

# Farmland Preservation

*Delaware is a national leader in protecting farmland for future generations. Over the past two decades, Delaware has preserved nearly a quarter of its farmland – more than 143,000 acres on over 1,100 farms.*

## History

The original farmland preservation law was passed in 1991, which established the Delaware Agricultural Lands Preservation Foundation's Board of Trustees and county level advisory boards. The first funding was received in FY1996, part of the 21st Century Fund.

## Overview

Delaware's farmland preservation program has two steps:

**Phase One.** Landowners first voluntarily enroll their farm into a 10-year Preservation District agreement, agreeing to maintain their farms but receiving no payments.

**Phase Two.** The second step is the purchase of development rights. Landowners can sell those rights to the Foundation, replacing the district agreement with a preservation easement. Owners are eligible to sell their development rights the year after enrolling in the 10-year Preservation District.

Farmland preservation in Delaware is entirely voluntary, at both steps. Landowners sell their development rights, not their land.



## Minimum Requirements

- Property zoned for agriculture and not subject to any major subdivision plan.
- Property meets the minimum LESA score of 170. LESA stands for Land Evaluation and Site Assessment and is a process that attempts to estimate the long-term viability of the farm based on the farm's soil productivity (LE) and the land use and agriculture infrastructure on and around the farm (SA). Scores range from 0–300.
- Property has to meet the requirements of the state's Farmland Assessment Act (10 acres or more which generate at least \$1,000 in agricultural sales annually; farms under 10 acres which generate at least \$10,000 annually in agricultural sales).
- Farms of 200 acres or more constitute an agricultural district.
- Farms under 200 acres can enter the program if they are within 3 miles of an existing agricultural district.



## Easement Selection

Easements are selected for purchase **based solely on the percentage discount offered by the landowner**. Each landowner submits a confidential bid (discount percentage) to the Foundation's attorney. The bids are then ranked from the highest to lowest, and properties are selected until the funds are expended – essentially a reverse-auction process. During a typical year, at least 125 farms are appraised and at least 75 landowners usually submit bids.

**Example:** If a farm has an appraised developments rights value of \$100,000 and the owner is willing to sell those rights for \$40,000, that is a 60 percent discount (\$60,000/\$100,000).

- Development rights value is a farm's full market value less its agricultural-only value.
- Full market value is the current value of the farm if it were sold today. (Typically, farms closer to towns or development areas have a higher full market value, while those located several miles from town have a lower full market value due to less development pressure).
- Agricultural-only value (sometimes called the after-easement value) is the value of the farm if it can only be used for agriculture (i.e., if it cannot be used or developed for any other use.)

### Total Easement Costs

State Funds: \$172 million  
Federal Funds: \$62 million  
County Funds: \$15 million  
Other: \$3 million

**Total Landowner Discount: \$358 million**



## Accomplishments

There are more than 1,400 preservation districts totaling more than 180,000 acres. Of those, over 1,100 farms with more than 143,000 acres are permanently preserved, having sold their development rights. The average statewide cost per acre is \$1,770, and the average landowner discount is 59 percent for more than \$358 million in landowner contributions.

	Number of Easements	Acreage	Percent of County Farmland Preserved	Cost	Average cost per acre
Kent	528 farms	72,600	39%	\$108.2 million	\$1,502
New Castle	105 farms	14,650	21%	\$37.5 million	\$2,570
Sussex	471 farms	54,700	20%	\$106.1 million	\$1,930

## For More Information

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