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OVERVIEW AND ANALYSIS OF PARTICIPATION
IN THE
FARMLAND PRESERVATION PROGRAM,
1977-1979

by

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INTRODUCTION

The Farmland Preservation Law (FPL), adopted in June, 1977 went into effect in December, 1977. In the first five years (1977-82) any qualified farmland owner can sign an "initial contract" with the state, agreeing to keep his land in farm or open space use in exchange for eligibility for state income tax credits. To qualify, the farm must be 35 or more acres; must have produced \$6,000 in gross farm sales in the last year or \$18,000 over the past three years; and must have a Soil Conservation Service farm plan in effect or being developed. All initial contracts expire in 1982. Farmers with initial contracts are eligible for state income tax credits equal to 50 percent of the ~~maximum~~ credit calculated under a credit formula, based on household income and property taxes.

After 1982, in order for farmland owners to remain eligible for tax credits, the county and/or township must have adopted some form of policy to preserve farmland. Counties are not required to act, but continued tax credits are dependent on county action. Many counties have already acted.

Land in counties with population density over 100 persons per square mile ("urban" county) must be covered by exclusive agricultural zoning adopted by county and/or town government. The ordinance must be certified by the state and must provide that no residences can be constructed unless occupied by the farm family, close relatives, or other farm workers. Any development requires a full rezoning with public hearings. Farmland owners in those exclusive agricultural zones are eligible for 70 percent of the maximum tax credit, with no contract required. In a county with both exclusive agricultural zoning and a farmland preservation plan, farmers in zones and the plan's preservation districts are eligible for 100 percent of the maximum credit.

Land in a county with less than 100 persons per square mile ("rural" county) can qualify through exclusive agricultural zoning. Or, if the county adopts an agricultural preservation plan which is certified by the state as meeting the standards in the law, landowners in the preservation districts in the plan may sign 10-25 year contracts, similar to the initial contracts except that farm operations must be "in substantial accordance" with a soil and water conservation plan. Landowners with contracts are then eligible for credits at the 70% level.

In this paper, the activity of counties, towns, and landowners under the FPL will be discussed. The purpose is to provide an overview of participation rather than to analyze the effects of that participation on tax relief or land use patterns.* In the first part, a description of county activities in planning and zoning will be preserved. In the second part, individual action will be analyzed, including an overview of participation through contracts and an analysis of the characteristics of farms and farmland owners who had signed initial contracts through 1979.

* An analysis of tax relief under the FPL can be found in Richard Barrows and Phillip Bradbury, "Distribution of Tax Relief Under the Wisconsin Farmland Preservation Program: An Analysis of the Current Program and Policy Alternatives," Agricultural Economics Staff Paper No. 192, UW-Madison, 1981; an analysis of the land use effects can be found in R. Barrows and J. Redman, "The Effects of Exclusive Agricultural Zoning in Columbia County, Wisconsin" and R. Barrows and C. Smith, "The Effects of Exclusive Agricultural Zoning in Walworth County, Wisconsin," Agricultural Economics Staff Papers Nos. 190 and 195 respectively, UW-Madison, 1981.

PART I

OVERVIEW OF COUNTY ACTION

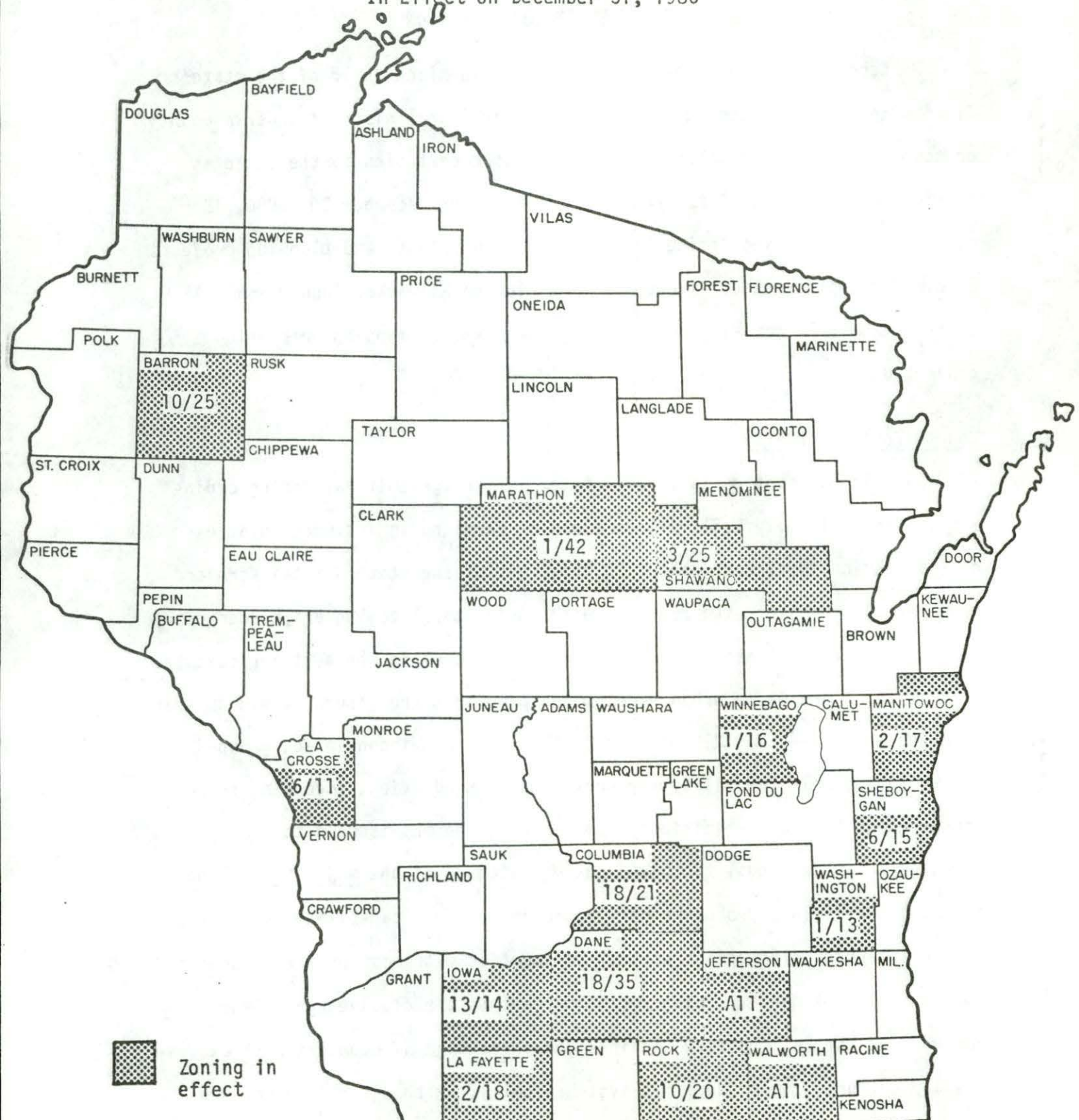
By December 30, 1980, part or all of the farmland in 15 of the state's 71 counties was included in an exclusive agricultural district under a county or town exclusive agricultural zoning ordinance certified by the state as meeting the standards of the FPL. In addition, by December 30, 1980, 18 counties had certified Agricultural Preservation Plans, and planning projects were underway in another 41 counties. Excluding Milwaukee County, only 11 of the state's 71 counties did not have some type of mapping or planing project underway.

