



CENTRAL VALLEY FARMLAND TRUST LEGACY

AG CONSERVATION EASEMENTS – A CHALLENGING PROCESS, BUT THERE'S HOPE!

By Bill Martin, executive director, Central Valley Farmland Trust



The Central Valley Farmland Trust exists because of an overarching concern for the rapid depletion of prime irrigated farmland in the San Joaquin Valley. Our farmland is a non-renewable resource that sustains the most productive agricultural region in the world.

Our mission is to work with landowners and conservation partners to preserve agricultural lands in the California Central Valley for future generations.

First Thing's First

The process starts with the voluntary participation of a willing landowner. Next on the list is to confirm the property meets our basic selection criteria guidelines, driven mainly by available grant funding guidelines – prime irrigated farmland under future threat of conversion. For one reason or another this process can eliminate up to 50 percent of the properties being considered.

This is followed by a candid and comprehensive conversation with the landowner(s), including the landowner's family, regarding the implications of placing an agricultural conservation easement (ACE) on the property. The conversation usually must be repeated (sometimes 2-3 times) to flush out questions and concerns raised during the first conversation.

If, after all of the above, the landowner wishes to proceed, our work begins in earnest and the real challenges start to set in. First and foremost is how will we pay the landowner for the value of the ACE? The answer is multi-faceted and varies from area to area and county to county. We hold mitigation funds in certain counties, but our ability to expend those funds is directed by formal agreements with the various jurisdictions. Such agreements may have certain constraints we must adhere to (i.e., must be within X miles from X). In counties where mitigation funding is not available we have had to set aside many ACE applications until viable funding becomes available. In fact, we are still holding some applications from five to seven years ago.

State and Federal Agency Involvement

We have successfully leveraged mitigation funds with state and/or federal grant funding to complete many projects over the last 10 years. But by introducing agency funding into the equation, an already challenging process becomes even more layered. Before we ask the landowner to pay for an ACE appraisal (e.g., \$6,000-\$8,000) we first approach the agencies with a summary profile of the proposed project to get their initial reaction. If we receive a favorable response we then proceed with a full grant application. To complete this process requires negotiating a draft ACE agreement with the landowner to be attached to the grant application. All this requires time, effort and expenses on our part, as well as the landowner, without any assurance the grant(s) will be awarded. Once submitted, the agency(ies) can take up to four months to render a decision. (Continued on Page 7)

SPRING 2015

ATTEND THESE SEASONAL FESTIVALS NEAR YOU!

San Joaquin Asparagus Festival

San Joaquin County Fairgrounds
Friday, April 17; 2 – 8 p.m.
Saturday, April 18; 10 a.m. – 8 p.m.
Sunday, April 19; 10 a.m. – 6 p.m.

El Concilio's Cinco de Mayo Family Festival

Weber Point Event Center, Stockton
Sunday, May 3

Central Valley Brewfest

In partnership with
Lockeford Meat and Sausage
Stanislaus County Fairgrounds
Saturday, May 9; 1 – 5 p.m.

ZinFest Wine Festival

Lodi Lake Park
Saturday, May 16; 12 – 5 p.m.

Galt Strawberry Festival

Saturday, May 16; 10 a.m. – 8 p.m.

