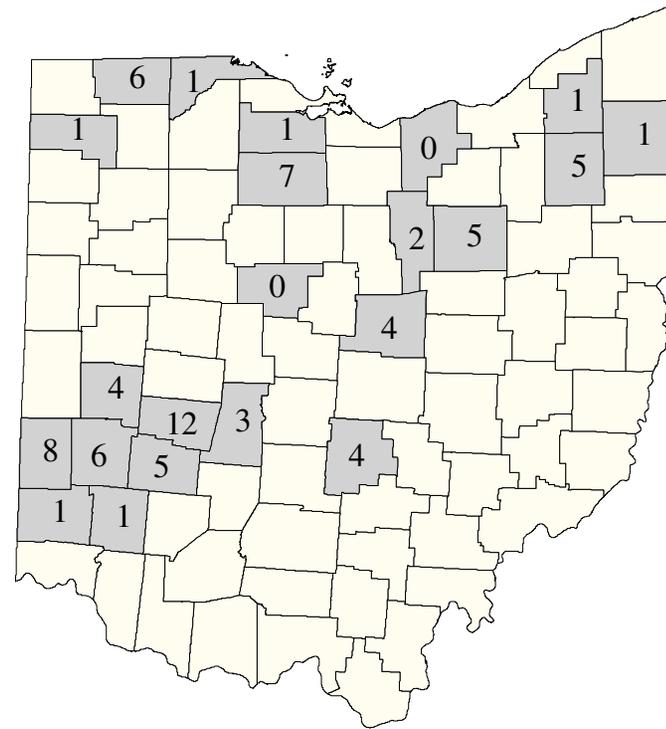
# Today's Agenda

- About the survey
  - Method for conducting the survey
- Who answered the survey?
- Motivation to participate
- Satisfaction with AEPP
- Impact of AEPP
  - Funds
  - Management
- Conclusions and Recommendations

# Who answered the survey?



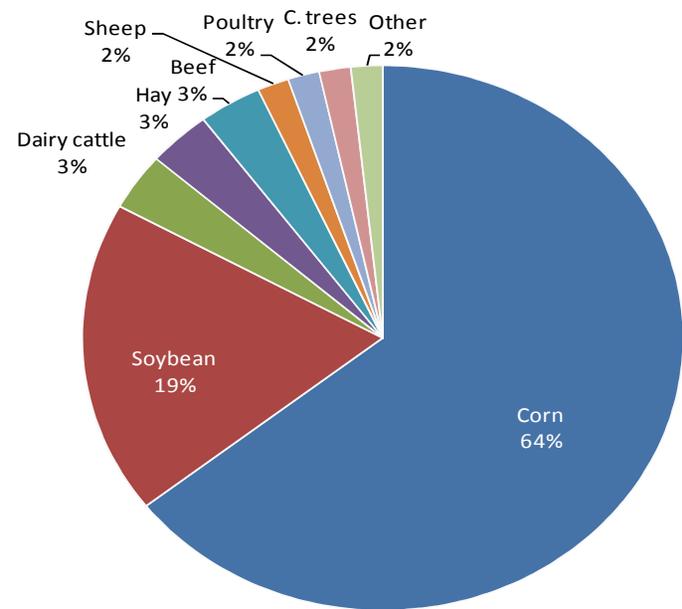
Map 1. Surveys Sent by County



Map 2. Survey Respondents by County

# Who are AEPP participants?

- Farms are generally larger than the average Ohio farm
- Participants are, on average, older
- Farm type is dominated by corn and soybeans



# Who are AEPP participants?

- Landowners are putting an average of 51% (median of 72%) of their farm in the program
- Most (83%) are sole or family proprietorships
- Applicants are making their living from the farm (70.6%)

