

Keeping Farmland in Farming: Preserving Farm Legacies through Viability, Access, and Transfer

Session 1C – Ballroom D
2017 RCP Network Gathering

Speakers: Vanessa Johnson-Hall, Stacy Gambrel, Jamie Pottern

Moderator: Jim Habana Hafner

Introduction – Jim Habana Hafner, Land For Good

Farmland is declining across New England, particularly cropland.

- Exacerbated by declines in funding
- Region among highest rate of protected farmland, but still a relatively small proportion

Land For Good

- Mission: “Ensure the future of farming by putting more farmers more securely on more land in New England and beyond”
- Work with farm seekers, landowners (individuals and institutions), farm families, and communities
- How we work:
 - Educate: practical tools, workshops, professional training
 - Innovate: creative models, collaboration, applied research
 - Consult: Direct help to individuals, families, organizations, communities
 - Advocate: supportive policies and services, engaged communities

Demographic Trends in Farming

- Farmers older on average
- Senior farmers increasing as percentage of all farmers
- Slight increase in percentage of farmers <35 years old
- Significant increase in percentage of farmers 34-44 and 45-54 years old

Farm Transitions in New England

- 1/3 of farmers will exit farming in next 10-20 years (~6.45 billion in assets)
- Senior farmers manage 1/3 acreage in region, (55+ manage 88% acreage)
- Farms most vulnerable during a generational transition

Farm Succession/Transfer Planning

- Process to determine how a farm will pass to next generation operator or non-family transferee
- Succession vs. Transfer
 - Business vs. Land/Real Estate
 - Income, assets, and management
- Multiple Stakeholders
 - Exiting farmers and their families
 - Jr. Generation on farm and non-farming heirs
 - Unidentified successors
- Planning vs. the Plan or Transfer

- Planning is a process. Implementing a plan can take months or years
- Plans change
- “Soft Issues” often the most challenging
 - Layered issues of legacy, mortality, fairness, family

Importance of Farm Transfer Planning

- Farms and farmland most vulnerable during a transition
- Farmers need secure retirement
- Farm loss or consolidation impacts communities and local ag sector
- Next generation needs time to prepare
- Avoiding family, legal, and financial troubles—taxes a factor but typically not driver
- Succession planning secures farm and business tenure across generations and owners
- “Succession Effect”—if farms have plans earlier, they are more likely to make different types of investments and take actions that promote viability
- If farms are not viable, there is nothing to transfer

Planning can take place over course of life cycle

- Not just end of career concern. Early planning informs investments and growth of business

Challenges for Farm Families

- “Soft Issues”: Values and beliefs, communication, emotions and underlying issues, avoidance and procrastination
- Needs of younger generation
- Different stages and expectations
- Real and perceived costs
- Perceptions of fairness (equal vs equitable)
- No identified successor—over 90% of senior farm operators in NE do not have younger operator working with them
- Lack of support and advisors—Farm transfers require a team of advisors that may include:
 - Business consultants, accountants, lenders
 - Lawyers, insurance agents, financial planners
 - Land trust professionals
 - Facilitators, mediators

Elements of a Farm Transfer Plan—Not a critical path, but a collection of components

- Goal setting and family communication—Foundation of a farm plan
- Business Plan—personnel, marketing, finance, equity
- Land use—including conservation
- Retirement—lifestyle, income, health care
- Estate Plan
- Management Transfer—often under-considered
- Asset Transfer

Key Insights from Senior Farmers without Successors (based on focus groups)

- Feel particularly overwhelmed
- Want help planning best succession strategy

- Want help finding suitable successor, buyer, or tenant
- Want to see land remain in farming
- Willing to look outside of family for successor
- Open to innovative approaches and strategies

Senior Farmers See Farm Viability as an Obstacle

- Children might be interested if farm was more profitable
- Farm operation too small for buyer return on investment and to pay retiring farmers
- Access issues: young farmers often lack capital to take over
- Mismatch between available land base and newcomers' needs: Younger farmers seek smaller parcels to grow more profitable specialty crops. Older farmers engaged in extensive production (livestock and perennials). Younger farmers engaged in intensive production of specialty crops.

