




# Land Access for Beginning Farmers: Part I

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# Part 1

- Land access concepts
  - Tenure options
  - Alternative tenure
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# Access concepts

- Land is one of the biggest challenges
- Importance of:
  - a. Options (this webinar)
  - b. Readiness (next webinar)






# What are the challenges?

- Land values and competition
  - Non-farm background
  - Aging population: inadequate transfer plans
  - Culture and myths of farm ownership
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# What are the challenges?

- Affordable farmer homes
  - Depleted support infrastructure (how to find farms)
  - Business planning doesn't adequately address land acquisition
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# Tenure: goals and values

- Tenure means “to hold”
  - Personal, family and business decisions about placement of equity
  - Values about property, ownership and legacy
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# You need:

- Access: use
  - Security: sufficient and appropriate
  - Equitable and clear division of rights and responsibilities
  - Ways to build and redeem equity
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# Tenure options:

- Own; under what terms and conditions?
  - Don't own (rent); under what terms and conditions?
  - Can be some of each
  - Can change over time
- 





# Fit your business plan

- Fit the land or the enterprise?
  - Flexibility
  - Make room for revisions
- 




# Lease versus own

- Advantages of ownership
  - Maximum security
  - Equity
  - Collateral
  - Legacy
  - Emotional ties






# Disadvantages of ownership

- Debt
  - Ties up capital
  - “Too permanent”
  - Responsibility
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# Advantages of leasing

- Flexibility; can test
  - Other uses of capital
  - Less debt
  - Greater financial return to family living
  - Your only option!
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# Disadvantages of leasing

- Less security
  - More difficult to build equity
  - Do not benefit from appreciation in land
  - Can lose investment in improvements
  - May not be able to borrow or participate in programs
  - Managing relationships with landlord(s)
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# Ownership

- Financial readiness (more in next webinar)
  - Financing
    - Conventional lenders
    - Government loan programs
    - Owner finance
    - “Unconventional” partners
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# Property with easement

- Conservation versus ag easement
  - Affirmative ag clause
  - Placing an easement
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# Leasing: What's in a lease?

- – Five basics
    - Parties
    - Premises
    - Term
    - Fee
    - Signatures
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# What else is in a lease?

- Maintenance, repairs
  - Improvements
  - Permitted and prohibited uses
  - Renewal, extension and termination
  - Liability and insurance
  - Defaults and disputes
  - Stewardship provisions
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# Types of leases

- Oral versus written
  - Short-term lease; rolling lease
  - Long-term lease
  - Ground lease
  - Lease-to-own: commitment vs. option
  - Lease as tool to transfer assets
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# Types of rent

- Cash
  - Share
  - Flexible
  - In kind
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# Determining rent

- Market rate
  - County average
  - DIRTI 5 (landowner carrying costs)
  - Resource capacity
  - Costs of production
  - Social goals
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# Landlords: Who they are

- 88% of farm landlords are not farmers
  - Resident versus absentee
  - Private (farmers, non-farming landowners)
  - Organization (land trusts, religious, education, etc.)
  - Public (municipal, state)
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# Working with landlords

- All about relationships
  - Presentation
  - Clarify goals and expectations
  - Communicate, negotiate, celebrate!
  - Cultural differences
  - Get assistance
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# Looking for farms

- Make a plan!
  - Personal network
  - Linking programs
  - Land trusts
  - Real estate agents (buyer v. seller)
  - Ag Coms and Con Coms
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# Looking for farms

- Farm support organizations (SEMAP, CISA, RAFFL, NOFAs, Farm Bureau)
  - Farm service organizations (NRCS, FSA, Extension, Conservation Districts, Farm Credit)
  - Ag network (suppliers, vet, crop consultants, etc.)
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# Looking for farms

- Assessment

- Necessary
- Desirable
- Optional

- Checklist (next webinar session)






# Alternative tenure

- What's alternative? Why?
- Still own or rent, but variations...
- Also:
  - Employee
  - Work-in





# Ground leases

- From community land trust movement
  - Rent the land long-term
  - Own (and sell) the improvements
  - Build equity
  - Limited equity provisions
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# More alternatives

- Multiple tenants on larger properties
  - Private capital
    - Equity investors
    - Conservation buyers
  - Partnerships
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# More alternatives

- Intentional communities and agri-developments
  - Non-traditional landlords
  - Equity-building models
  - Transfer of farming rights
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# For more information:

- Land For Good [www.landforgood.org](http://www.landforgood.org)
    - Tutorial
    - Online course (coming soon)
    - Sample leases
    - Links
    - Consulting
    - Workshops
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- NESFI's  *Holding Ground*
  - Equity Trust's  *Preserving Farms for Farmers*
  - CA Farm Link's  *Farmers' Guide to Securing Land*
  - [www.uvm.edu/Farmlasts](http://www.uvm.edu/Farmlasts) curriculum
  - Guide to Farming in Vermont

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