

# **Farm Viability in DeKalb and Other Urbanizing Counties**

**Findings from a Mail Survey of 1,922 Owners of Agricultural Land  
and from Interviews with over 320 Local Ag Experts  
in 15 Urban-edge Counties in 14 States  
with Special Emphasis on Five Corn Belt Counties:  
*Lancaster (NE), Dakota (MN),  
Dane (WI), DeKalb (IL) and Madison (OH)***

**DeKalb County Farm Bureau, Center for Agriculture  
February 18, 2008**

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**This project was supported by the National Research Initiative of the  
Cooperative State Research, Education and Extension Service,  
USDA, Grant # 2004-35401-14944**



**Purposes of this study of 15 metro-area counties whose populations have been growing rather quickly but that still have important agricultural sectors and have been applying various policy tools to keep those sectors viable**

- **To identify conditions in agriculturally important metro-area counties whereby significant farming sectors may continue for at least another one or more generations.**
- **Make our research findings useful to residents of those counties, such as:**
  - **Farmers who wish to continue operating there**
  - **Agri-business men and women who wish to keep their businesses profitable there**
  - **Non-farmer residents who value the benefits of working farms, such as their landscapes and their locally produced and marketed foods**
  - **Public policy-makers and members of private organizations interested in promoting viable agricultural sectors and/or farmed open space.**

<b>County</b>	<b>In metro area that includes or is near:</b>	<b>County</b>	<b>In metro area that includes or is near:</b>
King (WA)	Seattle	Madison (OH)	West of Columbus
Sonoma (CA)	North of San Francisco	Fayette (KY)	Lexington
Ventura (CA)	Northwest of Los Angeles	Palm Beach (FL)	West Palm Beach
Larimer (CO)	Fort Collins	Carroll (MD)	Northwest of Baltimore
Lancaster (NE)	Home of state capital, Lincoln	Berks (PA)	Northwest of Philadelphia
Dakota (MN)	Just south of Twin Cities	Burlington (NJ)	East of Philadelphia
Dane (WI)	Home of state capital, Madison	Orange (NY)	Northwest of New York City
DeKalb (IL)	West of Chicago		

## **Four Criteria for Selecting the Studied Counties**

- 1. Their populations continued to grow**
- 2. Nearly half or more of their land surface was subject to significant urban influence**
- 3. They still retained a sizable agricultural sector (i.e., at least \$50 million in sales)**
- 4. Local governments and/or private organizations were making significant efforts to help agriculture survive there**

## Population Growth in These Still Agriculturally Important Metro Area Counties

<b>Time Period</b>	<b>Lancaster NE</b>	<b>Dakota MN</b>	<b>Dane WI</b>	<b>DeKalb IL</b>	<b>Madison OH</b>
<b>2006 estimated population</b>	<b>267,135</b>	<b>388,001</b>	<b>463,826</b>	<b>101,139</b>	<b>41,496</b>
<b>Growth, 1990 to 2000</b>	<b>17.2%</b>	<b>29.3%</b>	<b>16.2%</b>	<b>14.2%</b>	<b>8.5%</b>
<b>Estimated growth, 2000 to 2006</b>	<b>6.7%</b>	<b>9.0%</b>	<b>8.7%</b>	<b>2.6%</b>	<b>3.2%</b>
<i>Agland owners we surveyed</i>	<i>157</i>	<i>136</i>	<i>174</i>	<i>171</i>	<i>107</i>

**Comparing our urbanizing Corn Belt counties  
that are still agriculturally important,  
using data from the 1987 and 2002 Ag. Censuses**

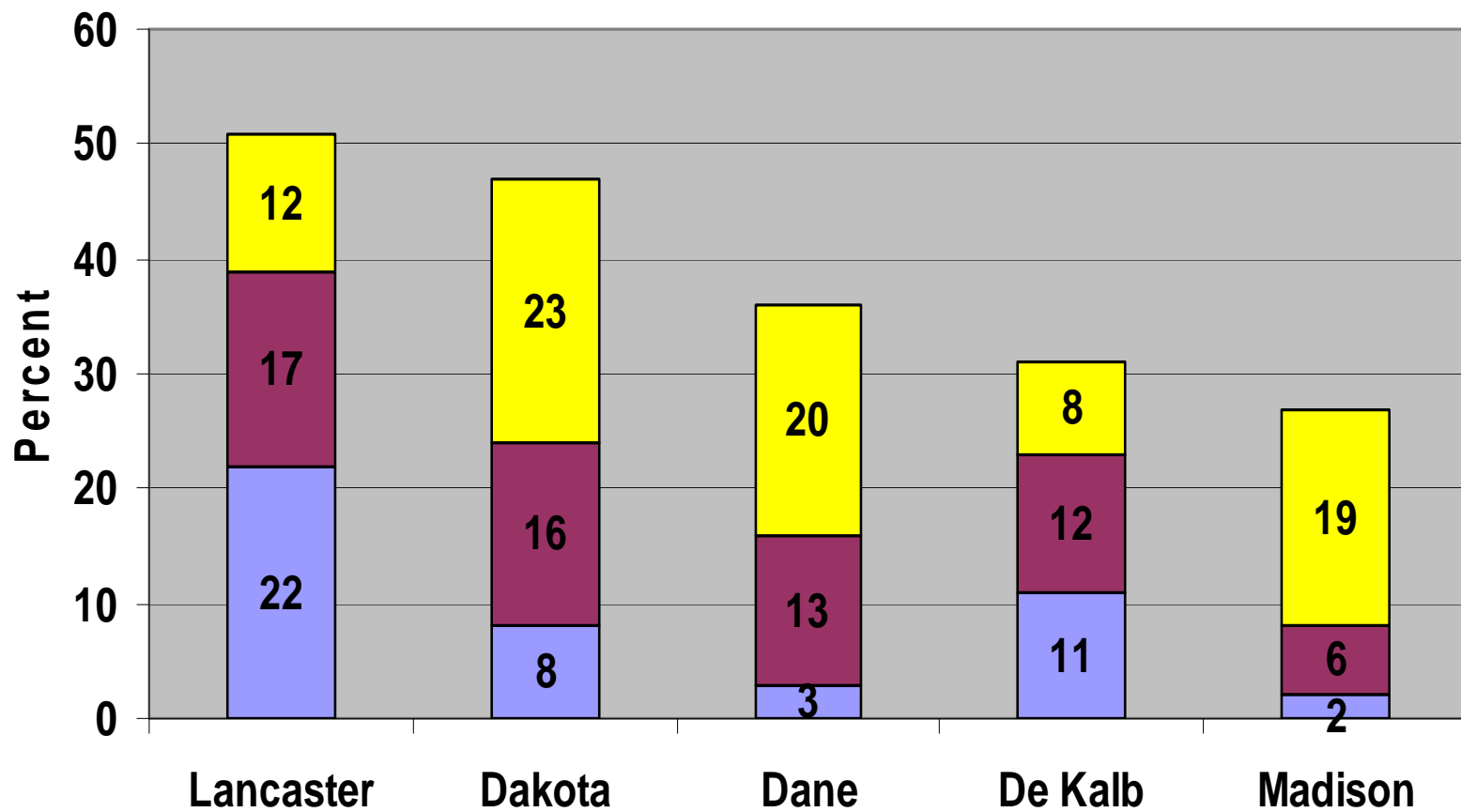
<b>Changes from 1987 to 2002, countywide, in:</b>	<b>Lancaster NE</b>	<b>Dane WI</b>	<b>DeKalb IL</b>	<b>Madison OH</b>
<b>Market value of all agricultural products sold</b>	<b>From \$55.7m to \$71.3m (plus 28%)</b>	<b>From \$216.5m to \$287.6m (plus 33%)</b>	<b>From \$142.7m to \$174.5m (plus 22%)</b>	<b>From \$56.4m to \$60.8m (plus 8%)</b>
<b>Acres in farms</b>	<b>From 448,286 to 448,600</b>	<b>From 569,937 to 515,475</b>	<b>From 384,277 to 359,352</b>	<b>From 267,249 to 245,886</b>
<b>Percent of total county's land in farms</b>	<b>From 83.5% to 83.6%</b>	<b>From 74.1% to 67.0%</b>	<b>From 94.7% to 88.5%</b>	<b>From 89.7% to 82.5%</b>

**% of Surveyed Agland Owners  
Expecting to Develop 1 to 24%, 25 to 99%,  
and 100% of Their Land in the County over  
the Next Ten Years**

1 to 24% Developed

25 to 99% Developed

100% Developed



In our sample, what conditions make a difference in agland owners' expectations about developing their land in DeKalb County?

