

FINDING LAND TO FARM

Six Ways to Secure Farmland



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Various Agreements for Leasing and Owning Land

This publication highlights some common ways to lease or own land. It outlines important considerations about each of these leasing options and paths to ownership.

Renting farmland is a common practice in U.S. agriculture, where more than 45 percent of the 917 million farmland acres are rented. According to the 1999 Agricultural Economics and Land Ownership Survey, 60 percent of farmland rent is paid in cash, 24 percent in shares of production, and 11 percent in a cash/share combination. Following are short descriptions of the various leasing and ownership options covered in this publication.

Cash Lease

Most cash leases are short-term, requiring little commitment from either landowner or tenant farmer. Long-term leases can be an affordable way for farmers to use more sustainable practices and to invest more in their businesses. Many leases are based on a handshake. Verbal agreements are considered legal leases for one year, but this is NOT recommendable for either party, as conflicts can arise even among friends when terms are not clearly stated on outset. A written lease provides benefits and security for both parties.

Crop Share

In this model, rent payment consists of part of the crop, most often paid as part of the income from total crop sold. Also known as “share-crop” and “share lease,” this was historically disadvantageous to tenant farmers, but can work well for beginning farmers without start-up capital. Crop share arrangements are common in perennial crops and some commodities, for example fruit and nut operations, hay, field crops, processing tomatoes. Agreements may have maximum and minimum limits to protect the farmer and landowner, respectively.

Long-Term Lease

This model is as close to ownership as a lease can get. The term is usually 40 to 99 years depending on state law. This is longer than the average mortgage. These types of leases may even be inheritable. They are used for publicly owned land and commercial real estate, but are less common in agriculture. They are sometimes used by cities and land trusts who own the land but wish to guarantee farmers lifetime tenure. Because of their longevity, the intent and clauses of leases must be very carefully drafted so they will last as long as the lease term.

Lease with Option to Buy or Right of First Refusal

There are two ways a lease can improve ownership opportunities for a tenant farmer:

- With a **“Purchase Option,”** the owner and tenant pre-determine the purchase price, with a date for execution of the purchase. The tenant pays for this option up front, and the rent money can count toward an initial down payment.
- With a **“Right of First Refusal”** clause, the owner can only sell the land to a third party after the tenant has had a chance to “refuse,” by matching that third-party offer and making the purchase first. This helps ensure that an owner doesn’t sell the land “out from under” the tenant, but the tenant must be ready to act quickly.

Fee Title Purchase with Seller Financing

In this model the new buyer takes possession of the land and makes payments directly to the seller, as written in a “note.” This works very well when a good relationship has been established. The landowner can see the property transferred to a promising new farmer, and the new farmer can secure that note—sometimes by virtue of his or her “character” more than conventional lending requirements. Even better, brokerage fees are avoided by both parties. Payments can be structured like a typical mortgage, or in the case of an installment or land contract sale, made periodically. This strategy is often a good way to transfer land to the next generation within a family.

Fee Title Purchase with Agricultural Conservation Easement

An agricultural conservation easement forever extinguishes development rights on that land, making it less valuable to nonfarmers. These types of easements are used if a landowner wishes to see the land remain available for agriculture: He or she donates or sells the land’s development rights in the form of an agricultural conservation easement to a nonprofit land trust or government agency, which ensures that the easement goals are upheld forever. This can drop the after-easement value, or “easement encumbered value,” of the land into an affordable price range for a new farmer.

FINDING LAND TO FARM

Six Ways to Secure Farmland

ONE MORNING PEDRO VISITS THE LAND HE LEASES AND RECEIVES AN UNPLEASANT SURPRISE!



PEDRO CALLS A LAWYER FRIEND...



PEDRO, DEJECTED, VISITS HIS OLD FARMER FRIEND, SAMUEL



FOR EXAMPLE, HOW MANY ACRES DO YOU NEED?

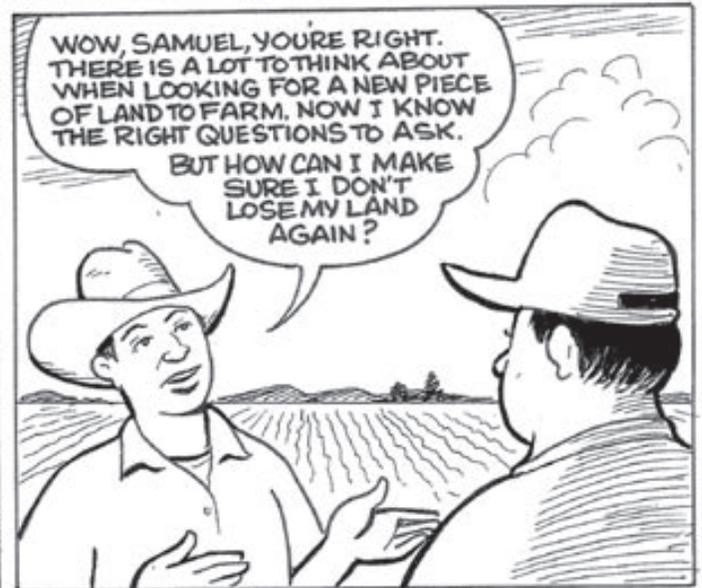


... AND WHAT KIND OF SOIL?



DO YOU NEED ACCESS TO WATER FOR IRRIGATION?





