Accessing Farmland: Land Trusts, Farm Link & Other Land Access Tools

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The Business of Farming

- Farming is a business. Owning land and running a farm are two separate businesses.
- What are your assets? Land, capital, skills etc.
- What are your priorities? – personal, family, income, business
- Be sure you have the skills to farm and run a business.
  - Consider the realities of farming in this day and age and the realities of what you can do
  - Farming requires a long term attitude and vision
The National Young Farmers Coalition
By young farmers, for young farmers
Policy Change
Network Building

34 CHAPTERS In 26 States
Business Services

- Membership benefits
- Trainings
- Reports
- Guidebooks
- Representation in D.C.
The Path to Land Access

Desire to Farm

Gain Farm Experience

Farm Plan

Farm Search

Secure Farm Tenure

Success!
The Path to Land Access

Farm Plan

Farm Search

Secure Farm Tenure

Locate Land –
Is it on the market? Is it where you want to live? Close to markets? {affordable??}

Appropriate resources (water, soils, infrastructure)? {affordable??}

Navigate farm transition.

Appropriate size? Room for expansion? {affordable??}

Access capital (terms, combined financing, pre-existing debt?)

For how long? Ability to build equity? Equitable?

Success

*and continued business management, conflict resolution, marketing, etc
Land Access Steps

1. Develop a business plan
2. Set goals
3. Assess your resources & partners
4. Evaluate the land
5. Access credit & capital
6. Explore partnerships
7. Secure access
8. Establish your business
9. Secure your business
10. Use your networks!
Some Guiding Questions

1. Access for what?
   ➢ Resources, restrictions, land use history

2. What’s around?
   ➢ School district, services, markets, community support

3. Room for growth?
   ➢ Neighboring properties, local real estate market

4. For how long?
   ➢ How will your needs change in the next 5, 10, 40 years

5. How secure?
   ➢ Just learning or building equity

6. How affordable?
   ➢ For your enterprises, off-farm income, farming with partner
Some (more) Guiding Questions

1. Are you willing / able to make property improvements?
2. Do you need housing on the property?
3. Will state laws or local zoning impact you?
4. Does the climate support your enterprise?
5. Does your operation need to be all in one place?
6. Are there other individuals involved in your decision?
7. Is ownership important? Is *sole* ownership important?
8. What can *you* afford – where will you access credit?
# Finding Access to Land

<table>
<thead>
<tr>
<th>Method</th>
<th>Pros</th>
<th>Cons</th>
<th>$$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EMPLOYMENT</strong></td>
<td>- Learn without financial &amp; business responsibility of ownership</td>
<td>- Not building equity</td>
<td>- Often involves compensation</td>
</tr>
<tr>
<td>apprenticeship</td>
<td>- May be short-term</td>
<td>- May be short-term</td>
<td>- Difficult to save $ to purchase your own farm</td>
</tr>
<tr>
<td>management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LEASE</strong></td>
<td>- Flexible arrangement</td>
<td>- May be insecure</td>
<td>- Typically monthly payments (may be flexible)</td>
</tr>
<tr>
<td>short-term</td>
<td>- Payments without mortgage debt</td>
<td>- Difficult to build equity in business</td>
<td>- May be negotiated for tax benefits to landowner</td>
</tr>
<tr>
<td>long-term</td>
<td></td>
<td>- Hard to make improvements or investments</td>
<td>- Investor partnership</td>
</tr>
<tr>
<td>ground lease</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>lease to own</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PURCHASE</strong></td>
<td>- Long-term stability</td>
<td>- Business growth</td>
<td>- Down payment</td>
</tr>
<tr>
<td>sole proprietorship</td>
<td>- Ability to build equity &amp; make improvements</td>
<td>- may be limited to property size</td>
<td>- Mortgage financing (federal / private / seller)</td>
</tr>
<tr>
<td>cooperative purchase</td>
<td></td>
<td>- High initial cost + improvements / taxes</td>
<td>- Reduce cost (easement)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Spread costs</td>
</tr>
</tbody>
</table>
WNC FarmLink is:

A partnership facilitating successful relationships between farmers looking for land to farm, and landowners aspiring to keep their farm and forest land in agriculture.
WNC FarmLink

WNC FarmLink Partners:

- NC Cooperative Extension
- Organic Growers School
- Southern Appalachian Highlands Conservancy
- ASAP
- Mountain Valleys
- North Carolina Soil & Water Conservation Districts

Funded by:

- USDA
- Land of Sky
- CFWNC
WNC FarmLink Serves:

- Alleghany
- Ashe
- Avery
- Buncombe
- Burke
- Caldwell
- Cherokee
- Clay
- Graham
- Haywood
- Henderson
- Jackson
- Macon
- Madison
- McDowell
- Mitchell
- Polk
- Rutherford
- Swain
- Transylvania
- Watauga
- Wilkes
- Yancey
How does it work?

