

## **Plan of Work**

### **Project Title**

Connecting Landowners, Growers and Markets Using Purchase of Development Rights (PDR)

### **Project Outcomes**

The primary outcome of this project is to establish small farms producing for regional markets using purchase of development rights (PDR) to reduce land costs, improve farm profitability and preserve farmland in a near-urban setting.

In the short term, the project will identify and introduce interested landowners and potential farmers to learn about opportunities to work together and establish small farming operations. In the intermediate term, those relationships will be established and farmers will be encouraged to seek guidance in formulating sound business plans to meet market demands. The long-term outcomes (third year and beyond) will be to have established several operations and to share the results and lessons of our work with others in the immediate region, before reaching out to southeast Michigan, the entire state and beyond.

This project is being viewed as a demonstration for other communities interested in agricultural profitability, land use at the urban/rural interface and local food production. It is expected that new relationships will be created, small farm operations will be established, more local food and other produce will enter the marketplace and lessons will be learned to provide insight and establish the area as a center for innovative approaches to preserving farmland.

### **Context, Background, Rationale and Need**

Washtenaw County, Michigan, which includes the City of Ann Arbor and Ann Arbor Township, has been experiencing rapid population growth, over 6% since 2000 alone (estimated). Home to the University of Michigan, a robust business climate and respected public schools, Ann Arbor is accessible by three freeways, all making it a very attractive place to live. Residential development has been eating away at the region's agricultural land base, making traditional commodity farming and animal husbandry more challenging if not impractical.

Several communities in Washtenaw County—including Ann Arbor Township and the neighboring City of Ann Arbor—have responded to these trends by adopting strong land use management policies and passing millages to acquire agricultural conservation easements to keep land open and available for production through the purchase of development rights (PDR). PDR programs compensate private landowners for their right to develop land in exchange for a perpetual deed restriction. State and federal matching fund programs tend to focus on larger tracts of land; as a result many properties smaller than 40 acres that are or could be productive—especially for specialty crops such as fruits, vegetables and flowers—are overlooked.

The population of the Ann Arbor area (approximately 250,000) is well educated and affluent, and memberships in environmental and conservation organizations exceed 50,000. There are many successful farmer's markets in Washtenaw County, a half dozen Community-Supported Agriculture (CSA) enterprises and several sizable natural foods markets including the largest Whole Foods grocery store in the United States. Demand for fresh and organic produce is high.

In addition, there are market opportunities throughout southeast Michigan through other farmer's markets and natural foods stores as well as restaurants, university dormitories and hospitals and other consumers.

Beginning farmers seeking to establish agricultural business operations are faced with many challenges; in the Ann Arbor area one prominent reason is the prohibitive cost of land. This project seeks to establish and develop relationships with landowners from whom development rights can be purchased, who will then make their land available to entrepreneurial farmers at a reasonable cost so that their operations can be profitable. Assistance will also be available to develop business plans and identify markets for crops. Farm properties involved will have management plans developed to sustain and improve environmental quality and natural resources in conjunction with profitable agricultural pursuits. These small scale farms will productively utilize some of the Township's existing agricultural potential, expand the availability of farm products, bolster the local farm economy and provide citizens visual and physical access to working farms.

Successful entrepreneurial farming in Ann Arbor Township has three primary components: access to good land at reasonable rates, capable people to farm it and markets for farm products. With help from project partners we can find the land, compensate landowners for development rights and find the farmers and the markets to further the production and use of locally-grown agricultural commodities. Currently, many small farm properties are not being worked; their landowners do not know where or how to find people to work them; prospective farmers do not have established relationships with landowners and making "cold calls" is difficult and disheartening; and potential users of farm products are unaware of opportunities or unable to make connections. Our project seeks to connect them all together.

Ann Arbor Township's supportive agricultural policies and its PDR program provide a means for connecting existing landowners and potential growers to take advantage of market opportunities. A temporary lull in residential development due to a distressed southeast Michigan economy provides an exceptional opening to launch a program that will keep or place land in production by sustainable methods, provide local agricultural commodities and offer the potential for profitable agricultural enterprises.

### **Literature Review**

The proposed project is unique in that it focuses on how PDR can be used to improve profitability of small farm operations and establish landowner-producer-market relationships. A literature review indicates that this proposal has some similar elements to and builds on the Sustainable Community Innovation Project (CNE06-010) conducted by the Southeastern Massachusetts Agricultural Partnership (SEMAP), as it is a kind of "Farm-Link" project. The proposed project is much more limited geographically and would be more focused on establishing landowner-producer-market relationships but could potentially utilize the innovative models identified in the SEMAP project. Similar programs exist in Boulder, Colorado and Sonoma County, California, where there is a mix of public ownership of farmland leased to individuals who are selected based on their business plans and purchase, protection and re-sale of farmland to individuals. The Intervale Project in Burlington, Vermont, also has some similar characteristics, but is based on public ownership of farmland. Intervale's Success on Farms and

Consulting Services programs are like those that can be offered with this project. It is anticipated most of the activity with the proposed project will be to link landowners and producers to each other and to market opportunities using PDR where appropriate. (Township PDR millage funds cannot be used for the fee simple purchase of land.)

