

Buy-Protect-Sell Transaction

Agricultural Conservation Easement Program -
Agricultural Land Easement



General Overview

USDA's Natural Resources Conservation Service (NRCS) offers voluntary conservation programs that benefit both agricultural producers and the environment. Agricultural Conservation Easement Program – Agricultural Land Easements (ACEP-ALE) helps keep land available for agricultural production and provides long-term protection of farming and grazing uses and related conservation values.

Through ACEP-ALE generally, NRCS provides financial assistance for the purchase of agricultural land easements by an eligible entity on eligible private or tribal agricultural land. Buy-protect-sell transactions under ACEP-ALE are a specific type of easement transactions that may be used to place an agricultural land easement on eligible land that is owned or being purchased by an eligible entity on a transitional basis where the ownership of the land will be timely transferred to a qualified farmer or rancher.

Types of ACEP-ALE Buy-Sell-Protect Transactions

- ♦ Pre-closing Transfer — The eligible entity transfers ownership of the land to a qualified farmer or rancher at or prior to closing on the agricultural land easement and the eligible entity holds the agricultural land easement prior to receiving the ACEP-ALE funds (Federal share) provided by NRCS.
- ♦ Post-closing Transfer — The eligible entity transfers ownership of the land to a qualified farmer or rancher no later than three years after closing on the agricultural land easement.

Benefits of an ACEP-ALE Buy-Protect-Sell Transaction

- ♦ Protects agricultural land, including grazing land, at risk of conversion to nonagricultural or non-grazing uses.
- ♦ Makes protected agricultural land available for purchase by qualified farmers or ranchers.

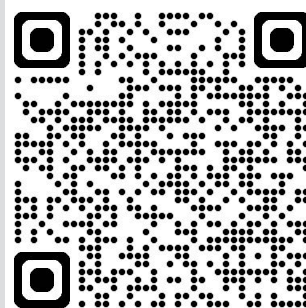
Land Eligibility for an ACEP-ALE Buy-Protect-Sell Transaction

- ♦ Land that meets all general ACEP-ALE program eligibility requirements, and;
- ♦ Meets the specific requirements of a buy-protect-sell transaction, as determined by NRCS.



For More Information

Contact your NRCS state office. State office contact information can be found at www.nrcs.usda.gov/conservation-basics/conservation-by-state.



NRCS Conservation
By State

Eligible Entities

You can find eligible entities on the following websites:

[American Farmland Trust Farmland Protection Directory](#)

[Land Trust Alliance Landtrusts](#)

For more details on buy-protect-sell transactions, see the [NRCS ACEP-ALE Conservation Program Manual, Title 440, Part 528](#) and [National Instruction Title 300, Part 308](#) on the NRCS eDirectives website at directives.sc.egov.usda.gov/.

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Conditions Necessitating Transitional Land Ownership for an ACEP-ALE Buy-Protect-Sell Transaction

- Threat of development or fragmentation into parcels smaller than the median size of farms or ranches in the county.
- Planned or approved conversion of agricultural land to developed, nonagricultural uses or grasslands to more intensive agricultural uses.
- Part of a documented program to transition ownership of agricultural lands to historically underserved farmers or ranchers.
- Meets the requirements of a state-specific transitional ownership condition category.

Who is Eligible to Apply for an ACEP-ALE Buy-Protect-Sell Transaction

Eligible entities under ACEP-ALE are private, nonprofit land conservation organizations or federally recognized tribal entities who own the land on a transitional basis (i.e., owned less than three years or will complete the purchase within 12 months of signing the parcel contract) and meet one of the conditions necessitating transitional ownership:

- All persons, legal entities, or Indian tribes that are or will be the landowners of record must meet the USDA payment eligibility requirements, including conservation compliance and adjusted gross income limitations. Applicability and timing of payment eligibility determinations are specific to the buy-protect-sell transaction type.
- Qualified farmers or ranchers are individual persons, legal entities, or Indian tribes who can provide documentation of their status as a farmer or rancher, have records established with the Farm Service Agency (FSA), and meet payment eligibility requirements.
- At least 50 percent of the ownership of the land must be held by persons, legal entities, or Indian tribes that are farmers or ranchers.

Value of the Sale to Qualified Farmer or Rancher

- The initial sale of the parcel to the qualified farmer or rancher must be for a purchase price that does not exceed the lesser of the agricultural value of the parcel or the original purchase price paid by the eligible entity for the parcel.
- The agricultural value of the parcel is determined by an appraisal that conforms to applicable industry standards and the terms as specified in the ALE agreement and the buy-protect-sell parcel contract.

Reasonable Holding and Transaction Costs Charged to the Qualified Farmer or Rancher

- Reasonable holding and transaction costs that may be included in the sale of the parcel to a qualified farmer or rancher may not exceed 10 percent of the agricultural value of the parcel and may only include the eligible entity's actual costs.
- Actual costs are limited to amounts paid to a third party for certain goods, services, and fees and incurred after the eligible entity took ownership of the parcel.

How to Apply

Eligible entities submit completed buy-protect-sell parcel applications to NRCS state offices for review and ranking. If all eligibility requirements have been met, NRCS may select the application for funding.



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