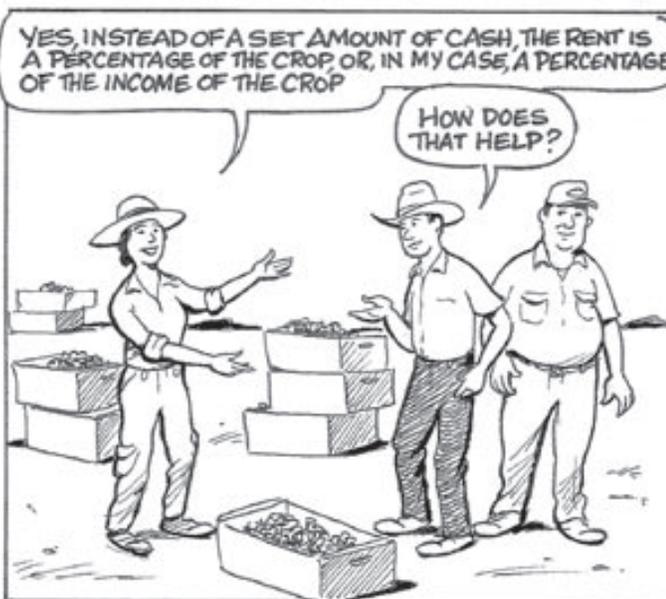
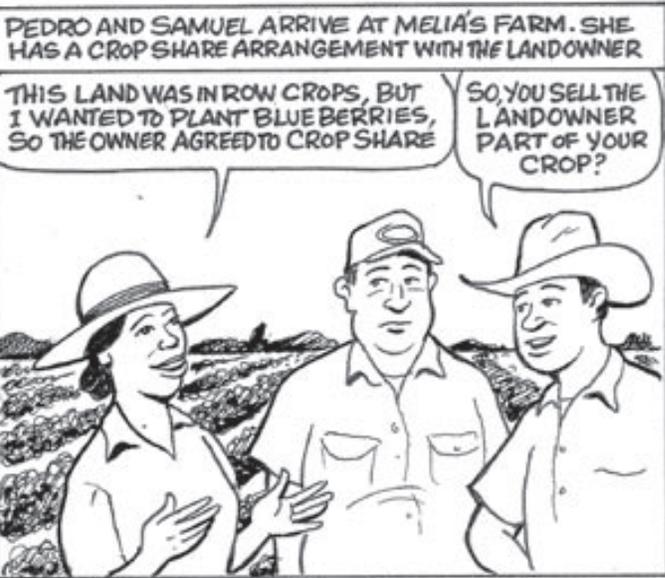


CASH LEASE AGREEMENTS

- ◇ VARIABLE DURATION
 - SHORT TERM LEASES ALLOW "TRIAL PERIOD" FOR BOTH LANDOWNER AND FARMER
 - LONG TERM LEASES ARE PREDICTABLE FOR THE OWNER AND SECURE FOR THE FARMER
- ◇ PAYMENT SCHEDULE NEGOTIABLE
- ◇ FARMER & LANDOWNER KNOW HOW MUCH THE RENT WILL BE

DISADVANTAGES (IF LEASE IS SHORT)

- ◇ DIFFICULT TO MAKE LONG-TERM DECISIONS AND INVESTMENTS
- ◇ LENDERS MAY BALK AT FINANCING IMPROVEMENTS
- ◇ LESS INCENTIVE TO USE SUSTAINABLE PRACTICES TO IMPROVE THE SOIL
- ◇ NO EQUITY IS BUILT UP (SHORT OR LONG LEASE)
- ◇ LANDOWNER DOESN'T SHARE RISK IF FARMER HAS A POOR CROP OR CROP HASN'T COME IN YET



IT'S A FAIR WAY TO SHARE RISK. BECAUSE THE INCOME FROM THE CROP IS BASED ON BOTH YIELDS AND PRICES THE RENT WILL VARY, SO THE LANDOWNER SHARES SOME OF THE RISKS AND BENEFITS ALONG WITH THE FARMER.

WHAT IF PRICES ARE REALLY HIGH?



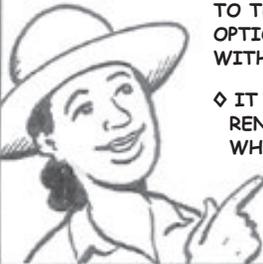
WELL OUR AGREEMENT LIMITS THE RENT ONCE IT REACHES A CERTAIN AMOUNT BECAUSE WHEN CROP PRICES ARE HIGH, USUALLY FUEL, FERTILIZER AND OTHER INPUT COSTS GO UP AS WELL...



MELIA THEN POINTS OUT OTHER THINGS TO CONSIDER

CROP SHARE LEASE

- ◇ RENT PAYMENT CONSISTS OF PART OF THE CROP, MOST OFTEN PAID AS PART OF THE INCOME FROM TOTAL CROP SOLD BUT CAN ALSO BE CALCULATED AS A PORTION OF NET INCOME AFTER EXPENSES. PAYMENT IS USUALLY NOT REQUIRED UNTIL CROP COMES IN.
- ◇ RISK IS SHARED BETWEEN PARTIES.
- ◇ THIS KIND OF LEASE IS HISTORICALLY DISADVANTAGEOUS TO TENANT FARMERS, BUT MAY BE A GOOD OPTION FOR BEGINNING FARMERS WITHOUT START-UP CAPITAL.



- ◇ IT CAN BE HARD TO BUDGET FOR AN EXACT RENT AMOUNT. NEITHER PARTY KNOWS WHAT A FARM WILL YIELD, SO PAYMENT AMOUNTS ARE UNCERTAIN. OWNERS DON'T WANT THE RENT TO BE TOO LOW. TENANTS DON'T WANT IT TO BE TOO HIGH.

