



2013 Agricultural Enterprise Area Program Report

Wisconsin Department of Agriculture,
Trade and Consumer Protection

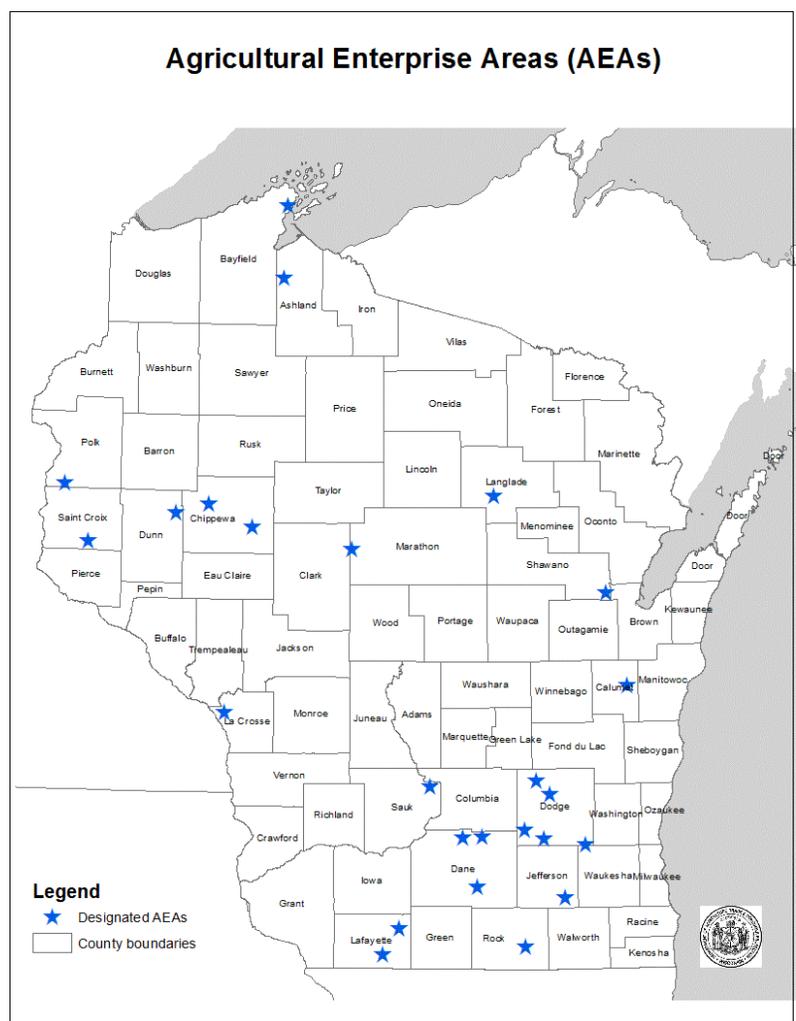
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Program Background

An AEA is designated by the Wisconsin Department of Agriculture, Trade and Consumer Protection (the department) under Chapter 91 of Wisconsin Statutes following an evaluation of a petition submitted jointly by landowners and local governments. The agricultural enterprise area (AEA) is a contiguous area that is predominantly in agricultural land use. The boundary of an AEA may cross local jurisdictional boundaries (typically town and county). In developing the petition to request designation as an AEA, the landowner and local government petitioners must identify local goals for farmland preservation and development of the agricultural economy. In addition, petitioners are asked to assess local factors including the support of the community, existing land use controls, and soil and water conservation efforts, and to consider the connection of the proposed area to the existing agricultural infrastructure and business clusters. Generally, the boundary of the agricultural enterprise area is determined locally through a public process that involves outreach to local residents and the town and county governments.

Program Status

There are 25 designated AEAs totaling nearly 750,000 acres in 19 counties and 72 towns and one reservation (Map 1). The department currently has the authority to designate up to 1 million acres as agricultural enterprise areas, although bills have been introduced in both the state Senate and Assembly to increase the department’s statutory authority to designate up to 2 million acres as agricultural enterprise areas. Agricultural production within the 25 designated areas is representative of the state’s diverse agricultural industry and includes row crops, dairy products, fruit, livestock, specialty vegetables, and organic products. The AEAs range in size from 1,600 acres to 164,000 acres, although most are between 10,000 and 30,000 acres (Appendix A). The department is currently accepting petitions from communities requesting designation as an AEA in 2014. The deadline to submit a petition is March 31, 2014.

