



The Cape Cod Cranberry Growers Association and the Massachusetts Department of Food and Agriculture took the lead in creating the Cranberry Initiative. Other members of the Cranberry Initiative are the Southeastern Regional Planning and Economic Development District, Trust for Public Land, Trustees of Reservations, Conservation Law Foundation and the Coalition for Buzzards Bay.

This study was funded by the Massachusetts Department of Food and Agriculture, as part of a special grant to the University of Massachusetts Cranberry Experiment Station, and the Town of Middleborough.

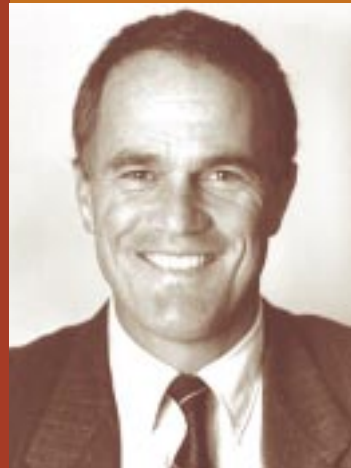
A report that details the methodology and assumptions can be obtained by contacting the Town of Middleborough Planning Department at (508) 946-2425. Copies of this brochure can be obtained by contacting the Cape Cod Cranberry Growers Association at (508) 295-4895.



Conservation Is A Community Investment



The Cost of Community Services in Middleborough, Massachusetts



“By showing that farmers are helping—not hurting—the town’s budget, this study, commissioned by the Department of Food and Agriculture, highlights the need to protect farmland in Middleborough.”

Johnathan L. Healy, commissioner, Massachusetts Department of Food and Agriculture



“American Farmland Trust’s study is exactly what we needed to raise awareness about the importance of farmland and open space in Middleborough”

John F. Healey, manager, Middleborough, Massachusetts



Founded in 1980, American Farmland Trust works to stop the loss of productive farmland and to promote farming practices that lead to a healthy environment. For technical assistance, or to find out more about AFT publications and services, call (800) 370-4879. For information about AFT, call (800) 431-1499 or visit us on the Web at www.farmland.org.



Growth Has Consequences

Cranberry farming is one of the most successful types of farming in Massachusetts. The heart of the industry is in Plymouth County, where 85 percent of the state's cranberry crop is produced. Centrally located between Boston, Mass. and Providence, R.I., and easily accessible by car and train, Plymouth County also is one of the fastest growing counties in the state. Although this growth is bringing jobs and other opportunities, it is creating a hardship for cranberry farmers.

A consequence of this growth is rapidly increasing land prices, which makes it difficult for farmers to buy affordable land. Combined with decreasing cranberry prices and increasing production costs, high land prices are forcing many of the county's cranberry producers to sell their land and scale back their operations. Once considered the cranberry capital of the world, Massachusetts' share of the international industry is slipping.

A coalition of public agencies and private organizations, formed in the fall of 2000 and called the Cranberry Initiative, is trying to understand the land use impacts likely to occur as a result of the changing cranberry industry in southeast Massachusetts. As one of the first steps, two coalition members—the Massachusetts Department of Food and Agriculture and the Town of Middleborough Planning Board—hired American Farmland Trust (AFT) to conduct a Cost of Community Services (COCS) study in the Plymouth County town of Middleborough. AFT developed the COCS methodology in the mid-1980s and has since conducted or provided input on more than 75 COCS studies.

The findings of this study dispel two myths:

- Farmland owners enrolled in Chapter 61A, which assesses land at its use for agriculture instead of its potential use for development, receive an unfair tax break.
- Residential development is the “highest and best” land use because it increases tax revenues.



Saving Land Saves Money

The COCS study in Middleborough assessed the net fiscal contribution of the town's existing land uses, including residential development, businesses and industries, and farm, forest and open land. Total revenues and expenditures from Fiscal Year 2000 were allocated to these three general land use categories. The allocation was based on extensive budget analysis and follow-up interviews with department heads. For budget items without a direct correlation to land use, such as maintenance of town buildings, a fall-back percentage was used, based on the relative portion of taxes paid by each land use. Then the ratio of revenues and expenditures for each land use category were compared to show the relative impact of providing public services to the three different land use categories.

Middleborough spent \$1.08 for every dollar of revenue raised for public services to homeowners, such as education, public safety and road maintenance. For every dollar of revenue from commercial and industrial development, the town spent 47 cents in services, and 70 cents for every dollar from farm, forest and open land. In other words, along with commercial and industrial development, farm, forest and open land create fiscal surpluses, which balance the deficit of approximately \$2.9 million from residential development.

The ratio for farm, forest and open land is on the high end of the range when compared to other Massachusetts' COCS studies. This primarily is due to a one-time-only expenditure of \$153,000 for the purchase of conservation land. If this expenditure is eliminated, the town spent 59 cents for every dollar from farm, forest and open land. It also is due to a relatively high proportion of the town's road maintenance and construction expenses being allocated to farm, forest and open land because most of the commercial and industrial properties are served by state-maintained highways.

The Bottom Line: Farmers Pay Their Way

The COCS study in Middleborough dispels the myth that the town's farmland owners receive an unfair tax break when their land is enrolled in Chapter 61, the state's Current Use Taxation program. Chapter 61 is for forest land, 61A is for farmland and Chapter 61B is for open land. Even with 25 percent of the town's land enrolled in Chapter 61, Chapter 61A or Chapter 61B, farm, forest and open land generate a 30 cent surplus for every dollar they contribute to town coffers.

The study also dispels the myth that residential development is the “highest and best” land use because of its large share of tax revenues. **While it is true that residential development generates 85 percent of the town's income, because of its high demand on public services, overall it results in a net deficit.** Town officials concerned about fiscal stability must recognize both sides of the equation and consider the expenditures required to provide public services to homeowners, as well. This study paints an accurate picture of Middleborough's revenues and expenditures, and shows that residential development creates a net fiscal deficit that must be offset by other local land uses—including cranberry farms and other open lands.

Since Middleborough's farm, forest and open lands subsidize the higher costs of residential development, it makes sense to identify, prioritize and ultimately protect some of them—partly for their

environmental, aesthetic and economic values, but also for their fiscal contribution to town coffers.

This study is a snapshot in time, and while not intended for use in forecasting, it does provide valuable insights into the current relationship between existing land uses and the local budget. To decide what Middleborough needs—and what it can afford—the findings suggest that, when making land use decisions, town officials should consider the net costs of development. However, since the findings apply to the community as a whole, they should not be used to replace traditional fiscal impact studies for specific development proposals. But unlike traditional fiscal impact studies, this COCS study was conducted using real budgets and budget allocations, and evaluated the costs and benefits of public services for all land uses, including farmland and open space.

Ultimately, this study demonstrates that saving land saves money. It proves that local farmers are not being subsidized as some residents claim, but in fact are subsidizing the costs of residential development. These findings may be used to help build support for good planning for growth and development along with the protection of agriculture and of valuable natural resources in Middleborough and other towns in southeast Massachusetts.

Who Demands Community Services? Revenues compared to expenses on a dollar to dollar basis by land use.

	Residential	Commercial/Industrial	Farm/Forest/Open Land
Town of Middleborough	\$1 : \$1.08	\$1 : \$.47	\$1 : \$.70 *
Massachusetts State Average	\$1 : \$1.10	\$1 : \$.48	\$1 : \$.42

* This includes a one-time-only expenditure of \$153,000 for the purchase of conservation land.