- Database of interested landowners and farm seekers
- Vet potential matches
- Guide and facilitate landowners and seekers toward successful land arrangements
- Connect both landowners and farm seekers with appropriate resources
- Collaborate with regional partners
- Create land access guides, tools, workshops, and other resources
WNC FarmLink Resources and Support Services

Farm Lease

This Lease Agreement (the "Lease") is made effective as of _ by and between ("Landlord") and ("Tenant"). The parties agree as follows:

PREMISES. Landlord, in consideration of the lease payments provided for in this Lease, leases to Tenant (the "Premises") located at ___________.

TERM. The lease term will begin on ___________ and will terminate on ___________.

LEASE PAYMENTS. Tenant shall pay to Landlord the sum of (dollar amount) in advance on the first day of each month in advance. Late payments shall be subject to late fees of ___________.

POSSESSION. Tenant shall be entitled to possession on the first day of the term of this Lease, and shall yield possession to Landlord on the ___________. Tenant shall deliver to Landlord ___________ as evidence of possession.

EXISTING CROPS. Tenant is to have the option to take possession and grow crops.

NO PROHIBITION. Tenant's use of the Premises shall not create a partnership, joint venture, or other relationship between Tenant and Landlord, unless specifically provided herein. The relationship between Tenant and Landlord shall be that of landlord and tenant.

USE OF PREMISES. The Premises shall be used for the purpose of planting, growing, and harvesting of coffee, fruit trees, and vegetables.

ASSIGNMENT. Tenant shall not assign, sublease, or transfer the lease without Landlord's prior written consent.

AMENDMENTS. Any amendments to this Lease must be in writing and signed by both parties.

This Lease Agreement contains the entire agreement between the parties and supersedes all prior negotiations and agreements, whether oral or written.

Witness a Handwritten Date.
Recent Successful Partnerships and Matches:

Farm Seekers:

“Your farm linking services were very helpful during our farmland search. After looking at one or two land listings through WNC FarmLink, we had a much better understanding of what the land prospects would be like in Western North Carolina. The land listings also did a good job outlining specific property attributes and aided us in what to look for in a farmland listing. The land access coordinator was very helpful in gathering land information and bridging the gap between us and landowners.”

~Adron Dell’Osa
Recent Successful Partnerships and Matches:

Landowners:

“As far as our experience working with WNC FarmLink, I am so grateful for all that this program does. We really liked the farmer we were set up with last year. The land access coordinator was 100% supportive every step of the way. She came out to our farm herself several times with potential renters. As a land owner, I am very grateful for the help, and feel that WNC FarmLink is a wonderful service to the community.”

~Diana Stone
<table>
<thead>
<tr>
<th>Why Lease?</th>
<th>Why not Lease?</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Rough draft’</td>
<td>Not my farm</td>
</tr>
<tr>
<td>Lower start-up costs (land and</td>
<td>Uncertainty of control</td>
</tr>
<tr>
<td>structures)</td>
<td>Legal issues</td>
</tr>
<tr>
<td>Start up as part-time</td>
<td>Age of infrastructure</td>
</tr>
<tr>
<td>Can expand as needed</td>
<td>Limited equity</td>
</tr>
<tr>
<td>Greater working capital</td>
<td>Multiple landlords</td>
</tr>
<tr>
<td>Flexible</td>
<td>Multiple tracts – higher costs? logistical inconvenience?</td>
</tr>
<tr>
<td>Can lead to ownership</td>
<td></td>
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</tbody>
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Slides used with permission by Gordon Groover with Virginia Cooperative Extension www.ext.vt.edu
<table>
<thead>
<tr>
<th>Why own?</th>
<th>Why not own?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership – My farm! I can grow and do what I want.</td>
<td>Costs $$$$</td>
</tr>
<tr>
<td>Collateral – access to financing</td>
<td>Diverted profits &amp; cash flow</td>
</tr>
<tr>
<td>Builds value over time (i.e. equity)</td>
<td>Locked into current land base</td>
</tr>
<tr>
<td>Hedge against inflation</td>
<td>● Acreage</td>
</tr>
<tr>
<td></td>
<td>● Problems</td>
</tr>
<tr>
<td></td>
<td>● Buildings</td>
</tr>
</tbody>
</table>

