



STEWARDS OF THE LAND

A publication for owners of land conserved with the Vermont Land Trust

Fall 2006

Vermont Land Trust | 8 Bailey Avenue | Montpelier, Vermont 05602 | 800-639-1709 toll-free

Converting Forest to Agricultural Land

A Guide for Farmers

By Sheila McGrory-Klyza

Need more pasture or cropland? While converting forest into agricultural land can pay off, it is not as easy as it might appear. Doing ample legwork beforehand can help ensure the conversion's success.

Pieter van Loon, VLT Stewardship Forester, estimates that converting forest into agricultural land averages as high as \$4,000 to \$5,000 per acre. Add to this the time spent organizing the process, and farmers often find that it can take many years to earn back what they have invested in the conversion. Others discover after they are well into the project that they are not prepared to shoulder both the financial burden and the costs of their time.

Before landowners begin this process, there are a few things they need to consider. One is the issue of Current Use. If the land is enrolled in this program, the landowner needs to amend his or her plan with the county forester. It is possible to change the classification, but Nate Fice, Rutland County Forester, says that landowners should be aware that the assessed value is less for forest than for agricultural land. Thus they will pay more in taxes for agricultural land: \$146 per acre versus \$127 per acre.

"It's very important for landowners to ask themselves if the land is suitable for what they want to grow. There are a lot of things to think about," says Fice.



Robert, Brian, and Steven Jones (left to right) of Hyde Park report smooth sailing. They are currently converting roughly 18 acres of forest into cropland.

Some of these factors are the soil type, soil depths, slopes, drainage, and aspects of the land. Also, if there are wetlands involved, the landowner will need to have a wetlands assessment done.

The Jones family of Hyde Park is cur-

rently converting approximately eighteen acres of forest into cropland on their 500-acre dairy farm. The farm, now owned by bothers Brian and Steven and their wives Paulette and Carolyn, goes back five generations. Almost all of their land has been conserved through VLT.

Brian Jones says he was well aware of problems that other farmers have run into, particularly regarding wetlands. "You have to have a wetlands determination done before you start," he says, citing this as the most important bit of advice he would give to other farmers considering the process. If a farmer neglects to do this and wetlands are discovered on the land, the farmer can be fined and may even need to convert the land back, which can be very costly.

The Joneses worked with NRCS on the wetlands

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Where landowners can go for help:

- VLT Forester, Pieter van Loon: (802) 251-6008
- Natural Resources Conservation Service (NRCS): www.nrcs.usda.gov
- Your Vermont County Forester

How to go about the conversion process:

1. Contact the County Forester and VLT Forester to get an assessment of the current forest.
2. Talk with the local NRCS to learn more about the soils, the value of converting the land, and conducting a wetlands assessment.
3. If necessary, work with the US Army Corps of Engineers on appropriate wetlands treatment.
4. Work with a consulting forester on the land clearing, or find a private contractor to do the logging and stump clearing.



Vermont Land Trust

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Converting Forest

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delineation, and also said that VLT has been very helpful throughout the process. The family hired a logging operation to clear the land and then did the stumping themselves. Brian Jones estimates that it will take three to four years after the project is completed to earn back what they have invested.

Some farmers try to offset the expense of clearing, stumping, and grading the land with the sale of timber, but this doesn't always work out favorably. "The value of the wood is completely dependent on the quality of logs and the volume per acre. To make money clearing the land, it would have to be pretty valuable wood," cautions Fice.

If a VLT landowner is considering converting land, van Loon suggests that he or she contact VLT first. "We'll do a desk review of the area. We look at the land with our GIS system. Then I meet with the owner and walk over the area. We talk about the process and help the farmer get things started with NRCS." VLT does require that landowners complete the conversion within a year in order to maintain the productivity of those sites.

Converting forested land into agricultural land can be worthwhile, but it is imperative that landowners are fully aware of all that is required before embarking on the process. That way, landowners can balance the needs of the working farm with those of the working forest.

New Tax Law Encourages Conservation:

Good News for VLT Landowners

Thanks to new federal legislation, landowners who donate a conservation easement on their land or sell an easement for below the land's appraised value in 2006 and 2007 may deduct up to 50% of their adjusted gross income as a charitable contribution in the year of the gift. Any unused deduction may be carried over for up to fifteen years. The previous

limits were 30% and five years. Farmers who donate or bargain-sell an easement (those earning more than 50% of their gross income from farming) may deduct up to 100% of their adjusted gross income.

More details about how these changes could affect you are on VLT's website www.vlt.org.

VLT Conservation Stewardship Crew

PENNY HANNIGAN

Paralegal

penny@vlt.org

802/223-5234 x207

SUZANNE LEITER

Stewardship Special Assistant

suzanne@vlt.org

802/457-2369

SARAH PLOTCHYK

Conservation & Stewardship Assistant

sarah@vlt.org

802/434-3079 x301

JON RAMSAY

Stewardship Agricultural Manager

jramsay@vlt.org

802/434-3079 x306

LESLIE RATLEY-BEACH

Conservation Stewardship Director

leslie@vlt.org

802/223-5234 x223

PIETER VAN LOON

Stewardship Forester

pieter@vlt.org

802/251-6008

CONSERVATION FIELD ASSISTANTS

KERRY DOYLE, *Brattleboro office*

kerry@vlt.org

802/257-5832

MARK FASCHING, *Richmond office*

mfasching@vlt.org

802/434-3079 x305

DONNA FOSTER, *Woodstock office*

donna@vlt.org

802/457-2369

KRIS HAMMER, *Montpelier office*

kris@vlt.org

802/223-5234 x222

TYLER MILLER, *Richmond office*

tyler@vlt.org

802/434-3079 x307

BRUCE URIE, *St. Johnsbury office*

bruce@vlt.org

802/748-6089