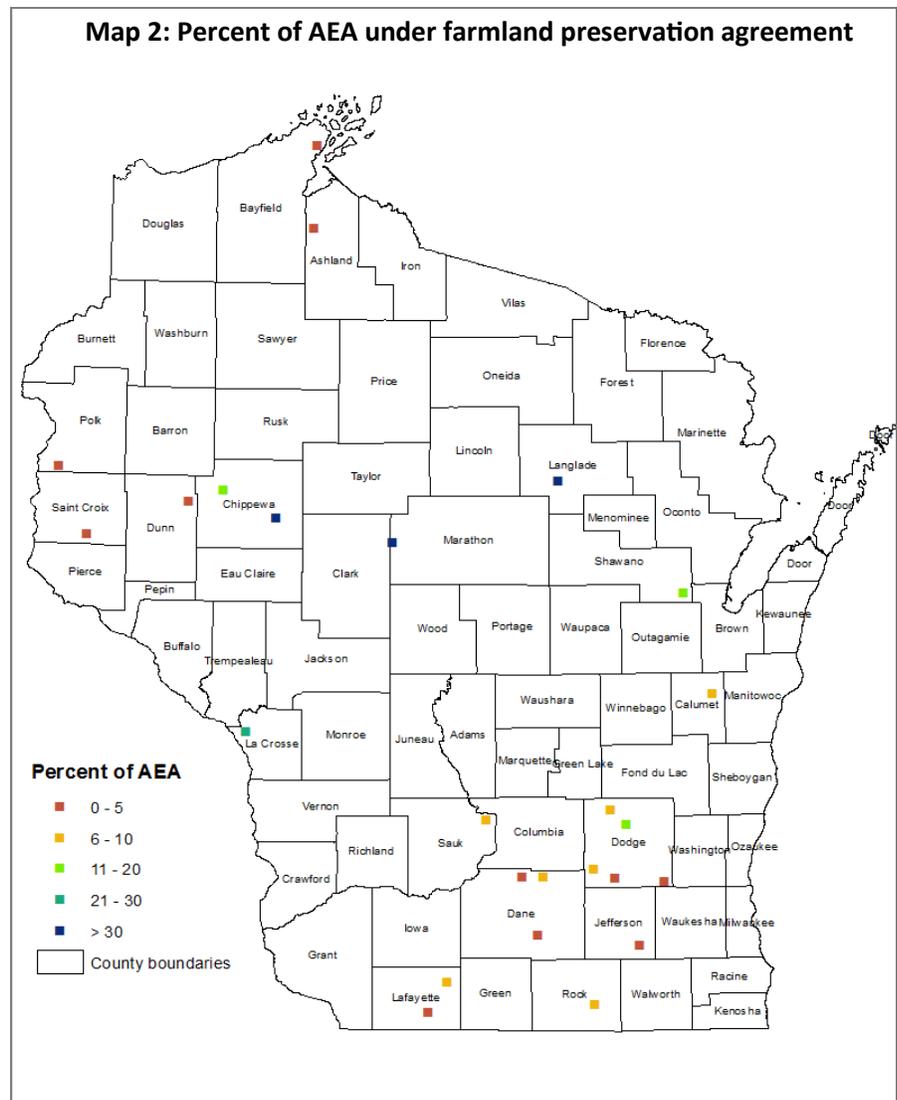


Map 1: Agricultural Enterprise Areas

Program Accomplishments

Farmland preservation. One of the goals of the agricultural enterprise area program is to support local farmland preservation activities. One way that the designation does this is by establishing landowner eligibility to enter into farmland preservation agreement. By voluntarily signing this agreement, landowners agree to keep their land in agricultural use for 15 years and to meet soil and water conservation requirements. In exchange, the landowner is eligible to claim the farmland preservation income tax credit. This tax credit is equal to \$5 per acre or \$10 per acre if the land is also covered by farmland preservation zoning. As landowners in the AEA sign agreements, they are making a strong statement about their commitment to agriculture. The increased certainty that land under agreement will remain in agricultural land use for at least the next 15

years can foster increased confidence and encourage investments in other types of agricultural enterprises in the area. Through the agreements, the state’s investment in the form of tax credits is directed to an area that has shown a serious commitment to farmland preservation. One-on-one support is provided in many of the AEAs to help landowners complete the application needed to enter into a farmland preservation agreement. In addition to this assistance, eight AEAs reported to the department that they hosted over 20 informational meetings in 2013 to share information on farmland preservation agreements. To date, landowners have applied for a new farmland preservation agreement on about 84,900 acres, or 17% of the 507,000 designated acres eligible for an agreement in 2013 (Map 2, Appendix B).



Economic Development. Another program goal is to support and encourage the growth of the agricultural economy of the AEAs. Although there is currently no state-level incentive directly linked to economic development activities in the AEAs, the AEAs report that the designation contributes to local community and individual economic achievements in both direct and indirect ways. The following items were reported by AEAs as part of an annual status update submitted to the department.

