The Urban/Rural Interface and the Preservation of Farming

by

Howard E. Conklin

May, 1982                      No. 82-9
Cities no longer are points of concentrated population. Suburbanization, sprawl and scattering have made cities into much larger areas and have fuzzed their edges so it is hard to tell where the city ends and the country begins.

Cities no longer have a single government. What is usually referred to as city government now only controls the "inner" city. A myriad of small government units encircle nearly every city and often control more area in total than city government. A large scattering of urban people usually extends even beyond the peripheral villages and small cities to areas in which traditional town and county governments provide what local services there are.

In much of eastern United States, from Maine to Louisiana, urban scattering extends to all but the most remote corners of the rural countryside. Farmers have held out against scattering in most of the more prosperous parts of the Corn Belt and nonfarm employment opportunities are too small to support a large nonagricultural population over most of the Great Plains. Rural populations are increasing sharply, however, in Arkansas, northern Wisconsin, Minnesota and Michigan, with the increases fueled in part by a quest of retirees for comfortable and interesting surroundings in which they can afford to live (Beale 1976 and 1978). The mountainous parts of the Pacific states and scattered spots from Tuscon and Santa Fe to Flathead Lake in Montana are experiencing nonfarm rural population growth, partly from retirees but also partly from urban workers.

The Northeast often has experienced new trends (both good and bad) ahead of other parts of the country. The rural population of New York, for example, has been increasing for over 40 years, and still is increasing, even though the metropolitan population of that state has been dropping for the past few years. Many of the new rural residents in this part of the country are the children of rural residents but some here too are retirees, and a few are younger escapees from conditions they consider intolerable in the inner-city. Most have medium incomes but a few are near the poverty line.

Connecticut and parts of New Jersey have experienced an influx of upper middle income professionals and executives who are essentially suburbanites but have moved out far enough to be called rural. Maine, New Hampshire, and Vermont have been favored more by what might be called suburbanite drop-outs -- people who are well educated and capable but prefer a rural lifestyle.

Maryland and the Philadelphia area of Pennsylvania still are experiencing massive suburban growth of the commuting kind once common throughout the Northeast. It is sparked by continued increases in highly paid urban jobs (many in government) and by the growth of newly suburbanized industries.
Many of the Midwestern states appear to be following the overall patterns of the Northeast -- slow total growth resulting from a balancing of urban decline against rural increase, with spots of special activity here and there. The South shows unusual strength in both urban and rural sectors and the West is mixed but generally very strong.

Farmers once lived in cities and villages and commuted to their farms in rural areas. They still do in some parts of the world, but in the United States most of them always have lived on their farms. Throughout most of our history, farmers and people who worked in related occupations dominated rural America. This now is changing rapidly.

New York still ranks ahead of half the states of the country in the value of its farm production but is has reached the point where every full-time farm family is outnumbered many times over by nonfarm families in their home community. Farmers, by their numbers, can no longer control their schools, roads, police protection, fire protection, or taxes. They share the countryside with hikers, snowmobilers, horseback riders, and, unhappily, vandals. They are powerless to prevent ordinances that restrict their activities and the chemicals they use. They often are becoming discouraged about their prospects for long-term survival even when they are many miles from the city.

Two Ways to Address the Problem

There appear basically to be two ways to address the problem of preserving farming under these circumstances: keep the nonfarm people out of the farming areas, or develop new kinds of institutional arrangements that permit farmers and nonfarmers to live peaceably and productively together in an intermingled pattern. These two approaches are not mutually exclusive.

Professional planners have focused especially on means to keep nonfarm people out of farming areas. The most common legislative actions, however, have tended to promote farm and nonfarm coexistence.

Keeping Nonfarmers Out

Zoning. Conflicts among land uses in cities traditionally have been dealt with through zoning. Zoning is an exercise of the police power in which specific areas are set aside for given uses. Those who advocate zoning to preserve farming would add an exclusive agricultural zone. Some rural areas have zoning ordinances, and most of these have an agricultural zone, but in almost no instance is it a zone exclusively for agriculture.

Zoning to preserve farming has both legal and political difficulties. To be supported by the courts, a zoning ordinance must be reasonable. If a farmer is prohibited from selling his farm to a nonfarmer even though the latter offers a very high price, the courts are likely to conclude that an unconstitutional taking of property from the farmer has occurred.
Farmers, especially those being offered high prices for their farms by nonfarmers, are far too few in number in most states to affect the political acceptability of exclusive agricultural zoning very much. Yet exclusive agricultural zoning has not been enacted. The New York case is illustrative. Senate Bill 9028 of 1970 was designed so it would have, among other things, brought effective agricultural zoning to that state. Farmers opposed S-9028 but their opposition did not account for the overwhelming defeat of this bill.