AFTER VISITING WITH MELIA, HERE ARE SOME IMPORTANT POINTS TO INCLUDE IN A CROP SHARE AGREEMENT

- ◇ IF THE TENANT FARMER DOES VERY WELL, THE CROP SHARE RENT MAY EXCEED LOCAL CASH-LEASE RATES.

YOU MAY WISH TO INCLUDE A "MAXIMUM PAYMENT CLAUSE," WHICH WOULD PROTECT THE TENANT AGAINST PAYING TOO MUCH FOR RENT.
- ◇ CONVERSELY, A "MINIMUM PAYMENT CLAUSE" WOULD PROTECT THE LANDOWNER FROM RECEIVING TOO LITTLE PAYMENT (FOR EXAMPLE, IN CASE OF CROP FAILURE BY TENANT), BUT SHOULD REFLECT THE "SHARED RISK" BETWEEN THE LANDLORD AND TENANT.

THE CROP SHARE'S INTERESTING, BUT I WANT SOMETHING OVER THE LONG TERM AND DON'T HAVE A LOT OF MONEY

I KNOW SOMEONE IN A SITUATION YOU'LL FIND INTERESTING



HEY SAM, WHAT BRINGS YOU HERE?

HI JOE, MY FRIEND PEDRO'S TRYING TO FIND SOME FARMLAND, AND I THOUGHT HE'D BE INTERESTED IN HEARING ABOUT YOUR SITUATION

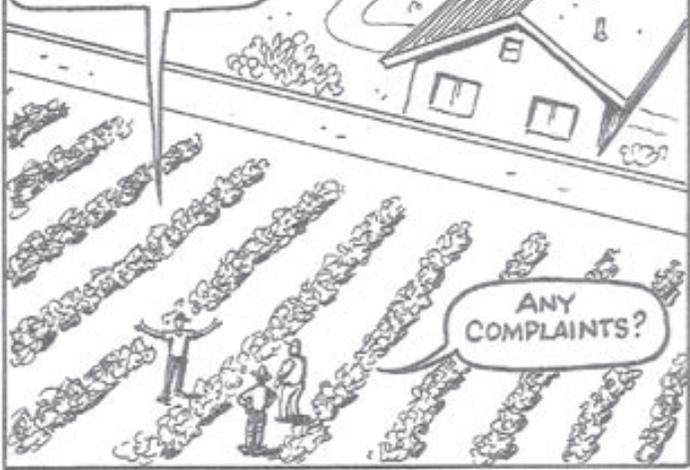


HI PEDRO! WELL, I HAVE A LONG-TERM LEASE ON THIS LAND FROM THE CITY. SINCE IT'S CLOSE TO A NEIGHBORHOOD, THEY WANT IT FARMED ORGANICALLY



HOW'S IT GOING?

IT'S WORKED OUT WELL. THE NEIGHBORS LIKE THE FACT THAT I'M ORGANIC. I'VE BEEN ABLE TO DEVELOP A LOCAL C.S.A.* AND ALSO SELL AT THE TOWN'S FARMER'S MARKET, AND I HAVE A STABLE LEASE FOR 20 YEARS



ANY COMPLAINTS?

NO COMPLAINTS, THOUGH I'D RATHER OWN MY OWN LAND. BUT LAND AROUND HERE IS SO PRICY, THIS SEEMED TO BE A BETTER OPTION. PLUS, MY TRANSPORT COSTS ARE VERY LOW.



HERE ARE SOME OTHER POINTS TO CONSIDER...

LONG TERM LEASE

- ◇ OFFERS MOST ADVANTAGES OF OWNERSHIP WITHOUT NEED FOR DOWN PAYMENT OR HEAVY BORROWING. LESS COMMON IN AN AGRICULTURAL CONTEXT.
- ◇ SOME LONG-TERM LEASES ARE INHERITABLE AND ALLOW FOR TRANSFER TO THE NEXT GENERATION. LOOK AT YOUR STATE'S REAL ESTATE CODE.
- ◇ BECAUSE OF THEIR LONGEVITY, THESE LEASES CAN BE HIGHLY COMPLEX. THE INTENT AND CLAUSES MUST BE VERY CAREFULLY DRAFTED TO LAST AS LONG AS THE LEASE TERM.
- ◇ LANDOWNERS ARE NOT OFTEN WILLING TO MAKE SUCH A LONG-TERM COMMITMENT, OR TO RISK TITLE FOR TENANT FINANCING
- ◇ TENANT IS SUBJECT TO LEASE TERMS WHICH MUST REMAIN REASONABLE AND PRUDENT FOR DURATION OF LEASE. MULTIPLE DECADES ARE A LONG TIME TO PLAN FOR!
- ◇ FARMER'S ABILITY TO RECOVER EQUITY IN LAND MAY BE LIMITED, DEPENDING ON AGREEMENT.



I'M NOT SURE I WANT TO FARM SO CLOSE TO A TOWN, BUT I LIKE THE IDEA OF TAKING GOOD CARE OF THE LAND. IS THERE A WAY TO GET A BETTER PRICE ON LAND IF YOU TAKE GOOD CARE OF IT?



I THINK THERE ARE DIFFERENT WAYS TO DO THAT...

IT DEPENDS ON WHAT THE LANDOWNER WANTS, BUT LET'S VISIT A FRIEND WHO HAS PURCHASED SOME LAND USING AN EASEMENT TO REDUCE THE COST OF THE LAND



"EASEMENT_?"