### **Approach, Activities, Methods and Inputs**

Ann Arbor Township voters approved a 20-year millage to establish a PDR program in November, 2003. The Township seeks to maximize the impact of its millage by matching its funds with those from other sources, particularly state and federal farmland preservation programs. Unfortunately, several of the properties nominated for the Township program are too small to attract matching funds from those sources. The Township Farmland and Open Space Preservation Board has developed an approach called the Small Farm Initiative to consider purchasing development rights on these small farms if the land is made available for entrepreneurial farming.

The Township's land protection consultant Barry Lonik (and the project coordinator) has identified over 20 properties from ten to 76 acres that are suitable for establishing small-scale operations. Initial limited outreach indicates that at least two of those landowners have interest in collaborating on this initiative. A key element of this proposal is to conduct educational programs for other landowners and determine if there is interest in collaborating. Landowners could sell development rights and/or provide access to land in a lease arrangement.

An essential part of the proposal is developing contacts and relationships with the entrepreneurs who would operate small specialty farms. The Township has made initial contact with the new Michigan State University Organic Farming Certificate Program which has expressed a great interest in collaborating ([msuorganicfarm.org](http://msuorganicfarm.org)). MSU's one-year program provides course work and experience operating a certified organic ten-acre, four-season farm. Those completing the certification will be looking for land to work; this proposal would serve to connect those who complete the MSU program (and others who have similar interests) with land in Ann Arbor Township. In addition, MSU Extension agent Mike Score is available to help develop business plans for entrepreneurial pursuits and is already working with prospective producers. A number of value added farm enterprises exist within the region. A committee of these farm proprietors will be established for the purpose of guiding our efforts. This committee will assist the Township in establishing contacts, designing a program that will attract specialty farm entrepreneurs and helping them be profitable. These participants will be reimbursed for their time and effort.

There is a strong presence of farm-to-market pursuits in the Ann Arbor area, but much more can be done. The Food Systems Economic Partnership (FSEP)—a five-county endeavor to create local food system development opportunities and enhance community viability in southeast Michigan—has been identifying ways to connect local consumers with local agricultural producers ([fsepmichigan.org](http://fsepmichigan.org)), and groups like Slow Food Huron Valley are developing an educational network to connect producers to consumers. Farmer's markets are popular across the area and many local schools and businesses are using locally-grown food or would like to start using or increase their use. This proposal would work with groups promoting local agriculture to identify other opportunities for the sale of produce and other crops. It is expected

that at least three small-scale operations will be established on protected land during the project's duration.

### **Outputs**

A major output from this proposed project is educating others on the results and lessons learned from the project. A brochure describing the program to landowners and farmers will be developed and widely disseminated. Program information will also be placed on the Township web site, and links will be provided by the FSEP site, the MSU Extension site and the site of Preserve Washtenaw, a coalition of Washtenaw County land preservation programs. In the second and third years, abstracts and press releases will be submitted to interested groups such as the Michigan Municipal League, Michigan Townships Association, Michigan Land Use Institute, Michigan Integrated Food and Farming Systems, Michigan Organic Food and Farming Alliance, American Farmland Trust and the Land Trust Alliance. Those groups and others such as the Great Lakes Bioneers hold annual conferences for which presentations will be offered. We will hold annual on-site visits to provide landowners, farmers, citizens, students and the media an opportunity to see the project in action. Information gathered about needed improvements in infrastructure, farm supplies and services will be provided to policy makers. Finally, a report will be submitted to SARE for inclusion in its network.

### **Evaluation Plan**

There are four outcome indicators by which the project will be evaluated:

- acres of land involved in the program (in production and protected by conservation easement)
- number of viable small farm operations established
- increase in the quantity of fresh produce available (measured by the output of farms initiated through the program)
- increase in the use of local products.

For process indicators, we will convene a meeting of township officials, landowners, MSU farm personnel, our local farmer group and others at the end of year one to review progress to date and identify ways to improve entering year two. Criteria will include number of landowners contacted, parcels identified for farming, number of qualified farmers (MSU students/graduates and others) contacted and the range of potential markets for farm products identified. By year two, we anticipate having at least two operations established; that year's evaluation will also include examining if that goal has been met. Year three's evaluation will consider project status and look ahead to future years.