

UC Santa Cruz

Teaching Direct Marketing and Small Farm Viability

Title

Teaching Direct Marketing and Small Farm Viability: Resources for Instructors, 2nd Edition.
Part 9 - Land Tenure Options and Strategies

Permalink

<https://escholarship.org/uc/item/2t02t7kx>

ISBN

978-0-9828781-1-8

Publication Date

2015-04-03

Peer reviewed

Land Tenure Options and Strategies

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Introduction: Land Tenure Options & Strategies

UNIT OVERVIEW

Affordable and secure access to land is crucial for assuring both the economic viability of small-scale agriculture and the adoption and use of sound land stewardship practices. In order to help beginning farmers secure long-term land tenure in the face of development and increasing land prices, new and innovative options for land tenure must be explored. This unit introduces students to a range of strategies that may be used to secure affordable access to land. Although the focus is on those farming or seeking farmland in California, this information will also be useful in other regions.

Lecture 1 examines the challenge of finding affordable farmland, and outlines various land tenure options, including leasing and purchasing, and alternative models such as community land trusts and shared ownership arrangements.

Lecture 2 offers “how to” information on finding land and developing a lease agreement. It also identifies government programs that offer help to beginning farmers who are looking for land and improving farmland.

MODES OF INSTRUCTION

- > LECTURES (2 LECTURES, 1–1.5 HOURS EACH)

LEARNING OBJECTIVES

CONCEPTS

- The importance of land tenure to the success of small-scale agriculture and sound land stewardship
- Advantages and disadvantages of various conventional and alternative land tenure options
- Mechanisms of various conventional and alternative land tenure options
- Methods for finding land
- What to look for in a lease

Lecture 1: Land Tenure Options & Alternative Models

A. Land Tenure, Small Farm Viability, and Land Stewardship

1. Securing a clear, predictable and affordable land tenure arrangement is the foundation of economically viable small farming operations. “Tenure” comes from the Latin “to have or to hold.” The tenure agreement guides planning for the size and type of agricultural operation.
2. Without long-term tenure agreements, implementing sustainable farming practices on the farm may be difficult to justify economically. However, an expensive land purchase may not be practical or even advisable.
3. Short-term agreements are common for new and small vegetable operations. This can be a strategy for building a track record, testing markets, and confirming commitment to farming as an independent business.

B. The Farmland Affordability Challenge

1. Land speculation/development has increased the selling price of many agricultural lands to a level beyond the productive capacity of agriculture for most small-scale vegetable and fruit operations
2. High returns on the sale of agricultural land to development, high operating expenses, and low returns for agriculture products have resulted in widespread sale and conversion of prime agricultural lands to residential and commercial development. In addition, non-agricultural buyers have bid up prices of rural land formerly used for farming. These include estate buyers building large homes and people seeking a “rural retreat.” As a result, there has been a decline in the number of small-scale family farming businesses.
3. Many farmers can no longer afford to own the land they farm due to the price of land being based on a speculative real estate market or rural estate values, rather than the agricultural land value
4. In order to help beginning farmers secure long-term land tenure in the face of development and increasing land prices, new and innovative options must be explored

C. Agricultural Leases

1. Leasing property is a common strategy for beginning farmers
2. Types of leases
 - a) Cash rental or Lease
 - i. Tenant pays a set cash rate per acre per year. Payment schedules can vary—yearly, 2x/year, quarterly, monthly, etc.
 - ii. A long-term lease of 5 to 30 years may be the optimal tenure agreement for many farmers with limited financial assets. However, it is crucial to protect oneself to the degree possible from changes in ownership impacting the lease. In signing a cash lease, the beginning farmer is calculating that for the term of the lease he or she will be able to cover a fixed payment to obtain land tenure. The funds are due to the landlord regardless of whether the farmer has a good year, a bad year, or gets the operation going later than planned.