Slide used with permission from Gordon Groover with Virginia Cooperative Extension www.ext.vt.edu
Resources

Legal Assistance
(business structure, contracts, transactions)
National (Farm Commons, National Ag Law Center)
Ask around for an ag-friendly attorney
- (Andrew Branan is NC-based)

Insurance (farm, commercial, product liability)
Find an ag-friendly insurance agent/company
Ask other farmers for references

Mediation / Dispute Resolution (landowner-tenant conflicts / family transition)
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Accessing Farmland: Farm Link, Land Trusts & Other Land Access Tools

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Farm Pathways

Desire to Farm
Farm Dreams, maybe WWOOF

Gain Farm Experience
Apprentice/Intern

Begin growing/raising on SAHC incubator farm

Generate a Farm Plan

Farm Search

Secure Farm Tenure

Success
Incubator Farm Programs

- Provide access to land, infrastructure, mentoring, education and general support
- Over 100 programs nationwide with a wide range of agreements and arrangements
- Majority of programs are focused on growing seasonal vegetables but include many other enterprises
- Urban, suburban and rural
- Typically serve limited resource and refugee populations

“We can't have local food without local farmers. The long-term success of North Carolina's local food movement is dependent upon an influx of new and transitioning farmers.”
- CEFS, 2010
SAHC Incubator Program

What we offer
• Land at a reduced rate for up to five years, just 10 miles from downtown Asheville
• Use of equipment & tools for a small fee
• Use of farm buildings, fencing, water, electricity, and other infrastructure for small fee
• Education resources in agriculture, business management via Farm Beginnings
• Land-seeking assistance after the incubator term
• Space for a personal, portable housing unit in some situations
• Tractor 4wd with bucket and three point attachments

Who we serve:
• Beginning Farmers and Ranchers
• Limited Resource Farmers and Ranchers
• Socially Disadvantaged Farmers and Ranchers

Potential Farm Operations:
• Small-scale, pasture-raised livestock (beef cattle, poultry, sheep, goats, swine)
• Annual and perennial vegetables, fruits, herbs, cut flowers, nursery plants
• Bees
• Mushrooms and forest herbs
• Bring Ideas!
Incubator Farmer Application Process

- Fill out application
- Submit resume & business plan
- Staff and farmer review
- Must have 2 years of direct, full-time farming experience
- Be ready to write or currently have business plan
- Process takes 1-2 months
SAHC Incubator Program Costs

• **Incubator Example Fees:**
  - Improved Crop land: $134/acre/year
  - Improved Pasture: $32/acre/year
  - Water: $.0025/gallon
  - Storage: $.50/sq. ft./year
  - Greenhouse: $50/year/house
SAHC Incubator Participants

Second Spring Market Garden
- 1 acre vegetable operation
- CSA, 2 markets & wholesale
- Two wheel tractor
- USDA loan for start up capital
- Year-round growing with 2 heated greenhouses and caterpillar tunnels

Piney Woods Cattle
- 1 acre vegetable operation
- Heritage breed, <1000 left
- Building herd stage
- Grass-fed only
Base Map

- **What should a base map include?**
  - Aerial image of site to a scale
  - Topographical
  - A compass rose/cardinal directions
  - Soil types
  - Existing Conditions
    - Buildings
    - Trees
    - Water bodies & water ways

- **Where to get the information?**
  - Local county GIS
  - [Web Soil Survey](#)
  - Google Earth/Maps aerial
Additional Land Resources

- **Online**
  - Web soil survey tool
  - State/county/local regulations
  - Tax maps

- **Reading**
  - *Finding Good Farmland*, Ann Larkin Hansen

- **One-on-one**
  - Find a local farmer or someone with experience to walk the property with you; ask around locally about land use history if possible
Site Analysis

What information do we need?

- Climate: Temperatures: [USGS/Multiple Sources](#)
- Sun path: winter vs summer: [Sun Surveyor](#)
  - Winter: 7:37-5:21 (9h 44m)
  - Summer: 6:14-8:49 (14h 34m)
- Topography: slope & elevation: GIS
- Circulation: Site Visit/Map
  - Vehicular: Roads on contour or along ridge
  - Pedestrian: Paths on contour
- Wind: Prevailing & Winter: [Earth.nullschool.net](#)
- Water: Patterns & Access: GIS & Site Visit
- Views: Site Visit
Site Analysis
Resources to Read

- Whole Farm Planning: NOFA on amazon
- Shawn Jadrnicek: The Bio-Integrated Farm
- Peter Bane: The Permaculture Handbook
- Eric Toensmeier: The Carbon Farming Solution
- Ben Falk: The Resilient Homestead
- Holistic Management: Framework for decision making
- A Pattern Language
- Geoff Lawton farm planning video
- Sustainable by Design: Sun Angle & Climate
- Agriculture Victoria: Multiple Farm Planning Resources
Well Calculator Tools

- **Chris McWhorter of WP Law**: Fantastic irrigation consultant who presented at our irrigation workshop at the farm, really knows his stuff on any scale or setup.

