Call for Partners: Increasing Affordable Farm Access: Putting Private Capital to Work

PROJECT CONTACT

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PROJECT SYNOPSIS

A Working Lands Enterprise Initiative proposal:

Land For Good, UVM Extension and Vermont Land Trust and partners will address a major bottleneck in Vermont’s agricultural economy: the increasing number of farm seekers, poised to scale into full-time economic operations, but stuck in part-time or start-up farming due to lack of affordable access to farm real estate. A similar problem exists throughout New England.

The project intends to alleviate the bottleneck by bringing providers of private investment capital and farm seekers together.

Private investment capital put towards farm acquisition has the potential to increase affordable access to farmland if land arrangements enable farmers to have long-term tenure security, a cushion of time to build equity, and mechanisms for eventual purchase at affordable prices. Private investment in farmland can also satisfy many investors’ interest in mission- or values-driven investment.

Several successful mechanisms for leveraging private capital to acquire working farm real-estate on behalf of farmers have been piloted in the Midwest, and might successfully be applied in Vermont. This project will enable a core group
of at least ten advanced level farm seekers to take advantage of existing and forthcoming farm financing programs, by:

1. Providing in-depth farm acquisition finance education to farm seekers through 16 hours of intensive workshop sessions,

2. Enabling farm seekers to mock ‘test’ at least three distinct innovative private capital farm finance strategies on the horizon for New England, and provide valuable feedback to capital providers on primary barriers and opportunities,

3. Convening capital providers with farm seekers, to communicate how to improve and develop financial services to meet farm seekers’ needs,

4. Compiling an educational resource guide for farm seekers on working with private capital to gain affordable access to the working landscape, and a companion guide targeted for potential investors. Both resources will extend benefits of the project beyond its time frame,

5. Providing a direct link to farm seekers and capital providers to enable deals to move forward.

CALL FOR PARTNERS

Seeking:

- **Capital Providers** aspiring to meet the needs of farmers seeking agricultural real estate. These include individuals, investment firms, investment advisors, and philanthropies

- **Attorneys** aspiring to serve farm seekers and private entities to acquire agricultural real-estate through innovative arrangements

- **Tax advisers** aspiring to serve farm seekers and private entities to acquire agricultural real-estate through innovative arrangements

- **Finance specialists** who endeavor to think outside of the box
• **Other service providers** who facilitate farm transfers, farm business development, or real estate transactions

• **Funders** who can contribute cash or in-kind match to enable the project

The project team seeks in-kind time commitments to participate, and/or a willingness to participate with compensation.

Specifically seeking:

1. **Workshop panelists and presenters:** up to six hours of time total per presenter involved in coordination, delivery and follow up.

2. **Members of the project deliverables review team:** up to five hours of time per member to review and provide feedback on educational resource guides. Up to five hours of time per member to review and provide feedback on project reports to AAFM.

3. **Forum attendees:** up to ten hours of time per attendee for preparation, attendance and follow up related to farm seekers meeting with capital and service providers

4. **Private Capital providers/stakeholders:** up to 14 hours of time per stakeholder for in-depth interviews, attending the project forum, and follow up with farm seekers

Please contact Ben Waterman or Kathy Ruhf (contact info above) if you will wish to participate or are considering participating.

**PROGRAM TIMELINE**

May 2013: Recruit 10 farm seekers; organize project advisors, initiate individualized technical assistance for farm seekers.

June-August: Research and interviews with selected capital providers; chosen before the project.
September: Core farm seeker team focus group and interviews to critique and give feedback about most practical investment models.

November: One-day forum, convening farm seekers, project advisors, and capital and service providers.

December-February 2014: Individualized legal and business TA for farm seekers; individual meetings with capital providers and farm seekers; production of educational guides for seekers and potential investors.

March 2014: Two farmer workshops on findings. Follow-up consultations with capital providers. Project evaluation and reporting.