

FARMLAND PRESERVATION

From 2017 to 2022 Wisconsin lost 6,272 farms and 533,952 acres of farmland.¹
This problem will continue to grow as farmland in Wisconsin is lost to development, consolidation, climate change, and other factors.

PRESERVING WISCONSIN FARMLANDS

Farmers often face a tough decision between preserving their land and selling for development. Additionally, farmland preservation agreements can limit farmers' ability to adapt to market changes and add extra rules and paperwork. Many farmers are unsure about succession plans or how preservation will impact them, making the decision to enter into farmland preservation agreements a difficult one. **Improvements to state policy on farmland preservation programs can make this option more flexible and feasible for farmers.**

An additional benefit to expanding the farmland preservation programs is improvement to soil and water quality in rural areas. Farmers who sign up for the farmland preservation tax credits agree to comply with soil and water conservation standards. Increasing the tax credit amounts will help farmers cover the cost of meeting the conservation standards set by the program.



¹ <https://www.nass.usda.gov/AgCensus/>

² https://datcp.wi.gov/Pages/Programs_Services/FPTaxCredits.aspx

³ Email dated October 24, 2019: "Co-sponsorship of LRB 3633 & LRB 4749, related to the farmland preservation program," Memo from Representatives Loren Oldenburg, Mark Spreitzer, Todd Novak, Deb Kolste, Travis Tranel, and Katrina Shankland to legislative colleagues.

WISCONSIN ACT 42

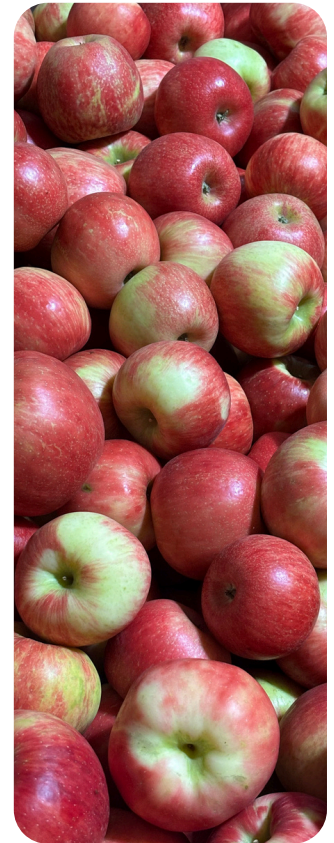
To combat the loss of farmland in Wisconsin, Governor Tony Evers signed Wisconsin Act 42 into law in December 2023. Act 42 allows more farmland to be protected for agricultural use while protecting natural resources and reducing land use conflicts.² Acreage and participation in the farmland preservation program has fallen over the last decade. Act 42 was created to address the primary reasons that farmers are reluctant to enroll.³

Act 42 offers key benefits to landowners:

- Act 42 shortens farmland preservation agreements that farmers enter into with the Department of Agriculture, Trade, and Consumer Protection (DATCP) from 15 years to 10 years.
- Act 42 increases the per-acre tax credit amounts for farmers:
 - **\$10.00/acre** for landowners with a farmland preservation agreement signed after July 1, 2009 and located in an agricultural enterprise area, or for landowners who have modified an agreement initially signed before July 1, 2009 (*increased from \$5.00/acre*)
 - **\$10.00/acre** for landowners in an area zoned for farmland preservation (*increased from \$7.50/acre*)
 - **\$12.50/acre** for landowners in an area zoned for farmland preservation and in an agricultural enterprise area with a farmland preservation agreement signed after July 1, 2009, or in an area zoned for farmland preservation and with a farmland preservation agreement modified after July 1, 2009 (*increased from \$10.00 per acre*)

AGRICULTURAL ENTERPRISE AREA UNDER FARMLAND PRESERVATION

In order for landowners to participate in the Farmland Preservation Program in Wisconsin, the land must be located in an Agriculture Enterprise Area (AEA), an area of productive farmland that communities petition the State to designate as critical to the future of Wisconsin agriculture. In January 2021, the Department of Agriculture, Trade and Consumer Protection (DATCP) designated over 88,000 acres of AEAs in Chippewa, Dodge, Dunn, Green Lake, and Outagamie counties. In 2025, DATCP designated over 30,000 acres in Sauk and Walworth counties as new AEAs. With this addition, **the state now has 51 AEAs, covering over 1.6 million acres** across 31 counties, 140 towns, and the Bad River Reservation.



Act 42 generated increased interest in creating new AEAs, which receive the highest tax credit of \$12.50/acre for Farmland Preservation participants. However, at 1,619,566 acres statewide, **we are nearing the current statewide two million acreage cap.**

WHAT CAN THE STATE DO?

WFU supports the State Budget provision to:
Expand the Farmland Preservation program to allow funding to be used for implementing certified farmland preservation plans and **increasing the cap on statewide total AEAs from 2 million to 3 million.**

BARRIERS TO PARTICIPATION IN FARMLAND PRESERVATION

45% of farmers agreed that farmland preservation program incentives are too low to make participation worthwhile

44% of farmers that previously claimed the credit but no longer do so cited that the tax credit was not high enough to offset the costs of meeting the required conservation standards.

31% of farmers stated that the tax credit was not high enough to make signing the contract worthwhile

57% of farmers considering farmland preservation agreements were hesitant to limit what could be done with their land in the next 15 years

30% stated that the 15-year contract is too long



Source: DATCP