- **WP Law Hydraulic Calculator Page**: This page contains 3 different calculators, 2 of which you would want to use which are pump sizing and friction loss. Enter in your data or guess at what you need and see what it calculates.

- **Drip Tape Water Usage Calculator**: Use this to find out the needs of your field(s) in terms of GPM (gallons per minute) or GPH (gallons per hour) and feet needed using drip tape. Always remember you can zone and water at different times of the day on different parts of the field to lessen demands on well.
Grant Reference

- **FSA:** Micro-loan for land
- **NRCS & EQUIP**
- **WNC AgOptions**
- **USDA:** Farm Answers
- **ASAP**
- **WNC Farm Link**  Suzanna Denison: info@wncfarmlink.org
Questions?

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Community Farm and Food Program Associate
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828.253.0095
Appalachian.org
Considerations

- Know what you can afford
- Know what the land is worth
- Get creative
- Ownership v. operation capital
- Requirements and repayment obligations
Resources & Partners

- Lending institutions – Farm Credit / FSA
- Land Trusts
- Crowdsourcing – Kiva Zip / Kickstarter
- CSA / Community Members
- Cooperative Ownership
WHAT ARE LAND TRUSTS
&
HOW CAN THEY HELP YOU?
What is a land trust?

- Public / private
- Non-profit
- Focused on resource protection
- Local, state, regional, or national
- Conservation, agricultural, community, or water trust
- Purchase property / easements
- Over 1,700 land trusts in the US
Where are land trusts?
How can you work with one?

(1) Reducing the cost of land ownership through easement purchase
   • Prior to purchase
   • At time of sale
   • After purchase

(2) Finding and acquiring land
   • Landowner matching & networking
   • Leasing land (lease-to-own, ground lease, incubator farm)

(3) Services & support
   • Employment
   • Land transfer counseling
   • Purchase price advice
   • Supporting the local food economy
What is an easement?

- Legal document
- Retain ownership
- Limits future use
- Bundle of sticks
- Ag vs. conservation easement
- Financial benefits
- Potential tax benefits
Selling an easement allows you to capture value from an asset on your farm that you are not using.
OPTION TO PURCHASE AT AGRICULTURAL VALUE

- Land can only be sold to qualified farmers
- Land trust can buy & resell at appraised agricultural value if land is not sold to qualified farmer

AFFIRMATIVE LANGUAGE

- Farm must be kept in active agriculture
- Grace period to find leasee if not farming
Example: Vermont Land Trust

- **VLT Acquired Farm**: $760,000
- **Farm Value w/Traditional Conservation Easement**: $381,000
- **Sale to Farmer w/OPAV**: $165,000

Farm Value
Where does the money come from?

- Public grant money
- Community fundraising
- On-farm events
- Major donors
- Foundations
How long does it take?

**MONTHS 1-3**
- The land trust secures a contract with the landowner (an option to purchase, etc.).
- The land trust conducts a title search.
- The land trust orders a property appraisal.
- The land trust begins fundraising planning or grant applications.
- The land trust has the property surveyed.
- The land trust may order an environmental audit on the property.

**MONTHS 4-6**
- The land trust receives appraisal results.
- The land trust secures approval from its Board of Directors (some boards meet monthly, others quarterly).
- The land trust develops a stewardship plan for the property.
- The land trust begins the fundraising campaign.

**MONTHS 6-END OF FUNDRAISING**
- The land trust completes fundraising (may take anywhere from six months to a few years).
- The farmer and the land trust exchange drafts of the easement for changes.
- The land trust and attorneys prepare closing documents, which are then signed by the land trust and the farmer with an attorney present.

**FUTURE**
- The farmer moves on to the land and starts farming, agreeing to steward the land.
- The land trust monitors the property on a regular basis (typically yearly).
- The land trust may ask the farmer to take part in promotional and fundraising events for the organization by hosting events on the farm.
How long does it really take?