County Zoning Activity

Land in 15 counties is covered by exclusive agricultural zoning ordinances: Approximately 2.51 million acres of farmland is included in an exclusive agricultural zone, about 13.8 percent of the state's total farmland (see Map 1). However, the counties with agricultural zoning are concentrated in the southern and eastern portions of the state where the best agricultural land is found and where urban development pressures are generally higher than in other areas (see Map 2). In Map 2, the soils of Wisconsin are grouped according to their capability for agricultural production, according to Soil Conservation Service definitions. In Table 1, the map is used to place counties in a "soil quality" based on the category of the majority of land in the county. This procedure only approximates soil capability by county, but an interesting pattern emerges. Of counties with most of their land in the highest soil quality category, 50 percent have exclusive agricultural zoning. As the soil quality declines the percentage of counties with exclusive agricultural zoning declines systematically. Although this procedure for classifying counties by "soil quality" for agriculture is very rough,

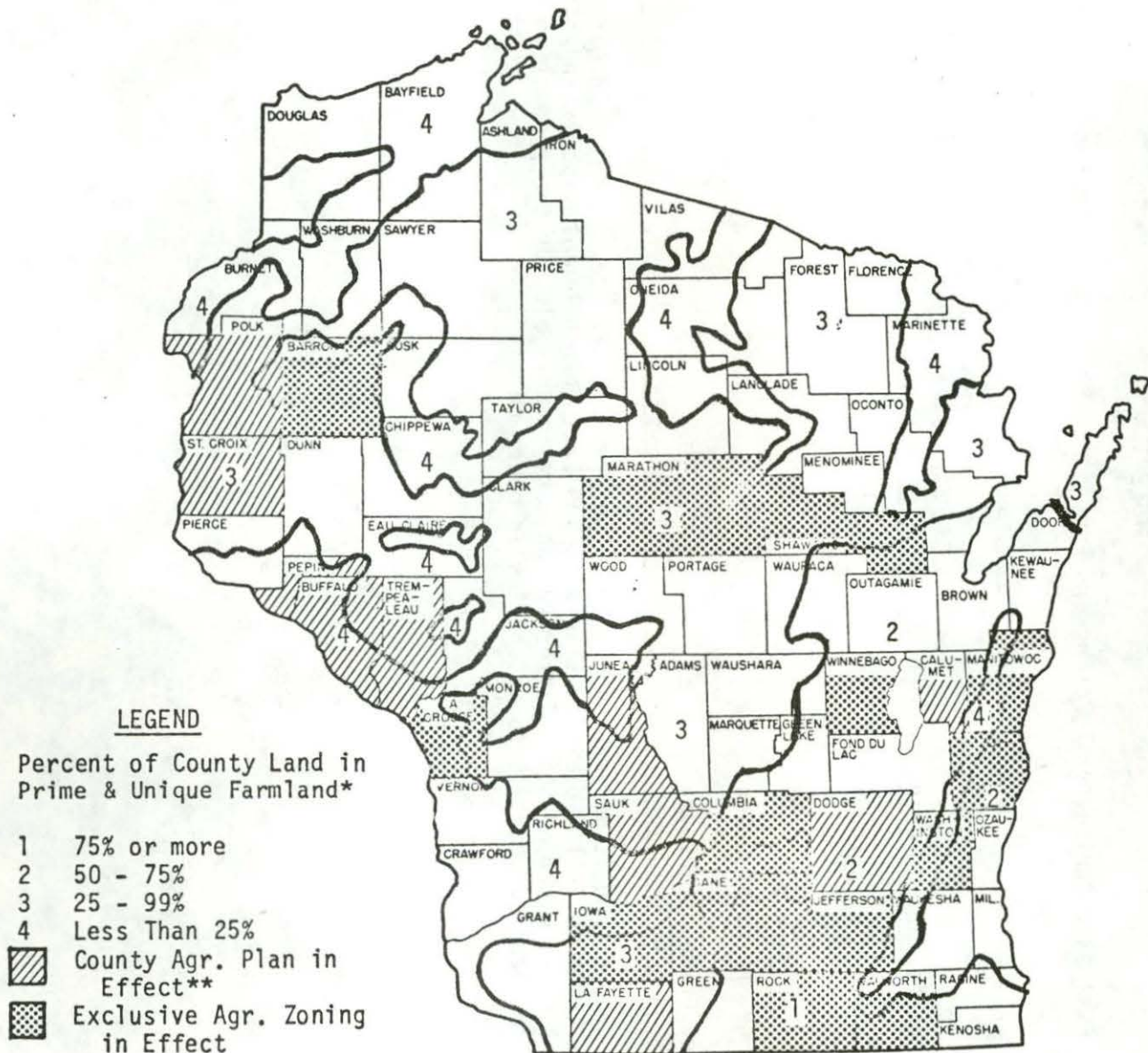
Map 1

Exclusive Agricultural Zoning
In Effect on December 31, 1980



Map 2

Exclusive Agricultural Zoning and Certified Agricultural
Preservation Plans, According to Soil Quality for Agricultural Use



*Definition by Soil Conservation Service. Prime land is generally land with soils in Soil Capability Classes I and II. Unique land includes land with special soil, water, climatic conditions that make it suitable for specialty crops.

