



Testimony before the Rhode Island State Legislature House Finance Committee

May 13, 2025

RE: **Support for H5534** – Exempts certain urban and small farmers from sales taxes, real, tangible and personal property taxes and income taxes. This act would also define urban and small farmers and urban farmland.

Dear Chair Representative Abney, Vice-Chairs Representative Slater and Representative Marszalowski, and members of the House Finance Committee:

Thank you for the opportunity to submit testimony in support of H5534. This testimony is presented by Eliza Paterson, Senior New England Policy Associate, and Erinn Roberts, Program Specialist, Rhode Island resident, and former farmer, both representing American Farmland Trust (AFT). AFT is the only national conservation organization dedicated to protecting farmland, promoting sound farming practices, and keeping farmers on the land. Our organization has a long history of working on farmland protection and agricultural viability policy efforts in New England.

Rhode Island has the most expensive farmland in the nation, posing significant barriers for current and future farmers to gain access to land. It also has some of the most fragmented landscapes in the country, with development and sprawl resulting in ever-smaller farmland parcels.

Many next-generation farmers are seeking smaller parcels for their operations. Smaller parcels are likely more affordable and better fit their farm business models. The exclusion of urban and small farms from tax incentives limits opportunities and poses undue strain on those farmers who are most likely farming on smaller parcels; namely, young, new and beginning, and historically underserved farmers. Farmers, particularly in urban communities, should not be denied the reduced tax benefits on their farmland simply because they are farming on smaller parcels. Urban parcels used for agriculture are also those most likely to be serving urban populations, which include Rhode Islanders most in need of access to fresh produce and the health, community-building, and ecosystem benefits that urban farms provide.

H5534 is carefully crafted to ensure only eligible small and urban farms can apply for tax benefits. Similar to the eligibility requirements for larger farms, small and urban farms must file proper farm IRS documents and meet all other state requirements for farms to qualify. Amending Chapter 44-3 Property Subject to Taxation to exempt certain urban and small farms will improve farmland protection, increase farmland access opportunities, and promote the agricultural viability of small and urban farms in the state. Further research and justification are provided below.

Farmland Protection is Key to Increasing Food Security & Supporting Local Economies

Rhode Island's farmland is vital to its regional economy and food security. Current state tax benefits for farms were created 40 years ago when there were very few small farms. A lot has changed since then, including the rapid development and sub-division of farmland, and the increased cost of farmland on the speculative market. As a result, many producers are establishing urban farms within Rhode Island, often on small parcels of land that are below five acres. Today, Rhode Island has approximately 80 urban farms and over 170 small farms and small farms are the fastest growing segment of the farming community, according to the 2022 USDA Census of Agriculture.

Rhode Island must do more to support these farmers that are cultivating smaller plots and in urban communities. And the state must simultaneously address the growing threats to farmland, including real estate development pressures, land loss because of a changing climate, and high land prices. According to AFT's [Farms Under Threat: The State of the States](#), 5.8% of Rhode Island's agricultural land was converted to urban development or low-density residential land use between 2001 and 2016. These 3,600 acres of land converted is enough to generate \$3.7 million in annual revenue.¹ Our [Farms Under Threat 2040: Choosing an Abundant Future](#) study projects a loss of over 8,000 acres of farmland in the state by the year 2040.² Rhode Island will need every tool in the toolbox to curtail development pressures.

Furthering the state's farmland protection and access efforts is crucial to combat climate change. Human activity on an acre of farmland produces 66 times fewer greenhouse gas emissions than that on an acre of developed land.³ Farmland also provides various reliable, cost-saving environmental services, such as air pollution removal, wildlife habitat, flood mitigation, and carbon sequestration.

The public health benefits of small and urban farms impact Rhode Islanders of all backgrounds, including the 38% of households that are currently experiencing food insecurity⁴. They provide fresh fruits and vegetables to low and no cost food programs; access to nutrition education; exercise and outdoor recreation; job training; gardener education; and a wealth of social engagement opportunities.

As an organization that has actively been involved with state farmland protection and current use taxation program for over 40 years, AFT can attest that amending Chapter 44-3 is one tool Rhode Island has to keep land in agriculture, while supporting a more economically and ecologically resilient agricultural sector.