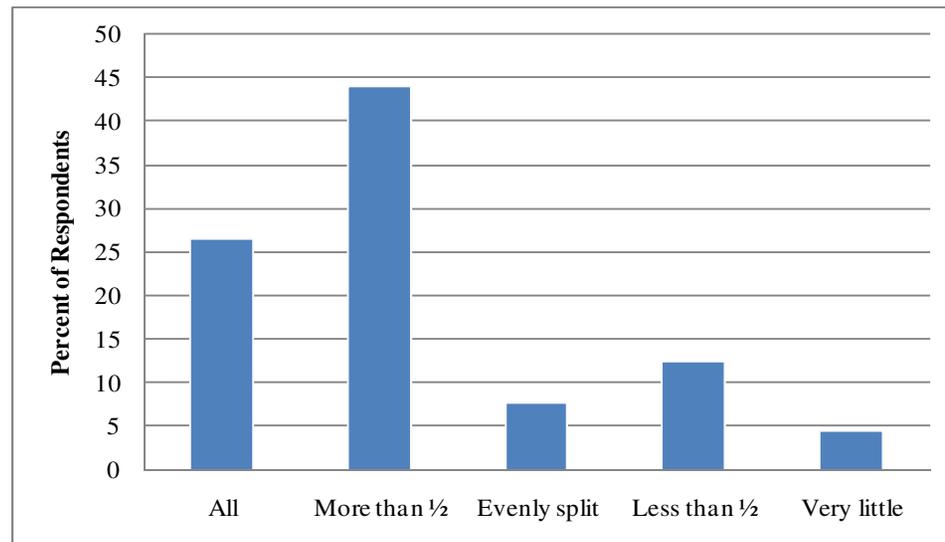


Table 2. Motivation for participating in AEPP, compiled categories

# Motivation I

Why did you participate in the AEPP?

<b>Compiled Categories</b>	<b>#</b>	<b>%</b>
Preserve farmland for farming/future generations	37	66
Prevent development/sprawl	24	43
Generate income	14	25
Additional farm purchases	6	11
Show support of AEPP	2	4

# Why did you participate in the AEPP?

- “I believe that a significant amount of our rural land should not be developed and the AEPP is one of the best ways to protect that land (HH153).”
- “To secure the income and my belief in the program (HH152).”
- “The major part of this farm has been in the family since 1868, the rest was added in 1958. This was a very good way of paying off debt and setting the farm up as one block so it could not be divided and sold as parcel. The possibility of this farm ground to be carried on to the fifth, sixth generation is likely (HH111).”

# Motivation II

What does the AEPP mean to you, your family and your farm?

<b>Compiled Categories</b>	<b>#</b>	<b>%</b>
Preserve/save our land to stay agricultural	38	68
Eliminates development/sprawl	11	20
Financial security	8	14
Ability to enhance agricultural and conservation practices	7	13
Other	7	13

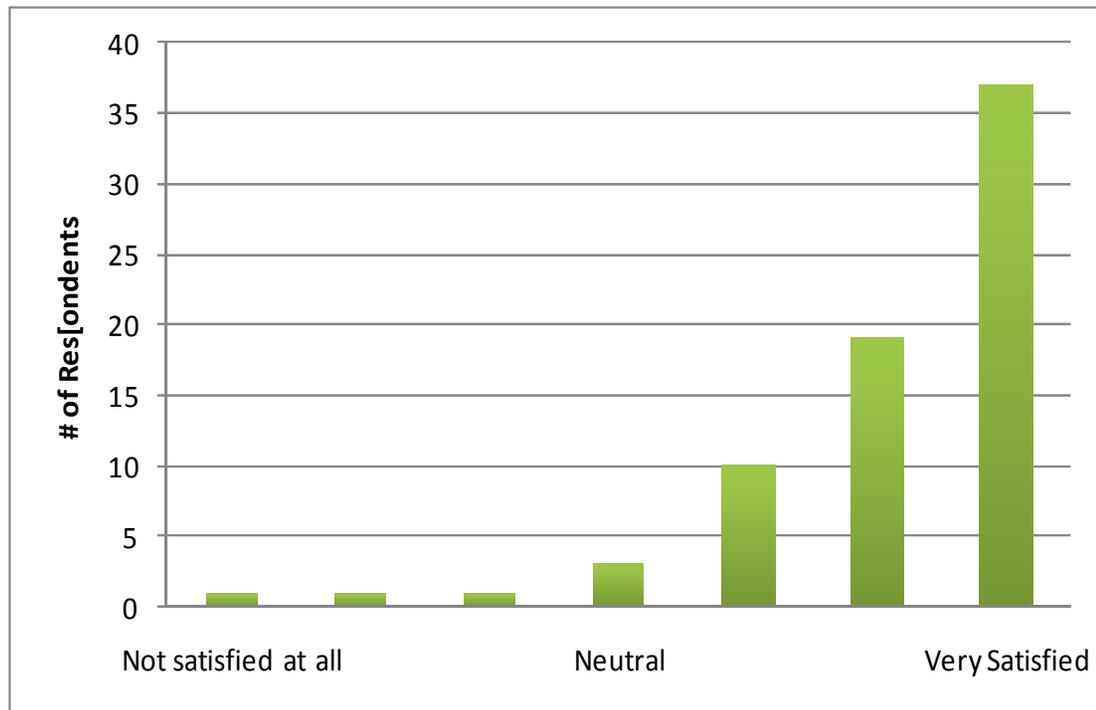
# What does the AEPP mean to you, your family and your farm?

