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Loss of farmland: What does it mean?

By Curtis Seltzer

BLUE GRASS, Va.—I had been dreading this past weekend for a month.

BLUE GRASS, Va.—The just-released U.S. Census of Agriculture reported a decline in farmland acres from about 938.3 million in 2002 to about 922.1 million in 2007, a loss of 0.017 percent. (www.agcensus.usda.gov)

My Sunday Richmond (VA) Times-Dispatch carried “Loss of farmland accelerates in Va.” above the front-page fold with a large color photo of an older Augusta County farmer trudging through his barnyard. He’s quoted as never having made as much as \$20 an hour as a full-time farmer.

He, like many other farmers, is cash poor and land rich.

His 400 acres of pasture and cropland might bring \$4,000 an acre if sold to a farmer for farming, but it would fetch at least two or three times that if sold to developer for housing. Developers can make more money selling an acre of housing once than farmers can selling an acre of corn over their lifetimes.

America is converting farmland to development because Americans want to live in low-density suburbs, farmers are willing to sell their land and the market values this acreage higher as housing than farming. If you’re ready to retire and you face a choice between selling your only asset -- your farm -- for \$2 million or \$6 million, what would you do?

In each of the five years between 2002 and 2007, we lost an average of about 3.2 million acres, mostly to development. That annual rate has not changed for more than 15 years. So what does the loss of farmland mean?

Less farm acreage does not appear to have translated into less food or higher food prices. Other factors -- commodity prices, risk and technology-- determine production.

Take Virginia. Of its 18 principal crops, from apples to winter wheat, only two -- flue-cured tobacco and burley tobacco -- showed production decline between 2007 and 2008 -- and these were modest, according to an April 17, 2009 report from the USDA’s, National Agricultural Statistics Service. Despite losing more than 100,000 acres in 2008, Virginia farms produced more of its other 16 crops.

Embedded in the overall loss of U.S. farmland is a counter trend, namely that harvested cropland acres increased from 302.7 million acres to 309.6 million

in the 2002-2007 period. Ethanol-based corn brought most of this “new” acreage into play.

We don't know how much lost farmland is sold into development because the USDA's Natural Resources Conservation Service did not have the funds to continue this tracking through its National Resources Inventory in recent years.

While high-quality farmland is being lost in places like California's San Joaquin Valley, my sense is that much of the conversion around metropolitan areas is concentrated in uneconomic pasture, less productive cropland and marginal timberland. Our best farmland is not generally found on the fringes of many of our largest cities, with exceptions like Philadelphia and Washington, D.C. However, loss of “suburban farmland” does hinder farm-to-big-city marketing that emphasizes local production and freshness.

Long-term, of course, sustained farmland loss could impact agricultural production. At the extreme, were America to lose 3 million acres each year for the next 310 years, we will finally have no farmland at all. More likely is that agricultural technologies will continue to improve production efficiency and less land will be required to produce an increasing amount of output. And for consumers who don't like technology-jiggered food, we now have 20,000 organic farms, a number that increases each year.

Farming advocates, like the American Farm Bureau (www.fb.org), worry about farmland loss, even though the total number of farms is increasing as is the production of many products and their gross value.

Environmentalists rightly see the loss of close-in farmland, or open land, as the first step toward more suburban sprawl, which everyone agrees wastes energy, bears hidden economic costs and contributes to air, water and resource problems. Their issue is sprawl, not farmland loss.

No one argues on behalf of sprawl, which spreads because that's what the market wants and supplies. Efforts to stop sprawl, reverse sprawl, control sprawl, reduce sprawl, manage sprawl and improve sprawl have done little to lower the rate of farmland loss.

Conservation of “suburban farmland” either through direct purchase or tax-favored restrictive easements has not been sufficiently extensive to be effective. It makes more sense to me to preserve suburban open space as parks of different types than as working farms.

Pockets of open space in sprawled suburbs have neither lowered the rate of farmland loss nor reduced sprawl. They simply squeeze development toward

land that is for sale and increase the price of private lands that border these windfall amenities.

When I read the predictable loss-of-farmland stories, I start arguments with myself that go something like this:

First, America has lost farmland to development for the last 75 years, more or less in step with population growth. The U.S. Census Bureau projects a gain of another 110 million to about 419 million or so by 2050, which is about one-third more than our current population. If we, as a Nation, decide we don't want sprawl and all its problems, should we not start encouraging ourselves to have no more than two children?

Each of our last three presidents has followed this guideline.

Every environmental problem America has -- and most of our economic ones -- will be easier and cheaper to solve if we slow population growth through family planning and reducing illegal immigration.

Second, the housing market produces sprawl because suburbs are profitable to develop and house buyers want to live out rather than in.

If we want to stop sprawl, we would have to forbid farmers from selling to developers, forbid developers from developing farmland or have public agencies buy it. The implications of such decisions would change who we are, where we live and how we act.

Third, it's obvious that America needs enough farmland to feed itself, today and tomorrow. It's not obvious how that number of acres -- which moves in relation to population, exports, prices and technology -- can or should be determined. Nor is it clear what we should do if we reach a point where it looks like we won't have enough acreage for our needs and the market fails to value farmland high enough for continued farming.

And so we have one more ridiculously hard set of questions for the Obama Administration and everyone else to think about.

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