

An aerial photograph of an orange grove, showing neat rows of trees separated by irrigation canals. The text "Agricultural Land is Unique" is overlaid in a 3D, orange-to-yellow gradient font, slanted across the center of the image.

Agricultural Land is Unique

Photo Courtesy of
South Florida Water Management District



This is because agricultural land has *both* a commodity value *and* a resource value.



Like coal for a steel mill, land is an industrial input. Unlike coal or, for that matter, steel mills, land that is properly used does not become depleted or depreciate; it actually can get better over time.

As a result, it can provide for long-term food production -- sometimes for centuries. That's why it is a resource.



But food production is only one of its resource values.

Farmland also assists in the retention and detention of floodwaters, recharges groundwater supplies, provides habitat for wildlife and retains open space.



This is in contrast to urban land that, outside of parklands, only has a commodity value; and natural land that, outside of income from recreation, only has a resource value.



Resource values provide for steady, long-term returns.

Commodity values fluctuate with the market, sometimes appreciating or depreciating rapidly; hence, they can provide for large, short-term returns.



Unfortunately, the State of Florida does not recognize the resource value of farmland.

The state has set the tone for economic growth. And short-term returns -- from the development of land, from impact fees for new construction, from an expanding property tax base, and from additional job markets -- are fueling its growth.



Many future decisions about land use will be based on economics.

If it is profitable to keep land in agriculture, the agricultural industry will survive. But if it is more profitable to sell land for development -- and there are no other alternatives for landowners to "cash in" on the commodity value of their land -- agriculture will be diminished ... and may eventually disappear.



Once land is converted to an urban use, it loses its resource value. The structures that are built usually determine its future use. However, all built structures have a limited economic life. Many will be obsolete in 20 or 30 years. Some may fall into disrepair. Some may be torn down. And weeds may grow up in vacant lots.

But farmland that is displaced won't come back.