They were more likely to develop if:

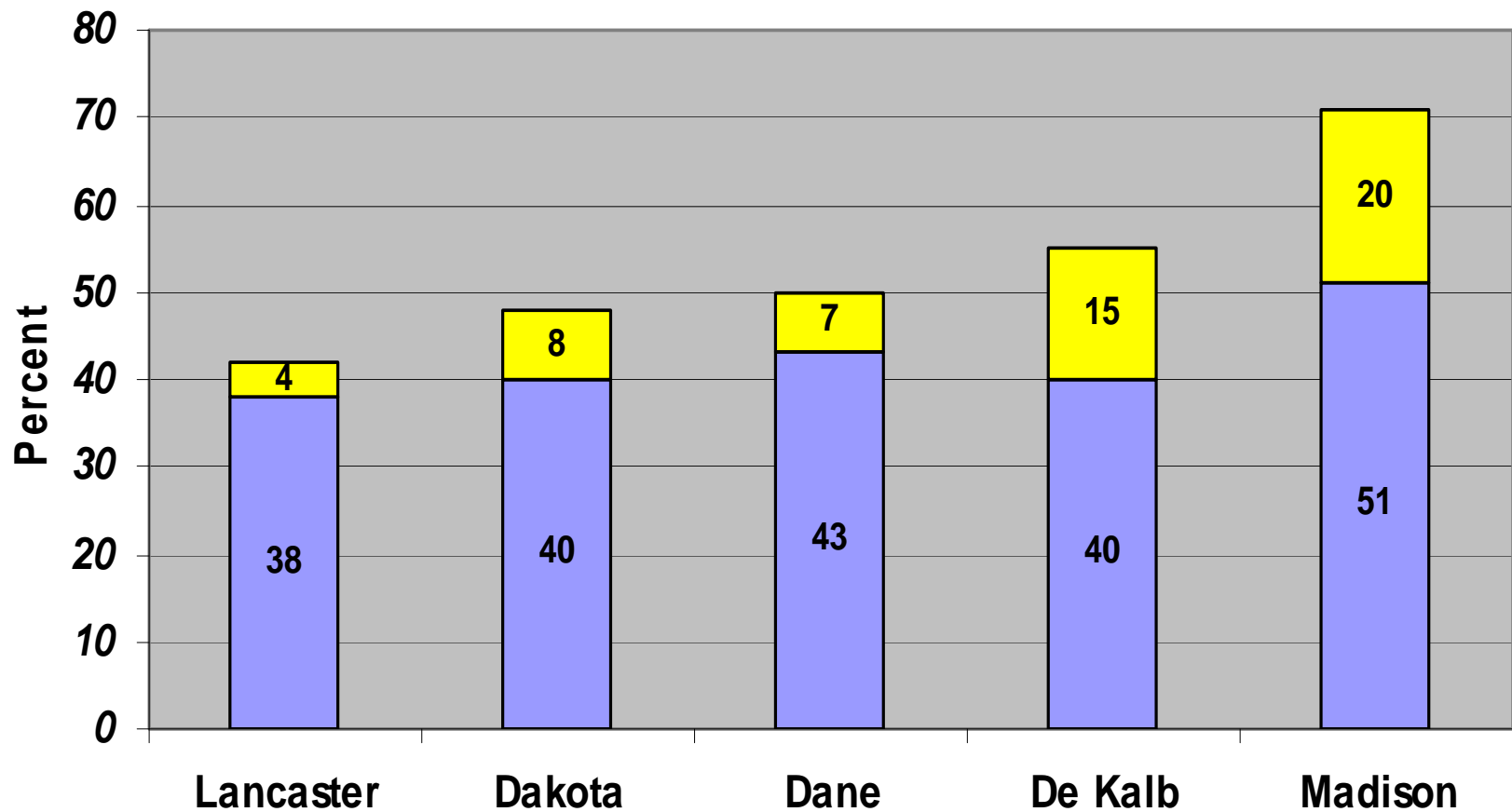
- They believe local government sides with non-farmers in controversies between them and farmers.

They were less likely to develop if:

- Family members were employed on the farm operation.
- Beef cattle was raised on their owned land.

**% of Surveyed Agland Owners Believing that  
Agriculture in the County 20 Years into  
the Future Had a "Bright" or "Modest Future"  
rather than a "Dim" One or "None at all"**

- Bright**
- Modest**



In our sample, what conditions make a difference in agland owners' expectations about the future of agriculture in DeKalb County 20 years down the road?

They were more likely to be positive if believed that:

- Had good access to markets.
- County zoning was helpful.
- Right-to-farm laws were helpful.

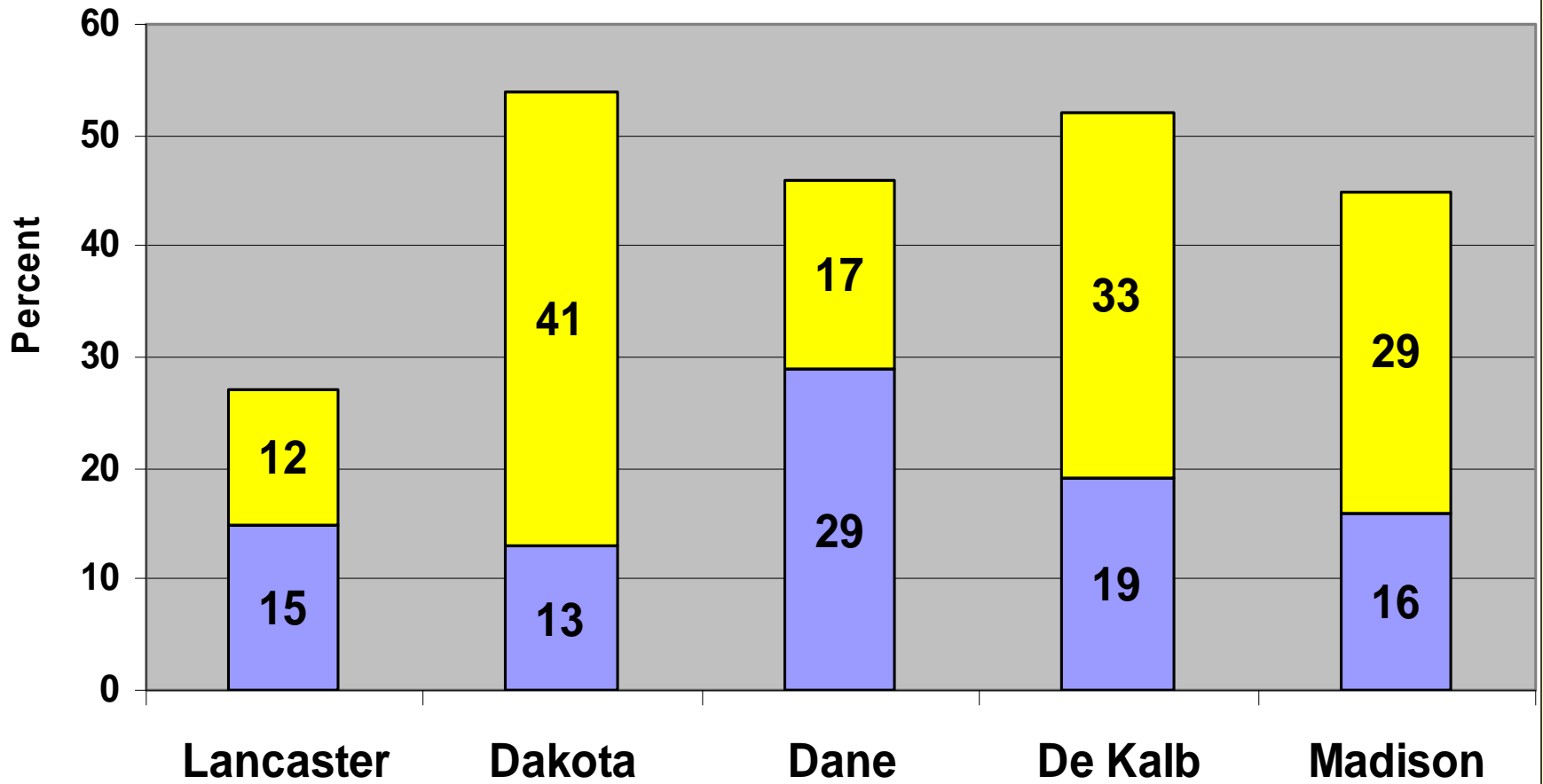
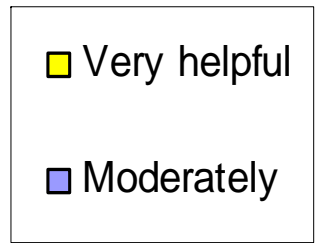
They were less likely to be positive if believed:

- Farming their land had “changed for the worse” because non-farmers lived nearby.