* C.S.A. = COMMUNITY SUPPORTED AGRICULTURE

I'M NO EXPERT, BUT I THINK THEY SOLD DEVELOPMENT RIGHTS ON THE LAND TO A LAND TRUST, AND USED THE MONEY TO HELP WITH THE PURCHASE~ LET'S GO ASK MY FRIEND, MR. GREEN



PEDRO AND JOE VISIT MR. GREEN, WHO IS A MIDDLE-AGE FARMER THAT WANTED TO FINANCE THE TRANSITION OF HIS LAND (700 ACRES) TO HIS DAUGHTER, BUT ALSO NEEDED SOME \$\$ TO HELP WITH RETIREMENT. MR. GREEN'S BROTHER, A CO-OWNER, HAD BEEN THREATENING TO FORCE THE SALE OF THE LAND TO A DEVELOPER ~ HE WANTED HIS MONEY. A LOCAL LAND TRUST PURCHASED A CONSERVATION EASEMENT, PROVIDING THE MONEY FOR THE FATHER TO BUY OUT THE BROTHER.



PEDRO WOULD LIKE TO HEAR ABOUT HOW YOU USED CONSERVATION EASEMENTS WHEN YOU BOUGHT OUT YOUR BROTHER'S INTEREST IN YOUR FARM.

WELL, WE HAVE TO GO BACK A FEW MONTHS TO A MEETING WITH MY BROTHER AND DAUGHTER.



I DON'T WANT TO FARM, AND I'M NOT GETTING ENOUGH FINANCIAL BENEFIT FROM THIS LAND... AS HALF-OWNER, I WANT TO SELL

PLEASE, ROBERT, GIVE US A LITTLE TIME TO SEE IF WE CAN GET A LOAN TO BUY YOU OUT OR SOMETHING



MY DAUGHTER AND I MET WITH AN ADVISOR AT THE LOCAL LAND TRUST

I THINK WE COULD ARRANGE TO PURCHASE A CONSERVATION EASEMENT ON YOUR PROPERTY, AND YOU MIGHT BE ABLE TO USE THAT MONEY TO BUY A HALF SHARE OF THE FARM FROM YOUR BROTHER, MR. GREEN



DAD, I THINK THIS WILL WORK. I CAN BUY THE FARM FROM YOU AND MY PAYMENTS WILL BE YOUR RETIREMENT INCOME

YEAH, THAT MIGHT WORK

FARMWELL Land Trust





FEE TITLE PURCHASE WITH AGRICULTURAL CONSERVATION EASEMENT

- ◇ THE USE OF THE PROPERTY (THE DEVELOPMENT RIGHTS) IS RESTRICTED BY THE TERMS OF THE CONSERVATION EASEMENT AND THOSE RESTRICTIONS APPLY TO ALL FUTURE OWNERS OF THE PROPERTY
- ◇ THE DEVELOPMENT RIGHTS (IN THE FORM OF A CONSERVATION EASEMENT) ARE DONATED OR SOLD TO A NONPROFIT LAND TRUST OR GOVERNMENT AGENCY WHICH HOLDS THE EASEMENT AND ENSURES IT IS UPHELD.

THE AFTER-EASEMENT VALUE (OR EASEMENT-ENCUMBERED VALUE) OF THE LAND MAY DROP THE PRICE INTO AN AFFORDABLE RANGE FOR A NEW FARMER. THIS CAN OCCUR IN SEVERAL WAYS:

- ◇ THE LANDOWNER COULD SELL THE EASEMENT FIRST, THEN SELL THE ENCUMBERED LAND TO A NEW FARMER.
- ◇ THE NEW FARMER COULD PARTNER WITH A LAND TRUST TO MAKE A JOINT PURCHASE OFFER TO THE LANDOWNER. (OCCASIONALLY A LAND TRUST BUYS FIRST, THEN SELLS TO A FARMER THROUGH A BIDDING PROCESS)
- ◇ THE NEW FARMER COULD CREATIVELY FINANCE LAND PURCHASE, WITH A COMMITMENT BY THE LAND TRUST TO PURCHASE THE EASEMENT IN FUTURE.

FEE TITLE PURCHASE WITH AGRICULTURAL CONSERVATION EASEMENT

- ◇ FARMERS SEEKING TO BUY LAND HAVE A BETTER CHANCE WHEN THEY'RE NOT BIDDING ON RESIDENTIAL OR RANCHETTE REAL ESTATE VALUE. EASEMENTS CAN MAKE THE DIFFERENCE BETWEEN AFFORDABLE OWNERSHIP AND LIFELONG LEASING.
- ◇ SELLERS CAN SEE THEIR AGRICULTURAL LEGACY CONTINUED. WITH TAX BENEFITS, THEY CAN SOMETIMES RECEIVE CLOSE TO FAIR MARKET VALUE FOR THE LAND.
- ◇ BECAUSE EASEMENTS RESTRICT PROPERTY RIGHTS, THEY MAY LIMIT VALUES OR OWNERS' ABILITY TO GET FINANCING.
- ◇ AGRICULTURAL CONSERVATION EASEMENTS DON'T ALWAYS WORK AS INTENDED. THESE EASEMENT-ENCUMBERED PROPERTIES OFTEN STILL HAVE HIGH RURAL-ESTATE HOME VALUE TO NON-FARMERS.
- ◇ PROCESS CAN BE SLOW, SINCE LAND TRUSTS USUALLY HAVE TO APPLY FOR FUNDING TO PURCHASE EASEMENTS.
- ◇ EASEMENTS ARE, IN THEORY, FOREVER. THIS PRESENTS CHALLENGES TO CURRENT AND FUTURE LANDOWNERS AS TO COMPLIANCE AND FUTURE ENFORCEABILITY OF EASEMENTS.