- The designation has increased recognition of the importance of individual businesses to the larger regional economy.
- Investments within one designated AEA in the past year included increased grain storage capacity, investments in liquid fertilizer storage, and development of a recycling program for seed, feed, and fertilizer bags.
- The AEA designation is compatible with the goals of a regional food producers cooperative and members of the cooperative have noticed an increase in sales.
- Trials conducted with help from a Specialty Crop Block Grant, received following designation, have helped growers diversify production.
- Landowners in one area were a part of a regional information session held to explore options to maximize the value of biomass feedstocks for bio-energy production.
- Local planning, licensing and zoning efforts supported the expansion of an operation in one area.
- A county Education & Economic Development Committee plans to consider options to further realize economic opportunities in the coming year.

Soil and water conservation. The need to protect soil and water resources is fundamental to ensuring a viable future for agriculture. Although AEA designation does not require landowner compliance with the state's soil and water conservation requirements, landowners who want a farmland preservation agreement and wish to claim the farmland preservation tax credit must meet these standards. Therefore, it is important to consider how AEA designation supports soil and water conservation efforts in the 25 areas. The AEAs reported the following accomplishments as part of the annual status update.

- Communications as a result of the designation have helped increase awareness of soil and water conservation requirements.
- Five AEAs noted an increase in participation in nutrient management planning classes and in the number of nutrient management plans developed. One AEA stated that there are now 2,000 more acres covered by nutrient management plans.
- Five growers in one AEA have received federal cost-share funding to aid in the implementation of integrated pest management plans.
- Visits to 200 farms in one AEA provided landowners with notification of their compliance status.

Program challenges

In addition to program accomplishments, there are also challenges to program implementation. One of the biggest challenges, as reported by designated AEAs, is encouraging landowners to enter into a farmland preservation agreement. Despite landowner interest in the agreements during the petition process and the tax credit available to landowners with an agreement, many AEAs report that landowners seem reluctant to take this next step. Reasons for this reluctance are varied, but some of the commonly cited concerns include meeting the conservation standards and uncertainty about future plans for the land. In addition, some landowners under farmland preservation zoning do not think the additional \$2.50 per acre credit available with an agreement is enough of an incentive to sign a farmland preservation agreement.

Another program challenge is developing strategies to share information about the program, including information about the farmland preservation agreements and conservation requirements. Many of the 25 AEAs have some contact lists, but many of these are not electronic or they include only those landowners who signed the petition. As a result, it can be difficult to share information with landowners throughout the AEA.

Developing opportunities to support the AEAs in meeting farmland preservation and economic development goals is another program challenge. The program could be further developed through the creation of additional enhancements for the AEA community and for the individuals who have chosen to enter into a farmland preservation agreement with state. Additional program development could focus on supporting and encouraging the AEA communities to successfully implement local projects or activities to meet the goals stated in the AEA petition.

Looking ahead

The department will designate new AEAs based on petitions submitted by March 31, 2014. The department has the authority to designate the remaining 250,000 acres of the 1 million acres originally authorized for AEA designation. A sixth request for petitions will be released in the fall of 2014 if additional acres remain following 2014 designations, or if the Legislature increases the department's designation authority. Additional activities for 2014 are described below.

Program outreach. The department will continue to support the AEAs as they work with landowners to apply for farmland preservation agreements. Several AEAs have asked for help developing a strategy to engage landowners to share information about the agreements. Other AEAs have asked for the department to attend upcoming landowner meetings and workshops to answer questions about the agreements.

The department will continue other outreach efforts in 2014, including distribution of the "Item of Interest" e-mails to AEA contacts and hosting webinars featuring farmland preservation and agricultural development topics.

Several AEAs reported an interest in developing signage to help identify landowners who have taken an extra step to protect their farmland by signing a farmland preservation agreement with the state. The department will explore opportunities to work with these communities. One option is the development of a logo to help create a statewide symbol for the AEAs.

Capacity building. Because of the dual farmland preservation and agricultural economic development goals of the AEA program, it is important to draw in a diverse group of stakeholders to support activities within the AEAs. The department will continue to meet with potential partners to identify opportunities to work together to support local AEA activities.

Program development. The program faces several program implementation challenges, including the need to further develop program incentives. The department will continue to explore opportunities to provide enhancements as a result of the AEA designation.

Please contact Coreen Fallat for more information about the Agricultural Enterprise Area Program. Coreen.Fallat@wisconsin.gov or 608-224-4625.

