We work to conserve private working lands, and to raise awareness that the stewardship of private lands provides benefits for all Texans.

The Texas Agricultural Land Trust envisions a future where the conservation of agricultural lands, open space and wildlife habitat is an option for all landowners; where the conservation of private lands is a priority for all Texans; and where private lands conservation is funded appropriately. Accordingly, we focus on achieving the following milestones:

• To have one million acres of land under conservation easement by 2020;
• To serve as a respected resource for the agricultural community;
• To establish funding sources for the purchase of conservation easements;
• To communicate the vast public benefits provided by private lands stewardship.
DEAR TALT SUPPORTER,

This past year was another exciting and productive one for the Texas Agricultural Land Trust. We are now five years old and—with 128,600 acres under conservation easement—one of the largest land trusts in Texas. Thanks to the leadership of the TALT Board, we were able to attract significant support to cover the first five years of existence, and are well on the way to funding our needs for the next five years. Through partnerships with Texas Farm Bureau, Texas & Southwestern Cattle Raisers, and Texas Wildlife Association, we have been able to reach an audience that in the past may have been indifferent or opposed to conservation easements. And we are starting to gain recognition from policy makers and others as an authority on private lands conservation issues. Mindful of our obligation to steward your donation well, we have through it all maintained a small but efficient operation.

This report, which covers a 15-month period due to our FYE change, is a summary of our progress in 2011-2012. The success TALT has enjoyed to date would not be possible without your support. As we look toward 2012-13, one of our greatest challenges will be to continue to communicate to an urban audience the public benefits of private lands stewardship, and the repercussions of losing this land. With your support, we will have the capacity to do so.

Best wishes,

Blair C. Fitzsimons
Executive Director
Of the many values cherished by Texans, land stewardship is particularly strong. And naturally so: Texas has one of the highest percentages of privately-owned farms, ranches and timberlands, whose dedicated owners work to grow food and fiber, improve wildlife habitat, and protect water sources. Moreover, these places connect us to the land and to our heritage—to that uniquely Texan legacy of rugged independence, unlimited opportunities, and wide open spaces.

**PROTECTING TEXAS’ LEGACY**

In 2007, leaders from Texas Farm Bureau, Texas & Southwestern Cattle Raisers, and Texas Wildlife Association, who shared the concern that Texas is losing its heritage of wide open spaces, came together to form the Texas Agricultural Land Trust (TALT). As the Texas A&M Land Trends studies have shown, Texas is losing its private lands at an alarming rate. Driven largely by estate taxes and a booming economy, every ten years Texas loses over two million acres of rural lands—lands that provide significant public benefits such as drinking water and wildlife habitat—and another 3.5 million acres fragment into smaller and smaller pieces. TALT’s founders felt that, in order to help protect the state’s critical natural resources, Texas landowners needed tools to help protect open space and pass land down to future generations.

In the five years since its founding, TALT has partnered with landowners to conserve 128,600 acres throughout Texas. In 2011-2012, we completed three projects totaling 29,712 acres in the Palo Duro Canyon, Devil’s River, and Trans-Pecos regions of the state. As the only Texas land trust dedicated exclusively to protecting working lands, TALT is unique among Texas’ 36 land trusts. With a Board of Directors comprised of landowners who understand the challenges of running a farm or ranch, we believe that landowners know best how to manage their properties, and therefore do not involve ourselves in management issues. And while we recognize that the perpetual conservation easement is not for everyone, we are dedicated to becoming a premier resource for Texas’ landowners who do choose to pursue this option. To that end, our 2011-2012 education program included two sold-out workshops taught by Steve Small, one of the country’s leading authorities on conservation easements.

**LOOKING AHEAD**

Compared to most other states, Texas fared well in 2011-2012. Our economy is robust, which in turn attracts new residents. While good for the economy, this growth places additional strain on our open space and natural resources. From 1997 through 2007, the state grew by 4.3 million people, and experts predict that by 2020 we will add another 6.5 million. And, according to the TAMU Land Trends study, Texas loses 260 acres of agricultural land per 1,000 new residents.

TALT is committed to applying to land conservation those same principles of free markets and low regulation that have fueled Texas’ growth. With the anticipated public policy debates over water, energy, and taxes, we are dedicated to working with both agricultural groups and other conservation organizations to find solutions that meet the public’s needs while fostering private lands stewardship. Our priorities include creating sustainable funding mechanisms for the purchase of conservation easements that will incentivize landowners to permanently protect their land.

Finally, we will continue to work with our partner organizations—Texas Farm Bureau, Texas & Southwestern Cattle Raisers, Texas Wildlife Association, and others—to create awareness that the loss of agricultural land affects all Texans. The recent drought has focused attention on the importance of conserving our natural resources. As consumers experience increased costs of food and the rationing of water, our message is more important than ever – conserve, protect and pass on working agricultural lands for the benefit of ALL Texans.
2011-2012 WAS A PIVOTAL YEAR FOR TALT.

Foundation grants allowed us to fill the Land Transactions Director position, hire an office manager, and move the Communications and Development Associate from part-time to full-time. The addition of these key positions enabled us to host education and outreach events, close three conservation easements, and lay the foundation for a 2012 campaign to raise $1.8 million to fund our five-year budget.