**Agricultural Preservation Plans are also in effect in the zoned counties of Barron, LaCrosse, Columbia, Rock, Sheboygan and Walworth.

Source: Farmland Preservation Unit, Wisconsin Department of Agriculture, Trade and Consumer Protection.

TABLE 1

Exclusive Agricultural Zoning and Percent of Prime or Unique Land, by County
December, 1980

<u>Most of County's Land in Category:</u>	<u>Number of Counties</u>	<u>Number with Exclusive Agricultural Zoning</u>	<u>Percent with Exclusive Agricultural Zoning</u>
1. Over 75% Prime or Unique*	6	3	50%
2. 50% to 75% Prime or Unique	17	6	35%
3. 25% to 49% Prime or Unique	34	6	18%
4. 0 to 24% Prime or Unique	14	0	0%

* Prime or Unique land is defined by the Soil Conservation Service. Prime land generally includes land with soils in Soil Capability Classes I and II. Unique land has soils and other conditions such as climate, water or other factors which make it suitable for the production of specialty crops. Placement of county into categories is based on Map 2.

the results do clearly confirm the general impression conveyed by the map--exclusive agricultural zoning is concentrated in the areas of the state with the best agricultural soils.

Some counties had adopted zoning ordinances with provisions very similar to the state standards for exclusive agricultural zoning, prior to enactment of the state law. These counties made slight adjustments to their zoning ordinances and were quickly certified as meeting state standards. By June, 1978, five counties--Barron, Columbia, Jefferson, Shawano and Walworth had been certified. In the next 18 month, 10 other counties adopted exclusive agricultural zoning, making a total of 15 counties by December, 1980.

The approach to exclusive agricultural zoning varies by county. In Columbia, Iowa, Jefferson and Walworth Counties almost all towns were included in a county comprehensive zoning ordinance prior to the FPL, and all simply accepted the exclusive agricultural zoning amendment adopted by the county. In Barron County the same process occurred, but only 10 of the 25 towns were previously included in county zoning. In Dane and Shawano Counties, town plans are generally prepared prior to the towns' inclusion in the county exclusive agricultural zoning provisions, so town acceptance of the zoning follows a more general schedule of planning activities. In Lafayette, Washington, and Winnebago Counties, few of the towns have yet adopted exclusive agricultural zoning or the county's comprehensive zoning. In Rock and Sheboygan Counties, town ordinances are certified individually, since the county has no comprehensive zoning ordinance. Thus, the pattern and history of zoning and the relationship between counties and townships in adopting exclusive agricultural zoning varies greatly among counties. The details of each county's zoning effort can be found in Table 2.

It appears that most urban counties will meet the 1982 deadline for adoption of exclusive agricultural zoning in order to keep farmland owners

TABLE 2
Exclusive Agricultural Zoning, by County
December, 1980

County	Number of Towns Zoned	Total Number of Towns	Number of Farms Zoned & Eligible for Credit	Acres in Zones
Barron	10	25	759	170,000
Columbia	18	21	1,717	359,000
Dane	22	35	2,143	380,460
Iowa	14	14	1,500	393,900
Jefferson	16	16	1,760	285,000
LaCrosse	6	11	360	94,360
Lafayette	4	18	279	90,000
Marathon	1	36	81	21,300
Manitowoc	3	17	280	43,100
Rock	14	20	1,070	255,880
Shawano	4	25	250	51,000
Sheboygan	7	15	652	115,000
Walworth	16	16	1,261	194,450
Washington	2	13	96	15,600
Winnebago	2	16	139	21,630
TOTAL			12,407	2,506,920

Source: Farmland Preservation Unit, Wisconsin Department of Agriculture,
Trade and Consumer Protection.

eligible for tax credits. As of December, 1980, nine of the eighteen "urban" counties, as defined in the law, had already adopted exclusive agricultural zoning ordinances, or towns were adopting their own ordinances in some cases. The urban counties and their zoning status as of December, 1980, is:

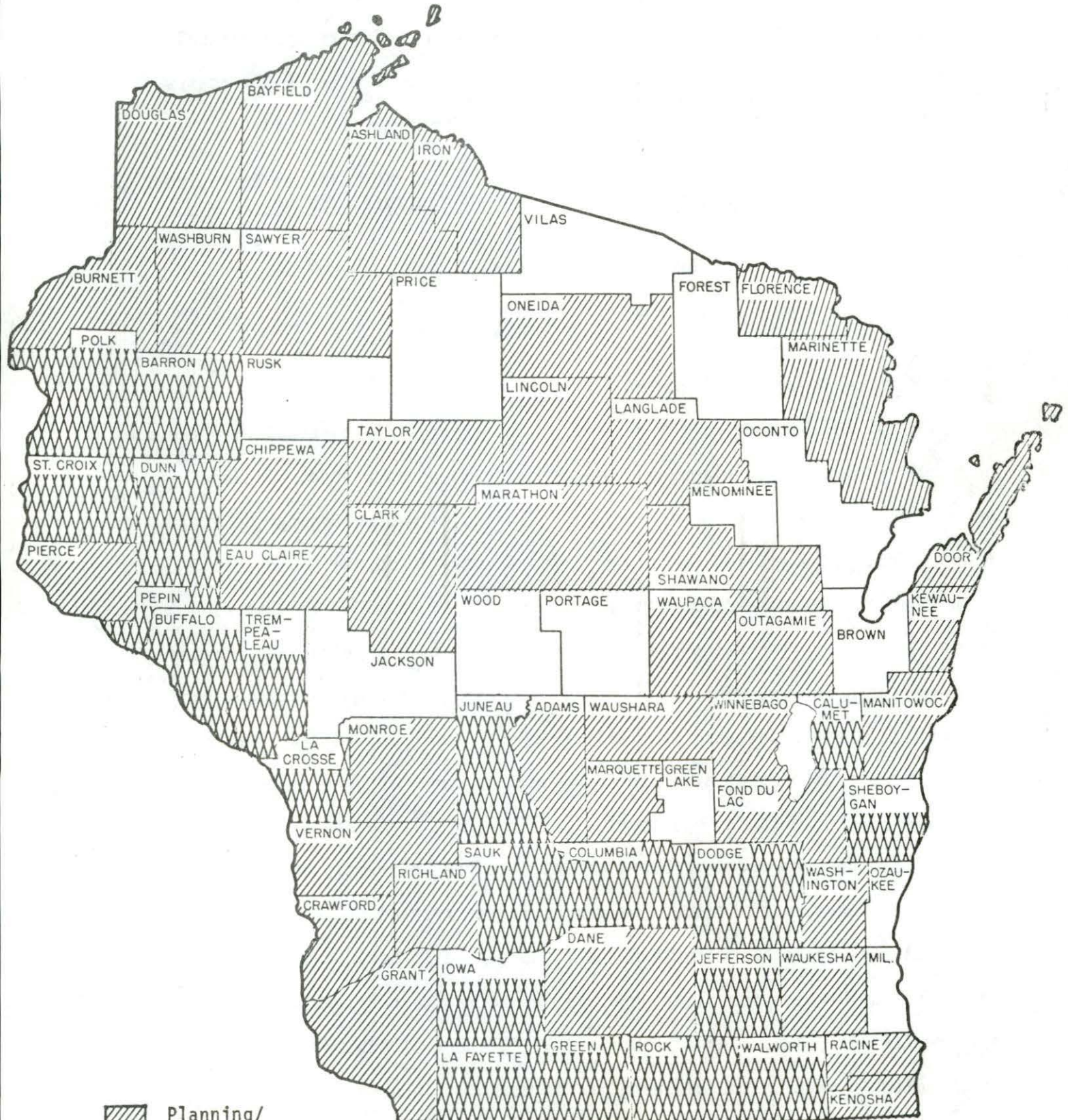
<u>Urban Counties with Exclusive Agricultural Zoning 12/80</u>		<u>Urban Counties Without Exclusive Agricultural Zoning 12/80</u>	
Dane	Sheboygan	Brown	Ozaukee
Jefferson	Walworth	Eau Claire	Racine
LaCrosse	Washington	Fond du Lac	Waukesha
Manitowoc	Winnebago	Kenosha	Milwaukee
Rock		Outagamie	



Agricultural Preservation Planning

A total of 59 counties (83 percent of the state's 71 counties) farmland preservation mapping or planning projects underway or completed. To date, only 12 counties have not taken action, including Milwaukee County (only 170 farms), Forest County (180 farms) and Vilas County (40 farms). About 16.7 million acres of farmland, 92 percent of the state's total of 18.1 million acres, are in counties which have farmland preservation mapping and planning completed or underway. The first counties to begin planning, and the first to complete their plans, are generally in the southern and eastern part of the state, or in the west along the Minnesota border. The grants provided by the FPL through the state Department of Agriculture, Trade and Consumer Protection and the Departments of Development have been extremely important in stimulating county activities. The grant program provided an easy way for county elected officials to obtain the funds needed to respond to their constituents' demands for planning or zoning to maintain eligibility for tax credits after 1982. As of December, 1980, about \$1,465,000 had been distributed in mapping and planning grants to the 57 counties participating.* This represents almost the total cost for the 59 county plans, since: (1) counties are required to state the full cost of producing the plan,

*Two counties had completed most of the work to prepare a plan prior to adoption of the state law, and thus received no planning or mapping grant funds.

Farmland Preservation Mapping and Planning
Projects, by County, December, 1980



-  Planning/
Mapping Projects
Underway
-  Plans in Effect &
Certified

NO. OF COUNTIES COMPLETED (83% OF COUNTIES IN STATE)
OR UNDERWAY - 59

FARMLAND COVERED BY PLANNING PROJECTS: 16.7 MILLION ACRES
(92% OF ALL LAND IN FARMS IN STATE)

regardless of the number of years the effort will require; and (2) the state Agricultural Lands Preservation Board has adopted a policy of not providing funds for only parts of county planning efforts, to ensure that work that is begun can be completed. The average cost, to the state, of a county agricultural preservation plan is about \$25,700. This does not represent the total cost since: (1) all counties have provided matching funds, in dollars, staff time, equipment, work space, or other support; and (2) a few counties, may find that they are under-budgeted for the effort and will seek additional funds.

It appears that most rural counties will be able to meet the requirement of adopting agricultural planning or zoning by the end of 1982, to keep farmers eligible for tax credits. Of the 53 rural counties, as defined in the FPL, 15 already have certified agricultural preservation plans or zoning ordinances, and 29 others are in the process of developing plans. Only 9 rural counties have not already initiated planning or zoning activities to meet the 1982 deadline.

PART II

LANDOWNER ACTIVITY

Actions by landowners can be classified as either action to claim tax credits, and action to sign contracts. Tax credit activity will be only briefly discussed because a more detailed analysis is available elsewhere.* Most of the discussion will be devoted to an overview of contract applications and an analysis of the characteristics of those landowners who signed farmland preservation agreements.

*See R. Barrows and P. Bradbury, "Distribution of Tax Relief Under the Wisconsin Farmland Preservation Program: An Analysis of the Current Program and Policy Alternatives," Agricultural Economics Staff Paper No. 192, University of Wisconsin-Madison, 1981.

Tax Credit Overview

For the 1977 tax year, about 1,513 landowners received farmland preservation tax credits totalling \$1.16 million, for an average credit of \$766. Participation expanded rapidly. For the 1978 tax year, recipients numbered 3,318, total credits \$3.74 million, for an average credit of \$1,125. For the 1979 tax year, 4,275 credit claims had been filed by July, 1980, totalling \$6 million and averaging \$1,403 per household. Thus, the number of claimants almost tripled, (180 percent increase), total credits increase five-fold (417 percent increase) and the average credit almost doubled (83 percent increase). The number of claimants increased sharply partly because the number of contract signers increased steadily, but mostly because more counties adopted exclusive agricultural zoning which qualified large numbers of farmers for credits. For example, in Iowa County only one credit claim was paid in the 1977-78 fiscal year (up to July, 1978 although there were perhaps 20 contracts signed by that time). However, in 1978 the county adopted exclusive agricultural zoning and in the 1978-79 fiscal year 445 credit claims were paid by the Department of Revenue. The same pattern can be observed in other counties: after adoption of exclusive agricultural zoning, the number of claimants jumped from 70 to 478 in Rock County, from 13 to 70 in Manitowoc County, from 7 to 181 in Sheboygan County, and similar increases were observed in other areas.