Nonfarmers do not want to be fenced out of rural areas and those now in rural areas do not want to be considered nonconforming land users. There are large numbers of nonfarm people in rural areas already and more are dreaming about a home in the country.

TDR. Efforts have been made to modify zoning to meet court objections. A device known as "transfer of development rights" is the most widely publicized. It is complicated and so far has proven successful in only a few localized areas, even though it has been tried in both New York and Pennsylvania. A New Jersey study is pessimistic about its possibilities there.

Wisconsin's Program. Wisconsin is undertaking a program of providing special tax incentives for the adoption of exclusive agricultural zones. Wisconsin used rural zoning to keep people from trying to live and farm on submarginal land in the 1930s. This earlier favorable experience with zoning may encourage the acceptance of zoning in its present new form. The program is too new to be sure.

Government Purchase. Governments at various levels can buy fee or lesser rights in the open market and thus gain control of farm land to keep it in farming. It has been suggested that governments could reap large capital gains through purchase of fee simple title to lands that eventually will become urbanized, and in the meantime they could hold them in farming. There are two problems: most governments make very poor landlords for farm land, and government employees have not proven to be better as speculators than private persons who specialize in that activity.

The purchase of development rights (PDR) to farm land, however, has been much more generally accepted. So far the Suffolk County, New York program is the largest -- $21 million. Massachusetts, Connecticut, and Maryland also have programs in motion though much smaller. So far all purchases are made without exercise of eminent domain, and are based on expert appraisals and subsequent bargaining. Farmers so far are happy with PDR.

But PDR costs a lot of money. Each farmer is free to believe that his land would sell to a nonfarm user at the top dollar if he did not sell his development rights separately, so asking prices are likely to be especially high. Still, the more affluent semi-suburban communities in many areas may want to save a few pastoral scenes, especially if, as in Suffolk County, it requires more than a hundred miles of city driving to reach pastoral scenes elsewhere. It has been suggested that the power of eminent domain be used in the acquisition of development rights. In general, however, this power is limited by constitutions and courts to rather specific purposes.
A special variant of PDR is being tried in the affluent semi-suburban town of Perinton near Rochester, New York. Farmers are being offered flat percentage reductions in their assessments in return for a temporary transfer of development rights to the town; the percentages being higher for longer periods of transfer. Participation in the program has increased rapidly. The schedule of assessment reductions is high enough and the periods of sign up extend to time intervals long enough to give farmers a sense of security even for major investments. The Town of Southold on the outer part of Long Island has undertaken a similar experimental project with some apparent success. Average nonfarmer incomes in that town, too, are quite high.

Facilitating Coexistence

Nature of the Problem. Over large regions of the country nonfarmers already outnumber farmers in farming areas. In those areas, at least, there is need for a concern with arrangements to facilitate the coexistence of farmers and nonfarmers.

The impact of urban pressure on agriculture is most spectacular when it physically displaces farming. When an area that once was a farm suddenly becomes a subdivision, a shopping center, or an industrial plant, people take notice. But the physical displacement of farming is limited to a very small part of the total area impacted by urban pressure.

Elsewhere it is only here and there that a lot sells for a new residence or a commercial or industrial building. In time these sales add up to many new activities that affect farmers, but most farmers in these areas cannot hope to sell for a high urban price for many years, if ever. Even in a highly urbanized state like New York less than 10 percent of the land has become truly urban in more than 300 years, and the nonfarm people who are scattered throughout the rural areas, while increasing in numbers, occupy only a small percentage of all rural land.

But some land is being sold each year for urban uses in nearly all rural communities. Nonfarm people are paying well above farm prices for parcels that appeal to them. Farmers are worried when they hear about proposals for market value assessments, and in states where real estate taxes are high, they wonder about their survival when assessors start using nonfarm sale prices as indicative of the value of farm land.

Farmers are worried, too, of course, when their nonfarm neighbors ask for increasingly expensive public services. Money for these services often comes out of property taxes and a farmer's exposure to this tax usually is high compared to his nonfarm neighbor's.

