

Welcome





Gaining ground for farmers

Land Access Basics

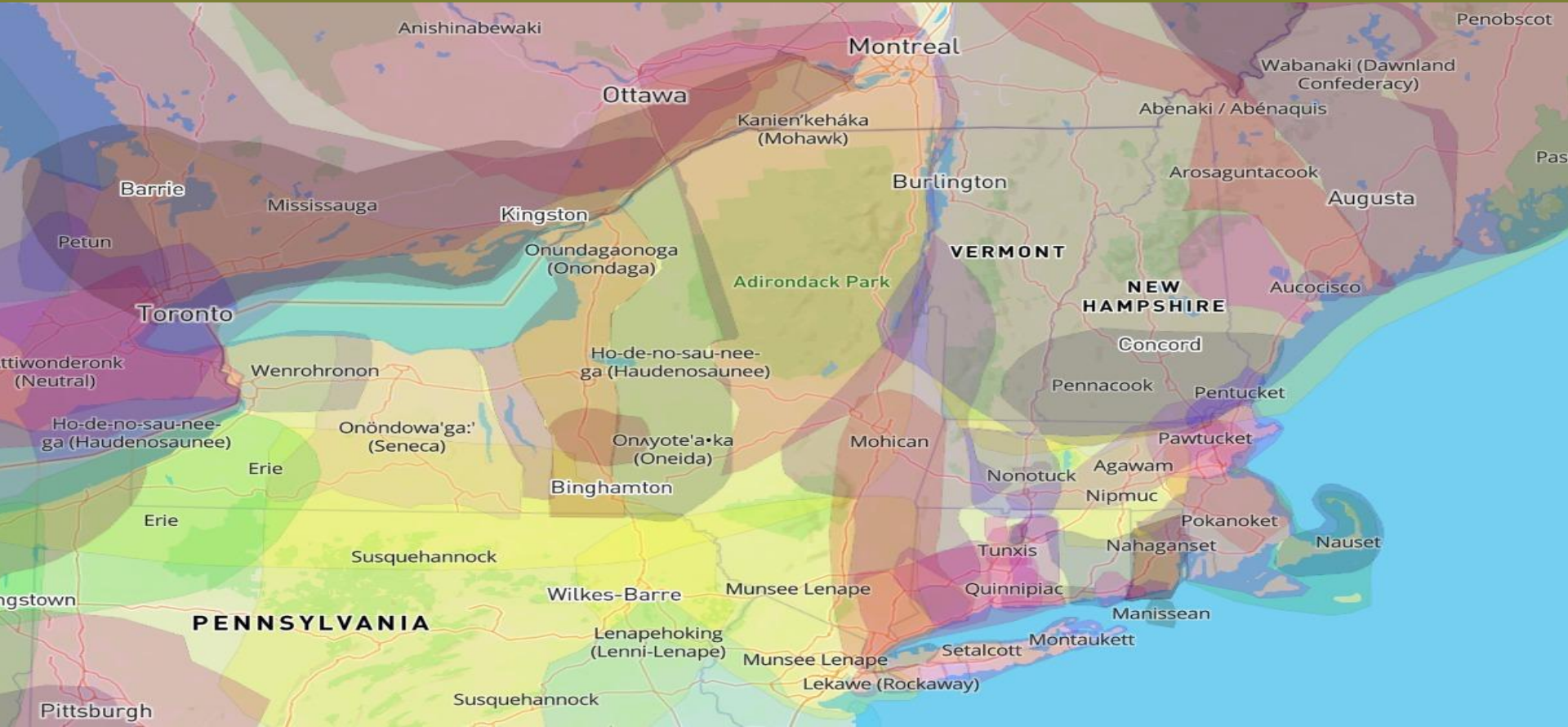
Farm to Consumer Legal Defense Fund & Farm Aid

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Land Acknowledgement



Agenda

- Who is Land For Good?
- Land tenure options
- Finding a property
- Leasing
- Resources for non-farming landowners and retiring farmers



Land For Good's mission is to expand secure farmland access, tenure, and transfer.



Farm Seekers



...looking to acquire a farm or farmland.

Landowners



...wanting to make their land available for farming.

Farm Families



...transferring their farm to the next generation or owner.

Communities



...choosing to support their local farmers.

How We Help Farm Seekers

- Reviewing land access and tenure strategies
- Crafting a farmland search plan
- Assessing potential properties
- Negotiating, drafting leases



Land Tenure

Tenure means “to hold”

To have secure land tenure, a farmer needs:

- Access to land
- Security to hold it
- Clear division of rights and responsibilities



Farm Search – What do to FIRST

Be prepared when making Inquiries! Make sure you know and can articulate what you're looking for.