- iii. Establishing a fair lease rate: Cash-rent leases can be negotiated based on agreed understanding of local agricultural market value. The California chapter of the American Society of Farm Managers and Appraisers provides an annual review of lease values by crop and land type for most California counties.
See: www.calasfmra.com
 - iv. Factors influencing lease rates: Rates will depend not only on the quality of soil and availability of water, but also on outbuildings, irrigation systems, and other infrastructure
 - v. Today, farmers establishing their own operations are often 30–40 years old or more. A 30-year lease is appropriate to meet their goals of farming until retirement age, but it may be difficult to secure a lease of that length.
- b) Crop Share
- i. Crop-share defined: A crop-share agreement or share-rent is a means for compensating a landowner for use of their land while sharing the risk. Payment may include a share or percentage of crop, for example 20% of the walnuts harvested, or a percentage of the gross or net income.
 - ii. A crop share requires a level of trust between lessee and lessor that may include sharing financial or tax records. By agreeing to pay the landlord based on how much crop comes in, the beginning farmer will owe more if they have an abundant harvest and less if there is a poor yield.
 - iii. Determining the percentage fair to both parties can be done based on knowledge of the “going rate” for leases or through worksheets spelling out the specific contributions of each party. Paying rent by committing a share of the crop may help entice a landowner to lease when the going rate for a cash rent is not significant. A crop-share lease looks almost identical to a cash lease except in the payment section, where the share is described rather than a fixed lease amount.
 - iv. A crop-share lease can provide tax advantages to a landlord over a cash lease
- c) Ground lease
- i. A ground lease is the most “permanent” type of lease. It can range from 40 to 99 years. It is usually at least 10 years longer than a mortgage. They are not longer than 51 years in CA.
 - ii. It is similar to commercial real estate situations, e.g., where a mall developer owns the mall structure, but has a long-term lease with the landowner. The developer can sell the buildings to others, and even the lease itself.
 - iii. The long-term nature of this lease provides enough time to justify major infrastructure/improvements
 - iv. Doing a ground lease properly requires extensive amount of time, negotiation, and legal description to ensure a fair and functional lease agreement
 - v. Example of a ground lease
 - Nonprofit owning land; farmer holds 99-year renewable ground lease and owns improvements
 - The nonprofit owning the land may be a conservation/agricultural land trust (e.g., Genesee Land Trust in New York), a community land trust (e.g., Cold Pond Community Land Trust in New Hampshire), or other nonprofit (e.g., Equity Trust)
 - The farmer has truly long-term tenure—even perpetual tenure—without having to purchase land; pays a ground rent based on agricultural value, not on value for other uses

- The farmer can purchase existing buildings and other improvements on the land at the commencement of the lease; the purchase price can be based on the agricultural value of the improvements, not on their market value. The farmer can invest in and own other improvements over time. If the farmer wants to give up the leasehold, he or she can sell the improvements to another farmer for a price that is limited by the terms of the lease to an affordable level.
 - In some cases, CSA farms have mobilized donations from CSA members to allow a nonprofit to purchase land that is then leased back to the CSA farmer. In other cases, CSA members have purchased a conservation easement with purchase option, while the farmer purchased the remaining farm value.
- d) Lease-with-option to buy
- i. A clause in the lease giving the lessee the first option to buy if for any reason the property will be going on the market is important for protecting a young farmer's investments in the land. First "option to purchase" can be included as part of a lease agreement, whether payment terms are cash or crop-share.
 - ii. "Right of first refusal" is another method, though less strong than an "option to purchase." If owner sells they must notify tenant in writing, then the tenant can buy at a price that owner lists or tenant can match any 3rd-party offer within a time limited specified in the lease agreement.
 - iii. However, having these options means little if the beginning farmer has not positioned himself or herself to be able to exercise the option. In other words, having the right to buy the farm only makes a difference if one can get financing for purchase in time to exercise the option.
- e) Alternative lease models
- i. Many different types of entities have farmland available for lease. These entities include: Public agencies, park systems, land trusts, school districts, churches, businesses/corporations.
 - ii. These leases are often publicized only briefly or through their own established networks in the agricultural community. Enquire with the entities about availability.
 - iii. A proactive beginning farmer should contact the offices of such organizations to enquire with appropriate program staff
 - iv. While a significant wait period may be required, to get approvals from the relevant agency or board, once a lease is obtained an agreement running 2–5 years with the opportunity to renew may be possible
 - v. The availability of infrastructure including wells, barns, and fencing will vary considerably. There also may be stricter land use requirements (organic, conservation).