On the other hand, farmers seldom like the idea of excluding nonfarm people from their communities. They are not accustomed to separating people into zones as is so often done in cities and they are afraid a movement in that direction could easily spread to controls on their own activities. Besides, nonfarmers outnumber farmers and would oppose being made nonconforming users under a zoning ordinance.
But farmers are still very much concerned about the things that are happening as a consequence of the steady and substantial growth in the numbers of their nonfarm neighbors. Not only are their taxes increasing, but a variety of other troublesome things are happening. Nonfarmers sometimes have taken control of local government and passed regulations that hamper farmers. More commonly it is only verbal complaints and threatened actions that require more costly practices and tax their patience: objections to spreading manure, to use of fertilizers and pesticides, to noises and to unsightly appearances. It may be dogs that chase the farmer's animals, off-road motorcyclists who cut his fences, or vandals who damage his equipment.

The point at which a farmer's concerns about these things becomes critical to food production is when he needs major farm improvements -- a new barn, an orchard replanted, or new tile drains. If nonfarm pressure is high he may decide to bet on a nonfarm sale even though it is a gamble. In that case he makes no further new investments. Agriculture in this manner can become debilitated long before the land is needed for nonfarm uses. Poorly improved farms often pass to speculators when the farmers retire. Speculators almost never improve them for farming. They often rent to farmers at low rental rates but not on terms that encourage intensive farming.

**Farm Value Assessments.** Initial efforts to preserve farming in most states have taken the form of granting farmers farm value assessments. These laws vary in their details but the principle intent is to remove one factor that can help to discourage farmers to the point of deciding not to keep their farms up to date, hoping instead for an eventual sale.

Professional planners and many economists have criticized farm-value assessments as being unable to keep nonfarmers out of farm areas. These critics emphasize instances, usually close to cities, in which farmers could sell their present farms for prices so high they could buy comparable farms elsewhere and have a profit left over even after paying relocation costs. These cases are not trivial but are less common now in the Northeast than a few years ago. Conditions in which some land is selling for nonfarm purposes but in which wall-to-wall urban use is remote are much more common in the good farming areas. Any debilitation of farming in these areas seriously reduces food production.

**Tax Exemptions for New Improvements.** New York in 1968 provided a measure of tax relief for farmers that was sharply focused on encouraging the updating of improvements. That law provided for a 5-year exemption on new farm buildings. The 5-year period was extended to 10 years in 1978.

**New York's Agricultural Districts.** New York in 1971 passed a law intended to keep good farms in aggressive use in spite of growing intermingled nonfarm scattering. This law provides for farm value assessments, but provides special features as well. The farm-value assessment provision requires the annual production for sale of $10,000 of farm products. This limits participation by speculators. The special features of the law provide farmers freedom from new
tax levies for sewer and water systems, discourage government financing of nonfarm public services in farm areas, and contain some limitations on the exercise of eminent domain. Another feature instructs state agencies to interpret laws in ways that encourage farming within the districts to the extent compatible with health and safety.

The New York agricultural district program is an experiment in the facilitation of farmer-nonfarmer coexistence. To date some two-thirds of the farms in the state are included in districts and most farmers consider the districts to be useful although some features of the law have not been used as yet and some problems have arisen in the administration of other features.

**Summary**

1. Urban growth is cutting agricultural production two ways: by moving onto farm land and by discouraging farmers from updating farm real estate improvements.

2. The urban/rural interface no longer is a sharp line. Urban influences have penetrated deeply into most farm areas over large parts of the nation. Farmers often are outnumbered by nonfarm neighbors. Nonfarm rural people are growing in numbers faster than other components of our population.

3. The debilitation of agriculture caused by the scattering of nonfarm people into rural areas is cutting production more than the physical transfer of land to subdivisions, shopping centers, and the like though both are important.

4. There are two ways to reduce urban impacts on agriculture:
   a) Keep the nonfarmers out of farm areas.
   b) Facilitate the coexistence of farm and nonfarm people in an intermingled pattern.

5. Keeping nonfarmers out is favored by professional planners but is difficult and expensive. Some methods will work in selected circumstances, especially close-by locations. Special forms of zoning and government purchase of development rights are most promising.

6. Facilitating coexistence is more common at present. Farm-value assessments were an early start. Agricultural districts are more sophisticated. Methods can be further improved.

7. There already is intermingled diversity in the rural areas of much of the nation. This cannot be rolled back. Special emphasis on new methods for facilitating coexistence seems justified.
SELECTED REFERENCES


Selected References (Continued)


Selected References (Continued)