## Recommendations to a “hard-working young person with an agriculture background” about going into farming in DeKalb County

- *“I would recommend it, but not with purchased or owned land. Inherited land will be the best option, or with cash rents – or a flexible arrangement. It is not likely to be a 1-person operation, better to join an existing, expanding operation.”*
- *“Definitely would recommend, because there are tremendous opportunities in agriculture, especially for a family member, that are not available to many others. This is an industry not easy to get into, ..awfully difficult to get started if one is not inheriting.”*
- *“There have been – for as long as I have been around – tremendous opportunities in production ag if one has an inclination and finds a fit. ....Inheriting a farm or part of a farm helps a great deal– it would be very difficult if one does not inherit because ag is very capital intensive. But someone that is enterprising, with small acreage with the right type of enterprise can make it.”*
- *“A young aggressive kid – going into specialty crops, vegetables, hay, smaller higher value crop – could make it. The easiest thing to go into ... is livestock because it is pretty easy to put up a hog building IF you can get permission.”*

**% of Surveyed Amland Owners Believing that Local Govt. Zoning Policies Were "Very" or "Moderately helpful" in Maintaining an Adequate Supply of Land for Agriculture**



**Evidence—from pictures—of the effectiveness of  
DeKalb County's 40-acre minimum:  
Limited Rural Residential Development**



**Results of Rather Permissive Ag Zoning—3-acre minimum  
allowed in various parts of Lancaster County, NE:  
Residential Sprawl East of Denton**



## Evidence from Interviews with Local Agricultural Experts

- *“Zoning in DeKalb County has been important in keeping ag in this county strong. The ag community has worked hard to keep development from expanding out from incorporated communities. This is a real positive for ag if we can maintain that. Sticking to the land use plan is critical.”*
- *“[The future for agriculture in DeKalb County is] bright – as long as we keep our zoning in place that we have now, and make sure that the growth population comes in a structured manner, adjacent to the urban centers, and that we don’t allow housing to be built scattered all over the county on small parcels, that allows for population growth while allowing for this county to continue to utilize the farmland.”*
- *“Zoning and the 40 acre rule—has helped to prevent hop scotching development— pretty effective. The problem has been with increase of [land] prices to the east, cost of building has gone so high, so now people are buying 40 acre estates—which may not be good for agriculture here—what they are doing with this land remains to be seen. The concern is they are putting five acres into horses, the rest rented to others.”*

## Expressed reservations about DeKalb County zoning:

- *“I see the need to restrict the conversion of ag land to residential...but I disagree with anything that prevents a farmer or landowner from profiting by the sale of his property.”*

*Surveyed landowner*

- *“Farmers support zoning as long as they are not selling. But the county has made a major blunder because of the 40 acre rule—1/10 acre shy is a problem. This strict interpretation of the law hurts the value of the land for a farmer.”*

*Interviewed expert*

- *“The county’s intent is a good one, but how successful [it will be] long term is questionable.....as each small community has pressure to grow and annexes in new parcels—we are still going to eat up those acres until developed areas of communities meet.”*

*Interviewed expert*

## **Restrictions on Siting Livestock and Hog Facilities**

- *“It has become difficult to site hog or livestock facilities in rural areas—essentially, they have to find locations well away from neighboring residences. The strongest opposition may come from grain farms, or other rural residences that are not farm operations. The way things have developed in the livestock industry, most buildings that are constructed are fairly large. Some of these enterprises that would like to establish [a new facility] or would like to expand are discouraged at the beginning.”*
- *“Some people are putting up a fuss about hog farms, but hog farms have to meet strict state rules and if they meet [these] state rules , they can go in. But public input is much more of an issue now, as it affects mega hog operations.”*

*Interviewed Experts*

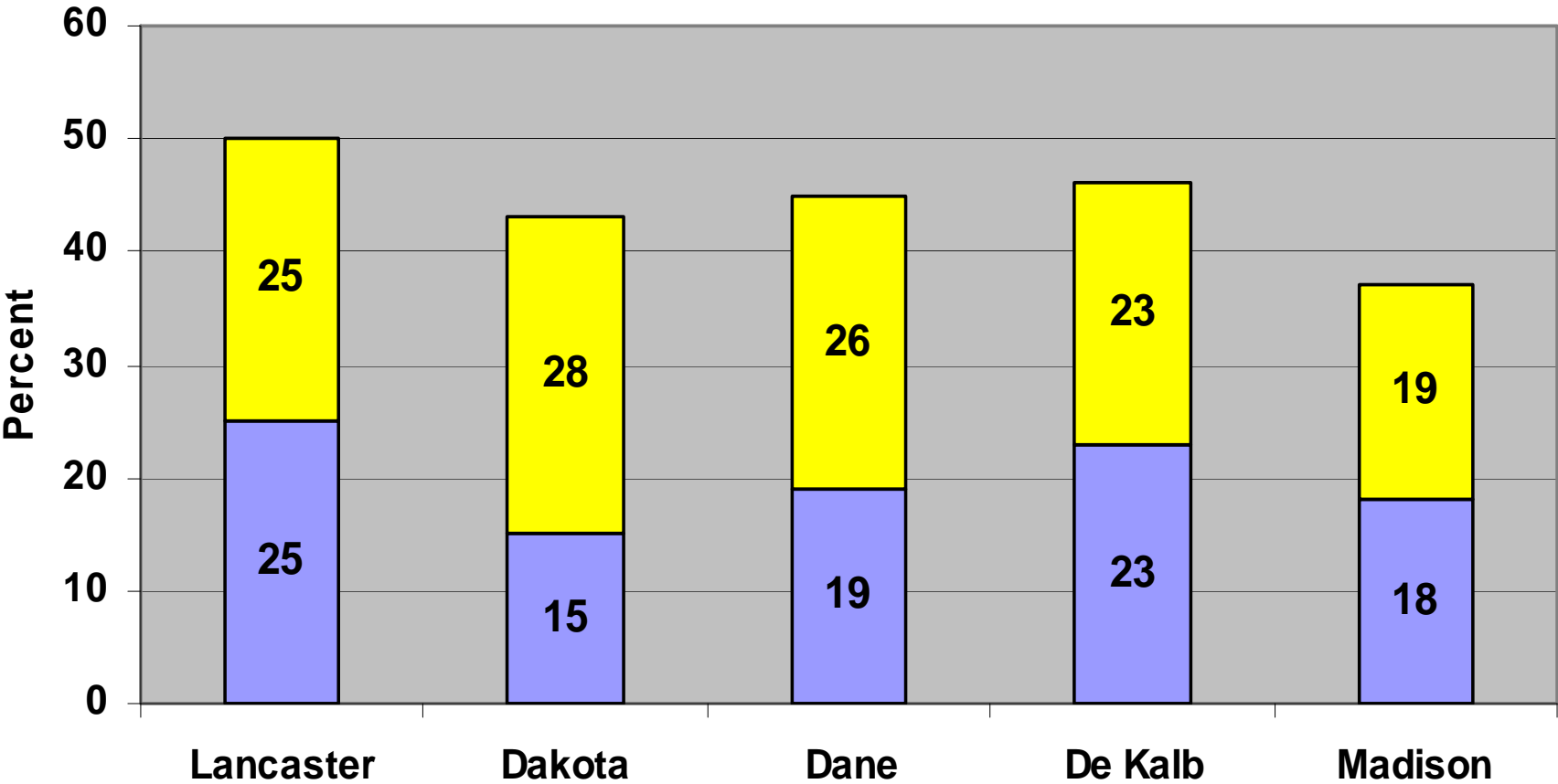
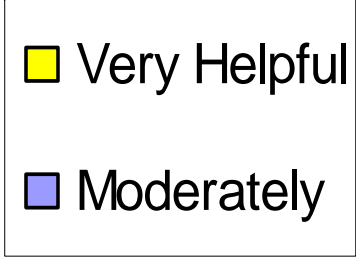
## Comparisons (continued)

<b>Changes from 1987 to 2002, countywide, in:</b>	<b>Lancaster NE</b>	<b>Dane WI</b>	<b>DeKalb IL</b>	<b>Madison OH</b>
Sales of grains	Plus 51% to \$42.9m	Plus 76% to \$65.4m	Plus 34% to \$86.3m	Plus 18% to \$44.5m
<i>Harvested corn acres</i>	<i>Plus 574% to 128,415</i>	<i>Minus 7% to 158,370</i>	<i>Plus 8% to 186,374</i>	<i>Plus 2% to 76,380</i>
Sales of cattle and calves	Minus 18% to \$7.9m	Plus 3% to \$31.6m in '97	Minus 24% to \$35.0m	Minus 40% to \$5.5m in '97
<i>Inventory of cattle and calves</i>	<i>Minus 26% to 25,877</i>	<i>Minus 21% to 124,111</i>	<i>Minus 27% to 31,151</i>	<i>Minus 54% to 7,995</i>
Sales of poultry and eggs	Plus 42% to \$5.7m	Minus 78% to \$1.0m	Not available	Not available
Sales of hogs and pigs	Minus 48% to \$4.0m	Minus 72% to \$4.5m	Plus 86% to \$42.7m	Plus 13% to \$5.7m
Sales of dairy products	Plus 50% to \$3.9m	Plus 1% to \$104.4m	Minus 11% to \$1.8m in '97	Minus 22% to \$2.9m
Sales of nursery and related products	Plus 123% to \$3.4m	Plus 288% to \$10.1m	Plus 135% to \$4.0m	Remained less than \$ 1m

# **Right to Farm and Nuisance Issues**

## **Panel Discussion**

# **% of Surveyed Owners Believing Right-to-farm Law(s) Had Been "Very" or at Least "Moderately Helpful" in Protecting Farmers from Unfair Nuisance Complaints**

