Topics

- What is State Agriculture Land?
- Agricultural Homesteads
- Pre1997 “Old Title” Land
- Post 1997 “New Title” Land
- Agricultural Covenants
- Agricultural Purposes
- Agriculture Land Sale Comparison
- Agricultural Land Committee
- Agricultural Land Committee Recommendations
- Questions and Contact Information
What is State Agricultural Land?

Agricultural Homesteads,
Agricultural Rights Only,
Fee Simple land with Agricultural Covenants.

Agricultural Restrictions~AS 38.05.321

“A perpetual covenant for the benefit of all Alaska residents and running with the land that restricts or limits the use of the land for agricultural purposes”.
Agricultural Homesteads

• Parcel may not be subdivided before five (5) years after issuance of patent.

• Subdivided parcels must be greater than 40 acres in size. No limit on number of parcels.

• One “permanent habitable dwelling”, and other buildings required to support ag. use, or not inconsistent with ag. use per parcel.

• No fee for housing right on subdivided parcels.
Agriculture Rights Only or Pre 1997 “Old Title” Land

- Parcels sold and patent issued before August 17, 1997
- Subdivided parcels must be greater than 40 acres in size
- No limit on number of parcels
- Subdivided parcels do not have a housing right (unless parcel is greater than 640 acres)
- No ownership of land, title conveys the “Right to Farm” the land
- State can terminate conveyance if property is used for non-agricultural purposes
Fee Simple with Agricultural Covenants or Post 1997 “New Title” Land

- Patent issued after August 5 1997 or Old Title land that the owner has “converted” to New Title

- One housing right with original purchase

- Subdivided parcels must be greater than 40 acres in size. Only 4 parcels may be created

- Subdivided parcels must purchase the Right to Construct Housing, or place a lien on the parcel if passing to immediate family (lien must be paid when the parcel passes to a person outside the immediate family)
“New Title” (Continued)

• Title conveyed is “Fee Simple with Agricultural Covenants”

• State can’t terminate conveyance if property is used for non-agricultural purposes

• If agricultural covenants are broken, a civil action may be brought by the state, a municipality, or resident to enforce the covenant.
Agricultural Covenants

Agricultural covenants state the owner may:

• Not use the land for other than agricultural purposes

• Not subdivide and convey the land obtained under homestead entry in parcels of less than 40 acres each

• Not subdivide and convey land obtained by purchase in more than four parcels of land of less than 40 acres each

• A subdivided parcel may not be further subdivided
“Agricultural purposes” are defined to mean:

• the production, for commercial or personal use, of useful plants and animals
• the construction of housing for landowners and farm laborers
• improvements for animals
• improvements that are reasonably required for or related to agricultural use
• the use of gravel reasonably required or related to agricultural production on the parcel conveyed
• removal and disposition of timber in order to bring agricultural land into use.
Agricultural Land Sale Comparison

Average Price Per Acre Sold

- Fee Simple State Subdivision Land
- Fee Simple State Ag Land

<table>
<thead>
<tr>
<th>Price Range</th>
<th>Fee Simple State Subdivision Land</th>
<th>Fee Simple State Ag Land</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.00</td>
<td>$3,500.00</td>
<td>$500.00</td>
</tr>
<tr>
<td>$500.00</td>
<td>$3,000.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>$1,000.00</td>
<td>$2,500.00</td>
<td></td>
</tr>
<tr>
<td>$1,500.00</td>
<td>$2,000.00</td>
<td></td>
</tr>
<tr>
<td>$2,000.00</td>
<td>$1,500.00</td>
<td></td>
</tr>
<tr>
<td>$2,500.00</td>
<td>$1,000.00</td>
<td></td>
</tr>
<tr>
<td>$3,000.00</td>
<td>$250.00</td>
<td></td>
</tr>
<tr>
<td>$3,500.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Agricultural Land Sale Comparison

• The average price paid for Agricultural Land in the last 10 (2002-2012) years is $464.28

• The most expensive parcel (per acre) in the last 10 years was $900.00 (Nenana – Two Lakes)

• The least expensive parcel (per acre) in the last 10 years was $81.00 (Kobe North)

• The average price paid for Fee Simple State Subdivision Land in the last 5 years was $3,104 (10 year data unavailable)
**Agricultural Land Committee**

- Committee formed after AK Farm Bureau meeting with DNR Commissioner
- Held 3 meetings over 8 months to discuss Ag land issues and potential solutions
- Open to anyone to participate
- Participants included State Ag land owners, fee simple land owners, farmers, ARRC staff, DNR staff, Ak Farmland Trust staff
- Recommendations forwarded to DNR Commissioners Office
Agricultural Land Committee Recommendations

Agriculture Land in Private Ownership

- Committee supports enforcement of agriculture covenants
- Committee supports sending letters to all ag land owners
  - Informing owners of different types of ag land
  - Provide contact information for questions
  - Owners are allowed one year to come into compliance
Committee supports the following change to agriculture covenants:

• One time application for one 5 acre area (must include current housing) within an agricultural parcel for “Non agricultural allowable use waiver”

• Intent of allowance is to assist producers in active production and allow for non farm income – examples would be bed & breakfast, cell towers, etc.

• 5 acre “Non agricultural allowable use waiver” would remain with parcel and not be eligible for future subdivision.

• Applicant must have 50% of available crop land on parcel in production.
Agricultural Land Committee Recommendations (continued)

Farm Conservation Plans
Committee supports the following:

• Recording of State Farm Conservation plans

• The resources provided the local soil and water districts

• Requirements to State Farm Conservation plans:
  • Update at change of ownership
  • Update to be completed every 10 years
  • Update at time of subdivision
  • Update at application for “5 acre non agriculture allowable use waiver”
Agricultural Land Committee Recommendations (continued)

- **Future Land Sales**
  Committee supports the following:
  - Continues sale of agriculture parcels with agriculture covenants attached
  - Agriculture land sales offering multi sized parcels of 10 acres or larger
  - All parcels should be appraised and offered for sale at agriculture land value, regardless of size
  - Small parcels sold by lottery in an effort to keep costs down and affordable for small scale farms
  - Division of Agriculture and Mining, Land, and Water working together to assure fee simple lots made available to foster business development in future agriculture developments.