By December 31, 1980, 14,472 farm households were eligible for tax credits, and 86 percent (12,407) had been made eligible through exclusive agricultural zoning. Not only are more farm households made eligible through zoning, but the average credit is increased because the credit paid by the state is 70 percent of the amount calculated under the credit formula, (or 100 percent with both zoning and planning) versus only 50 percent under an initial contract. Thus, in the 1977-79 biennium, the average credits per household in zoned

counties were \$1,176 (Columbia), \$1,402 (Iowa), \$1,092 (Jefferson), \$1,461 (Walworth), while the average for the counties without zoning was in the range \$500-\$900.

In a sample of 337 household claiming farmland preservation tax credits for the 1978 tax year. The average credit was \$1,193. Credits to farms near urban areas averaged \$1,385, and credits to more rural farms averaged \$1,164. Credits to households in counties with both zoning and planning in effect averaged \$1,352, credits to households in counties only with zoning averaged \$1,203, and credits to those with initial contracts averaged only \$856. Overall, the credit covered 46.8 percent of the property taxes paid by these households in counties with both zoning and planning to 28.7 percent for households with initial contracts only. Generally, credits were higher for low and moderate income groups.

Contract Participation Overview

Participation under the FPL through contracts began rapidly in March, 1978 with 711 applications, followed by 913 applications in June of that same year. The rate of growth in contract applications slowed somewhat in the following years, possibly due to the fact that several counties, which had previously had many contract applications, adopted exclusive agricultural zoning and qualified all land for tax credits without contracts (See Table 3). Examples are Dane, Iowa and Rock Counties. Map 4 shows the number of signed contracts as of June, 1980 plus the number of new applications, by county.

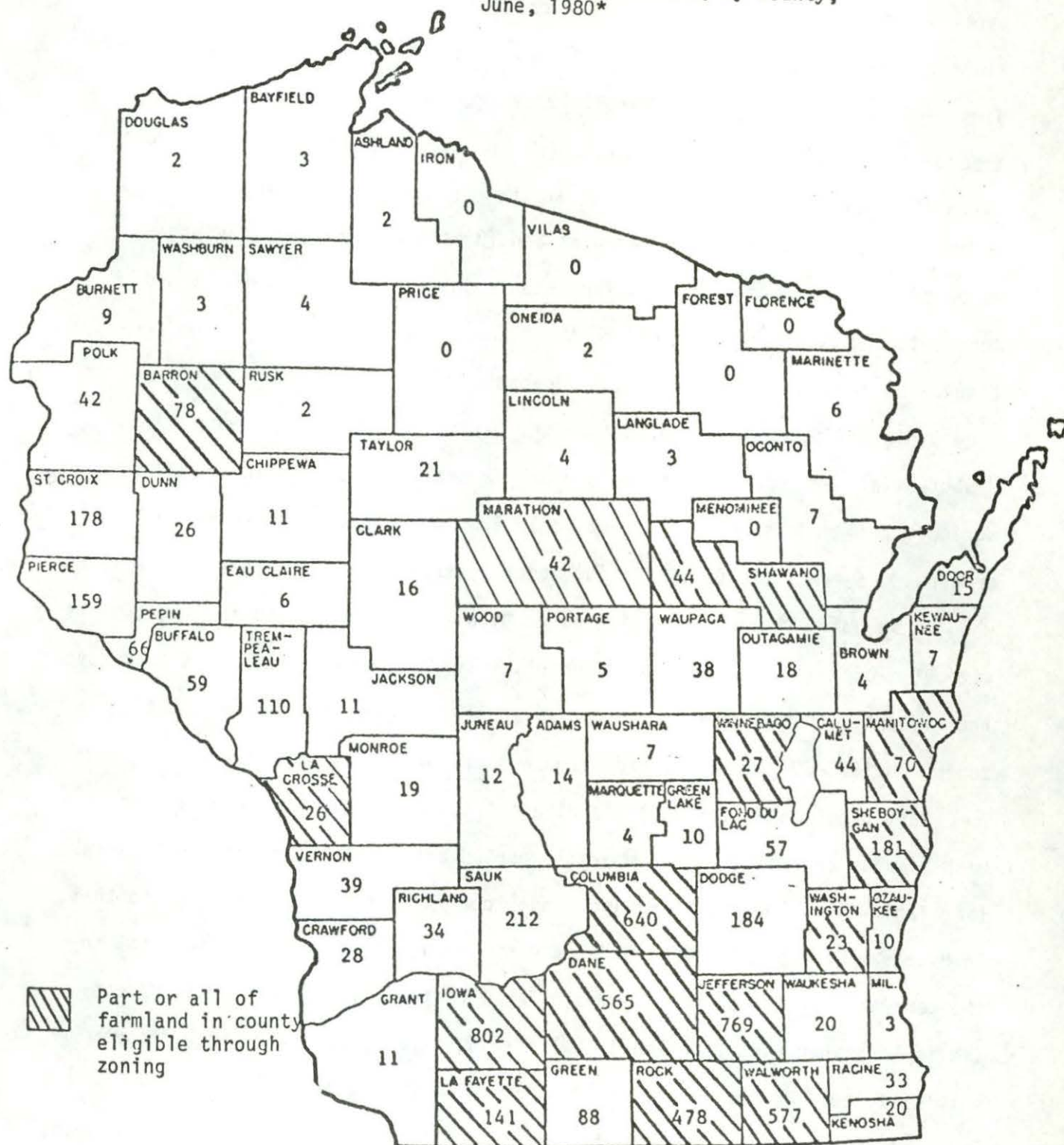
TABLE 3

Number of Contract Applications and
Counties with Exclusive Agricultural Zoning

<u>Deadline</u>	<u>Number of New Applications</u>	<u>Number of Counties Zoned</u>
March, 1978	711	5
June, 1978	913	5
June, 1979	468	7
June, 1980	761	13

Map 4

Farmland Preservation Agreements, by County, June, 1980*



Source: Farmland Preservation Unit, Wisconsin Department of Agriculture, Trade and Consumer Protection.