- Business Planning! What could you and your business afford?
- Land Needs: Acres, soils?
- Infrastructure?
- Housing?
- What kind of farming?
- Room to grow?
- Markets?





Farm Access Decision Tool

This decision tool organizes the basic farm access methods into three categories. Each category lays out the division of interests (rights) in the property, the legal vehicles, and the parties involved. Most land tenure arrangements will fall into one of these categories. This tool helps you compare methods and make informed decisions. It accompanies the Farm Access Methods Guide found at www.landforgood.org/resources/toolbox/.

WHAT IS MY FARM ACCESS GOAL?

Ownership Now

Ownership in the Future

No Ownership

WHICH ARRANGEMENTS MIGHT WORK FOR ME?

Sole Ownership

Farmer acquires title to land; known as Fee Simple

- ▶ **Outright Purchase**
- ▶ **Financed purchase** with conventional or alternative financing
- ▶ **Gift or Inheritance** from family member or other

Whole Shared Ownership Interests

A group of farmers, or farmers with non-farmers, forms a legal entity to own the farmland

- ▶ **LLC or Corporation**
- ▶ **Cooperative**

Partial Ownership Interests

Farmer and other entities own different interests (rights) in the land

- ▶ **Ground lease** where entity owns land; farmer owns structures and rents land
- ▶ **Life estate** where non-farmer retains rights to occupy
- ▶ **Easement**

Path to Ownership

Farmer purchases a specific farm over time

- ▶ **Lease-to-own** with right of first refusal or purchase option
- ▶ **Land contract** where farmer pays landowner toward purchase
- ▶ **LLC or corporation** within which equity in the farm is gradually transferred
- ▶ **Gift of land** over time

Leasehold Interest

Farmer (tenant) has a contractual agreement assigning use rights and responsibilities; may be written or oral

- ▶ **Short-term lease**
- ▶ **Long-term lease**
- ▶ **Ground Lease** where entity owns land; farmer owns structures and rents land

Other Arrangements for Land

Farmer has agreement granting permission to use the land (technically not a tenant)

- ▶ **License or Permit**
- ▶ **Agreement**

WHO MIGHT BE INVOLVED?

- ▶ Private bank
- ▶ State/Federal lender
- ▶ Seller-financer
- ▶ Community/Alternative lender
- ▶ Family/trust
- ▶ Employer
- ▶ Other private landowner

- ▶ Other farmers
- ▶ Community members
- ▶ Investors
- ▶ Family

- ▶ Community land trust
- ▶ Conservation land trust
- ▶ Other Non-profit
- ▶ Public/Gov't entity
- ▶ Private landowner
- ▶ Investors

- ▶ Private landowner
- ▶ Family
- ▶ Non-profit (e.g., land trust, school)
- ▶ Public/Gov't entity
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- ▶ Private landowner
- ▶ Public/Gov't entity
- ▶ Non-profit (e.g., land trust, school)
- ▶ Other landholding entity

What is Group Farmland Access?

- *Group farming* aka collaborative farming, cooperative farming, collective farming.
- Farmers could share equipment, inputs, marketing, and/or labor.
- Farmers could share LAND.
- Not a new concept.



Defining Features of GFA

- Farmers accessing a piece of land together (could be more than one parcel).
- A spirit of cooperation.
- Purposeful interaction regarding land use and management among the farmers.
- Some type of legal arrangement.



Group Types

One-farm Group

A single farm business with multiple farmers owns or rents a property.

Intentional Group

Separate farm businesses commit to owning or renting a property together.

Situational Group

Separate farm businesses independently rent portions of a property, connected by an overarching mission or framework.

Mixed Group

Farmers and non-farmers rent or own a property together OR some farmers own a property and other farmers rent from them.

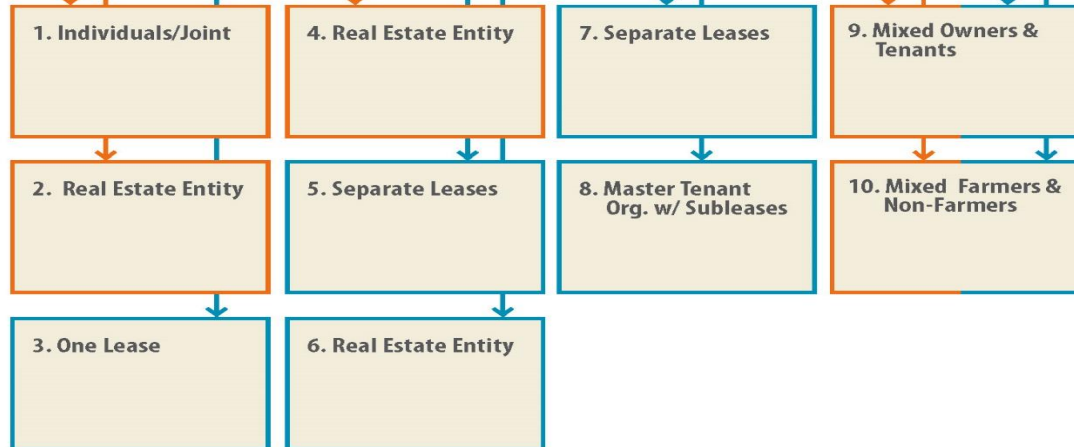
2. Who are you?