D. Purchasing Agricultural Land

1. Purchase with conventional financing

- a) The standard means of purchasing a farm: This involves borrowing the money from a willing lender, making an offer on the land, and eventually purchasing the farm by making payments to the bank/lender
 - i. A lender may ask for up to 20% down, and they will want to see a business/farm plan, as well as cash flow, to support the loan. A good to moderate credit rating is also important.
- b) However, purchase with conventional financing is increasingly difficult for beginning farmers (see above re: the farmland affordability challenge)
 - i. As land prices increase it is becoming more and more difficult to support land payments from the proceeds of small-scale agriculture

- ii. Agricultural lenders typically require a demonstrated track record of successful farm business management
 - iii. A track record of successful farm business management in conjunction with a credible cash-flow projection is used to determine whether or not an agricultural lender will provide financing
 - iv. The lender will analyze the applicant's ability to make an adequate income from the specific piece of land they seek to purchase
- c) Variation on fee-title purchase suitable for purchases of relatively small acreage (i.e., 2–15 acres)
- i. Seek financing assistance from a mortgage broker or bank as a single-family residence
 - ii. By demonstrating significant income from off-farm sources based on a track record of maintaining an off-farm job, the purchaser may qualify for a home loan
 - iii. This may allow the purchaser to obtain a lower interest rate. This also circumvents the hurdle of demonstrating significant farm management experience.

2. Purchase through an “owner financing” / installment sale

- a) An installment sale or land contract sale is an agreement through which the seller (original owner) of the land agrees to finance the sale to a new buyer. The new buyer moves onto the land and begins making payments directly to the seller/owner based on an agreed-upon interest rate and other terms. This approach may result in a large “balloon” payment to finish paying off the seller.
- b) Advantages to new farmer: This approach can benefit a beginning farmer because they would not have to approach a commercial or governmental lender for a traditional loan, which is often difficult or impossible to secure for new and limited-resource farmers
- c) Advantages to seller: The seller, in turn, benefits by limiting their capital gains and income tax liability. In addition, if the seller finances the sale (“carries the note”) through an installment sale and the beginning farmer defaults, the land goes back to the seller, who can then select a new buyer.
- d) It is important to negotiate fees with either a realtor or lawyer in order to put together a purchase agreement that will pass legal muster
- e) Mitigating disadvantages to the seller: The USDA's Farm Service Agency has a “Land Contract Pilot Program” through which sellers can be guaranteed payments by the government for 10 years (approved in the 2008 Farm Bill).

3. Purchase of land protected by sale of agricultural conservation easement(s)

- a) Explanation of a conservation easement from the Land Trust Alliance, excerpted:
 - i. “The most traditional tool for conserving private land, a “conservation easement” (also known as a conservation restriction) is a legal agreement between a landowner and a land trust or government agency that permanently limits uses of the land in order to protect its conservation values. It allows landowners to continue to own and use their land, and they can also sell it or pass it on to heirs.

“When you donate a conservation easement to a land trust, you give up some of the rights associated with the land. For example, you might give up the right to build additional structures, while retaining the right to grow crops. Future owners also will be bound by the easement's terms. The land trust is responsible for making sure the easement's terms are followed. This is managed through “stewardship” by the land trust.

“Conservation easements offer great flexibility. An easement on property containing rare wildlife habitat might prohibit any development, for example, while an easement on a farm might allow continued farming and the addition of agricultural structures. An easement may apply to all or a portion of the property, and need not require public access.” Source: www.landtrustalliance.org/conservation/landowners/conservation-easements

b) **Types of Easements**

- i. Standard easements: These limit development and subdivision of the property. They may limit “footprint” of the farming operation. They may limit the size of a single-family house to ensure the farmer is not priced out of the market.
- ii. Affirmative easements: These may call for continued farming, require organic cultivation or specific crops. There should be a definition of what constitutes reasonable efforts to meet the conditions.
- c) The easement is recorded with the deed, and future owners are bound by its terms in perpetuity. The land remains privately owned and on the tax rolls. With an Agricultural Conservation Easement (ACE), a land trust or government agency maintains the development rights, while the farmer owns the farming and water rights and all other private property rights including exclusive use.
- d) A farm transaction with an ACE can take place in three basic ways:
 - i. Private buyer purchases land at full cost and then sells the easement
 - ii. A governmental or non-profit organizations acquires the land and then sells it at a reduced value after recording a conservation easement
 - iii. The private buyer and easement holder work in sync to do a “simultaneous transaction.” Some agricultural land trusts are seeking farmers increasingly as partners or “conservation buyers” who can help facilitate acquiring land to be protected. Farmers can proactively do outreach to land trusts.
- e) How beginning farmers may benefit from the sale of conservation easements
 - i. Reduced out-of-pocket price paid to owner due to compensation by land trust for the sale of the ACE
 - ii. Reduced tax burden due to reevaluation of property value based not on speculative value of land but on productive agricultural value
 - iii. Reduced inheritance tax due to reduced appraised value of property
 - iv. Acquiring ACE-protected land from a governmental or nonprofit agency may provide a longer time-frame than purchasing, in comparison to the public real estate market; the farmer can use this time to put together financing
 - v. Provides conservation of agricultural and/or wild lands in perpetuity
 - vi. A donated easement can offset taxes
 - vii. Sale of an easement can serve as a down payment
- f) Who supports the purchase of conservation easements?
 - i. California Department of Conservation, USDA Agricultural Conservation Easement Program, many local governments and hundreds of private land trusts are supporting the purchase of conservation easements on agricultural lands (see Resources)