*In zoned counties, numbers represent the number of zoning certificates issued to date for the 1979 tax year, plus the number of signed Agreements in the unzoned towns. In counties without zoning, the numbers in each county represent the number of signed Agreements plus the number of new applications for 1980, as of June 30, 1980. Total number of agreements exceeds the total on the map, because some landowners in unzoned parts of counties with exclusive agricultural zoning have also signed initial agreements.

Participation through contracts is greatest in the southern and eastern parts of the state, and in the western counties from Buffalo to St. Croix along the Mississippi and St. Croix Rivers. This pattern has held since the first application deadline of March, 1978. Much of this variation can be traced differences in three factors: (1) the extent to which farmland policy issues had been previously discussed in the county; (2) the educational effort of University Extension agents; and (3) the efforts of activists supporting the program. In addition, once a large number of farms signed contracts and received tax credits, the "demonstration effect" ensured continued increase in the number of applicants.

It is difficult to judge whether the participation through contracts is "substantial" or "sparse." Certainly only a small percentage of the state's agricultural land is under contract--only 3.0 percent after three year of the program. However, the participation under contracts does not seem as slight when it is noted that: (1) zoning automatically qualifies land for tax credits without a contract; (2) most zoned counties are in parts of the state that have the highest participation in contracts; and (3) many of the number adopting zoning in 1978-80 previously had large numbers of contracts.

Participation in contracts is at about the same level as other states with similar programs, at a comparable period after initiation of the programs (See Table 4). The percent of land under contract is almost identical to that in Michigan, at comparable periods, and Michigan's law is almost identical to the contract portion of the Wisconsin law. Contract participation in Wisconsin is less than participation in California, three years after each program was initiated. However, total participation in Wisconsin, through contracts and zoning, exceeds the California participation, three years into each program. Thus, participation in the Wisconsin program through contracts is similar to participation in Michigan, but total participation in the Wisconsin program far exceeds that in Michigan, and is comparable to participation in California, at similar points after initiation of the programs in each state.

TABLE 4

Farmland Included in Preservation Program
at Various Times After Initiation of Program

	Percent of State's <u>2 Years</u>	Farmland Included After <u>3 Years</u>	<u>4 Years</u>
California*	0.1%	11.5%	N.A.
Michigan	1.3%	3.2%	6.7%
Wisconsin			
Contract	2.5%	3.0%	**
Zoning	8.4%	13.8%	**
TOTAL	10.9%	16.8%	**

* Total farmland in state: California, 37 million acres;
Michigan, 12.7 million acres; Wisconsin, 18.1 million acres.

**The Wisconsin program was begun in December, 1977 and data
on participation as of December, 1981 will not be available
until January, 1982.

Source: James Johnson and Pamela Wiley, "Participation in the
Wisconsin Farmland Preservation Program Through December,
1979." Technical Report No. 5, Wisconsin Farmland Pres-
ervation Program, Dept. of Agr. Trade and Consumer
Protection, Madison, 1980

Characteristics of Contract Applicants

Based on records from the Department of Agriculture, Trade and Consumer Protection (DATCP). The characteristics of the applicants for initial Farmland Preservation Agreements (FPA) during 1977-78 can be analyzed. The discussion in this section will include the ownership characteristics, type of farm, size of farm, type of land, and location of farm relative to population centers of various sizes, for those farms whose owners had applied for initial contracts during 1977-78 and signed their agreements before November, 1979. The total number of farms in this sample is 1,383, slightly less than the 1,624 applications received during 1977-78. The differences occur because

some of the applicants had not signed their agreements at the time the data were organized for computer use.

Ownership. Most of the land in the 1977-78 agreements was held by sole proprietors, tenants in common, or joint tenants, the ownership forms traditionally associated with the family farm. Joint tenancy or tenants in common was the ownership form for 950 (69%) of all households applying for initial contracts. The land in an additional 304 applications (22%) was held by a single individual as sole owner. Land in 6 percent of the applications was owned by partnerships. Corporations accounted for only 2.7 percent of all applicants (37 of a total 1,383). The U.S. Census of Agriculture reports that corporations accounted for 1.8 percent of all Wisconsin farms in 1978. Of the corporations, applying for contracts, 22 (59%) had landholdings of 350 acres or less, and only 2 corporations had landholdings of 500 acres or more. Thus, it appears that large corporate landowners are not applying for initial contracts. This conclusion is reasonable since the definition of "household income" for a corporation is the sum of incomes of all shareholders; for a large, nonfamily corporation there is little tax credit advantage possible under the law.

Type of Farm. Most farms under initial contracts are dairy farms. Over 68 percent (942) of the applicants reported that dairying was the "primary agricultural use" of their farm. In comparison, only about 44 percent of all Wisconsin farms had dairy herds of 10 or more cows in 1978 according to USDA*. The U.S. Census reported that 52 percent of all Wisconsin farms had milk cows in 1978. About 17 percent of the applicants listed "livestock" as the primary activity. Milk production averaged about 571,900 pounds per farm for the 825 farms that reported total milk production. This is considerably higher than the state average for 1978 of 464,800 pounds per farm.*

* Wisconsin Agricultural Statistics, Wisconsin Agriculture Reporting Service, USDA and DATCP, Madison, 1979, page 74.

**Statistics calculated from Wis. Agr. Statistics, op. cit., number of farms with dairy herds, page 74, total production p. 81.

Size of Farm. The average farm size was 249 acres for the 1,362 applicants who reported total acreage owned, larger than the state average of 196 acres reported by the USDA, or the 201 acre average size reported for 1978 by the U.S. Census of Agriculture. The distribution of farms, by size, in Table 5 shows that the percentage of applicants with very large farms (over 500 acres) is not different from the state average, according to either the 1978 Assessor Statistics or the 1978 U.S. Census of Agriculture. However, a much larger percentage of applicants for contracts had farms in the mid-size category--above 200 acres but not in the "very large" category of more than 500 acres. Thus, applicants tended to have larger than average farms, but the very large farms were not overrepresented among applicants, compared to the state average.

