

# Understanding the Terms of a Farmland Preservation Agreement

Wisconsin's Farmland Preservation Program  
Preserve farmland. Protect the environment. Grow the economy.



This factsheet provides information for prospective agreement holders for farmland preservation agreements within one of the state's designated agricultural enterprise areas (AEA).

## What is an agricultural enterprise area (AEA)?

AEAs are community-led efforts establishing designated areas important to Wisconsin's agricultural future. They provide a way for landowners to participate in the Farmland Preservation Program through farmland preservation agreements. As part of the state's Farmland Preservation Program, AEA's strive to support local farmland protection goals, the agricultural economy, and environmental efforts.

## What is a farmland preservation agreement?

Farmland preservation agreements are 10-year voluntary agreements between eligible landowners and the state to preserve agricultural lands and protect soil and water resources. Agreement holders that meet all eligibility requirements may claim the farmland preservation tax credit. The tax credit can be either \$10/acre for lands within an AEA or \$12.50/acre for lands within a farmland preservation zoning district and an AEA.

## What are the benefits of having a farmland preservation agreement?

Farmland preservation agreements help agricultural landowners:

- Protect farmland by keeping lands in agricultural and open space uses.
- Meet conservation goals on their farm.
- Become eligible to claim the farmland preservation tax credit.

Lands in agricultural use and covered by a farmland preservation agreement are exempt from special assessments levied by a political subdivision, special purpose district, or other local governmental entity for sanitary sewer or water<sup>1</sup>.

## How long is the term length of a farmland preservation agreement?

A farmland preservation agreement is effective for 10 years from the date all landowners and DATCP sign the agreement contract.

## Can I sell or transfer lands enrolled in a farmland preservation agreement?

The agreement runs with the land for the term of the agreement (10 years). If the original agreement holder transfers ownership of any of the lands covered by the agreement to a new owner, the new owner is then responsible for maintaining the terms of the agreement. The new owner will also be eligible to claim the tax credit on all lands covered by the agreement that they own starting the year they purchase the land.

## Do I have to enroll my whole farm into an agreement?

No. You can choose to enroll all or a portion of your farm in a farmland preservation agreement. You might want to exclude portions of your farmland if you intend on selling, gifting, transferring, or using those portions of your farmland for any use not covered by the agreement, including non-farm residences, commercial uses, or renewable energy utilities in the future.

While farmland excluded from the agreement is not subject to the farmland preservation land use restrictions, it will be required to meet all applicable soil and water conservation standards for the farm to remain in compliance.

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<sup>1</sup> This provision does not protect lands covered by a farmland preservation agreement from annexation.



## What are the requirements to enrolled in a farmland preservation agreement?

To enter into a farmland preservation agreement, the acres to be covered by the agreement must:

- Be located in a designated AEA.
- Be included in a farmland preservation area in the certified county farmland preservation plan.
- Be a part of a farm, defined as “all lands under common ownership that are primarily devoted to agricultural use,” that has produced \$6,000 in gross farm revenue within the last year or \$18,000 in gross farm revenue within the last three years.
- Comply with state soil and water conservation standards. The county’s land conservation department certifies local farms for compliance.

Only the landowners of the farmland are eligible to enter into a farmland preservation agreement.

## What are the land use restrictions under a farmland preservation agreement?

Farmland preservation agreements require the land to remain in the following uses for the term of the agreement:

- [Agricultural uses](#)<sup>2</sup>, which includes activities for the purpose of earning an income, such as cropping, keeping of livestock, forest management, beekeeping, nursery and Christmas tree production, aquaculture, fur farming, and enrollment in federal or state agricultural land conservation payment programs like the Conservation Reserve Enhancement Program.
- [Accessory uses](#)<sup>3</sup>, which includes farm residences, farm buildings such as barn and storage facilities, associated farm businesses such as roadside farm stalls, grain drying and storage, and wind turbines or solar panels used to generate energy for the farm, and small businesses not associated with the farm that do not require additional structures (e.g., a small engine repair business set up in the machine shed or seasonal storage in an existing farm building).
- Undeveloped natural resource and open space use.

Non-metallic mining operations, communication towers, and commercial or utility scale energy facilities of any kind, including wind or solar, are not acceptable accessory uses. The land under these uses are excluded from coverage under the farmland preservation agreement.

Other local ordinances, such as zoning and land division ordinances, continue to apply to your land, regardless of whether you sign an agreement. In many instances, these local ordinances establish limits on non-farm residential or commercial development of agricultural land.