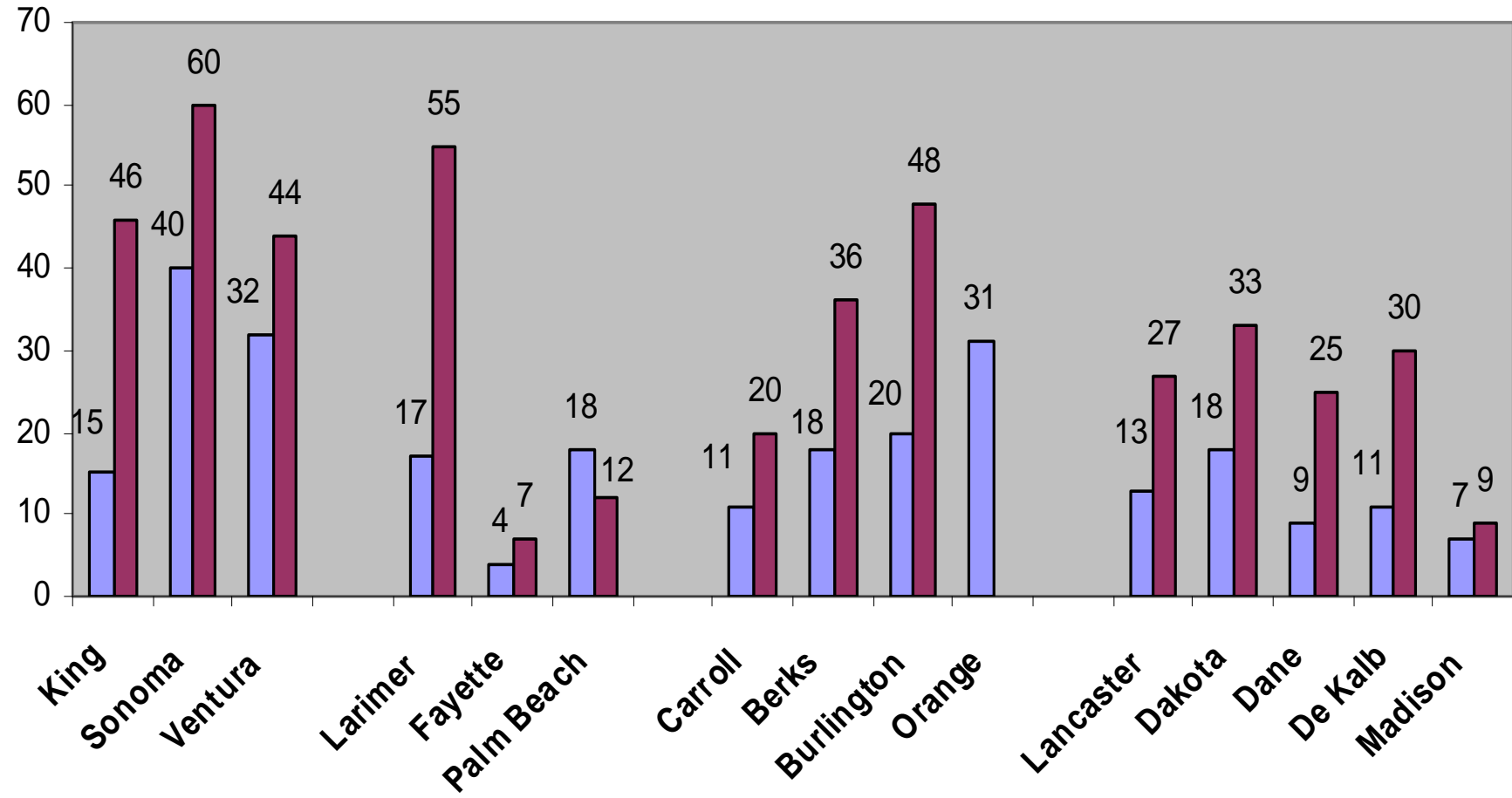


## Policy Options We Found in Other Counties

- **County ordinance requires new buyers to sign a statement that they were advised of rights of nearby farmers.**
- **County officials are designated as mediator and initial judge of complaints by non-farmers.**
- **States authorize special agricultural districts where agricultural operations have special legal protections against nuisance complaints.**

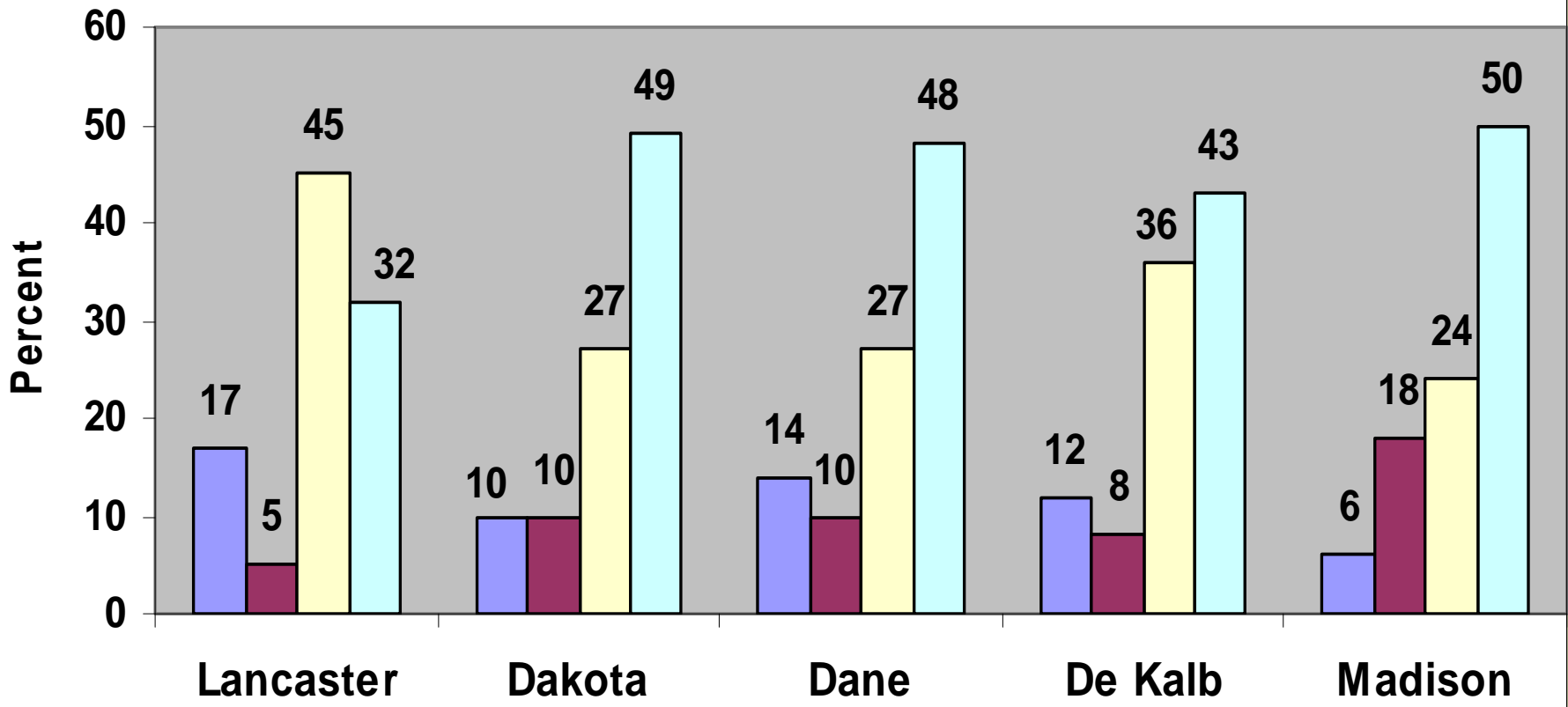
# % of Surveyed Owners Reporting Complaints in the past 5 Years by Non-farm Neighbors about Ag. Operations on Land They Own in the County

■ Yes--full sample  
■ Yes--operators grossing at least \$50,000



**% of Surveyed Owners Selecting These Answers to the Question: "In controversies between farmers and non-farmers, do local government authorities in . . . County tend to:"**

- Side with non-farmer
- Side with farmer
- Be even-handed
- Not sure



## Nuisance Complaints Reported as Increasing

- *“Definitely—drainage problems and property lines [adjacent to residential developments]. If you go through with a sprayer in the spring and it is dusty, if the grass dies, the farmer is suspect.”*
- *“[It is] likely to become more of a problem with increased non-farming populations. We are more careful out here now, with manure applications etc. We will have to increasingly strive to maximize both our economic value and peace with our neighbors.”*
- *“I expect they will increase—more mud and odors and lights and traffic tie-ups.”*