E. Alternative Models

1. Community land trust and land pooling

- a) A community land trust (CLT) is a nonprofit organization that owns real estate to benefit the local community by enabling long-term low cost ownership. The organizations are democratically controlled and serve to provide long-term housing and farmland tenure.
- b) A CLT encourages good land stewardship and makes land more affordable because the common land is held by a trust as land designated for the broader community’s use while individual families or farmers hold long-term leases on a plot of land
- c) Because CLTs are able to provide long-term leases, they have the ability to preserve affordability over a long period of time. Land is removed from the speculative real estate market and held in trust by a democratically structured nonprofit.

- d) The value created from the labor applied to the land (agriculture crops and buildings) is private equity and becomes a liquid asset to the persons who are investing time and resources in the infrastructure value. This asset is exchangeable in the market place with limited equity potential that is defined by each CLT.
- e) Generally a CLT is organized as a tax-exempt 501(c) 3 nonprofit organization. In some cases a 501(c) 2 is established as a title holding company to administer property leaseholds that would jeopardize the tax-exempt status of the 501(c) 3.

2. **Shared ownership models: Legal partnerships, corporations, and limited liability companies (LLC)**

- a) In forming a partnership, corporation, or limited liability company (LLC) chief considerations include –
 - i. Which legal entity is best for shared ownership? Based on how various investors choose to share ownership of property, decision-making, and risk/liability, one can determine the best legal entity to hold title to the land.
 - ii. Example: One group may choose to have “silent partners” who invest cash but do not have a say in day-to-day operations of the farm. Some partners may have more off-farm assets than others and therefore might be taking on an unequal level of risk if the farm were sued.
 - iii. Comparative advantages can be explored through various Nolo Press publications (www.nolo.com) or speaking with a lawyer
- b) The LLC has become popular over the last several years as a means of meeting many goals of shared ownership while limiting bureaucratic requirements, liability, and costs. One option is for an LLC to own land and lease it back to a farm entity. This may offer several advantages –
 - i. Multiple investors can share ownership in the form of shares or stock in the land asset
 - ii. With an LLC one owner can choose to sell his or her shares at any time and other members can either buy the departing shareholder out or find another investor to purchase those shares. This allows the land to continue to benefit LLC shareholders regardless of changes in the personal goals or financial situation of one individual.
 - iii. By leasing land to the farming entity, the shareholders are assured the opportunity to gain equity, and to obtain income tax advantages from deducting mortgage interest
 - iv. In addition, this type of entity can be used to separate decision making between active farm managers – who need to be involved in day-to-day production and marketing decisions – and absentee land-owning shareholders
 - v. Much of what is described here as benefits of an LLC can also be attributed to other forms of incorporation or partnership agreements
 - vi. For additional descriptions and comparative advantages over other forms of incorporation or partnership agreements, see Nolo Press’s “Types of Ownership Structure.” Available online at www.nolo.com.

3. **Limited liability company ownership with lease to nonprofit entity**

- a) Many individuals in a new generation of aspiring farmers who did not grow up on farms or expect to inherit land have become interested in hybrid private/nonprofit farm entities. If educational tours and similar activities will be a core part of the business plan, this strategy may have merit, as a nonprofit entity will typically find it easier to obtain grants for program expenses that include rent, but not capital expenditures for land.
- b) Farming and nonprofit administration require very different skill sets. For this reason it is crucial to keep priorities straight, as starting up either a nonprofit organization or a productive farm demand significant time and resources.

Lecture 2: Finding Land, Signing a Lease, & USDA Programs

A. Finding Land

1. Finding the right property – this can be difficult for a new farmer

- a) There is not an abundance of good available farmland and there are a lot of people looking for it (see Lecture 1, B. The Farmland Availability Challenge). Thus, those with more resources are more able to secure it.
 - i. Lease rates are increasing in many places
- b) Knowledge about available land is often found in established farmer networks. These networks allow growers to know when parcels of land may open up soon, and allows them to pursue that piece of property to expand their own operations. Thus, these opportunities are harder for newer farmers to both find and secure.