- “The AEPP has allowed us to feel more secure about our future. As I like to say the proceeds we received has taken the “edge off” of farming. We were able to reduce our debt by 50% and have been able to improve our property.”
- “The future plan for the farm is now well defined, which enables decisions now being made, to enhance the long term goals of improving the farmland, in terms of conservation practices and fertility.”
- “It means we can continue to farm this farm without taking out additional loans to expand our operation. It has changed how we view this place and how we will farm it.”

# Motivation III

- Without AEPP, 73% would continue to farm in the near future.
  - 27% would have sold of pieces of the farm, rented it out, sold the farm to a developer or used the land for other purposes

# Satisfaction with AEPP



- Ohio participants are more satisfied than Vermont and California landowners

# Satisfaction, cont.

What changes do participants recommend?

<b>Changes need to improve AEPP*</b>	<b>#</b>
Speed up the easement process	7
Make the application less confusing	6
Make AEPP program larger	4
Improve communication	4
Eliminate/change tier 2	3
Change/update income tax codes	2
Increase money given to landowner	2
Other	7

# Satisfaction, cont.

On a scale of 1 to 7, how satisfied are you with the level of communication about the easement with ODA?

Communication w/ODA	#	%
1 - Not satisfied at all	1	1%
2	2	3%
3	4	6%
4 - Neutral	11	15%
5	11	15%
6	12	17%
7 - Very satisfied	31	43%

# Satisfaction, cont.

Is AEPP helping your county achieve its FP goals?

<b>Level of success</b>	<b>#</b>
1 – Not successful at all	1
2	0
3	4
4 – Neutral	13
5	13
6	21
7 – Very successful	8

# Impact of AEPP: Use of Funds

## **DEBTS**

- paying off debts
- income tax payment

## **EXPENSES**

- reinvesting in daily farm expenses
- hiring employees

## **OTHER**

- education
- travel/recreation/vacation
- conservation practices
- other

## **INVESTMENTS & SAVINGS**

- trying new management or retail practices
- buying more land
- buying more equipment
- repairing or expanding buildings
- general savings or investment
- retirement funds
- trusts for children
- new farm building

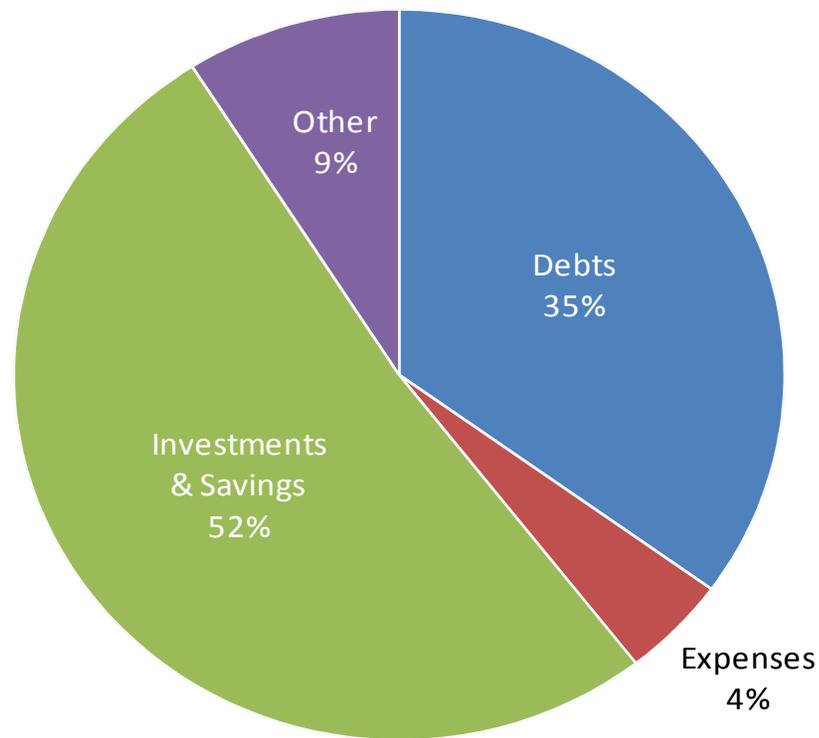
# Impact of AEPP: Use of Funds

\$19,928,532 accounted for in survey

Activity	Percent of Respondents Reporting Activity	Percent of Funds
Debts	63%	35% (7.0 million)
Expenses	20%	5% (0.9 million)
Investments & Savings	77%	52% (10.3 million)
Other	27%	9% (1.8 million)