## **Panel Discussion Questions**

### **Right to Farm and Nuisance Issues**

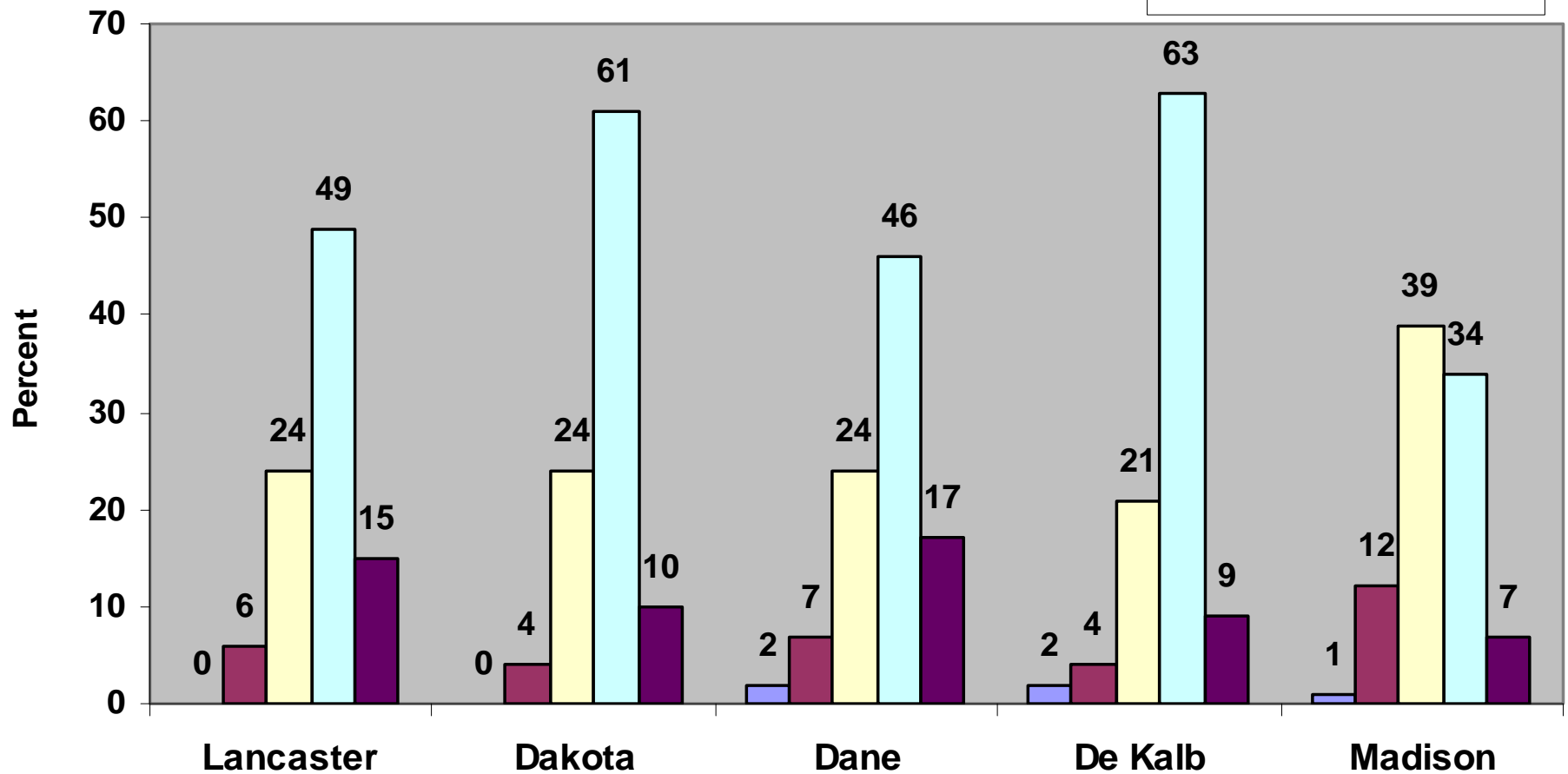
- **Can planning and zoning in DeKalb County sustain an adequate land base for agriculture, such as by retaining the 40-acre minimum for rural housing and by working with municipalities so that they grow in ways least detrimental to the remaining agricultural operations (e.g., don't grow towards large livestock operations or towards a substantial landscape products farm)?**
- **Should right-to-farm laws or their enforcement be strengthened? In what ways?**
- **Discourage non-farmers from living on 40-acre "farmettes" and not really farming the land--by requiring them to produce evidence of significant agricultural sales in order to qualify for ag-use value assessment for property taxes? This done in New York State.**

# **Farmland Affordability and Availability**

## **Panel Discussion**

**% of Operators and Knowledgeable Non-farmer Owners Selecting These Answers to the Question:  
 "In 2005, on the whole how affordable to you  
 (or the operator of your land) was the farmland  
 that came on the market in ... County for purchase?"**

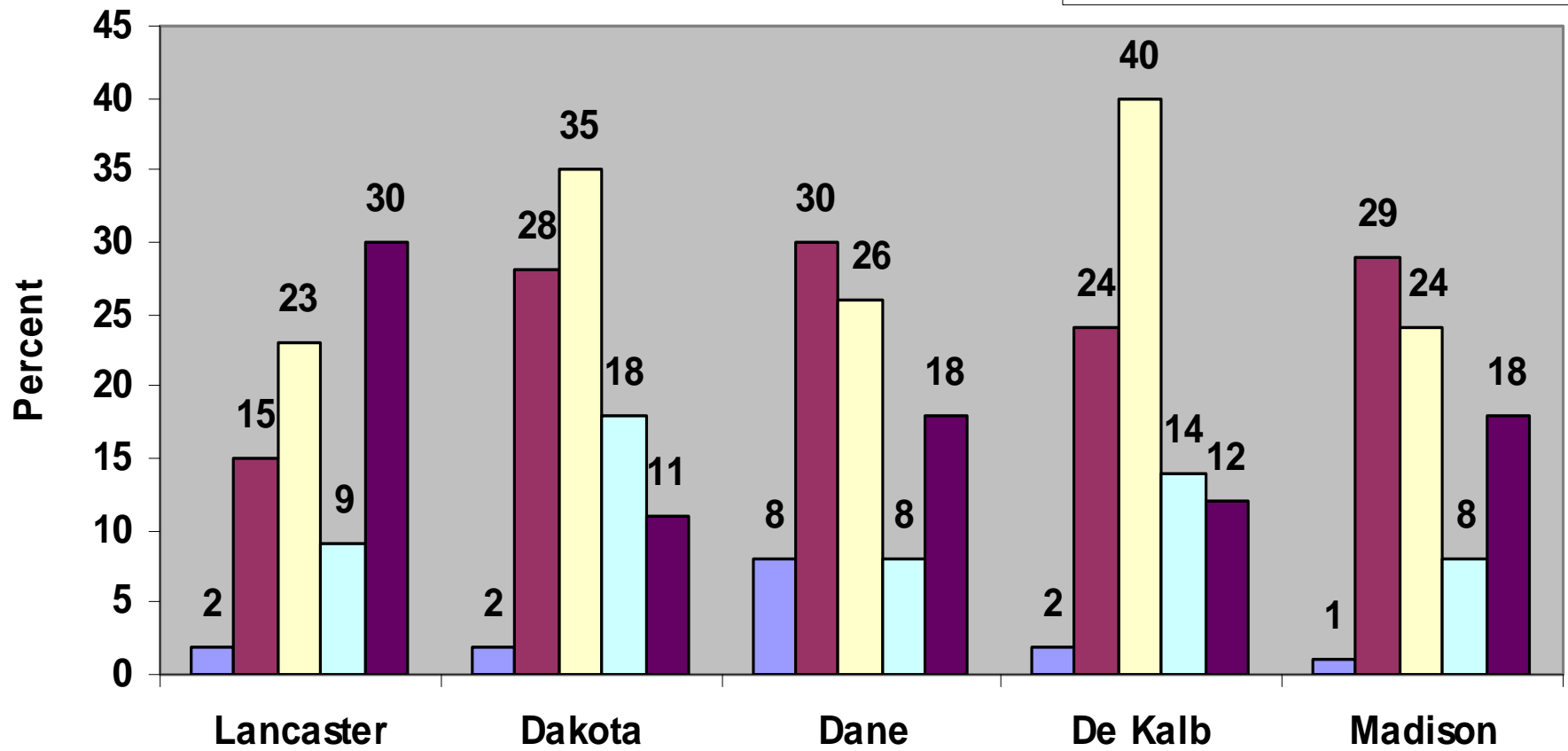
- On the whole very affordable
- Affordable
- Not very affordable
- Not at all affordable
- Not sure



**% of Surveyed Operators and Knowledgeable Owners Selecting These Answers to the Question:**

**"In 2005, on the whole how affordable to you (or the operator of your land) was the farmland that came on the market in ... County for rent?"**

- On the whole very affordable
- Affordable
- Not very affordable
- Not at all affordable
- Not sure



## **DeKalb County - 26 U.S.C. §1031 Exchange Influence on Farming and Farmland**

- *“With urban development comes more sales of farms. With the sale of every farm comes also the potential that it will be sold out of farming. 1031 exchange dollars are presently widely available to purchase and this bids prices up. This also creates the tendency in many cases for higher cash rents.”*

*Interviewed expert*

- *“The biggest impact on DeKalb County farmland is the 1031 tax rule. When an investor or farmer sells land for such high prices, it leaves me “out of the market!! I cannot compete with that – so I feel land locked with very little chance of buying new land.”*