HERE'S AN OPTION THAT'S SIMILAR TO WHAT THE GREENS DID:

FEE TITLE PURCHASE WITH SELLER FINANCING

- ◇ IN THIS MODEL, THE NEW BUYER TAKES POSSESSION OF THE LAND, MAKES PAYMENTS DIRECTLY TO SELLER.
- ◇ THIS WORKS VERY WELL WHEN A GOOD RELATIONSHIP HAS BEEN ESTABLISHED. THE LANDOWNER CAN SEE THE PROPERTY TRANSFERRED TO A PROMISING NEW FARMER, AND THE NEW FARMER CAN BUILD EQUITY, SOMETIMES WITHOUT HIGH DOWN PAYMENT

ADVANTAGES

- ◇ CHARACTER LOAN MAY BE EASIER IN THIS SCENARIO. BUYER DOESN'T NECESSARILY HAVE TO QUALIFY FOR TRADITIONAL BANK OR GOVERNMENT LOAN.
- ◇ LANDOWNER CAN SPREAD OUT CAPITAL GAINS FOR TAX PURPOSES.



FEE TITLE PURCHASE WITH SELLER FINANCING

ADVANTAGES (CONTINUED)

- ◇ BROKERAGE FEES AVOIDED BY BOTH PARTIES
- ◇ GOOD WAY TO TRANSFER LAND TO NEXT GENERATION
- ◇ INSTALLMENT PLAN MAY BE STRUCTURED FOR SMALLER INITIAL PAYMENTS WITH LARGER "BALLOON" PAYMENTS WHEN FARMER EXPECTS TO BE MORE FINANCIALLY PREPARED

DISADVANTAGES

- ◇ IF BUYER DEFAULTS, THE LAND GOES BACK TO THE SELLER AND THE BUYER'S EQUITY MAY BE LOST.
- ◇ MOST INITIAL PAYMENTS COVER INTEREST ONLY, OR MAY BE VERY LARGE. REQUIRED DOWN PAYMENTS MAY ALSO BE LARGE.



TO IMPROVE OWNERSHIP OPPORTUNITIES FOR A TENANT FARMER ~ CONSIDER LEASING WITH AN OPTION TO BUY:

LEASE WITH OPTION TO BUY

THERE ARE TWO WAYS A LEASE CAN IMPROVE OWNERSHIP OPPORTUNITIES FOR A TENANT FARMER.

- 1) WITH A "FIRST RIGHT OF REFUSAL" CLAUSE, THE TENANT GETS TO MAKE THE FIRST OFFER PRIOR TO THE OWNER LISTING THE LAND FOR SALE, AT THE SELLER'S ASKING PRICE.
- 2) WITH AN "OPTION AGREEMENT," OWNER AND TENANT PRE-DETERMINE PURCHASE PRICE, WITH A REQUIRED DATE OF EXECUTION OF PURCHASE. TENANT PAYS FOR THIS OPTION UP FRONT, AND RENT MONEY SOMETIMES COUNTS TOWARD INITIAL DOWN PAYMENT.



ADVANTAGES

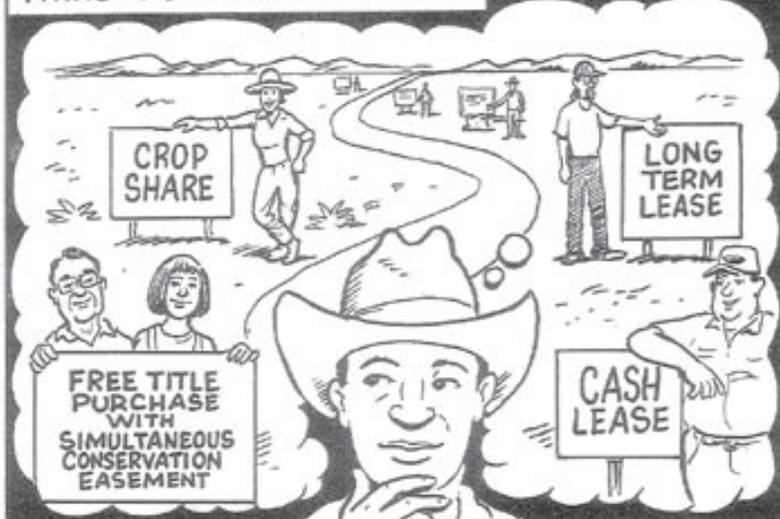
- ◇ THE FARMER IS GUARANTEED THAT LAND WILL NOT BE "SOLD OUT FROM UNDER" HIM OR HER.
- ◇ WITH AN OPTION IN WHICH THE RENT PAYMENT GOES TOWARD EVENTUAL PURCHASE, THE FARMER BUILDS EQUITY TOWARD OWNERSHIP.
- ◇ WHEN THE PURCHASE AGREEMENT IS ATTACHED, FARMER CAN PLAN FOR A KNOWN PURCHASE PRICE.

DISADVANTAGES

- ◇ WITH FIRST RIGHT OF REFUSAL, TENANTS HAVE LITTLE NEGOTIATING POWER—THEY CAN ONLY EXERCISE THE RIGHT BY AGREEING TO SELLER'S TERMS.
- ◇ IF THE FARMER IS NOT FINANCIALLY READY WHEN THE PROPERTY IS PUT UP FOR SALE, OR AT THE AGREED-UPON PURCHASE DATE (OPTION), THE ADVANTAGE AND THE RENT EQUITY ARE LOST.



PEDRO CONSIDERS EVERYTHING HE'S LEARNED ABOUT THE PATHS TO SECURING FARMLAND



WELL PEDRO, HAVE YOU DECIDED WHAT YOU'RE GOING TO DO?