2. Before beginning, know what you are looking for

- a) Before you look for land, be clear about the parameters and criteria that are important to you
 - i. Follow your farm business plan/farm plan and your search parameters (see Unit 6, Building Resilience: Small Farm Planning & Operations, for more on business/farm planning)
 - ii. What are your needs for land?
 - What are your acreage needs, current and future?
 - Based on your intended crop types, what are your needs for soil, location, climate (regional, local, micro)
 - Based on your marketing plan, what are your needs for access/distance to markets, suppliers, services and labor and other jobs?
 - iii. While a short-term lease may include an inexpensive per acre price in comparison to similar properties, the distance from housing or markets may mean that transportation costs and travel time outweigh the “bargain” represented by the lease price
 - Is there affordable housing nearby?
 - What are your water needs, based on crop/product needs, source, quantity, quality, infrastructure, cost?

3. Strategies to find available land

- a) Contact FarmLink-type organizations throughout nation. They are available to help new farmers find land. They have been cultivating relationships with older farmers and landowners for some time and have opportunities you might not hear about elsewhere.
- b) Look on the “fringes” – beyond the normal avenues for finding land. Since there is a network in place that knows about available land, it often goes to those already farming within that network. It takes some work to find properties outside of that loop.
- c) Be willing to use multiple small plots to start out
- d) Look for houses with extra acreage
- e) Ask friends and family
- f) Check Craigslist
- g) Other farmers—they often know more about
 - i. Bigger ranches with unused parcels
 - ii. Who’s retiring or moving off land

- h) Online-based groups and listservs
 - i. Rare Fruit Growers
 - ii. "Meetup" Group
 - iii. Google Groups
 - i) Google Maps: the satellite view can show plots of land that appear unused in peri-urban or suburban neighborhoods. Then these areas can be explored further.
 - j) Use the Assessor's Office if you've identified a parcel to get contact information
 - k) Place a classified ad
4. Other resources for finding, assessing, and securing land
- a) Mentors and experienced farmers – they can offer feedback on a parcel of land you've identified and strategies for securing it, as well as ideas for where to look to find it in the first place
 - b) Online groups and guilds – these can help you find current or retired farmers to talk to
 - c) Real estate brokers, appraisers, irrigation district officers, Co-op Extension farm advisors, Title company officers (property maps, APN maps), American Society of Farm Managers & Rural Appraisers (www.calasfmra.com) and Attorneys can all provide different kinds of guidance about what is good land, feedback about leases, people to talk with to find land, etc.
5. **Working with professionals and landowners**
- a) Good business etiquette is important
 - i. Be professional and prepared. Treat all the contacts with these people as business meetings or transactions. Do your homework. Present yourself in the best light.
 - b) Get help when needed. Contact specialists (listed above) if you have questions or concerns.
 - c) Landowners and farmers are looking out for their best interests
 - i. Work towards a sustainable agreement that works for everyone involved

B. Signing a Lease

1. See Lecture 1, C. for descriptions of various types of agricultural leases
2. Why have a written lease?
 - a) Verbal agreements are problematic
 - i. A verbal agreement – valid in California for 1 year
 - ii. While some beginning farmers have planted crops on a "handshake" or verbal agreement this is inadvisable. The details of a verbal agreement may not all be remembered, or even clearly understood in the first place.
 - b) A lease agreement gets everything on the table up front
 - i. It requires that all parties clarify and share their goals and expectations
 - ii. Written agreement should have everything clear and straightforward
 - iii. Even if the land is being offered for free, a written agreement is important. If the landlord only requires an occasional box of vegetables for compensation, that can be attractive. However, months into the lease that same landowner may make unreasonable demands about controlling noise, limiting water use, or maintaining aesthetics.
 - iv. It also provides legal protection to both parties, and can be used in conflict resolution.
 - c) Leases are important for various transactions and situations, such as working with the following departments or organizations
 - i. Agricultural Commissioner (Certified Producer Certificate)