For the purposes of this report, the Texas Agricultural Land Trust’s 15-month fiscal year extends from January 1 through March 31, 2012. Beginning with FY 2012, TALT’s fiscal year will extend from 4-1 to 3-31.
The financial charts above reflect the audited financials for the 15-month fiscal year of January 1, 2011 through March 31, 2012. During this 15-month fiscal year, the Texas Agricultural Land Trust is pleased to report that there has been an addition in net asset value of $366,340, due in large part to contributions to the organization. This brings the total liabilities and net assets to $1,819,879 as of March 31, 2012. This net asset value includes unrestricted funds and temporarily restricted funds. Temporarily restricted net assets of $954,027 are available for conservation programs and the stewardship of conservation easements.
Conservation Easements

TALT now holds eight conservation easements for a total of 128,600 ACRES.
In 2011, we completed three donated easements:


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**TALT BOARD OFFICERS**

- Richard M. Lucas, Jr., President
- Joe Maley, Vice-President
- A. Ryland Howard, Secretary
- Clark S. Willingham, Treasurer

**TALT BOARD MEMBERS**

- Tina Y. Buford
- Marilynn Dierschke
- John Dudley
- Scott Felton
- Steve C. Lewis
- Larry Mellenbruch
- Rick Peebles
- Randy Rehmann
- Julie K. Stacy
- Don Steinbach

**TALT STAFF**

- Blair Calvert Fitzsimons, Executive Director
- Ashley House Jones, Development and Communications Manager
- Mike Petter, Land Transactions Director
- Loudell Young, Office Manager
In 2011-2012, TALT hosted educational workshops and outreach events throughout the state. Here are some highlights of our work:

- **Private Lands, Public Benefits Conference:**
  TALT co-hosted with Texas A&M University and Texas Department of Agriculture the “Private Lands, Public Benefits Conference.” Attended by over 100 representatives of the agriculture, conservation and natural resource communities, the conference promoted the need to conserve Texas’ private, working agricultural lands and highlighted successful projects from other states. Prior to the conference, TALT met with the key legislative staff to elicit input and participation. Speakers from around the country addressed strategies for incentive-based programs for private lands conservation and the return on investment for conservation initiatives.

- **Conservation Easement Workshops:**
  TALT hosted two, day-long seminars featuring conservation easement expert and noted tax attorney, Steve Small. Held in Houston and Amarillo, each event sold out with over 100 attendees. Following the seminars, Colleen Schreiber of Livestock Weekly published an article titled, “Conservation Easements Touted as an Optional Tax-Saving Tool.”

- **Oil and Gas Webinar:**
  TALT hosted a sold-out webinar entitled “Oil and Gas CAN Work with Conservation Easements,” featuring national conservation easement expert Steve Small and Texas oil and gas lawyer, Joseph Fitzsimons. The webinar examined the various scenarios under which a conservation easement is possible on lands that are subject to oil, gas, and mineral development.

In addition, TALT worked with the policy staff of our partner organizations to affect beneficial changes to the conservation programs of the 2012 Farm Bill, and to encourage Congress to re-instate the enhanced tax incentives for donated conservation easements. Finally, we raised matching funds to support rural fire fighters who helped save so many farms and ranches throughout Texas.
TALT SUPPORTERS
Jan 1, 2011 – Mar. 31, 2012

CORPORATE AND FOUNDATION SUPPORT
American Farmland Trust
Lee & Ramona Bass Foundation
Capital Farm Credit
Crockett National Bank
Alfred S. Gage Foundation
Ewing Halsell Foundation
Independent Cattlemen's Association of Texas, Inc.
Joan & Herb Kelleher Charitable Foundation
Land Trust Alliance
John & Florence Newman Foundation
O'Connor & Hewitt Foundation
PXP Plains Exploration & Production Co.
Shield-Ayres Foundation
Sprouse Shrader Smith PC
Marshall T. Steves Sr. Foundation
Turn Lane Consulting
Uhl, Fitzsimons & Jewett, PLLC

INDIVIDUAL SUPPORT
Pete and June Aiken
Laurance H. Armour, III, Steven S. Armour, Brooks A. Diesel
Lynne S. Bigelow
Mickey Burleson
Josephine H. Corning
Glenn Darden
Marilynn Dierschke
Cameron Duncan
Scott Felton
Blair & Joseph Fitzsimons
Christopher M. Harte and Katherine S. Pope
Houston Harte
Sarah E. Harte & John Gutzler
William S. Harte
Kurt D. House
Craig Hotmann
A. Ryland Howard
Pamela Fitzsimons Howard
Michael C. Hughes
Ashley House Jones
Tom and Ann Kelsey
James J. Jeffries
Bart C. Koontz
Steve C. Lewis
Richard M. Lucas, Jr.
Joe Maley
Larry & Nancy Mellenbruch
Michael A. Murphy/Los Madrones
Jenna Osborn
Rick Peebles
Wade Richardson
Ruth Bowman Russell
Julie Kelleher Stacy
Don Steinbach
Emily Leland Todd
Clark Willingham
Mrs. Jess Y. (Lou) Womack, II
“It all starts and ends with the land. There is no better steward of the land and its resources than those who have an economic interest in that property.”

- Todd Staples
  Commissioner, Texas Department of Agriculture,
  2011 Private Lands, Public Benefits Conference