For over 400 years, farming and forestry have been central to the spirit and success of the Commonwealth. Agriculture and forestry combined are Virginia’s #1 industry, accounting for a total economic impact of nearly $70 billion. Well-managed farm and forest land produces significant environmental benefits; requires little or no public services; and makes significant contributions to local tourism, recreational opportunities, and to our overall sense of place.

Recent numbers indicate that between 2002 and 2007, Virginia lost 60,800 acres of agricultural land directly to developed uses. Many rural landowners have much of their equity tied up in their land. Farmers often have to choose between selling their land for as much as possible, or holding on to it for agricultural and forestal uses.

The good news is that there is a third alternative available with the use of conservation easements through the Virginia Outdoors Foundation (VOF). Established by the Commonwealth in 1966, VOF has protected more than 730,000 acres of land in Virginia, much of it productive farmland.

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WHAT IS A CONSERVATION EASEMENT AND HOW DOES IT BENEFIT MY FARM?

• An easement is a voluntary perpetual agreement that helps landowners keep their land in agricultural/forestal use by restricting intensive uses like surface mining or extensive residential and commercial development.
• There are tax benefits for donating easements, including state tax credits that may be sold.
• The landowner continues to own, live on, and use the land. Land under easement may be sold or passed on to heirs but will be bound by the easement restrictions.

IF MY FARM IS UNDER EASEMENT, CAN I:

• Engage in customary farming practices and programs? Yes. Ensuring that Virginia has farmland for the future means allowing flexibility for developments in agriculture. VOF easements allow landowners to utilize practices and enroll in land-management programs that enhance productivity and protect natural resources.
• Conduct logging? Yes. You can cut timber for farm use without any additional requirements. If you want to conduct a larger harvest, VOF asks that you use Best Management Practices to protect soil and streams.
• Build houses? Yes. You may build houses within a designated farmstead area. Outside that area, the number, size, and aggregate square footage of houses are limited in the easement.
• Build new farm buildings and adapt to future farming practices? Yes. Within the farmstead area, large farm buildings may be built and farming practices are not limited. Outside the farmstead area, there is usually a limit on the footprint and location of farm buildings. Farm easements are written with adaptability in mind.
• Engage in on-farm energy production? Yes. VOF supports on-farm energy production as is allowed under local zoning.
• Sell farm products? Yes. Within the farmstead, a sales operation that complies with local zoning is encouraged. Outside of that area, small-scale sales operations are allowed on a case-by-case basis.
• Give land to my children? Yes. In fact, there are federal and state tax benefits to donating an easement, which may make it easier for you to pass your land to the next generation.

DOES AN EASEMENT OPEN MY LAND TO THE PUBLIC?

No. Your land remains private land and you allow access only as you see fit.

DO I HAVE TO FENCE LIVESTOCK OUT OF MY STREAMS?

VOF strives to protect streams and other water bodies in all of its easements, but each farm is different and the restrictions may vary. VOF generally encourages landowners to minimize livestock access to perennial waterways while providing enough flexibility to maintain a productive farming operation.

ARE THERE FINANCIAL INCENTIVES FOR DOING AN EASEMENT?

Tax benefits of donating a conservation easement include a federal tax deduction, state tax credits that may be sold, a potential estate-tax exclusion, and potential to remain in land-use taxation without re-enrolling. How these benefits affect you depends on your situation. Discuss these issues with a financial planner and lawyer who are familiar with conservation easements.

Seneca Bluffs Dairy, Campbell County

Ingleside Dairy, Rockbridge County

“We didn’t buy this farm to turn around and sell part of it. Our intent is to keep every acre as a working part of it.” —Charles Leech, Ingleside Dairy

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