

Agricultural Investments on Preserved Farms

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- **Co-investigators on this project:**
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 - **Loretta Lynch (U. of Maryland)**
 - **Joshua Duke (U. of Delaware)**

Policy rationale for study

- PDR/PACE programs preserve land “for” agriculture, not “in” agriculture
- Policy makers prefer that owners of preserved farms be “actively engaged” in agriculture
 - Local food supply
 - Land stewardship
 - Critical mass / maintain agricultural supply networks

ARE THEY?

PREMISE: *Investment in the agricultural operation* is evidence that owners are “actively engaged”

QUESTION 1: Do owners of preserved farms make agricultural investments?



in equipment



in buildings



in conservation



in irrigation

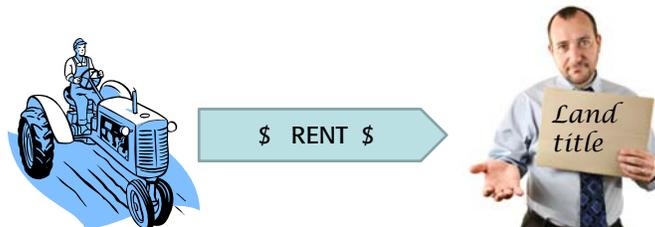
QUESTION 2: Do “lifestyle farmers” who own preserved farms do less investment than commercial farmers?

- Are they disproportionately represented in PDR programs?



QUESTION 3: Do tenant-operated preserved farms do less investment than those operated by their owners?

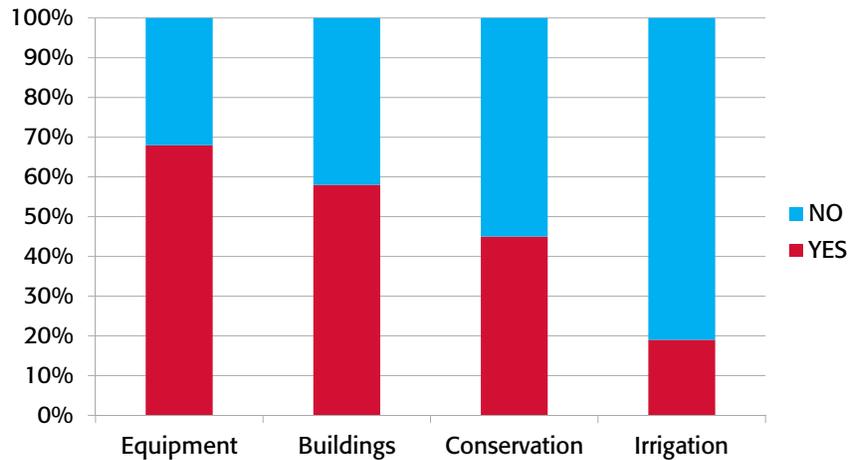
- Are they disproportionately represented in PDR programs?



Study design

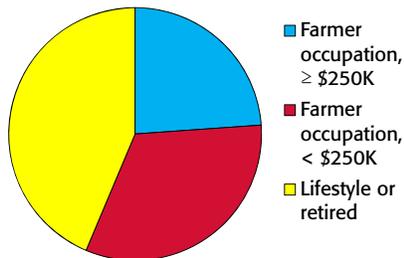
- Surveyed 507 owners of preserved farms in New Jersey, Delaware, and Maryland
 - NJFPP
 - MALPF
 - DALPF
 - MET
 - MRLP
- 95% of these owners (484) reported at least some agricultural production in 2010

QUESTION 1: Did owners of our preserved farms make agricultural investments?

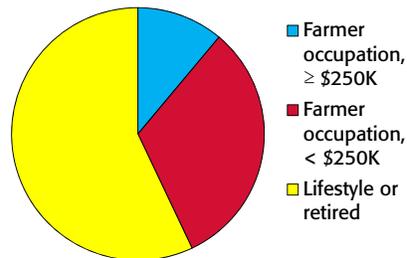


Reason for optimism: Program administrators enroll relatively large, commercial farms

Owner-operated
preserved farms



Three states, 2007
Census of Agriculture



QUESTION 2a: Are lifestyle and retired farmers disproportionately represented in PDR programs?

- **NO** About 44% of preserved farm sample versus 57% of all Census farms in the three states

QUESTION 2b: Do lifestyle farmers who own preserved farms do less investment than commercial farmers?

- **NO**
 - Only **irrigation** investments are less common among this group
 - Appears to be related to operation size and not to lifestyle status

QUESTION 3a: Are tenant-operated preserved farms disproportionately represented in PDR programs?

- **Possibly YES.**
 - 44% of our respondents were non-operators
 - 7% of 2007 Census respondents were tenants

QUESTION 3b: Do tenant-operated preserved farms do less investment than those operated by their owners?

- **YES**
 - True across all four types of agricultural investment
 - Consistent with the prior literature on ag. investment and innovation

Summary of findings

- “Actively engaged” standard: No obvious cause for alarm
- Preserved farms are relatively large and commercial (by design)
- Lifestyle farmers invest at the same rate as others!
- Tenancy (absentee ownership?) a cause for concern
 - Legal as a selection filter? Desirable?
Enforceable on second generation owners?

Discussion..

THANK YOU