About 149 applicants (10.8%) excluded some of their land from the FPA application. The average exclusion was 74 acres, but 43 of the exclusions (28.9%) were 10 acres or less. The reason for exclusion varied, but the most prevalent was to allow development of the parcel (See Table 6). Of the 149 applicants excluding land from the contract, forty (26.8%) did so because they wished to develop the parcel. About half of these exclusions (18) were less than 10 acres. The only other reasons for exclusion which appeared on several applications were: (1) the land was already in the woodland tax program (15 applicants); (2) the land was not adjacent to the main farm parcel (12 applicants); or (3) the land was not suited for agriculture (19 applicants). It is possible that some of these parcels were also held for development, but there is no evidence on this point.

Property Taxes. The average property tax bill for farms of 1977-78 applicants was \$2,633, slightly above the state average for those years. Using Department of Revenue data on the total tax levied on agricultural land and improvements in 1978, (\$217.9 million) and the U.S. Census estimate of the number of farms (90,006), the average property tax per farm was about \$2,421.

TABLE 5

Distribution of Farm Size, Wisconsin and
Farmland Preservation Agreement Applicants, 1978

Farm Size (Acres)	Percent of Farms of Applicants	Percent of Farms in State, 1978 Assessor Statistics
1 -199	43.2%	58.4%
200-499	49.25%	35.8%
Over 500	6.1%*	5.9%*

* U.S. Census of Agriculture, 1978, reports 5249 farms over 500 acres, 5.83% of all farms in the state in 1978. The 1978 Assessor Statistics are from Wis. Agr. Statistics, 1979, op. cit. pp. 94-95.

TABLE 6
Reason for Exclusion of Land
From Farmland Preservation Agreement

<u>Reason</u>	<u>Number of Applicants</u>	<u>Percent of Applicants Excluding Land from Contract</u>	<u>Percent of Total Applicants</u>
Allow Development	40	26.8%	2.9%
Land in Woodland Tax Program	15	10.1%	1.1%
Land Not Adjacent to Main Farm Parcel	12	8.1%	0.9%
Land Unsited for Agriculture	19	12.8%	1.4%
Other	<u>63</u>	<u>42.2%</u>	<u>4.5%</u>
	149	100%	10.8%

TABLE 7

Characteristics of Applicants in
Urban and Rural Counties
1977-1978

Characteristic	Urban Counties	Rural Counties
Number of Applicants	234	1,149
Percent of Corporate Applicants	3.85%	2.44%
Size of Farm (Acres)	207 Acres	258 Acres
Property Tax per Farm	\$2,913	\$2,575
Property Tax per Acre	\$ 14.92	\$ 10.76
Land Use on "Typical Farm"*		
Cropland: Mean Acres (Percent)	154 (77.4%)	161 65.7%
Pasture: Mean Acres (Percent)	16 (8.0%)	37 15.1%
Woodland: Mean Acres (Percent)	19 (9.6%)	38 15.5%
Other: Mean Acres (Percent)	10 (5.0%)	9 3.7%

* Acreage on the "typical" farm does not equal the average farm size, because some applicants did not provide information on acreage in some or all of the land use categories.

This figure is only a very rough approximation because the two agencies use different procedures for classifying land and farms. The average property tax for farms in urban counties (as defined in the FPL) was \$2,913 and the average for farms in rural counties was \$2,575. The difference is not as great as might be expected because farms in urban counties were smaller than applicants' farms in rural counties, 207 acres versus 258 acres, respectively.

Property tax per acre averaged \$11.46, but almost 22 percent of all farms had an average tax per acre of over \$15, and over 11 percent had taxes of less than \$5 per acre (See Table 8). The average tax per acre was lower in rural counties, \$10.76 per acre, than in urban counties where the tax averaged \$14.92 per acre.

Land Use. Land included in applications for initial contracts is predominantly cropland. Over two-thirds (67.5%) of the land was in crop use, compared to a state average in 1978 of only 60.7 percent. Fourteen percent of the land in applications for initial contracts was in pasture, very slightly higher than the state average of 13.6 percent in 1978. Substantially less land was in woodlot use, compared to the state average, and the proportion of land in "other" uses (homestead, buildings, roads, etc.) was less than the state average. In general, applicants farms contained a much higher proportion of cropland than the state average, which is even more significant when it is noted that the land in Columbia, Jefferson and Walworth Counties was eligible through zoning, and that farms in these areas are also devoted primarily to crop uses.

In urban counties the farms of applicants contained proportionally more cropland than applicants' farms in rural counties. Of the total farm acreage in applications. Seventy-seven percent was cropland for the urban counties and about 66 percent was cropland in the rural counties. Part of the reason for this may be that the urban counties are generally located in the southern and eastern parts of the state, where a larger proportion of the land is in crop

TABLE 8

Property Taxes Per Acre of
Applicants for Initial Contracts,
1977-1978

<u>Property Tax Per Acre</u>	<u>Percent of All Farms</u>
less than \$5	11.3
\$ 5.00- 8.99	26.8
\$ 9.00-11.99	23.2
\$12.00-14.99	17.3
\$15.00-19.99	15.5
\$20.00 and over	6.3

use. Nevertheless, it is probably the case that the applicants in urban counties are seriously committed to farming, and might be expected to have farms with a higher percentage of cropland than the average for their areas. However, there are no data with which to examine this point.

Not only do farm of applicants have proportionally more cropland than the average farm in the state, but there is some evidence that the cropland has better soils than the average, or that applicants are better farm managers, on average, or both. The average corn yield for cropland of applicants in 1978 was 107.7 bushels per acre. The average corn yield for the state in 1978 was 98.0 bushels per acre, according to USDA, or 96.7 bushels per acre according to the U.S. Census of Agriculture. In either case, average yields on farms of applicants were substantially above the state average in 1977-78.

Finally, it is useful to note that about 55 percent of the applicants in 1977-78 already had a Soil and Water Conservation District/Soil Conservation Service farm conservation plan prior to their application for a contract. There are no data on how long the applicants had their conservation plans, and there are no data on the extent to which they were following the general conservation practices suggested in the plan. However, it is clear that much of the burden is removed from local SWCD/SCS staff in preparing conservation plans to meet the conservation requirement in the FPL, because a majority of applicants already have plans. However, it is still possible that preparing plans for the minority (45%) of applicants without plans will impose a significant administrative burden.