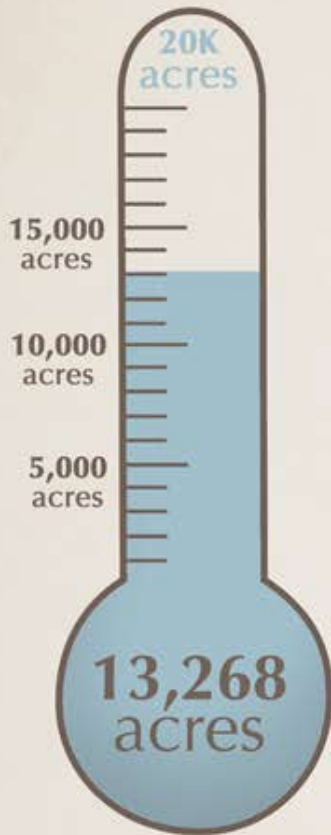


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Philosophy of Giving



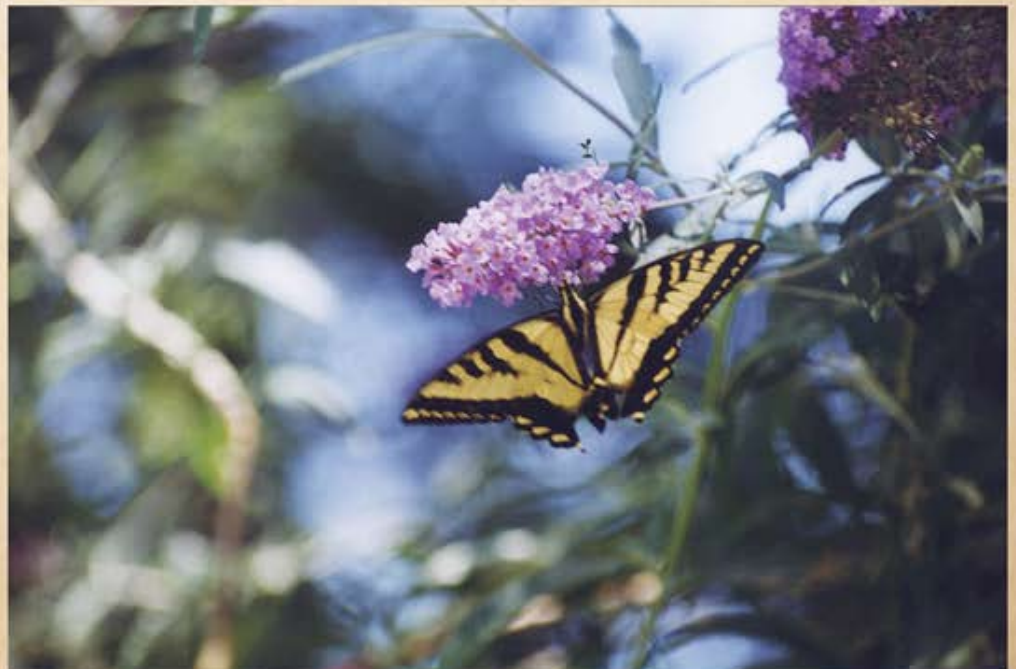
Those who know me will readily agree it is not often I wax philosophical. But the older I get, the more introspective I've become. No, this is not a plea for you to increase giving. However, for the record, I am not discouraging it! It is merely a personal rationale for why I contribute time and resources to the causes I believe in.

Most people have their own set of values and standards that drive their behavior. We have all heard the phrase, "It is better to give than receive." This suggests it is important to give or do something nice without expectation of receiving something in return. But let's be honest, does it not make you feel good? So, albeit not expected, you did receive something in return.

I believe that giving, in whatever form, is only one piece of the life balance puzzle. One of my former bosses would say, "You can't make withdrawals until you've made deposits." I've since interpreted that to mean, on an ongoing basis you must make deposits into your life balance protocol accounts (e.g., physical, mental and spiritual wellbeing) before reaching a fulfilled life. In other words, if you work out regularly it is not extraordinary to be able to go out and jog five miles. If you continually challenge yourself mentally, you are then capable of exuding knowledge and wisdom. And finally, if you support your spiritual wellbeing through faith, religion – and yes, giving – you are more likely to feel good about yourself. If you practice all of these things on a balanced and concerted basis your life will be richly fulfilling.

Okay, that was a little deep! I certainly don't expect you to run out and start living by the "life balance protocols." But the point of all the above is that giving is an important part of our overall wellbeing and should be an integral part of our daily behavior. We would certainly like the focus of your giving to be on the Central Valley Farmland Trust. But like many of you I have several causes I generously support and give to and will continue to do so. Although I am employed by CVFT, I am passionate about the value of the work it does and will continue to place it at the top of my giving list.

You are now free to go do something fulfilling. Good luck and thank you in advance! ☺





Volunteers WANTED

Do you want to share your wisdom, passion or expertise with us? Do you want to see more California farmland conserved and keep local food on your table? Then you could help give to our mission by becoming a CVFT volunteer!