*Open ended answer from survey*

# Market Prices per Bushel of Corn, September 2004 to February 2008

Courtesy Agweb, February 5, 2008

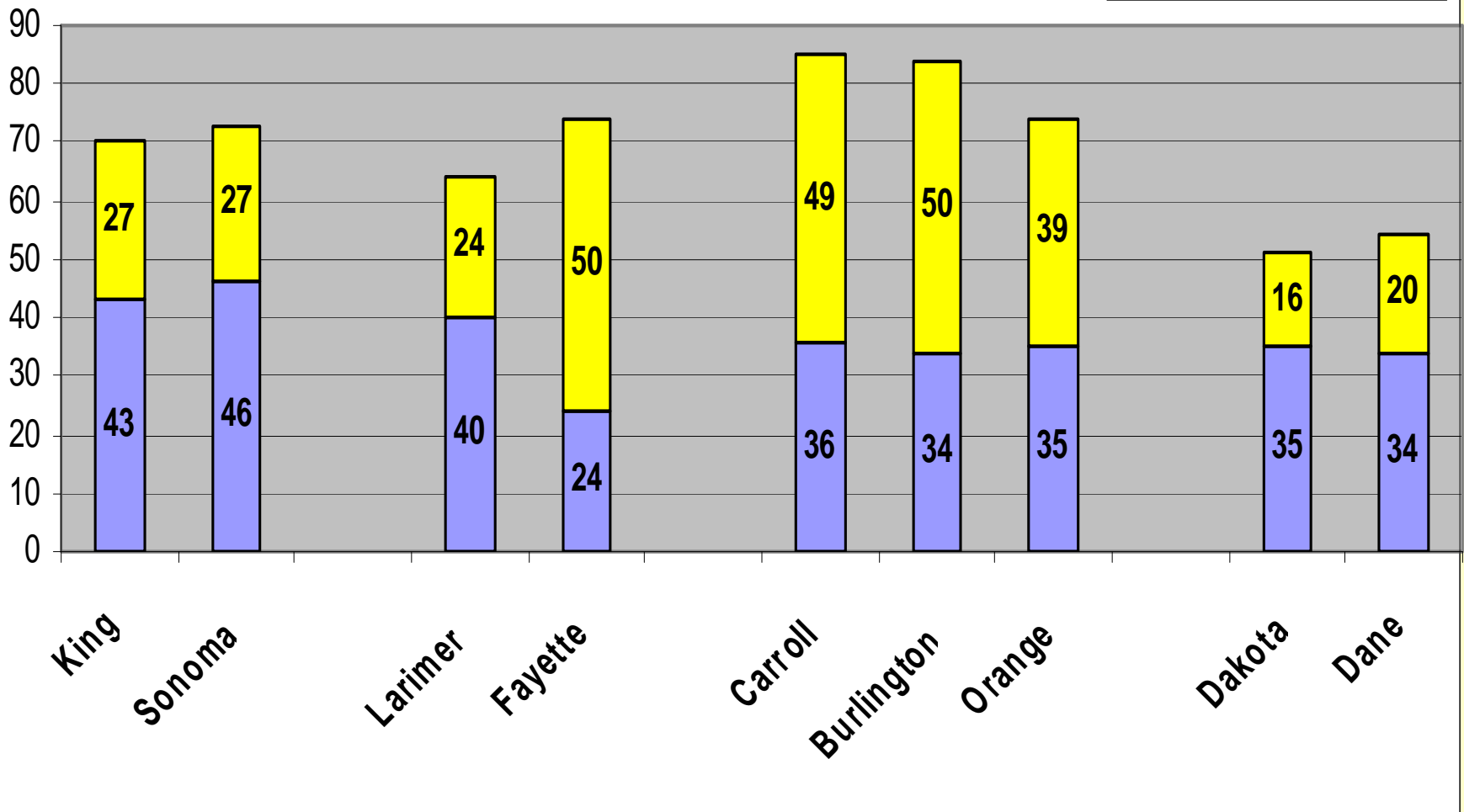
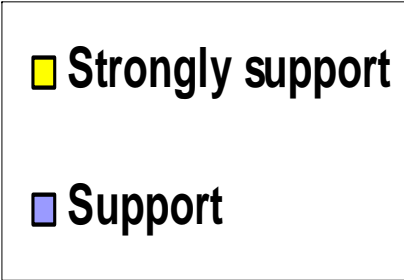
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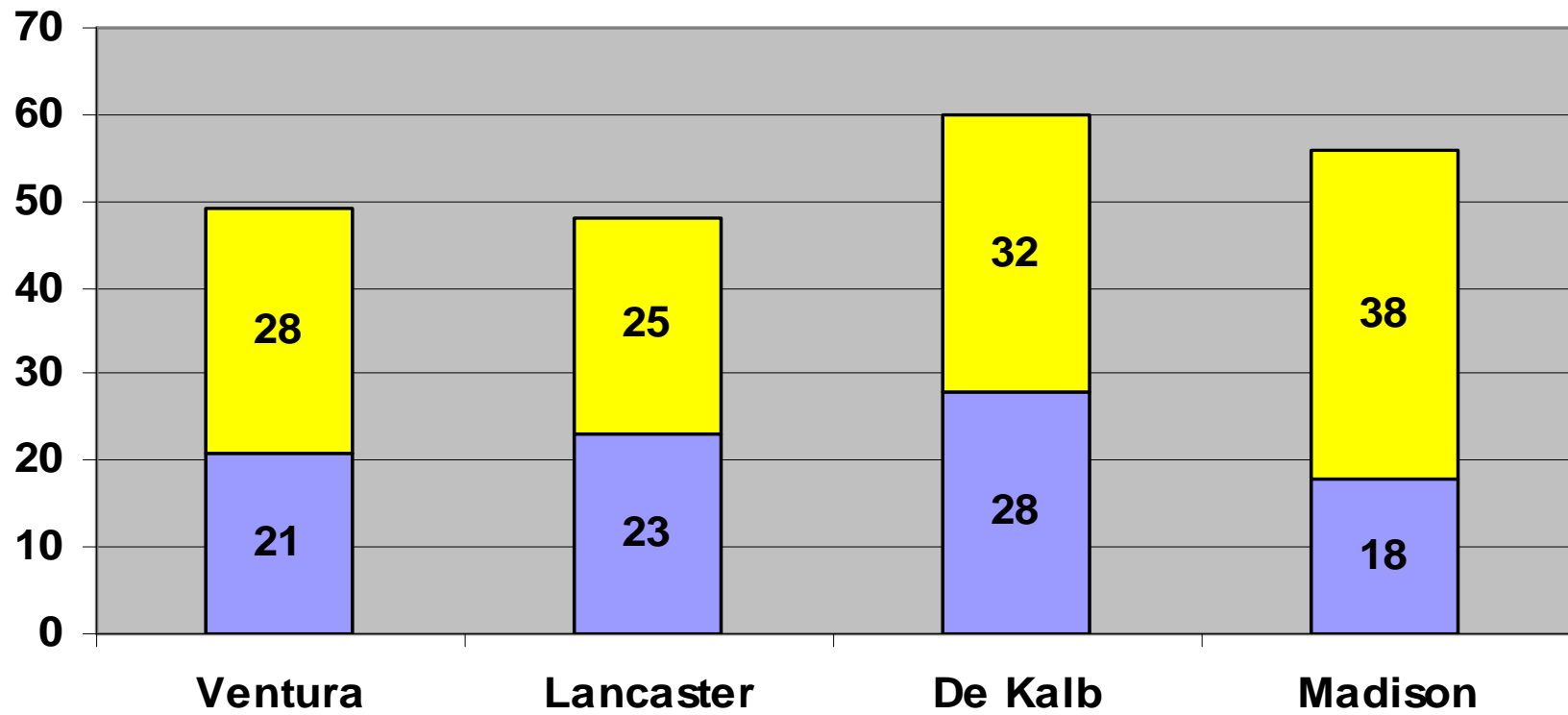
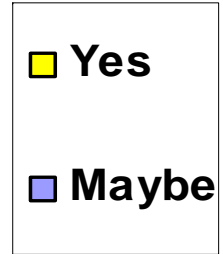
**“Over the next 20 years, what should interested citizens do about the viability of farming in . . . County?”**

<b>Advice</b>	<b>Lancaster</b>	<b>Dakota</b>	<b>Dane</b>	<b>DeKalb</b>	<b>Madison</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>1. Nothing; let private market forces guide things.</b>	<b>15</b>	<b>17</b>	<b>12</b>	<b>12</b>	<b>17</b>
<b>2. Help to protect agric. land from development (e.g., via purchase of development rights or through zoning).</b>	<b>20</b>	<b>29</b>	<b>34</b>	<b>41</b>	<b>28</b>
<b>3. Help farmers to farm more profitably.</b>	<b>16</b>	<b>12</b>	<b>12</b>	<b>7</b>	<b>18</b>
<b>4. Give equal emphasis to the objectives of farmland protection and more profitable farming.</b>	<b>27</b>	<b>24</b>	<b>23</b>	<b>24</b>	<b>28</b>
<b>5. Something else or in addition.</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>5</b>
<b>Total % advising some protection of agricultural land (lines 2 + 4)</b>	<b>(47)</b>	<b>(53)</b>	<b>(57)</b>	<b>(65)</b>	<b>(56)</b>
<b>Not sure or no reply</b>	<b>18</b>	<b>16</b>	<b>18</b>	<b>15</b>	<b>4</b>

# In Counties with a Functioning Purchase of Development Rights Program, % of Surveyed Agland Owners Who "Strongly Support" or a least "Support" It



**In Counties without a Purchase of Development Rights Program, % of Surveyed Agland Owners Who Answered "Yes" or at least "Maybe" to a Question about Establishing One**