Appendix A: Agricultural enterprise areas by size

AEA Name	Total Acres	Year Designated (Modified)	AEA Location (County and Town)
Cadott Area AEA	1,640	2010	<i>Chippewa County:</i> Towns of Goetz and Delmar
Halfway Creek Prairie AEA	1,647	2012	<i>La Crosse County:</i> Towns of Onalaska and Holland
Bayfield AEA	2,821	2010	<i>Bayfield County:</i> Town of Bayfield
Bloomer Area AEA	4,380	2010	<i>Chippewa County:</i> Town of Bloomer
Fairfield AEA	9,501	2011	<i>Sauk County:</i> Town of Fairfield
Squaw Lake AEA	9,607	2010	<i>Polk and St. Croix Counties:</i> Towns of Alden, Farmington, Somerset. Star Prairie
Rush River Legacy AEA	8,370	2010	<i>St. Croix County:</i> Town of Rush River
Town of Dunn AEA	10,038	2010	<i>Dane County:</i> Town of Dunn
Windsor AEA	10,775	2010	<i>Dane County:</i> Town of Windsor
Scuppernong AEA	14,015	2010	<i>Jefferson County:</i> Towns of Cold Spring, Hebron, Palmyra, Sullivan
Burnett AEA	14,736	2011	<i>Dodge County:</i> Town of Burnett
Shields-Emmet AEA	16,051	2012	<i>Dodge County:</i> Towns of Shields, Emmet
Vienna-Dane-Westport AEA	20,681	2012	<i>Dane County:</i> Towns of Vienna, Dane, Westport
La Prairie AEA	21,093	2010	<i>Rock County:</i> Towns of La Prairie, Turtle
Maple Grove AEA	21,669	2010	<i>Shawano County:</i> Town of Maple Grove
Town of Grant AEA	25,920	2013	<i>Dunn and Chippewa Counties:</i> Towns of Grant, Colfax, Sand Creek, Otter Creek, Auburn, Cooks Valley
Trenton AEA	26,492	2011	<i>Dodge County:</i> Town of Trenton
Hilbert Ag Land on Track AEA	28,217	2011	<i>Calumet County:</i> Towns of Brillion, Chilton, Rantoul, Woodville
Ashippun-Oconomowoc AEA	28,841	2010	<i>Dodge and Waukesha Counties:</i> Towns of Ashippun, Oconomowoc
Elba-Portland AEA	38,580	2012	<i>Dodge County:</i> Towns of Elba, Portland
Fields, Waters, and Woods AEA	41,089	2013	<i>Ashland and Bayfield Counties:</i> Towns of Marengo, Ashland, White River, Kelly; <i>Bad River Reservation</i>
Pecatonica AEA	45,776	2012	<i>Lafayette County:</i> Towns of Argyle, Blanchard, Lamont
Antigo Flats AEA	74,104	2010 (2012)	<i>Langlade and Marathon Counties:</i> Towns of Ackley, Antigo, Neva, Peck, Polar, Price, Rolling, Vilas, Harrison
Southwest Lead Mine Region AEA	103,143	2013	<i>Lafayette County:</i> Towns of Gratiot, Monticello, Shullsburg, Wiota
Heart of America's Dairyland AEA	164,332	2011 (2012, 2013)	<i>Clark and Marathon Counties:</i> Towns of Mayville, Colby, Unity, Beaver, Loyal, Brighton, Hull, Johnson, Frankfort, Holton

Appendix B: Percent of total AEA requested for coverage by FP agreement

AEA Name	Acres in applications for FP agreement	AEA acres	% of AEA acres
Antigo Flats AEA	27,229	74,104	37
Ashippun-Oconomowoc AEA	423	28,841	1
Bayfield AEA	0	2,821	0
Bloomer AEA	487	4,380	11
Burnett AEA	2,664	14,736	18
Cadott AEA	1,062	1,640	65
Elba-Portland AEA	2,794	38,580	7
Fairfield AEA	663	9,501	7
Fields, Waters and Woods AEA	*	*	*
Halfway Creek Prairie AEA	381	1,647	23
Heart of America's Dairyland AEA	36,753	97,984*	38
Hilbert Ag Land on Track AEA	2,260	28,217	8
La Prairie AEA	1,753	21,093	8
Maple Grove AEA	2,443	21,669	11
Pecatonica AEA	2,803	45,776	6
Rush River AEA	0	8,370	0
Scuppernong AEA	60	14,015	0
Shields-Emmet AEA	299	16,051	2
Southwest Lead Mine Region AEA	*	*	*
Squaw Lake AEA	240	9,607	2
Town of Dunn AEA	0	10,038	0
Town of Grant AEA	*	*	*
Trenton AEA	1,550	26,492	6
Vienna-Dane-Westport AEA	112	20,681	1
Windsor AEA	941	10,775	9
Statewide Totals	84,917	507,018	17

*All or some designated acres not eligible until January 1, 2014