- ii. Organic Certification Agency
 - iii. NRCS cost-share programs
 - iv. Lenders
 - v. Court System
 - b) Professional assistance
 - Please note: All land tenure agreements should be documented in writing and well understood by all of the parties involved in the transaction. This typically requires outside professional assistance.
3. Steps to signing a lease
- a) Sample leases
 - i. Review sample leases to understand the clauses and terminology—and see what is possible and useful in a lease. You can find these from farm link organizations, attorneys, or internet searches.
 - b) Hold lease meetings with landowner and professionals
 - i. Have face-to-face discussions about what should go into the lease. It can be useful to use a good sample lease as a starting point. It may be helpful to include a 3rd party in lease meetings.
 - c) Third party reviewers
 - i. It can be very helpful to have a 3rd set of eyes review the agreement, such as a farm link organization, lawyer, experienced farmer, or other knowledgeable professional
 - d) Lease rates
 - i. It is important to ensure you are paying a fair rate. To attempt to do so, here are the land factors that should be considered:
 - Soil type
 - Crop(s) to be planted
 - Water and utilities
 - Location: What is the access to markets and services?
 - “Plug and Play”: Is ground ready?
 - Housing, equipment, and infrastructure
 - ii. However, the “Market Rate”—what are people paying in the area for what crops—often can trump everything
 - e) Lease rates for animal production
 - i. These lease rates should be lower than vegetable production ground. They are based on: Acreage; stocking rates, share leases, sometimes using complicated formulas.
 - f) Acres to be leased
 - i. Landowners may not always be clear about the exact number of acres they are leasing. Although they may know the total acreage of a property, once there is a house on it, roads, and subdivided fields, the subsections size may not be clear. It is not unusual for a landowner to assume they know the acreage of a segment of their property, but to have overestimated the actual size. There are also instances where the overestimation is intentional. Thus, it is important to ensure that the size of the acreage the landowner is offering is accurate.
 - ii. Strategies for assessment:
 - Measure by hand
 - Hire a professional
 - Use Google Earth/Maps
 - Consult Assessor’s office maps

- iii. Keep in mind that the acreage you are leasing may ultimately be reduced by roads, vehicle storage, etc. Thus, if you plan to farm on 5 acres, you may need to lease a property larger than that to have an equipment shed, post-harvest processing area, etc.

4. Elements of a good lease

- a) Property map
- b) Term
- c) Rent (crop share or cash)
- d) Late rent
- e) Deposit
- f) Use: What is being grown or raised
- g) Organic?
- h) Maintenance and repair: Identify who is maintaining and repairing everything (such as buildings fences, roads, etc.), who will pay for it, and what is the process
- i) Utilities and water: Who pays for these, whose name they are in, how they are measured if not separate meters
- j) Describe irrigation system and maintenance in detail
- k) Shared well/utilities: Should have a detailed explanation
- l) Exit clause if water is no longer available in quantity or quality
- m) Alterations – this is a legal term for making changes to a lease. It is important to have a provision that lease terms can be changed if both parties agree.
- n) Assignment or subletting
- o) Liability insurance
- p) Dispute resolution
- q) Option to renew and “evergreen” option (continuous renewal)
- r) Sale of property: Lease should stipulate what happens if property sells or the landowners dies
- s) First right of refusal
- t) Option to buy
- u) Conservation easement
- v) Termination clause
- w) Contact information

5. Lease Term

- a) *The lease term should match crop timing.* In California, the maximum agricultural lease is 51 years.
- b) Short-term
 - i. A short-term lease is a safe structure within which to test a new farm business. It is good for annual row crops and grazing.
- c) Medium-term
 - i. A medium-term lease (3–5 years) is good for attracting investment, allowing a deepening of relationships (markets, employees, neighbors, etc.), if you are growing alfalfa and other perennial crops.
 - ii. It is also a useful term if you see a subdivision looming (in 1–5 years)

- e) Long-term
 - i. A long-term lease (7–50 years) is important for vineyards, orchards, high-infrastructure operations. This allows for deeper stewardship, and can also become an appreciating and transferable asset.

C. How Can the USDA Help New and Beginning Farmers?

1. Farm Service Agency (FSA)
 - a) Direct farm ownership loans
 - b) Guaranteed farm ownership loans
 - c) Land Contract Program
 - d) Interest-assistance
2. Natural Resources Conservation Service (NRCS)
 - a) Cost-share programs for landowners AND tenant farmers, e.g., the EQIP

Resources & References

Please note: As mentioned in Lecture 2, all land tenure agreements should be documented in writing and well understood by all of the parties involved in the transaction. This typically requires outside professional assistance.

PRINT RESOURCES

Choices Magazine – Farmland Values Edition. www.choicesmagazine.org/choices-magazine/theme-articles/farmland-values/theme-overview-farmland-values

This edition of Choices Magazine offers several articles exploring trends and issues with farmland values/prices and markets.