Volunteers are a critical piece of our farmland conservation model and we need more of you. We need new help on all our committees but we need the most assistance on: fundraising, events, board development and budget and finance.

Where Should I Volunteer?

Become a Committee Member

We have eight committees that provide a wide range of support to the CVFT. As a general rule, committees meet every other month by conference call. Visit our website for specific information on each committee.

Become a Technical Support Advisor

Do you have technical expertise you would be willing to share with us? If so, you can become a technical support advisor. Periodically we need the assistance of a professional photographer, videographer, CPA, lawyer, appraiser, fundraiser, etc. Please call the CVFT administrative office to volunteer your services.

Become a Board Member

Committee members who would like to increase their involvement in the organization are encouraged to become a member of the board. The board meets every other month, usually in San Joaquin or Stanislaus counties. Visit our website for additional information on board member expectations.

I'm Ready!

To get involved as a CVFT volunteer, please contact Susan in the office to take the next steps! (916) 687-3138 or shoopers@valleyfarmland.org. ☺

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Welcome CVFT New Staff!

Darcel Trapani has joined CVFT as our new administrative assistant. Previously, Darcel worked for nine years for Cal West Seeds in Galt as the plant secretary. Her duties were to maintain the plant office, handle all shipping and receiving of seed crops, keep inventory and report records to Cal West's main office and assist the plant manager with a variety of projects.

Headquartered in our Elk Grove office, Darcel maintains our filing system, updates our DonorPerfect donor management system, prepares checks, assists the executive director with easement project recordkeeping and assists the associate director with event coordination and planning. "We are thrilled to have Darcel as a part of our team," said CVFT Associate Director Susan Hooper. "She is knowledgeable, dependable, and is ready to help CVFT grow." Please help us welcome Darcel! ☺



CRABS FOR CONSERVATION

SOLD OUT and SO FUN!

This was the fourth year entertaining a sold-out crowd during Crabs for Conservation at the Waterloo Gun and Bocci Club in Stockton. We had more raffle prizes, a silent auction item to make it more enticing, and we added chicken and shrimp to the all-crab menu (for those who love the fun of a crab feed sans the crab!).

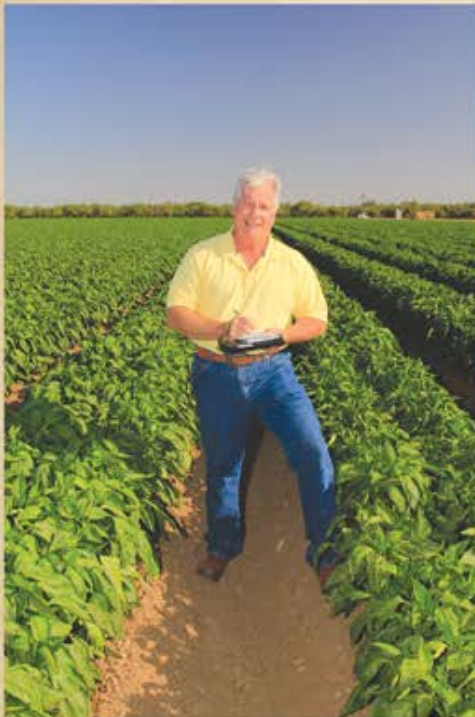


As our largest fundraiser of the year, Crabs for Conservation is a very important event for Central Valley Farmland Trust. It's a time to reconnect with farmland-friendly friends, raise money to save farmland, and eat, drink, and plan to do it again next year! The board, staff and event committee would like to sincerely thank everyone who attended this year's event and gave so generously to CVFT's mission. Mark your calendars for next year's event on February 6, 2016. Saving farmland is a great cause – come celebrate with us while giving to the mission! ♡





20,000 Acres – Here we Come!



I have been involved in agriculture since high school. I did not grow up on a farm, but since high school have been involved either from the animal side or crop side of agriculture. This gives me a unique perspective on the farmland conservation issue.