Crisis-Opportunity

- Accessing farmland, staying on the land, and transferring farms not new problems but urgency and complexity today requires creative, multi-stakeholder solutions
- Loss of family farms can be prevented
- New farmers can get access to land despite rising land prices—non-farming landowners can be part of solution
- Requires educating and supporting beginning farmers in complementary ways

Land For Good Resources

- Toolbox for farm seekers
- New England Farmland Finder
- Acquiring Your Farm tutorial
- Individual advising
- Service provider collaboration
- Policy advocacy

Roles for Service Providers

- Raise awareness
- Encourage and support farmers
- Advocacy and promotion
- Add your subject expertise
- Facilitation, team coordinating, “coaching”
- Know your limits—don’t make promises beyond your comfort zone

Summary

- It’s not farmland without viable working farms
- Land protection and farm viability can be mutually supportive
- Land protection can support farm viability
 - Affordability
 - Fund productive investments
 - Fund aspects of transfer
 - Encourage stewardship
- Protection more likely for viable farms with plans

Changing Old Methods to Reach New Landowners - Vanessa Johnson-Hall, Essex County Greenbelt

Greenbelt works with local families, farmers, and communities to protect farmland, wildlife habitat, and scenic vistas of Essex County. Greenbelt has protected over 17,000 acres local land and has had a direct role in 75% of all land conserved in Essex County over last decade

Paradigm Shift

- Old Way: Conserve farms now
 - Communications approach based on mass mailings, letters, calls, not effective at engaging farmers or building trust and relationships
- New Approach: keep farms in farming and hopefully conserve later

Challenges to the Future of Farming—Awareness of these issues gained through trainings offered by Land For Good, National Young Farmers Coalition, Equity Trust

- Development threats
- Land values
- Land access
- Housing
- Farm viability and capital
- Farm succession and transfer

New Guiding Principle: If farm remains successful and there are farmers to farm it, the land will be less threatened with conversion

Programs Tailored to Farmers: “Farm Succession & Estate Planning: How to Transfer Your Farm to the Next Generation”

- Emphasis on farm succession—land protection mentioned only briefly
- Presenters individuals used to talking with farmers, including attorney who works from farmer perspective, and farmland owner
- Held during off-season, free, breakfast included
- Brought together senior farmers and farm seekers
- Followed up with 1-on-1 Farm Succession Planning consultations with Land for Good
 - Though not primary goal, resulted in one farm conservation project

Other Outreach Events

- Facilitated listening session: “Farmland Brainstorm and Beer” with pizza
 - What are your concerns? Land access and tenure major issues
- Farm Law 101
 - Partnership with Legal Food Hub
 - Audience: Young Farmers
- Documentary Film Series
 - Powerful community engagement tool—attracted broader segment of population
 - Free admission for farmers—“meet your local farmers” draw for public

On Deck:

- Land For Good (LFG) Farm Succession School Scholarships—though only 1 attended, great outreach opportunity—demonstrated to farmers that we care
- Subsidizing LFG Farm Succession Planning Consultations

- National Young Farmer Coalition’s Farmland Affordability Calculator
- Partnership with New Entry Sustainable Farming Project: Business Planning for Young Farmers

Farm Protection Beyond Traditional Easements - Stacy Gambrel, Monadnock Conservancy

Monadnock Conservancy—based in Keene, NH, covers 35 towns in Mondnock region. Over 20,000 acres conserved, 200+ easements

Conserved Farmland Access Partnership

- Funded \$15k over 2 years
- Farmland Access among biggest challenges for farmers
- Test of whether conservation land could help address this need
- Program Goals:
 - Learn interests, concerns, and needs of owners and farmers
 - Educate and support farm seekers
 - Help bring farmers and landowners together to get more land into farming
- Methodology:
 - Advisory Committee
 - Focus Groups
 - Surveys
 - Workshops
 - Technical Assistance
 - Case Studies
- Takeaways: Landowners:
 - Want to see land farmed, used more intensively
 - Most have just a couple acres for lease
 - Easement not impediment to farming
 - Don’t always understand the economic realities of farming (may think leasing their land will fetch high price) and may have romanticized notions (aesthetics, smell)
 - Eager for education and networking with farmers
- Takeaways: Farmers:
 - Always need more land
 - Easement not impediment to farming
 - Most do not have formal leases but desire long-term, secure arrangements
 - Good communication and respect for landowners key
 - Desire education and opportunities to connect with landowners