A farmland preservation agreement does not require you to allow public access.

## What is a farm residence?

A farm residence is a single family or duplex residence that is the only residence on the farm or occupied by an owner or operator of the farm, a parent or child of the owner or operator of the farm, an individual who earns more than 50% of their gross income from the farm, or a certified migrant labor camp.

If a residence on the property is sold or transferred to a new owner while covered by an agreement, regardless of their relationship to the previous landowner, it must be associated with a farm in order for it to remain in the agreement. If it is not associated with a farm, the residence will need to be released from the agreement. If you are planning on selling or transferring ownership of a residence on your property during the term length of an agreement, you may want to consider excluding the residence from the agreement prior to signing the agreement to avoid the release process in the future.

## Can you release lands from an agreement after it is signed?

At the landowner’s request, land can be removed from an agreement at any time prior to the expiration of the agreement. A release of land from a farmland preservation agreement, prior to its natural expiration, is subject to a conversion fee under s.91.66, Wis. Stats. The conversion fee is equal to three times the highest value category of tillable cropland for that municipality in which the land is located in, as specified by the department of revenue under s.73.03(2a), Wis. Stats. for the year in which the farmland preservation agreement is terminated or the land is released. On average, the fee equals

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<sup>2</sup> Please refer to s. [91.01\(2\)\(a\)](#) Wis. Stat. for the full definition of agricultural use.

<sup>3</sup> Please refer to s. [91.01\(1\)](#) Wis. Stat. for the full definition for accessory use.



between \$600 and \$900 per acre depending on the location of the land. Landowners interested in releasing lands from an agreement should contact DATCP at [DATCPWorkingLands@wisconsin.gov](mailto:DATCPWorkingLands@wisconsin.gov).

If you do decide to remove any portion of land from coverage under the agreement contract, it is important to make a note of how much land is still covered by the agreement. Remember, you may only claim the farmland preservation tax credit associated with a farmland preservation agreement on land that is still covered by an agreement. Therefore, keeping good records will make it easier to accurately complete your income tax return.

### **What are the required state soil and water conservation standards for enrolled farms?**

Conservation compliance is required on the entire farm, regardless of whether all owned land is covered under an agreement. Regardless of who is operating your land, you as the landowner are responsible for ensuring that all soil and water conservation standards are followed. As the landowner, you should work with your operator to ensure the soil and water conservation standards are met on the rented acres.

The soil and water conservation standards are located in ATCP 50.04, Wis. Adm. Code., and summarized as follows:

#### All Farming Operations:

- Create and implement a Nutrient Management Plan that meets NRCS 590 Standards for any operation that mechanically applies nutrients (both organic such as manure and inorganic such as ammonia), conducts any type of tillage, and/or grazes more than one animal unit per acre<sup>4</sup>

#### Crop and Pasture Operations:

- Prevent soil loss by ensuring activities on fields do not exceed tolerable soil loss (“T”)
- Do not till within a minimum of 5 feet from the bank of surface waters<sup>5</sup>
- Maintain an average phosphorus index of 6 or less and do not exceed a phosphorus index of 12 for the life for their nutrient management plan

#### Livestock Operations:

- Limit agricultural runoff by preventing significant discharge of wastewater from livestock related buildings and structures from entering bodies of water.
- Divert clean water runoff from all livestock related buildings or structures
- Limit or manage livestock access to open bodies of water to maintain vegetative cover and prevent erosion
- Ensure all new manure facilities are built to code
- Maintain all manure facilities to prevent the overflow of manure
- Close all unused manure storage facilities properly
- Do not stack manure in unconfined piles within 300 feet of streams or 1,000 feet of lakes

Consult with your county land conservation department to determine your compliance with these standards.

### **Where can I find more information?**

For additional resources or information about Wisconsin’s Farmland Preservation Program visit <http://farmlandpreservation.wi.gov>. If you have questions, please call (608) 224-4611 or email [datcpworkinglands@wisconsin.gov](mailto:datcpworkinglands@wisconsin.gov).

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<sup>4</sup> Grazing operations that have less than one animal unit per acre and do not mechanically apply any nutrients, including the spreading of manure, are not required to create and implement a nutrient management plan.

<sup>5</sup> Tillage setbacks greater than 5 feet but no more than 20 feet may be required to meet this standard depending on the site.