I see farmland conservation from the farmer side and the consumer side. I am watching California, a truly amazing state for agriculture lose prime farmland at an unsustainable rate. I want to offer those who are fortunate enough to own ground to have the opportunity, if they so wish, to protect it from conversion to housing or commercial or industrial uses. CVFT is a landowner's partner in protecting their land that we all benefit from.

Currently, little attention is being paid to farmland conservation from the public or policy maker's point of view. Agriculture keeps being put in a smaller circle, yet is able to maintain or exceed prior production – serving an ever-growing state and world population. At some point this will end. Without organizations like CVFT there is no way for a landowner to forever protect the farm ground he owns. Conservation easements are the vehicle to pass on farmland to future generations and not lose the farm due to paying exorbitant inheritance taxes.

I would like to see CVFT's goal of conserving 20,000 acres by 2020 hit sooner rather than later. I plan to be a part of making this happen during my time with CVFT. I encourage everyone to become interested and understand what CVFT is doing before the loss of farmland hits critical level.

It is our job to ensure urban-area children have access to local foods from farms not too far away. Everyone should have the ability to experience being in the dirt, playing in it or planting a plant in it and watching it grow. That is why it is so important to not just protect the big farms, but the small ones that children in the cities can be close to.

Farmland conservation is not for everyone. However, it is a tool for all landowners to have in their toolbox if they need it or desire to use it. Smart business people will look at it in that context. For others, it may be an emotional issue. The ground has been in the family for generations and they wish to keep it that way.

As a member of the CVFT board of directors, I am here to see 20,000 acres of farmland conserved as soon as possible. Please join us in making this happen – so children everywhere can see and benefit from local farms. ♪

About John Herlihy:

John spent just shy of 20 years with Farm Credit. He has been in the cattle business a good portion of his adult life until recent back trouble forced him out. He earned his California pest control advisor license just out of college in the late 1970s while working for a chemical company before moving onto his role with Farm Credit. John retired from Farm Credit and returned to the fertilizer business.

Planned Giving

By Margaret Heiser Fulton

Certified specialist in estate planning, trust and probate law by the State Bar of California Board of Legal Specialization



There are many ways in which you can make a gift to support the CVFT or another favorite charity. Gifts can be made during your lifetime or at your death. Some of the most popular ways to make gifts to charities are listed below. Since gifts to charities may involve legal and tax issues, it is always important to discuss a proposed gift with your legal and tax advisors.

Gifts During Your Lifetime

You can transfer cash or assets, such as securities or land, to a charity during your lifetime. Such transfers often result in income tax deductions for you. Highly appreciated assets, such as securities or land, make good charitable gifts. While you would have to pay capital gains tax if you sell the asset, since the charity is a nonprofit, it will not pay capital gains tax when the asset is sold. Any time you are contemplating giving an asset to charity rather than cash, you should discuss the contribution with the charity. Many nonprofits, such as CVFT, have a gift acceptance policy. By contacting the charity, you can find out whether a particular non-cash gift can be accepted.

Gifts can also be made to charities by using a trust. Funding a charitable remainder trust may be advisable if you have real property that has appreciated substantially since you acquired it and a sale during your lifetime would result in high capital gains tax. Typically, the owner transfers the asset to a charitable remainder trust. The trust sells the asset and the owner receives income from 100 percent of the sale proceeds during his or her lifetime and sometimes during the lifetimes of other family members. This technique is especially good for people who are "land rich and cash poor." The tradeoff is that the charity, not your family, receives the trust assets when you pass away. Many people who fund a charitable remainder trust also buy life insurance so that there is an insurance death benefit to replace the property contributed to the trust. Charitable remainder trusts are quite complicated and you should definitely consult with legal and tax advisors before going ahead with this technique.

If you are concerned about estate taxes at your death, there are other trusts you can fund during your lifetime which will minimize estate taxes and provide benefits to charities.

Transfer of Assets to Charities at Death

The easiest way to transfer assets to a charity at death is to make a bequest in your will or living trust. You will be able to use the money during your lifetime and leave a legacy for those causes that are important to you. Since you can change your will or trust at any time, you will be able to change the charities if you change your mind.