- **Preparation** – *how ready are you and the land trust to take on this project?*
  - Farmer financials, land trust experience

- **Funding** – *how much public, personal, and private funding is on hand or easily accessible*
  - State and federal funding v. local; securing mortgage financing

- **Legal** – *is there a clear title to the land?*

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**Liens & mortgages**
- Existing mortgages mean bank will need to consent to easement
Negotiating Easement Language

- Intent of easement is very important
- Building exclusion square footage
- Floating envelope for second residence
- Boundary locations between different zones of restriction (forest v. field)
- Location of farm roads
- Irrigation, fencing, renewable energy
- Impervious surface allowances
- Personal use exemptions for certain activities
Keep in Mind

- All changes must be run by the land trust
- The terms of the easement don’t change easily
- Perpetuity – think long-term / heirs
- Potential loan impacts
- Talk to advisors
- Be willing to be flexible and patient
- Natural resources: water, minerals, oil and gas
What *Not* To Expect

• Lending you money (some offer bridge loans)

• Answering technical questions

• Working outside their mission

• Working beyond their capacity

• Working on projects that are too small
Finding a Land Trust

American Land Trust Directory

This directory provides a comprehensive list of land trust and conservation organizations, including trust tools and services, programs at the state and local level. It is searchable by name of organization, type (private or public), and programs offered.

Land Trust Alliance Directory

They provide a land trust alliance directory, a map tool & search by state, community or representative bodies.
Talking to a Landowner about Easements

(1) Introduce the idea

(2) Put the landowner in touch with the land trust

(3) Suggest developing a purchase agreement and lease-to-own arrangement
Tips for Reaching Out

- Do your research
- Make contact
- Be specific
- Be convincing
- Give a personal story
- Present a business plan
- Have your financials in line
- Hire a lawyer(!)
Lease-to-Own

Open Space Institute

- Retiring farmer & cheesemaker (mentoring) + young farmer managing nearby dairy
- OSI purchased farm & equipment
- OSI offering 5-year lease-to-own
  - Lease payments go towards purchase
  - Responsible for improvements
- Year 3 – farmer applying for FSA loan
- Easement placed on farm at time of purchase

PLAYERS: Land trusts | Farmers | Private donor

OUTCOMES: Farmland off market | Time to build equity
Download the Guide:
www.youngfarmers.org/farmerlandtrustguide
MORE
STRATEGIES & PARTNERS!
Cooperative Farming

A Greenhorns Guidebook

www.agrariantrust.org/guidebooks-reports/
Farmland Investment

Iroquois Valley Farms, Local Farms Fund

- Tim: farming for 9 years; land searching 4 years
- Long-term lease with purchase option
- Lower rent in early years
- Purchase option in year 5
- Combined with state-funded easement in year 2 and affordability provision from Equity Trust

PLAYERS: Land trusts | Funders | Farmers | Non-profits | Investors

OUTCOMES: Farmland off market | Transaction flexibility
Non-Profit Land Ownership

Ground Lease Mechanism

- 5 farms on 121 acres of former dairy farms
- Split ownership between farmer and non-profit
  - Farmer owns buildings & infrastructure
  - Non-profit owns ground
- Farmer receives 99-year, inheritable lease
- Leasehold interest on barns; house adjoining property
- Infrastructure & improvements sold with lease

PLAYERS: Land trusts | Funders | Non-profits | Local Gov’t | Farmers

OUTCOMES: Affordable farmland | Equity | Secure access
Bridge Loans & Revolving Loans

Mount Grace Land Conservation Trust

- Low-interest loan from The Conservation Fund enabled purchase of building for food co-op to compliment conservation work

Equity Trust

- Bridge loans enable purchase while waiting for conservation easement funds

PLAYERS: Land trusts | Funders | Farmers | Non-profits | Investors | Banks

OUTCOMES: Farmland off market | Transaction flexibility
NYFC Website:
www.youngfarmers.org/farmerlandtrustguide
CA FarmLink Website: www.californiafarmlink.org/resource-library
Agrarian Trust website:
www.agrariantrust.org/guidebooks-reports/
Farm Commons Resources: www.farmcomomons.org

• Financing a Farmland Purchase: Legal Basics for Traditional and Non Traditional Purchases

• Financing Farmland Through an Effective Land Contract, includes a model contract

• Financing Your Farmland Through Personal Loans, includes a model promissory note.
MORE CASE STUDIES:

www.agrariantrust.org/access-land

www.agrariantrust.org/land-access-proven-strategies
More Resources & Lease Templates

www.landforgood.org

www.cafarmlink.org
Homework

- Go through guiding questions
- Get familiar with your existing resources, networks, and potential partners
- Write down one next step you are going to take towards accessing land