Christian, Diana. 2003. *Creating a Life Together: Practical Tools to Grow Ecovillages and Intentional Communities*. Gabriola Island, BC, Canada: New Society Publishers.

Several chapters dedicated to collective and cooperative land tenure models. Provides several thorough case studies on shared ownership models and guidelines on how to select the most appropriate legal entity for holding land titles.

Farmers Guide to Securing Land, California FarmLink (forthcoming). California FarmLink. www.cafarmlink.org

Geisler, Charles, and Gail Daneker (eds.). 2000. *Property and Values: Alternatives to Public and Private Ownership*. Washington, DC: Island Press.

Brings together scholars, attorneys, government officials, community development practitioners, and environmental advocates to consider property rights issues and how to create new and more socially equitable forms of land ownership.

Ruhf, Kathryn Z. 1999. *Farmland Transfer and Protection in New England: A Guide for Entering and Exiting Farmers*. Belchertown, MA: New England Small Farm Institute.

Information on farm transfer and secure tenure for the next generation of New England farmers. Useful for farm families and service providers involved in farmland access, transfer, and protection. Email nesfi@igc.org.

Ruhf, Kathy, Annette Higby, Andrea Woloschuck et al. 2004. *Holding Ground: A Guide to North-*

east Farmland Tenure and Stewardship. Intervale Foundation (VT) and the New England Small Farm Institute.

This comprehensive guide offers models and mechanisms, other than outright ownership, for securing tenure on farmland in any U.S. region. Holding Ground opens doors to new tenure models and provides practical information to help you craft innovative, successful tenure agreements that address the needs of both parties—and of the land itself.

Schwartz, Steve, Lindsey Lusher Shute, Sophie Ackoff, and Eleanor Kane. 2013. *Conservation 2.0 – How Land Trusts Can Protect America's Working Farms*. National Young Farmers Coalition. www.youngfarmers.org/reports/conservation2.0.pdf

This report explores the current state of conservation easements and land trusts in the U.S. It summarizes findings from surveys, focus groups and interviews with land trust professionals.

Weaver, Becca, Leigh Kalbacker, and Chelsea Bardot Lewis. 2012. *Finding, Assessing, and Securing Farmland: A Plain Language Guide from the New Entry Sustainable Farming Project*. Lowell, MA: New Entry Sustainable Farming Project.

This 35-page document is designed for beginning farmers who are ready to find land. It provides needed information, as well as questions to help new farmers find the clarity they need on a variety of issues, that will help make the land acquisition process more successful.

Winig, Ben, and Heather Wooten. 2013. *Dig, Eat and Be Healthy: A Guide to Growing Food on Public Property*. Oakland, CA: ChangeLab Solutions. <http://changelabsolutions.org/publications/dig-eat-be-healthy>

This 48-page publication offers useful information for growing food on public land. It outlines how to identify public agencies to work with and assess good growing sites, and discusses different types of agreements and important information to include in them. Also highlighted are issues and suggestions for growing food on public school properties.

WEB-BASED RESOURCES

American Farmland Trust

www.farmland.org

The web site for American Farmland Trust, a national organization working on farmland conservation models.

Beginning Farmers

www.beginningfarmers.org/finding-land-to-farm/

They have listings of all US Landlink programs, links to other resources for finding land, as well as national and state land listing services.

California Chapter of the American Society of Farm Managers and Rural Appraisers

www.calasfmra.com

While this site is designed for professional appraisers, realtors, and others, you'll find much valuable information including average costs of land for sale or lease. The information is categorized by crop and California county.

California Department of Conservation Division of Land Resource Protection—California Farmland Conservation Program

www.consrv.ca.gov/DLRP

California Farmland Conservancy Program (CFCP) encourages long-term, private stewardship of agricultural lands through the voluntary use of agricultural conservation easements. The CFCP provides grant funding for projects that use and support agricultural conservation easements for protection of agricultural lands.

California FarmLink

www.cafarmlink.org

This site provides information about California FarmLink services and programs as well as case studies on farm transfer models and links to other helpful sites. Sample language from which to develop legal land tenure agreements are also available through California FarmLink and other organizations.

Conservation Fund

www.conservationfund.org

Forges partnerships to protect America's legacy of land and water resources. Through land acquisition, community initiatives, and leadership training, the Conservation Fund and its partners demonstrate sustainable conservation solutions emphasizing the integration of economic and environmental goals.