Farmland Access is Exceptionally Challenging in Rhode Island

Working lands lie at the heart of the state's food and agricultural system. As Rhode Island looks towards continuing to build a robust, equitable, and resilient agricultural economy, farmland affordability and

¹ [Rhode Island spatial.pdf](https://storage.googleapis.com/csp-fut.appspot.com/reports/spatial/Rhode_Island_spatial.pdf) https://storage.googleapis.com/csp-fut.appspot.com/reports/spatial/Rhode_Island_spatial.pdf

² [AFT_FUT_Abundant-Future-7_29_22-WEB.pdf](#), pg. 57

³ https://farmlandinfo.org/wp-content/uploads/sites/2/2019/09/AFT_CA-GrFields-web3_0.pdf

⁴ [EMBARGOED-11.25_2024-Status-Report_Web-1.pdf](#)

accessibility are crucial to these efforts. Rhode Island has the highest percentage of new and beginning farmers of any state in the country, and these farmers are at the crux of ensuring the agricultural sector continues for future generations. According to a [recent report published by both the American Farm Bureau Federation and the National Young Farmer's Coalition](#), access to affordable farmland remains one of the main barriers for new and young farmers, especially those who are Black, Indigenous, and other farmers of color (BIPOC), to start a farm and remain viable. Finally, many young, beginning, and BIPOC producers start farming on small parcels of farmland before scaling up their agricultural production onto a parcel that is more than five acres.

Expanding tax relief to certain urban and small farms is one of the many tools the state must use to address the high cost of farmland on the speculative market. According to the 2024 National Agricultural Statistic Service Land Values Survey, the median cost of farmland per acre in the state is \$22,000 per acre, up 9.5% from the previous year.⁵ Rhode Island has the most expensive farm real estate values in the country with the national average being just \$4,170.

Small and Urban Farms are Cultural and Ecosystem Services Hotspots

This critical amendment would help to protect and enhance investments in small-scale agroecosystems. Our organization is frequently asked to visit small-scale farms throughout New England. Because of these real-world experiences, AFT staff can attest to the enormous investment that small farmers make in improving their agricultural soils and to the biodiversity hot spots that small farms can be (especially in urban and peri-urban areas that are otherwise dominated by either concrete or lawns). Small-scale farms are more likely to use soil health practices like mulching, diversified plantings, perennial buffers, no-till, and utilize lightweight and hand-scale equipment due to their size constraints and the need to ensure maximum productivity of each square foot. In urban settings, these pockets of rich, carefully tended soils and plantings can provide significant climate resilience and ecosystem values to their immediate environment, including wildlife (including pollinator) habitat, stormwater infiltration, and soil carbon sequestration.⁶

Crucially, urban farms provide greenspace to buffer microclimates, which are often hottest in Black and Brown communities due to the legacy of redlining and municipal disinvestment⁷. The Northeast is projected to experience increases in heat-related deaths and illness as temperatures continue to rise,⁸ underscoring the importance of using every tool in the toolbox of urban planning to make urban communities more livable. Urban farms also protect and increase local food security, which is particularly important in areas facing food insecurity. Urban agriculture can furthermore provide new economic opportunities,⁹ and often provides significant cultural resources to communities in the form of volunteer opportunities, safe gathering places, workshops on cooking and healthy eating, and more.

⁵[Land Values 2024 Summary 08/02/2024](#)

⁶ Tresch, S., Frey, D., Bayon, R., Mader, P., Stehle, B., Fliessbach, A., Moretti, M. (2019). Direct and indirect effects of urban gardening on aboveground and belowground diversity influencing soil multifunctionality. *Scientific Reports*, 9, 9769. <https://doi.org/10.1038/s41598-019-46024-y>

⁷ Prokopy, L., Floress, K., Arbuckle Jr., J.G., Church, S.P., Eanes, F.R., Gao, Y., Gramig, B., Ranjan, P., & Singh, A.S. (2019). Adoption of agricultural conservation practices in the United States: Evidence from 35 years of quantitative literature. *Journal of Soil and Water Conservation*, 74(5), 520-534. Doi: 10.2489/jswc.74.5.520

⁸ US. Global Climate Change Research, Fourth National Climate Assessment <https://nca2018.globalchange.gov/chapter/18/>

⁹ Nogeire-McRae, T., Ryan, E.P., Jablonski, B.B., Carolan, M., Arathi, H. S., Brown, C. S., ... & Schipanski, M.E. (2018). The role of urban agriculture in a secure, healthy, and sustainable food system. *BioScience*, 68(10), 748-759.

To conclude, if passed, this important amendment will make it easier for small farms – especially those close to urban centers – to remain in farming and enhance Rhode Island’s capacity to preserve and improve healthy food access, greenspaces, biodiversity, climate resilience, soil carbon sequestration, and the many other ecosystem and quality-of-life benefits that farms provide.

Thank you for the opportunity to provide this testimony. If you have any questions, please feel free to contact me at epaterson@farmland.org.

Sincerely,
Eliza Paterson
Senior New England Policy Associate

American Farmland Trust is an agricultural non-profit organization with a mission to save the land that sustains us by protecting farmland, promoting sound farming practices, and keeping farmers on the land. AFT is the only national agricultural organization that approaches its work in this comprehensive, holistic manner. We recognize the connection between the land, forward-looking farming practices, and the farmers who do the work.