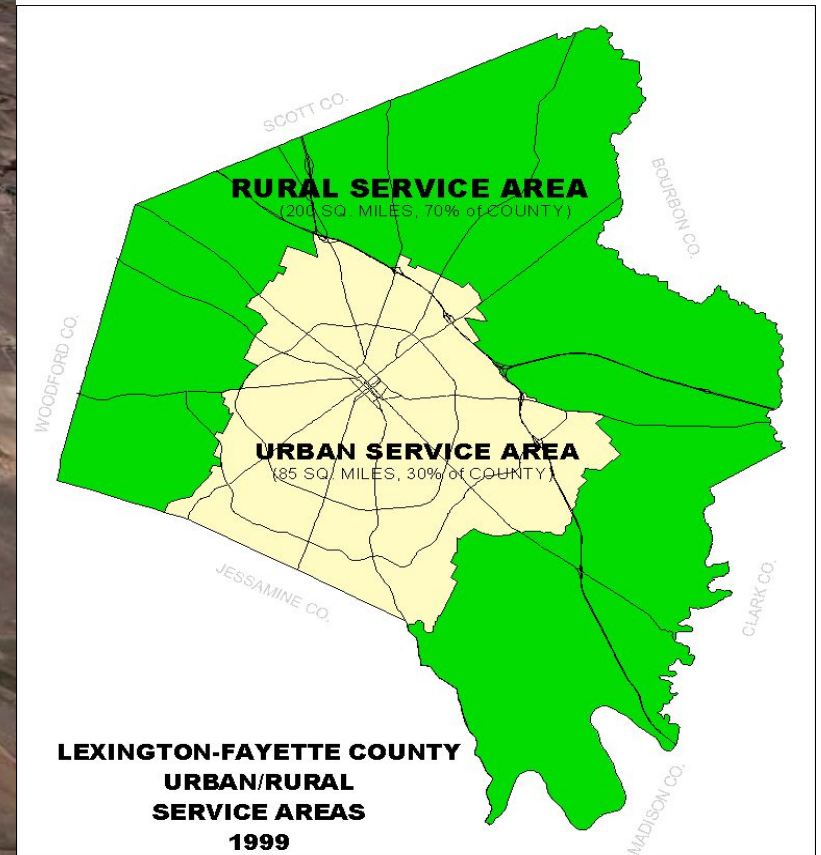
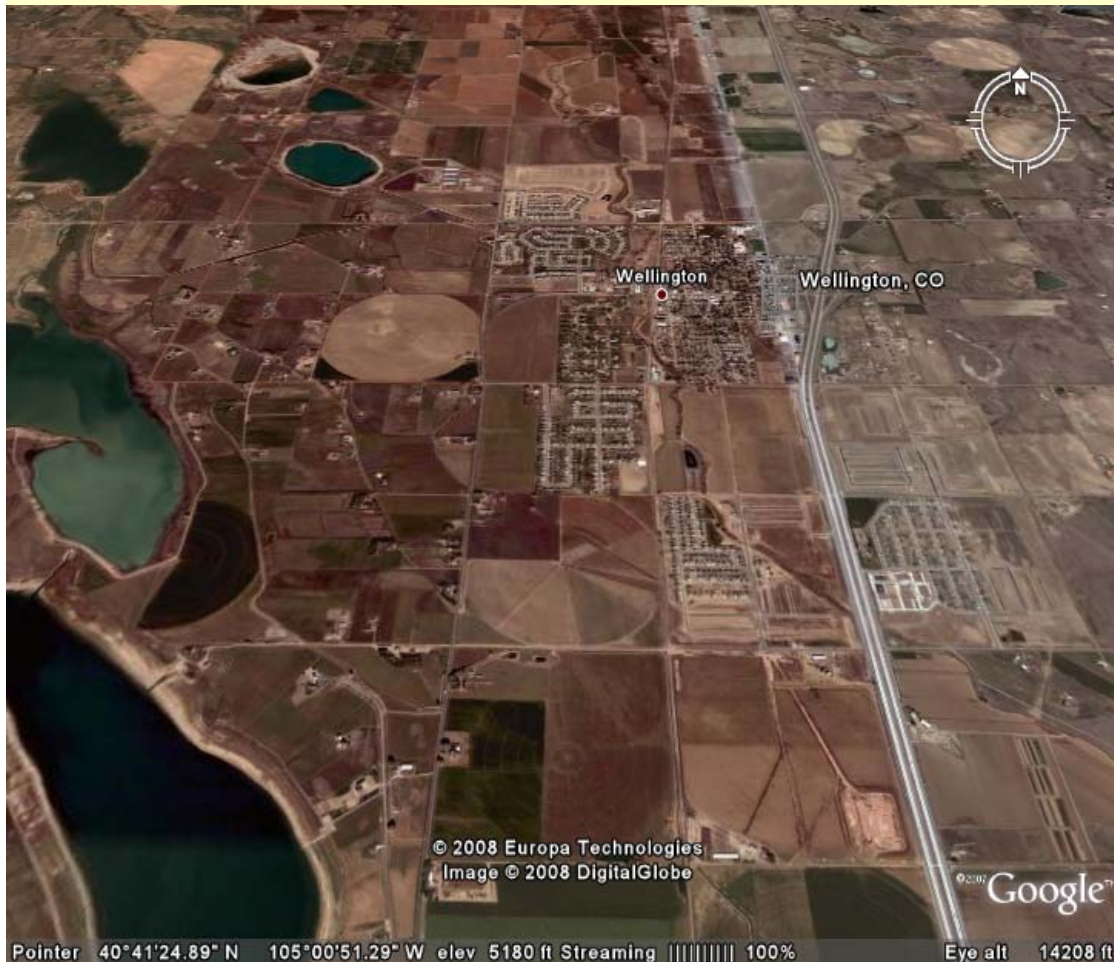
## **Establishing a PDR program in DeKalb County**

Out of 22 interviews with “experts,” 10 recommended considering some form of a purchase of development rights (PDR) program.

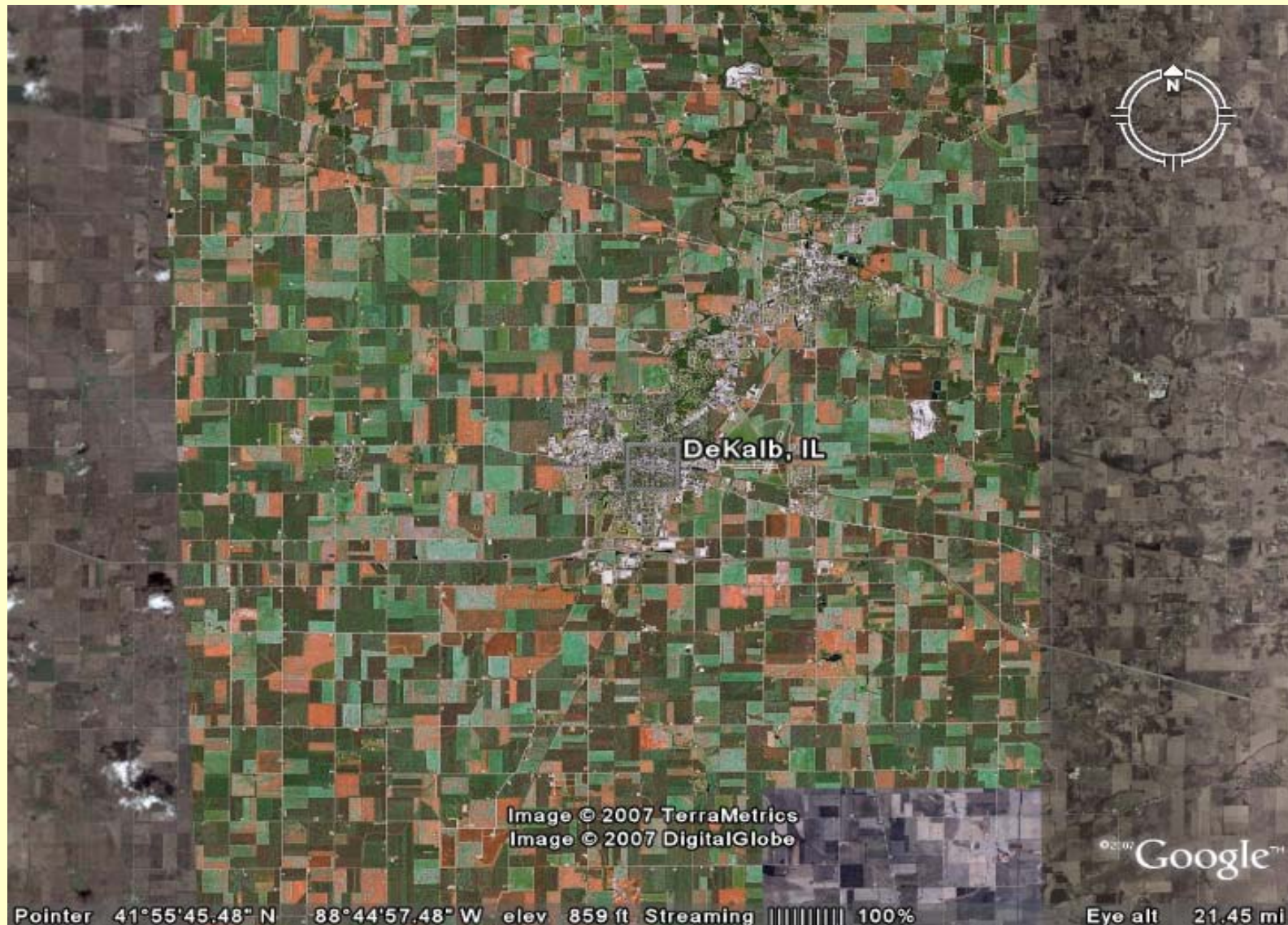
- *“[We need to] develop and fund an Illinois state farmland preservation program as well as a local farmland preservation program. We need legislation and funding on both levels.”*
- *“PDRs are potentially good for high value farmland in this area, for farmers that own their land, it would help them to convert some of that value into cash to put back into their operation or buy more land.”*

**Assuming that municipalities will continue to expand, can their growth avoid at least some of the major agricultural areas?**