Equity Trust Incorporated

www.equitytrust.org

The Equity Trust Incorporated offers a number of programs that emphasize creative approaches to land tenure, including a CSA/Agriculture program that intends to "introduce a new constituency to alternative land tenure models, enroll them into partnerships with land trusts and raise the standards of agricultural land preservation to include better protections to keep farmland in active use and maintain its affordability to future farmers." Includes listing of resources.

FarmLASTS – Land Access, Sucession and Tenure and Stewardship

<http://www.uvm.edu/farmlasts/>

This website is an online manual, which is the product of a national multi-year project initiated in 2007. It includes research reports and recommendations, an agricultural land tenure curriculum, and proceedings from a land tenure conference from 2009.

Federation of Southern Cooperatives Land Assistance Fund

<http://www.federationsoutherncoop.com/>

The Federation of Southern Cooperatives Land Assistance Fund provides offers numerous programs and services, including land assistance, a credit union and cooperative marketing. Their mission is to help foster self-supporting communities and help with land acquisition and retention for African Americans and all family farmers.

Growing New Farmers

www.growingnewfarmers.org

Growing New Farmers is a community of new farmers and service providers organized through the New England Small Farm Institute. This web site will assist the spectrum of beginning farmers, from those assessing whether they want to get started to those finalizing business plans. Though created for farmers in the Northeast it has a wealth of information for California farmers, including worksheets, articles, and a user-friendly question and answer section.

Institute for Community Economics

www.iceclt.org/clt/

ICE, founded in 1967, is a national organization that promotes the just allocation of resources in communities in ways that address the needs of low-income families. Through technical assistance, financial support, and advocacy, ICE builds the capacity of a national network of community land trusts (CLTs) and other locally controlled organizations for permanently affordable housing and community economic development. Contains extensive resources on the Community Land Trust model of land and housing ownership.

International Farm Transition Network

www.farmtransition.org

This web site has links to many state and regional programs that help connect beginning and aspiring farmers with opportunities to gain land tenure, connect with mentors.

Land for Good

www.landforgood.org

The site provides a variety of resources including case-studies associated with land access.

Land Trust Alliance

www.lta.org

The Land Trust Alliance web site will help you access local land trusts that may be of assistance in acquiring lands for lease or sale.

Marin Agricultural Land Trust

www.malt.org

Founded in 1980 by a coalition of ranchers and environmentalists to preserve farmland

in Marin County, California, MALT acquires agricultural conservation easements on farmland in voluntary transactions with landowners. The MALT web site contains many online articles on agricultural conservation easements, sample conservation easements, and multiple case studies of agriculture land preservation through the sale of conservation easements.

National Young Farmers Coalition (NYFC)

www.youngfarmers.org

The NYFC provides a land access section on their website, which provides case studies, resources for finding land, workshop listings and other documents.

New England Land Link Program

www.smallfarm.org/nell/nell.html#pub

NELL is a program to help farmers and landholders locate and transfer farms in New England.

New England Small Farm Institute (NESFI)

www.smallfarm.org

Established to support beginning farmers and sustainable small-scale agriculture in New England, the NESFI provides extensive resources for the beginning farmer, including technical assistance and training programs; access to financial resources; access to land through the New England Land Link Program; and support in accessing markets.

Nolo Press

www.nolo.com

Dedicated to helping people handle their own everyday legal matters or make more informed legal decisions, Nolo Press publishes reliable, plain-English books, software, forms, and up-to-date legal information covering almost any legal topic. Includes an extensive list of publications and online articles on the types of legal ownership structures that are available and do-it-yourself manuals on forming sole proprietorships; partnerships; limited partnerships; limited liability companies (LLC); nonprofit corporations; nonprofit cooperatives. Includes links to other helpful websites.

Sustainable Communities Network (SCN)

www.sustainable.org

The SCN is for those who want to help make their communities more livable. A broad range of issues is addressed and resources are provided to help make this happen.

United States Department of Agriculture Natural Resources Conservation Service (NRCS) Farm and Ranch Lands Protection Program

www.nrcs.usda.gov/programs/frpp/

The Farm and Ranch Lands Protection Program provides matching funds to help purchase development rights to keep productive farmland and rangeland in agricultural uses. Working through existing programs, USDA joins with State, tribal, or local governments to acquire conservation easements or other interests from landowners. USDA provides up to 50 percent of the fair market easement value. The USDA NRCS Farm and Ranch Lands Protection Program web site provides resources on this federal easement program. Note: With the 2014 farm bill this program is expected to be renamed the Agricultural Conservation Easements Program (ACEP), be prepared to refine your web-search accordingly.