THANKS FOR YOUR HELP, JOE!
I'M GOING TO THINK ABOUT THIS, STUDY THE RESOURCES* AND TALK WITH MY FAMILY. I'VE LEARNED A LOT.



* SEE THE FOLLOWING PAGES FOR ADDITIONAL RESOURCES

Resources for Farmers Seeking Land Tenure

Publications and Web Resources

Farmers for the Future is an internet resource for beginning farmers which can be found on the Farm Credit System-sponsored “Agriculture Online” website. It includes featured profiles of farmers, articles about farm transitions and beginning farmers who have “made it,” and a list of links for beginning farmers. www.agriculture.com/ag/category.jhtml?categoryid=/templatedata/ag/category/data/agfuturechannel.xml

A Farmers’ Guide to Securing Land, by California FarmLink, 2008, provides tools and examples to help landowners, farmers and service providers keep farmland in viable agriculture. The book includes an overview of farmland tenure in the U.S.—who owns and operates American farmland—and some of the challenges to keeping land in the hands of farmers. Each chapter describes a land tenure “model” such as lease, partnership or ownership. These are explained by real case studies collected by California FarmLink staff and associates. The book includes a CD-ROM that contains many of the actual lease, partnership or purchase documents used in these examples. www.californiafarmlink.org

Holding Ground: A Guide to Northeast Farmland Tenure and Stewardship. Kathy Ruhf, Annette Higby, Andrea Woloschuk and others. 2004. Belchertown, Mass. The New England Small Farm Institute and Intervale Foundation (see “Organizations” section for more information on each of these). This publication addresses farmland access, transfer, affordability and stewardship. It focuses on “non-ownership” tenure options and contains sample lease provisions with explanations, sample stewardship standards, worksheets, and case studies. \$30.00; 162 pages, paperback.

Minority Landowner is a monthly periodical featuring articles and information specifically targeting minority landowners in the southeastern United States and addressing the issues they face. Contact Victor L. Harris at 919-215-1632 or ccpublishing@earthlink.net

National Farm Transition Network supports programs that foster the next generation of farmers and ranchers. Below is a list of linking programs, which work with the NFTN. **Value-Added and Alternative Agriculture Tool Kit**, from the NCSU College of Agriculture and Life Sciences, provides an overview and on-line references. www.ncvalueadded.org/business-management.html

Organizations

New England Small Farm Institute’s mission is to promote small farm development by providing information and training for aspiring, beginning and transitioning farmers. NESFI maintains an extensive resource collection, produces publications, develops and offers innovative farmer-guided programs, and advocates for policies that encourage sustainable small-scale agriculture. 275 Jackson St., Belchertown, MA 01007 413-323-4531; 413-323-9594 (fax) info@smallfarm.org; www.smallfarm.org

The Intervale Center of Burlington, VT supports financially viable and environmentally sustainable agriculture. Its mission is to develop farm- and land-based enterprises that generate economic and social opportunity while protecting natural resources. The **Intervale Farms Program** creates opportunities for new farmers by leasing land and facilities to small organic enterprises. The program provides technical support and networking among other more experienced farmers. The **Success on Farms Program** works one on one with farmers throughout Vermont to help strengthen their businesses through increased revenues, more effective marketing, consideration of processing value-added products at the farm, and other strategies. 180 Intervale Road, Burlington, VT 05401 802-660-0440; www.intervale.org

Land For Good’s mission is to keep New England’s productive land cared for and in active use for the benefit of the owners, the land and the community. This New England nonprofit helps families and organizations plan for, manage and pass on working lands. The group fosters professional and community networks, public awareness and policies to keep New England’s working lands working. Land For Good offers assistance with farm transfer planning, leases and other land use agreements, farm design and land planning, and conservation development. 29 Center Street, Keene, NH 03431 603-357-1600 info@landforgood.org; www.landforgood.org

American Society of Farm Managers and Rural Appraisers is a nationwide organization for professionals who provide management, valuation, and consulting services on agricultural and rural assets. The California Chapter publishes *Trends in Agricultural Land and Lease*

Values, an excellent guide to farm-land values. The Society was formed in 1929.

950 South Cherry Street, Suite 508
Denver, CO 80246-2664
303-758-0190
info@asfmra.org; www.asfmra.com

USDA Farm Service Agency (FSA) offers two financing programs for land purchase which especially benefit beginning and socially disadvantaged farmers. The new Farm Bill provides for the Land Contract Guarantee Program and the Direct Farm Ownership Loan Program. Because traditional methods of farm entry and farm succession are no longer adequate to meet current challenges, the agency also offers the Beginning Farmer and Rancher Land Contract Guarantee Pilot Program. This pilot program will explore whether land contract sales are a viable alternative for facilitating land transfers to beginning farmers and ranchers. The pilot program will be available in Indiana, North Dakota, Oregon, Pennsylvania, Wisconsin, and Iowa. Contact the local Farm Service Agency office.
www.fsa.usda.gov

American Farmland Trust, founded in 1980 by a group of farmers and conservationists concerned about the rapid loss of the nation's farmland to development, is a nonprofit membership organization dedicated to protecting our nation's strategic agricultural resources. The trust provides legislative updates, conferences and e-news.

1200 18th Street, NW, Suite 800
Washington, D.C. 20036
202-659-8339
info@farmland.org; www.farmland.org

Equity Trust is a small, national nonprofit organization committed to changing the spirit and character of our material relationships. The Trust helps communities gain ownership interests in their food, land, and housing. The group works with people to make economic changes that balance the needs of individuals with the needs of the community, the earth, and future generations. Equity Trust offers land tenure counseling, financing, and land stewardship services.

