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Dear Mr. Keibel,

This letter regards property owned by Dr. H. Clinton Reichard, Rt 7, Colchester, Tax Parcel #14-024010. The property in question consists of 16 acres of which 3 acres is assigned the best use of "sustainable agriculture."

Dr. Reichard asked for my professional opinion on the feasibility of the parcel being used for farm production. Below is my opinion as an Agricultural Economist for University of Vermont Extension. I was not paid for this opinion.

This 3 acre section has been in open land since 1948. While agricultural use may be the desired use for the land based on soil type, drainage, and slope, it has not been in agriculture. Agriculture is defined as "cultivation of the soil for the growing of crops and the rearing of animals to provide food, wool, and other products." While this land has been open, it has not been used for agriculture.

Could this land be used for agriculture? In a direct sense yes but practically no. One could build a fence and graze 3 acres but one could sustain only a couple of animals for an entire grazing season without feed supplementation.

One could rent the land to a local farmer to make hay, of which Dr. Reichard has not been able to do for 44 years. In his lack of success, it seems that local farmers do not consider the 3 acres worth the effort for the potential yield.

One could produce vegetables, flowers, sweet corn, or another intensive crop on this land, but again the owner has not found a taker.

What is the owner expected to do? The land has economic ownership costs of taxes, insurance, and opportunity cost of the investment. Is the owner to let someone use the land for nothing? Is the owner to allow someone to buy the land from his for below market rate? It seems that the concept of "sustainable agriculture" as applied to this parcel does not include any consideration of the economic leg of sustainability, which also includes social and environmental sustainability as part of the 3 legged sustainability stool.

What is the value of this land by the town of Colchester? According to Dr. Reichard, the land is valued at \$150,000 for non-ag use. The value for ag use is set at \$1,400 to \$2,400 per acre by the Town of Colchester. Land value in agriculture is generally based on what one can make farming the land. In the Midwest, there is a direct relationship between crop profitability, land value for sale and rental value. Rent can provide an owner a reasonable return on their investment in land.

In Vermont, the rental value of ag land ranges from around \$100 per acre for land located next to large scale dairies in Franklin County to someone farming land for nothing in the southern part of the state. Some vegetable farming land with available irrigation brings higher rents. At \$100 rent, and if one expected a 10% return on their investment, the land would be valued at \$1000. But in this case, Dr. Reichard has not been able to rent the land for 30 years and if he cannot rent the land, it may likely not be worth its assessed value for agriculture.

To look at it another way, if the value of this land is \$150,000 per acre, someone purchasing the land at market value would pay \$350,000. When financed at 55 interest for 20 years, the payment would be \$2323 per month or \$27,879 per year. Now what crop can someone produce that would provide the farmer profits to make \$27,879 per year for land payments plus pay for their own labor and management? Possibly marijuana but that likely is not that possibly profitable.

If the land would be sold to a farmer at the assessed value of \$1400-\$2400 per acre, say at \$2000 per acre, I'm sure a farmer could, with intensive vegetable production, pay for the land. But this is asking Dr. Reichard to take a loss of \$244,000 to sell the property at agricultural value. Is this what the town of Colchester desires?

While the mission of preserving agricultural land is noble, we need to realize not all 3 acre parcels of farm land are necessary to preserve as farmland. The breaking up of farmland into non-contiguous segments may help preserve open land but is not necessarily the preservation of working farms and farmers. Working farms and farmers require an economic return to justify effort, management, and capital investment.

So I come back to the question of whether this land's best sustainable economic, social, and environmental use is agriculture. If one has been looking unsuccessfully for agricultural users for 40 years, is this land still best use for agriculture?



Dr. Robert Parsons