Another way to make a gift to charity is to designate the charity, such as CVFT, as the beneficiary of your IRA. This designation can be made for your entire IRA or a small portion of that account. It should be made on a form provided by the financial institution holding the IRA and the completed form must be delivered back to that institution.

As you probably know, nearly all IRAs, with the exception of Roth IRAs, are funded with pre-tax dollars. When these assets are distributed to you or your beneficiaries, the distributions are treated as ordinary income and are subject to income tax. If you name a charity, such as CVFT, as the beneficiary of your IRA, the income tax will not be paid when the funds are distributed to the charity. Of course, you can name your spouse as the primary beneficiary of your IRA and the charity as the secondary beneficiary of the entire IRA or of a percentage of the funds. You can also name a charity as the beneficiary of a life insurance policy.

While most people want to provide for their families when they die, it is important to consider that if everyone made a small charitable contribution, either during life or upon death, charities and the causes they support would benefit immensely. If you make a charitable gift to CVFT, your gift will ensure that farmland preserved today remains protected in perpetuity. Again, please contact your legal and tax advisors to make sure that the planned gift you are considering is right for you. ☺

For more information on this article or planned giving please contact:

Margaret Heiser Fulton, Robinson & Fulton Law, One California Street, Auburn, CA 95603 or (530) 823-2010.



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Newsletter Contributors:

Editor/Design: Erin Davis
John Herlihy
Susan Hooper
Margaret Heiser Fulton
Bill Martin
Meredith Rehman Ritchie
Darcel Trapani

Ag Conservation Easements (CONTINUED FROM PAGE 1)

Agency grant funding is somewhat dynamic and often changing. For example, the California Department of Conservation has exhausted bond funding relegated specifically to farmland conservation and is now administering funds generated via the new cap-and-trade market. Therefore, the selection criteria guidelines for viable farmland conservation projects have changed. Another new program has been developed via the Natural Resources Conservation Service, a federal agency, where several other conservation programs were combined with farmland conservation. This has created greater competition for available funding, which has had a dampening effect for farmland conservation.

Once a grant is awarded we are only about one third to half way done with the project. The appraisal must then be completed and approved by the agency(ies), a purchase and sale agreement negotiated with the landowner, the final ACE agreement drafted and approved by the agency(ies), the baseline report completed, title issues cleaned up, and joint escrow instructions completed. Did I mention this process can take up to two years to complete? ☹

But There is Hope

I feel like yelling, "Don't try this at home!" The process of closing an ACE is inherently complicated, extraordinarily protracted, and Murphy's Law is the norm. You must employ exemplary patience and gut determination to work within this arduous process. If we were not as passionate about what we do and why we do it, then we probably wouldn't be here.

But after 10 years in the conservation business, we have ensured that over 13,000 acres of farmland will forever remain working farms. We are growing to meet the increased demand from landowners and developers who need to mitigate for their impacts on farmland – and we are not slowing down.

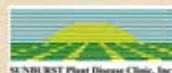
The process is challenging and there are always roadblocks to progress, but after 10 years we know what we are doing, how to save farmland and protect family businesses. We encourage you to join us in the journey to 20,000 acres of farmland conserved by 2020. Together we can do this! ☺

Sponsorship Spotlight

The businesses listed below show their support of agriculture, farmland conservation and the Central Valley Farmland Trust by being annual sponsors of our organization. Their generous support allows CVFT to achieve real, forever farmland conservation of Central Valley farms. We value our partnership with them and encourage all our members and friends to support them in return.

Please show your appreciation by supporting the following generous sponsors of protecting farmland in the Central Valley.

Farmland Visionary Sponsors:



Premier Preservationist Sponsor:

Mid Valley Ag Service, Inc.

Conservationist Sponsors:

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CENTRAL VALLEY FARMLAND TRUST

8788 Elk Grove Blvd, Bldg 1, Ste I
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To join in the sharing, simply call or email Susan at the office and she will send you a card right away!
shoopers@valleyfarmland.org or 916-687-3178

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To learn more and shop to save farmland – visit our website:
www.valleyfarmland.org/ways-to-give/amazon-smiles/.*

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