PO Box 746, Turners Falls, MA 01376
Phone: 413-863-9038
Fax: 413-863-9082
info@equitytrust.org; www.equitytrust.org

Black Farmers and Agriculturalists Association was created to respond to the issues and concerns of Black farmers in the U.S. and abroad. The group is concerned

with advocacy at the national level, as well as support for the local Black farming community.

P.O. Box 61, Tillery, NC 27887
252-826-2800
info@bfaa-us.org; www.bfaa-us.org

Agriculture and Land-Based Training Association (ALBA) provides educational and business opportunities for farmworkers and aspiring farmers to grow and sell crops grown on two organic farms in Monterey County, California. ALBA provides educational and economic opportunities for limited-resource, aspiring and immigrant farmers.

P.O. Box 6264, Salinas, California 93912
831-758-1469, 831-758-3665 fax
www.albafarmers.org

Land Loss Prevention Project is dedicated to land retention and environmental justice by providing training and legal support. The organization is dedicated to the preservation of the family farm. The project was founded in 1982 by the North Carolina Association of Black Lawyers to curtail epidemic losses of Black-owned land in North Carolina. The organization broadened its mission in 1993 to provide legal support and assistance to all financially distressed and limited-resource farmers and landowners in North Carolina.

P.O. Box 179, Durham, NC 27702
919-682-5969
www.landloss.org

Appalachian Sustainable Agriculture Project supports farmers and rural communities in the mountains of Western North Carolina and the Southern Appalachians by providing education, mentoring, promotion, web resources, and community and policy development.

729 Haywood Rd. #3
Asheville, NC 28806
828-236-1282

FarmLASTS Project seeks to improve how farm and ranch land is acquired, stewarded, and passed on. Team members are drawn from organizations across the U.S. The project's working groups conduct research and education on farmland access, farm succession, and the impact of these arrangements on land use and the environment. In June 2009 the project convened a national conference in Colorado to address these issues. The USDA/CSREES-funded project is directed by staff at the University of Vermont and Land for Good.

Contact Kathy Ruhf, kzruhfh@verizon.net;
www.farmlasts.org

Land Linking Programs

National Farm Transition Network

The goal of the network is to support programs that foster the next generation of farmers and ranchers. Farm linking organizations develop new transition and tenure strategies for the entry of the next generation and the exit of the existing farmer. Below is a list of linking programs that work with the Network. Beginning Farmer Center
10861 Douglas Ave., Suite B
Urbandale, Iowa 50322
jrbaker@iastate.edu;
www.farmtransition.org

California

California FarmLink

P.O. Box 2224
Sebastopol, CA 95473
Office: 707.829.1691
Fax: 707.829.1693
Contact: Steve Schwartz
E-mail: info@californiafarmlink.org
www.californiafarmlink.org

Connecticut

New England Land Link

P.O. Box 608
Belchertown, MA 01007
Office: 413.323.4531
Fax: 413.323.9594
Contact: Eric Toensmeier
E-mail: landlink@smallfarm.org
www.smallfarm.org

Iowa

Farm On – Beginning Farmer Center

Iowa State University Extension
10861 Douglas Avenue, Suite B
Urbandale, IA 50322
Office: 877.BFC.1999
Fax: 515.252.7829
Contact: John Baker
E-mail: jrbaker@iastate.edu
www.extension.iastate.edu/bfc

Ag Link

Iowa State University
www.extension.iastate.edu/bfc/Aglink
Iowa State also has links to some very good on-line presentations by previous Ag Link presenters: www.extension.iastate.edu/bfc/pubs.html

Maine

Maine Farmlink

97 Main Street
Belfast, ME 04915
Office: 207.338.6575
Fax: 207.338.6024
Contact: Esther LaCognata,
esther@mainefarmlink.org
www.mainefarmlink.org

New England Land Link

P.O. Box 608
Belchertown, MA 01007
Office: 413.323.4531
Fax: 413.323.9594
Contact: Eric Toensmeier
E-mail: landlink@smallfarm.org
www.smallfarm.org

Maryland

Eastern Shore Land Conservancy

P.O. Box 169
Queenstown, MD 21658
Office: 410.827.9756
www.eslc.org

Massachusetts

New England Land Link

P.O. Box 608
Belchertown, MA 01007
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Fax: 413.323.9594
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E-mail: landlink@smallfarm.org
www.smallfarm.org

Michigan

FarmLink

Michigan Farm Bureau
7373 W Saginaw Hwy.
Lansing, MI 48917
Office: 517.323.7000
Toll-free: 888.805.4864

Fax: 517.323.6604

Contact: Matthew Smego,
msmego@mail.michfb.com
www.michiganfarmbureau.com/benefits/farmlink.php

Minnesota

Land Stewardship Project

Farm Beginnings

P.O. Box 130
Lewiston, MN 55952
Office: 507.523.3366
Contact: Karen Stettler,
stettler@landstewardshipproject.org
www.landstewardshipproject.org

Montana

Land Link Montana

Community Food & Agriculture Coalition
127 N. Higgins Ave., Suite 305
Missoula, MT 59802
Phone: 406.543.0542
Contact: Paul Hubbard,
pfhubbard@gmail.com
www.landlinkmontana.org

Nebraska

Land Link

Center for Rural Affairs
145 Main St.
PO Box 136
Lyons, NE 68038
Office: 402.687.2100
Fax: 402.687.2200
Contact: Michael Holton
E-mail: info@cfra.org
www.cfra.org/issues/become.htm