Distance to City. The "average" farm of 1977-78 applicants was located 7.6 miles from a small city or village of 1,000 or more people, 23.6 miles from a large city of 10,000 or more people, and 72.0 miles from Milwaukee or Minneapolis-St. Paul. About 76 percent of all applicants' farms were within 9 miles of a small city or village, 62 percent were within 24 miles of a large

TABLE 9

Use of Land Included in Applications for
Initial Agreements, versus State Averages
1977-1978

Land Use	Land in Application for Initial Agreement		All Farmland in State*	
	Acres	Percent	Acres	Percent
Cropland	221,100	67.5%	11,006,494	60.7%
Pasture	46,213	14.1%	2,456,278	13.6%
Woodlots	48,040	14.7%	3,775,725	20.8%
Other Land	<u>12,211</u>	<u>3.7%</u>	<u>1,118,684</u>	<u>6.2%</u>
	327,564	100.0%	18,121,627	100.3%

* Source: U.S. Census of Agriculture, 1978. In this table, cropland used only for pasture is counted as pasture, and all irrigated land is included with cropland.

city, and 34 percent were within 50 miles of either Milwaukee or Minneapolis-St. Paul. Clearly, some applicants with farms within commuting distances of cities are enrolling their land in the program. However, the proportion of landowners close to cities who enroll their farms is not known, because there is no data on how many farms (or acres of land) are within various distances from various-sized cities. Thus, it can be concluded that some land near cities is being enrolled in contracts, but whether this is a relatively large or small amount cannot be determined at this time. This comparison would be interesting in relation to research in California and elsewhere that has shown that landowners near cities will not typically enroll their lands in such voluntary contracts, preferring instead to maintain the option to accept an offer to sell for development at any time. However, since the Wisconsin law requires zoning in urbanizing areas (an many urban counties have already adopted it) land enrolled in contracts near cities is not as important as in California, Michigan and other states that do not have a local planning and zoning program.

PART IV
SUMMARY

By December, 1980, part or all of the land in 15 counties was included in an exclusive agricultural zoning ordinance. Nine of the state's eighteen urban counties as defined in the Farmland Preservation Law, had already adopted exclusive agricultural zoning, two years before the 1982 deadline to keep farmland owners eligible for tax credits. Approximately 2.51 million acres of farmland, 13.8 percent of the state's total, were included in exclusive agricultural zones in December, 1980. Further, this agricultural zoning is concentrated in the area of the state with the best agricultural soils and the most development pressure on the land. The pattern and history of zoning, and the zoning relationship between county and town governments, varies greatly by county.

By January, 1981, 20 counties had certified agricultural preservation plans and 39 additional counties were engaged in projects to develop plans. About 92 percent of the state's farmland is in counties with mapping and planning projects completed or underway. State grants for mapping and planning have averaged \$25,700 per county for the 57 counties which have received funds. Of the 53 rural counties, as defined in the law, only 9 have not yet undertaken some planning or zoning activity to meet the 1982 deadline to keep landowners eligible for tax credits.

Landowner participation in the tax credit program has increased from 1,513 claimants and total credits of \$1.16 million in 1977 to 4,275 claimants and total credits of \$6.00 million for the 1979 tax year. Most claimants qualified through county or town zoning, and the average credit for households whose land was zoned was substantially higher than the average credit for households whose land qualified through contracts.

The number of applications for contracts grew rapidly in 1977-78 but has grown at a slower rate more recently, probably due to the large increase in the number of counties qualifying landowners through exclusive agricultural zoning. Participation through contracts is greatest in the souther and eastern part of the state, and in the west and west-central areas. Differences in participation in various counties can be partly explained by differences in the educational efforts, the activities of advocates, and the extent to which farmland preservation policies had previously been debated by local governments. Contracts seem to generate a "demonstration effect"--large initial enrollments lead to large numbers of applicants in subsequent years. Enrollment through contracts is proceeding at a pace similar to Michigan 's experience but more slowly than California's experience. Total participation (contracts plus zoning) is increasing far more rapidly than the experience in Michigan, and slightly more rapidly than in California.

Most of the land of applicants in 1977 and 1978 was held in joint tenancy, tenants in common, or sole proprietorship (91%). Only 2.7 percent of the land was held by corporations and most of these had small landholdings. Large corporations are not applying for contracts under the program.

Most of the applicants' farms were dairy operations (68%) with "livestock" (17%) and "grain" (16%) the other activities listed as the primary agricultural use by applicants. Milk production per farm is well above the state average, as is the average corn yield per acre. Farm size averaged 249 acres, substantially above the state average of 201 acres for 1978. However, the proportion of very large farms (over 500 acres) in the contract program was about the same as the proportion in the state. Thus, farms of above-average size, but not extremely large farms, are accounting for most of the enrollment. Most of the farmland enrolled in contracts is cropland (about 68 percent), a higher proportion of cropland than the state average of 61 percent of all land in farms.

Property taxes averaged \$2,633 per farm--\$2,913 in urban counties and \$2,575 in rural counties. Property taxes averaged \$11.46 per acre, but averaged \$14.92 per acre in urban counties and \$10.76 per acre in rural counties.

About 10.8 percent of all applicants excluded some of their land from the contract application. The reasons given for the exclusions varied widely, but the most frequent reason was to develop the land (27%). Other reasons frequently mentioned included previous enrollment in the woodland tax law (10%), the land was not adjacent to the main farm parcel (8%), or the land was "unsuited" for agriculture (13%). Of the total number of applicants, only 2.9 percent excluded land for development purposes, but it may be wise to monitor all exclusions in the future, and to spot-check exclusions in previous applications, to determine the extent to which land development is occurring adjacent to land under farmland preservation contracts.

In general, local governments and individuals have responded rapidly to the Farmland Preservation Law. Almost all counties have enacted, or are developing some type of planning and zoning policy to preserve farmland. To date, the land covered by zoning and by contracts is generally land with high agricultural potential that is in areas with strong development pressure. Participation in the tax credit program has increased rapidly in the past three years, and will continue to increase as more counties adopt exclusive agricultural zoning.