**Use urban services boundaries? Fayette (KY) vs. Larimer (CO) counties**



Alternatively, the county continues its 40-acre minimum and municipalities expand gradually up drainage basins (in order to take advantage of gravity-feed sewer lines), leaving some operations many years from annexation and able to benefit from opportunities in world crop and livestock markets and/or in the growing, near-by consumer market to the East



## **Panel Discussion Questions**

### **Affordability and Availability of Land for Farming**

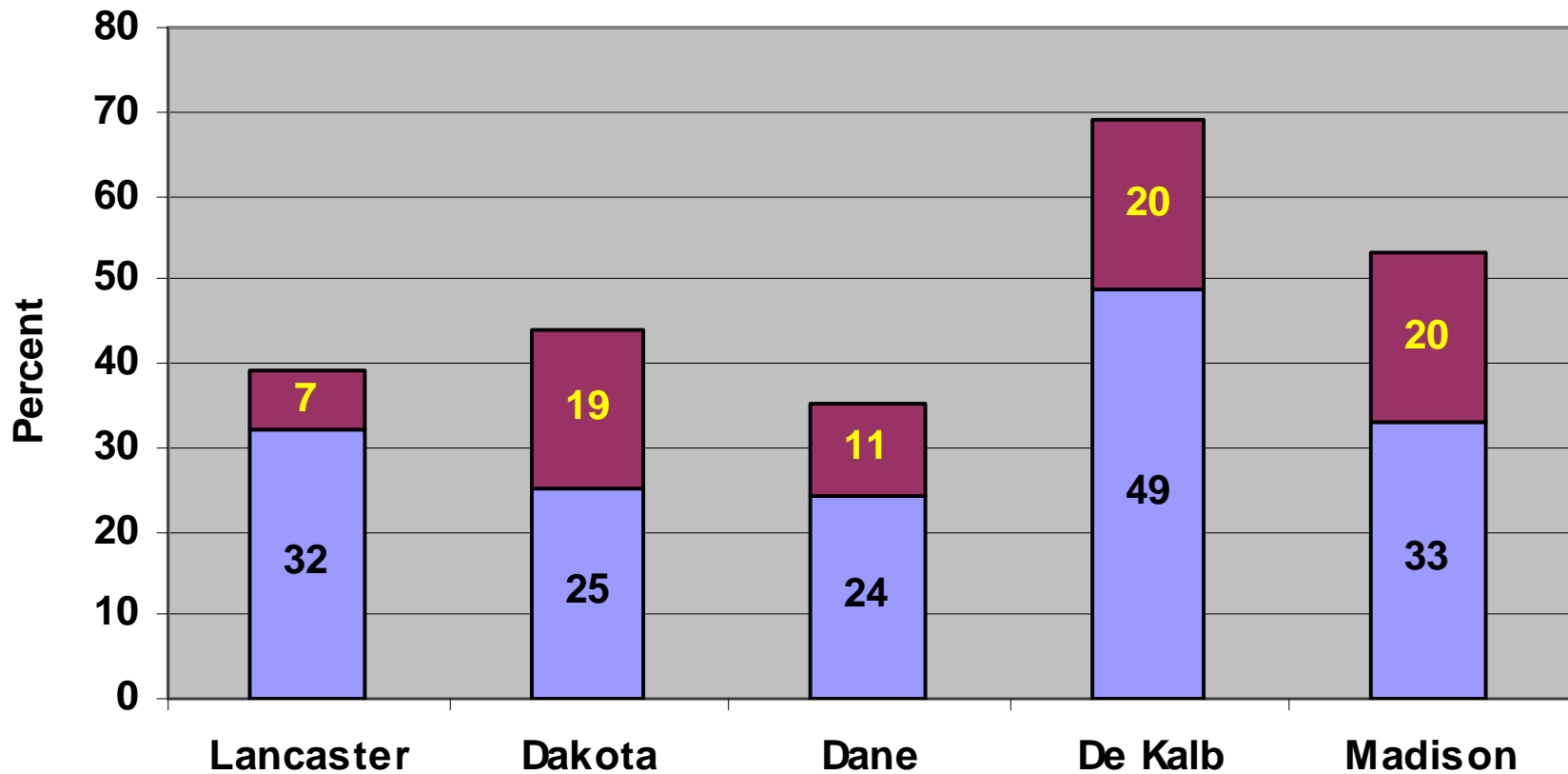
- **It is not certain that the market prices for corn at early 2008 levels—near or above \$4 per bushel—are likely to continue. Even if they (or an approximation of them) do prevail, how will agricultural uses of the land be able to compete with residential or commercial uses?**
- **Is it feasible to establish a PDR program in DeKalb County that will make a difference in securing an adequate land base for another two generations?**

# **Non-land Inputs of Production, including Farmers for DeKalb's Future**

## **Panel Discussion**

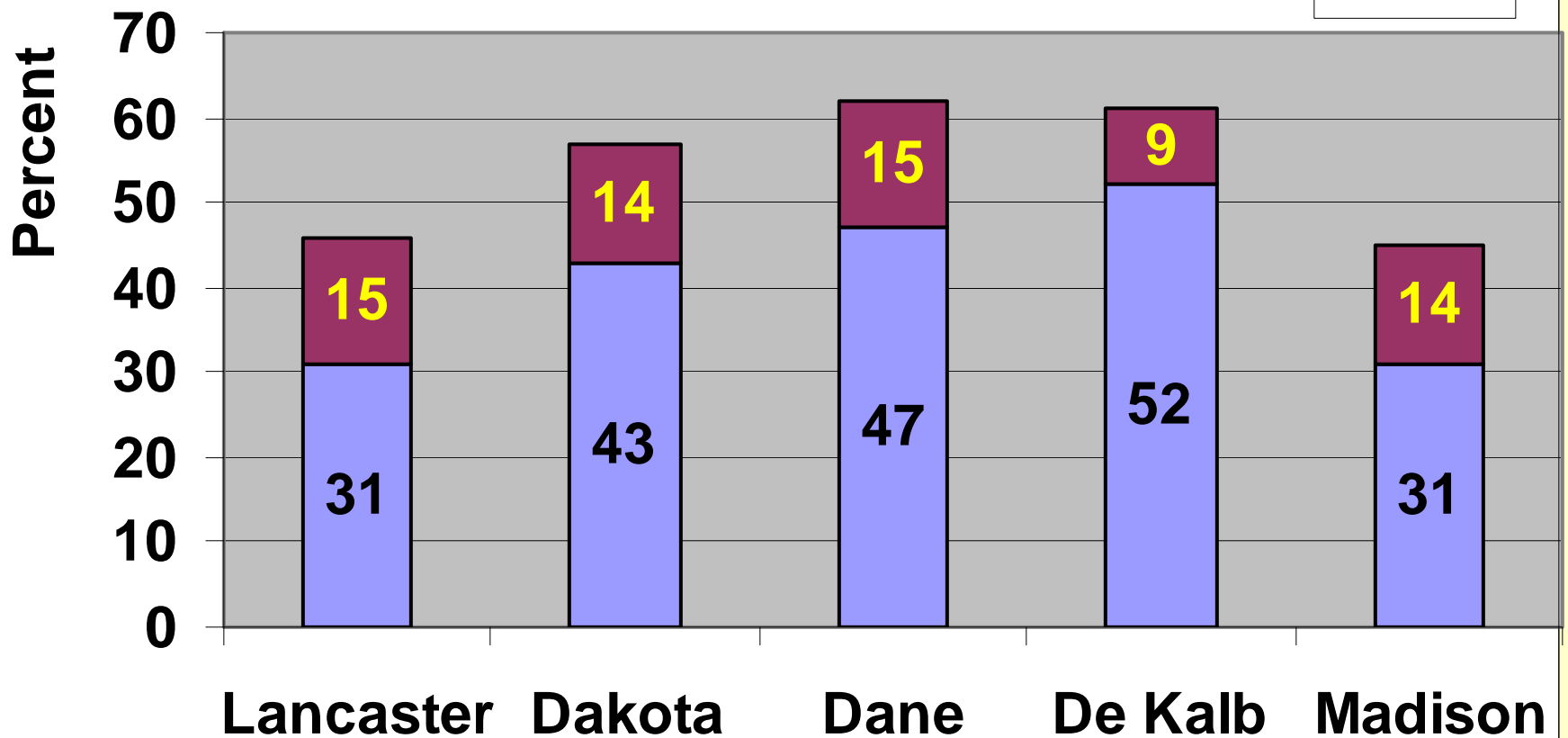
# % of Surveyed Operators Reporting a Succession Plan for Transferring Ownership and Management or If a Plan was under Consideration

- One under Consideration
- Have a Plan



# **% of Surveyed Operators Who Have Successors Lined Up to Farm the Land They Own in the County**

- Someone Else
- Relative



In our sample, what conditions make a difference in whether DeKalb farm operators have lined up successors?

They were *more* likely to have lined someone up if:

- They lived on or next to farmland they owned in the county.
- They believed ag zoning was helpful.
- If family labor was available when needed.
- If they owned relatively a lot of land planted to grains.

They were *less* likely to be positive if believed:

- No predictors emerged from the statistical analysis.

**Panel Discussion Questions**  
**Non-land Inputs of Production, including Farmers for DeKalb's  
Future**

- **How can more operators line up farmer successors for when they retire from farming in the County?**
- **Does the County need to plan for some type of restrictions on groundwater use so that agriculture can meet its needs?**