3. Do you want to own or rent?



4. What method could work for you?



Identifying Farm Search Priorities

	NECESSARY	DESIRABLE	OPTIONAL
TENURE (Lease? Own?)			
LOCATION			
NATURAL FEATURES			
BUILT FEATURES			
HOUSING			
COMMUNITY			
OTHER			



Finding Property

- [New England Farmland Finder](#) and other farmlink sites
- Farm publications
- Newsletters
- Listservs
- Craigslist, MLS, Zillow, Google...
- Physical copies of fliers
- Local ag commission
- Farm Service Organizations
- Land Trusts



SOIL SURVEY

Explore mapped soil survey areas using an interactive Google map and view detailed information about map units and their components.



Leases & Landlords

- Verbal vs. written
- Short-term lease
 - Trial term
 - Rolling lease term
- Long-term lease
- Lease-To-Own
- Residential lease
- Equipment, building, livestock



“Lease To Own”

- Right Of First Refusal (ROFR)
- Right of First Offer
- Purchase option
 - Description of property
 - Price, or how to determine price
 - Terms, timetable, duration



Lease vs. License/Permit

- Lease:
 - Extensive, temporary legal interest in land
 - Harder to revoke, more secure tenure
- Permit/License:
 - Permission to use land
 - Simpler
 - Generally revocable at any time
 - Common on Public Land



(FYI - Lease vs. License/Permit)

BUNDLE OF RIGHTS (STICKS)



FARMER



OTHER ENTITY/IES

Sole ownership

Farmer holds all interests as "fee simple" owner.



Whole shared ownership

Farmer(s) and others co-hold all the interests together



Partial ownership

Farmer holds some interests; others hold other interests



Ownership in the future

Farmer gradually acquires ownership interests



Leasehold interest

Farmer's only interest is as tenant ("leasehold interest")



Other arrangements

Farmer holds no legal interests in the property; has permission to use/occupy it



Interesting Lease Models

- Incubator Farm (Southside Community Land Trust, New Entry Sustainable Farming Project)
- Ground Lease (equity in buildings)
 - Community Land Trust
 - Other entities
- Group arrangement
 - See LFG's *Accessing Land Together* guide



What's in a Lease?

1. The parties – *(who)*
2. The premises – *(where)*
3. The term – *(when)*
4. The consideration *(\$\$)*
5. Signatures

These constitute a legal contract.



Finding a Farmer – What do to FIRST

Be ready for inquiries! Make sure you know what you're offering:

- **Land: Acres, soils?**
- Infrastructure? Housing?
- Rent?
- What kind of farming?
(possible / desired)
 - (Livestock, Crops, Perennials, Other?)
 - Any restrictions? (Organic? IPM? No-till?)
- Are all family members / interested parties in agreement?



A central diagram for a Farm Transfer Plan. At the center is a large, light-colored oval containing a faint illustration of a farm building with a steeple. Overlaid on this illustration is the text "Farm Transfer Plan" in a large, bold, dark green serif font. Surrounding this central oval are seven smaller, light-colored ovals, each containing a specific component of the plan and a brief description. The components are: Asset Transfer (top-left), Goal Setting & Family Communication (top-right), Business Plan (right), Land Use (bottom-right), Retirement (bottom), Estate (bottom-left), and Management Transfer (left).

Farm Transfer Plan

Asset Transfer

Spell out how farmland, buildings, and other assets are conveyed from one party to another.

Goal Setting & Family Communication

Set forth personal, family and business goals as well as ways to ensure constructive communication among all involved.

Management Transfer

Lay out how management tasks, responsibilities and income shift over time from one farm operator to another.

Business Plan

Sets out strategies for farm operations, personnel, marketing, finance, and business entity formation.

Estate

Direct the eventual transfer of assets, usually with the goal of preserving as much of the estate value as possible for the beneficiaries.

Land Use

Map out land use options that address agriculture, forestry and recreation uses as well as conservation and development.

Retirement

Address how and where the retiring person(s) want to live, their anticipated income and health care costs.



Thank you!





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