Beginning Farmer Program

Nebraska Dep't of Agriculture
P.O. Box 94947
Lincoln, NE 68509-4947
Office: 402.471.6890
Toll-free: 800.446.4071
Fax: 402.471.2525
Contact: Marian Beethe,
mbeethe@agr.ne.gov
www.agr.ne.gov — click on
“Beginning Farmer”

New Hampshire

New England Land Link

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www.smallfarm.org

New Jersey

Ag Development Committee

State of New Jersey
PO Box 330
Trenton, NJ 08625-0330
Office: 609.984.2504
Fax: 609.633.2004
Contact: David Kimmel,
david.kimmel@ag.state.nj.us
www.state.nj.us/agriculture/sadcfarmlink.htm

New York

NY FarmLink

c/o NY FarmNet
415 Warren Hall
Ithaca, NY 14853
800-547-FARM
E-mail: info@farmlink.org
www.nyfarmlink.org

Ohio

The Farmland Center, a program of the Countryside Conservancy
2179 Everett Road
Peninsula, Ohio 44264
330.657.2538
beth@thefarmlandcenter.org
www.thefarmlandcenter.org
www.cvcountryside.org

Oregon

Friends of Family Farmers manages ifarmoregon.org, an online database that allows the user to search for agricultural services, land for sale, land wanted, unique leasing arrangements, partnership options, mentoring and internship

programs, educational opportunities and financial resources.

P.O. Box 1286
Molalla, OR, 97038
info@friendsoffamilyfarmers.org
www.ifarmoregon.org

Pennsylvania

Pennsylvania Farm Link, Inc.

PA Dept. of Agriculture
2301 N. Cameron Street, Rm 311
Harrisburg, PA 17110-9408
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Fax: 717.787.5643
E-mail: mail@pafarmlink.org
www.pafarmlink.org

Center for Farm Transitions

Pennsylvania Dept. of Agriculture
2301 North Cameron Street
Harrisburg, PA 17110-9408
Toll-free: 877-475-2686
Contact: D. Robert Davidson
Email: ddavidso@state.pa.us
www.iplantofarm.com

Rhode Island

New England Land Link

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Belchertown, MA 01007
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E-mail: landlink@smallfarm.org
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Vermont

Land Link Vermont

Center for Sustainable Agriculture
Office: 802.656.0233
Fax: 802.656.8874
Contact: Deb Heleba
www.uvm.edu/landlinkvt

New England Land Link

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Belchertown, MA 01007
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Contact: Eric Toensmeier
E-mail: landlink@smallfarm.org
www.smallfarm.org

Virginia

Virginia FarmLink

Virginia Department of Agriculture
and Consumer Services
P.O. Box 1163
Richmond, VA 23218
Office: 804.786.3501
Fax: 804.371.2945
Contact: William P. Dickinson, Jr.,
wdickinson@vdacs.state.va.us
www.savefarms.com/farmlink_about.htm

Virginia Farm Bureau Federation

P.O. Box 27552
Richmond, Virginia 23261-7552
Office: 804.290.1017
Fax: 804.290.1099
Contact: Brock Herzberg,
brock.herzberg@vafb.com
www.vafb.com
and www.savefarms.com

Washington

Washington FarmLink

Cascade Harvest Coalition
4649 Sunnyside Avenue North,
Room 123
Seattle, WA 98103
Office: 206.632.0606
Fax: 206.632.1080
Contact: Mary Embleton
E-mail: mary@oz.net
www.cascadeharvest.org/programs/washington-farmlink
and www.cascadeharvest.org

Wisconsin

Wisconsin Farm Center

Office: 800.942.2474 or
608.224.5049
Fax: 608.224.5107
Contact: Roger James,
Roger.James@datcp.state.wi.us
www.datcp.state.wi.us/mktg/agriculture/farm-center/transfers/index.jspvvvv

Elements of a Good Lease

This list is from California FarmLink
www.californiafarmlink.org

1. Contact information

Be sure to include information for both landowner and tenant

2. Description of leased property

Include a map if possible.

3. Length of term

How long is lease valid?
Can it be renewed?

4. Rental amount and how it is to be paid

What is the amount per term?
Is it as cash or share rent?
When is it payable?
Are there periodic increases?

5. Maintenance and repairs

Who is responsible?
What are the monetary limits?

6. Liability insurance and indemnification

Is the tenant required to have liability insurance?
Most landowners want to specify that they're not liable for tenant's operation.

7. Use restrictions or requirements

How is the land to be used?
Are there prohibitions or limitations on its use, such as types of crops or production methods, for example?

8. Compliance with law

Most leases reiterate that the tenant must comply with all appropriate laws.

9. Initial condition of premises

Is the property okay as-is?
Are improvements or upgrades required before or during the lease?

10. Alterations

Are there restrictions or allowances concerning changes to the property?
What changes or improvements are allowed, with and without specific permission?

11. Subletting

Are there any restrictions or allowances?
Is tenant allowed to lease to a third party?

12. Dispute resolution

California FarmLink suggests specifying that disputes should be resolved first by mediation, then through binding arbitration.

Kinds of Consultants You May Need

1. Real estate agents
2. Real estate attorneys
3. Cooperative extension and other agricultural business consultants
4. Accountants and CPAs
5. Lenders such as Farm Service Agency (FSA), Farm Credit System, banks, Community Development Financial Institutions (CDFIs), Small Business Development Corporations (SBDCs)

Finding Land to Farm: Six Ways to Secure Farmland

By Kendra Johnson, California FarmLink
Rex Dufour and Marisa Alcorta, NCAT

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