# Impact of AEPP: Use of Funds

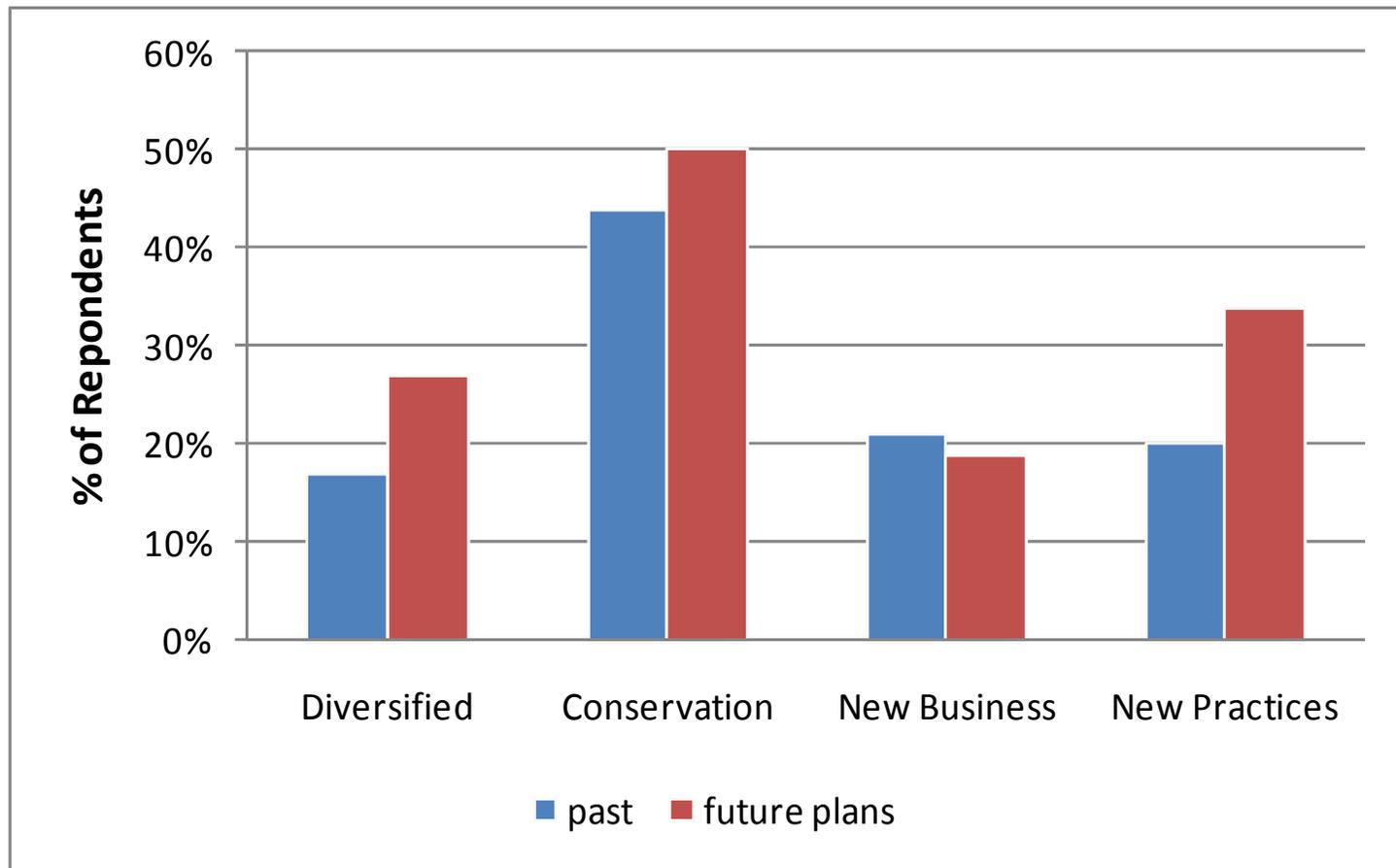
\$19,928,532 accounted for in survey



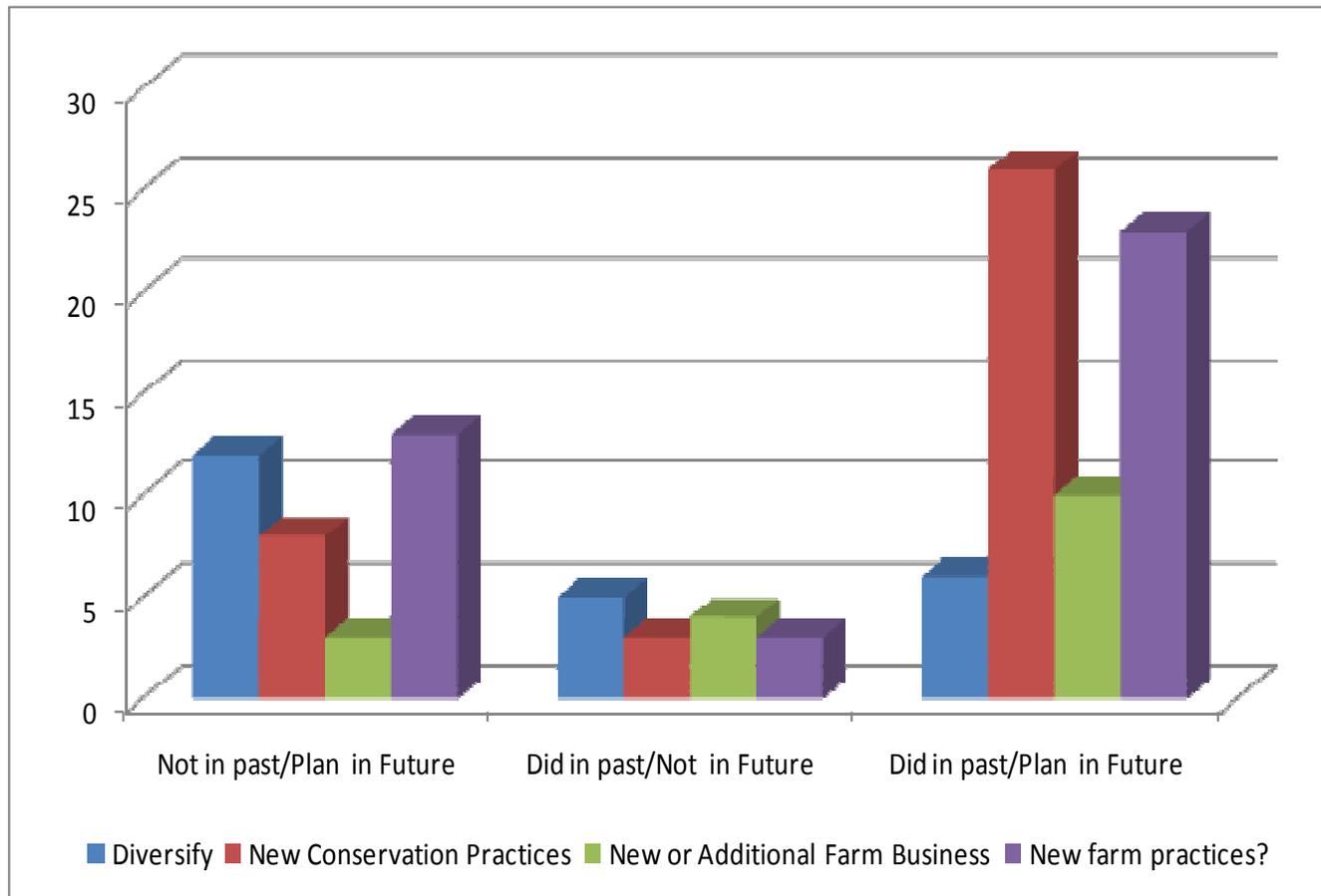
# Impact of AEPP: Borrowing \$

Effect of AEPP on Loan Experience	Number Reporting	Percentage
very positive	5	14.7
somewhat positive	8	23.5
no impact	18	52.9
somewhat negative	3	8.8
very negative	0	0.0

# Impact of AEPP: Farm Management



# Impact of AEPP: Farm Management



# Last Words

- “The scoring process does not always preserve the best farms (HH147).”
- “This program is getting a reputation of taking too long to get the money (HH130).”

## Last Words, cont.

- “This was a good decision on our behalf. It has changed the way we feel about the long term use of this farm (HH 199).”
- “This program saved our family farm- we were hanging on by our finger nails (HH169). “

# Highlights

# What can be done with these results?

- Share findings with Administration, Advisory Board, and Technical Committee
- Build on successes
- Re-examine state priorities and the selection criteria
- Focus on process issues.
  - Common theme in suggested changes
- Follow-up with respondents.
- Utilize this benchmark.

# Thank you.

<http://cffpi.osu.edu>

Executive Summary -

<http://www.agri.ohio.gov/divs/FarmLand/Docs/AEPP%20Survey%20exec%20summary.pdf>



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