Farm Disaster Relief Fund

- Seeded with single \$100k donation—response to 2016 drought
- \$163,000 in requests/\$100,000 granted to 10 farmers, mostly dairy or livestock producers
- Funds paid for feed, fertilizers, soil amendments, well repair and upgrade, back property taxes, infrastructure repair
- Cultivation tool for conservation

- Of 10 participants, 5 had already conserved land or were interested in doing so. 4 interested in doing so. 1 was unsure.
- Initial Research: desire to tread carefully, concern about negative perception of offering handouts. Ultimately proceeded—timing was perfect and need was high
- Eligibility
 - Conservancy service area
 - At least 25% income from farm
 - Demonstrate \$5,000 in losses from disaster
- Evaluation Criteria
 - Already conserved or in process?
 - Commercially viable operation contributing to household income and local economy?
 - Statement of need
 - Current fund balance and Conservancy’s knowledge of other applications that may be expected in future
 - Availability of other gov’t or charitable sources of comparable assistance
- Takeaways:
 - Wildly popular among farmers
 - Keeping farms in business is de facto form of conservation
 - Gained respect in farming community > future conservation projects
 - Spent entire 100K in one swoop. Board did not want to be weeded to annual program, but committed to making fund available on as-needed basis

Our Holistic Approach to Farm Conservation - Jamie Pottern, Mount Grace Land Conservation Trust

Mount Grace: North-central/Western Massachusetts. Franklin/Worcester Counties. Has helped protect over 32,000 acres, including over 50 farms

Many land trusts feeling stretched to be all things to all people. Grappling with ways to address challenges to farmers.

Whole Farms Forever Campaign—designed to address problem of productive farms going out of business through suite of new tools (can be used in combination with traditional easements):

- Option to Purchase at Agricultural Value (OPAV)
 - Can be recorded within or outside of easement
 - Ensures transfer at ag value to *qualified* farmer (determined through resume, business plan, etc.)
 - Helps keep housing affordable
- 99-Year Ground Lease
 - Shared ownership model adapted from affordable housing world
 - Land Trust owns land—99-year lease to farmers. Farmer owns buildings, housing structures, and builds equity
 - Ties housing to land—house and land pass together

In-House Programmatic Approach

- Farmland inventories

- Goals of educating ourselves and community
- How much farmland do we have? How much is protected? What products are being produced? How much prime soil is there? Who owns the farms? Who is farming them? What are the threats?
- Allows for proactive approach
- GIS analysis combined with ground-truthing to vet map
- Outreach to farmland owners
 - Estate-planning workshops with more approachable titles like “options for the future of your land”
 - Partnering with community members helps ensure consideration of important logistical details like locally appropriate place to host (barn, library, restaurant, Elks Club, etc)
 - Always best to have landowner there to encourage peer-to-peer exchange
 - Follow-up is essential
- Community conversations to achieve community conservation goals
 - Partnerships with ag commissions
 - Translate data into formats that farming community can understand and use

Food Systems Planning

- Farms exist in context of broken industrial food system—valuable to consider all elements of local food systems
 - Food waste recovery
 - Food production
 - Distribution
 - Processing and storage
 - Preparation and consumption
- Greater Quabbin Food Alliance
 - Convenes stakeholders to fix local food system
 - Network of orgs that focus on access, regional planning, economic development, land conservation
 - Community Food System Assessment “Food and Farming in the Quabbin Region”—tool for analyzing and assessing assets and barriers related to local food production in a community or region
- Quabbin Harvest (Food Cooperative)
 - Responding to community needs, Mount Grace purchased downtown retail space that now carries products from over 50 producers within 35 miles
 - Understands linkages between LT work and local food systems

Q&A

- Need for more innovative ways to secure capital in rural areas.
- Try to have macro-level conversation—start by understanding farmers’ goals, and don’t necessarily lead with conservation pitch
 - Official stance—avoid solar siting on prime ag soils, but may need to be more flexible in conversations with individual farmers.

- It can be helpful to approach a single farm in several more manageable chunks
 - Designate portion for wildlife habitat (grant money often available), easement on portion, sell off portion to finance conservation
- The world of perpetuity is a long-term game
 - Pitch strategic nature of work to boards and funders
 - Reinvent your organization and programs to stay relevant