

## Why is it Important that we have Successful and Effective Voluntary Conservation Incentives Programs?

### **Washington's Private Lands:**

About 23.4 million acres, or some 54% of the land base of the State of Washington, is in private ownership.<sup>1</sup> About 85% of these private lands (about 20 million acres) are currently engaged in some form of active agriculture or forestry business.<sup>2</sup> For most of these landowners, a key objective in managing their lands is economically producing agricultural and forest products in a manner that is sustainable over time. Their lands provide them with a living and generate important economic benefits for their communities. At the same time, environmental quality on these lands is vital to the survival of countless species as well as to health and quality of life for all our citizens. These lands were the focus of this project. And how these lands are managed is vitally important to everyone.

### **The Pressures for Land Conversion:**

The agricultural and forestry businesses that manage these lands face severe competition in their international marketplaces and they are often only marginally profitable. When these farm and forest businesses fail, the lands they own and manage are almost always sold, subdivided, and developed for uses that are much more intensive – some 23,000 acres of agricultural lands disappear annually in the State of Washington,<sup>3</sup> an area about the size of Lake Washington. The resulting fragmentation of the land base, population influx, pollution, impervious surfaces, lost habitat, and other impacts of this development can be destructive for the environment<sup>4</sup> and a great deal more difficult to avoid than on a predominantly private farm or forest landscape. So it is in everyone's interests, when possible, to keep these lands in economically viable and well-managed natural resource production.

### **The Role for Voluntary Conservation:**

---

<sup>1</sup> Washington State Association of Counties, [http://wacounties.org/wsac/policy\\_naturalresources.htm](http://wacounties.org/wsac/policy_naturalresources.htm).

<sup>2</sup> According to USDA ([http://151.121.3.33:8080/Census/Pull\\_Data\\_Census](http://151.121.3.33:8080/Census/Pull_Data_Census)) 15.3 million acres in Washington State are in agriculture. There are about 4.5 million acres in "industrial" forest holdings in Washington and about 3.1 million acres in "non-industrial" small private land ownership. (See 2005 Examining Washington's Working Forest Stakeholders, <http://www.nwenvironmentalforum.org/forestforum/topicpapers/tp9.pdf>, or about 7.6 million acres in forestry total. Since the USDA farmland figures include 1.9 million acres of pastured and non-pastured woodlands, there is obviously overlap, but it can probably be safely estimated that there are at least 20 million acres of farm and forestlands, total, in Washington State. (Note: Some of these farm and forest lands may be operated by private individuals but ownership may be in the Washington Department of Natural Resources or other public agencies.) Thus, of Washington's 43.3 million upland acres, about 19.9 million (46%) are in government ownership, and 23.4 million (54%) are privately owned. Of those 23.4 million privately owned acres, about 20 million (or 85%) are in private farm and forestry.

<sup>3</sup> USDA Natural Resource Inventory (NRI), 1997. Based on table:

[ftp://ftp-fc.sc.egov.usda.gov/WA/NRI\\_PDF/mf\\_pdfs/WA\\_lu\\_table.pdf](ftp://ftp-fc.sc.egov.usda.gov/WA/NRI_PDF/mf_pdfs/WA_lu_table.pdf)

<sup>4</sup> See the Draft Puget Sound Salmon Recovery Plan adopted by NOAA Fisheries, Chapter 6, Habitat, p. 411, for an analysis of the impacts of development of farm and forest lands. <http://www.sharedsalmonstrategy.org/plan/docs/ch6/CHAPTER6habitat.pdf>. For example, impervious land cover exacerbates runoff and pollution, with parking lots generating almost 16 times more runoff than a meadow of comparable size. See U.S. Department of Housing and Urban Development, State of the Cities Report.

In considering the different approaches available to communities for improving the environmental performance of these private lands and for protecting them from more intense development, voluntary incentives programs have huge practical advantages. For example:

- **Individual and community synergy and support:** Incentives have the capacity to enlist willing, even enthusiastic landowner participation in achieving social objectives rather than tending to incite potential opposition. They can generate positive social pressure in a community and strengthen shared community values thus creating synergy that will enhance the effectiveness of the programs. Some of the most striking examples of private lands habitat restoration are in situations where the availability of incentives brought about a broad shift in local community consensus and the active, positive participation of local landowners.
- **Cost:** Incentives also have the advantage that we know how much they cost (with regulation, social costs may often be hidden). So, with incentives, we are actually in a position to attempt a measure of cost effectiveness. Because incentives are only used on those properties where the landowner is a willing participant, the actions resulting from them also tend to be well-adapted to the site-specific needs of the particular property involved. Because they are administered on a case-by-case basis, unwarranted public and social costs can be avoided by simply only approving those projects where the public benefits are worth the expense.
- **Possibilities for affirmative restoration:** Many of our society's environmental policy goals require complex, positive actions to affirmatively improve conditions on private lands. Incentives have the advantage that they can bring such changes about by helping to pay for environmental restoration that would otherwise be very difficult or impossible to achieve solely with prohibitory regulation. And, because the landowner is an active, willing participant, these improvements can be accomplished in a site-specific way that is still consistent with the landowner's economic needs for the property.
- **Encouraging socially-beneficial landscapes:** Strong farm and forest lands incentive programs can have the positive effect of encouraging farm and forest landowners to remain in business and to keep their land in well-managed natural resource uses. This can help society preserve the large-parcel, un-fragmented, mostly natural and undeveloped private landscapes that are so necessary for the environment and for wildlife habitat. One unintended consequence of the use of regulation can be to heighten the cost of doing business to a point where these lands fall to development and to other more intensive and less environmentally friendly uses.

### **The Relationship between Incentives and Regulation:**

Some human conduct, of course, clearly requires regulation. Landowners are not entitled to engage in activities that cause damage to their neighbors or that impose unwarranted costs on the rest of society. In such circumstances, providing incentives at public expense may be seen as simply paying the landowner to comply with laws the rest of us are required to obey as a matter of course. Paying a landowner not to pollute the water supply might be such an example.

Thus there are issues of fairness to be considered in using incentives. We need to ask whether, in a given circumstance, paying for incentives confers an unfair benefit to the landowner in relation

to their neighbors or in relation to the rest of society. Which kinds of conduct are simply to be expected of responsible landowners, and which are truly above and beyond such expectations and deserve a public investment?

Conversely, to the extent that private farm and forest landowners are mitigating for unavoidable (or un-avoided) negative environmental impacts caused by rapid growth and by an increasingly prosperous, industrialized, populous, and developed society, then a sense of fairness might dictate a different result. Perhaps society as a whole should pay for this mitigation rather than placing the entire burden upon a small minority (under 1%) of the population that owns the private farm and forest lands upon which these heightened environmental standards will need to occur.

This issue of fairness lies at the heart of much of our discussion of conservation incentives.

**For further information generally, contact:**

**Don Stuart**  
[www.donstuart.net](http://www.donstuart.net)  
[dondstuart@gmail.com](mailto:dondstuart@gmail.com)

(Note: This document was originally written for American Farmland Trust. The above version has since been updated.)