Access to farmland. A top challenge for beginning and other farmers is access to land. For both new and established farmers to succeed in farming, farmland must be:

a. Available — adequate supply of land that may be used for farming.

b. Affordable — land priced appropriately for agriculture, whether for purchase or rent. May include mechanisms, such as an agricultural conservation easement, that lower the price of the property. See “Beginning Farmer’s Guide to Agricultural Conservation Easements” fact sheet.

c. Appropriate — the right location, natural resources and infrastructure to support the operation.

d. Secure — adequate stability in tenure arrangement, either through ownership or lease terms suited to the needs of the farmer.

Tenure options. Tenure means “to hold.” There are two basic farmland tenure options: own or rent (lease). Within each, there are variations:

a. Purchase — To enable a farm or farmland purchase, consider owner financing, work-in arrangements, multiple buyers and investment partners. A gradual transfer from a retiring farmer can be mutually rewarding.

b. Lease — Options for leasing include annual or short-term agreements, longer-term leases, a rolling lease term, lease-to-own, ground leases and multiple tenants on a property.

Tenure goals. Your goals regarding farmland access should incorporate personal, family and business considerations. For example, do you need to live where you farm? What are your values about property ownership? Your land tenure goals and situation may change over time. Conduct a thorough financial analysis of your readiness to acquire a farm or farmland. In many cases, it makes good business sense to start by renting land.

Searching for and evaluating land. Your search strategy starts with clarifying what you are looking for. Categories include location; farm size; natural features, such as terrain, soils, water availability, micro-climates; infrastructure; housing; proximity of markets and attributes of the surrounding community. Decide what is necessary, desirable or optional. Know your bottom line but be flexible and willing to compromise.

Making connections in your search area will help you find the land for your farm operation. Talk with local farmers, agricultural and conservation commissions, the state Department of Agriculture, Farm Service Agency and Extension offices, as well as keeping an eye on real estate, classified and Farm Link program listings. Farm incubator programs typically offer new growers leases on land as well as access to equipment, infrastructure and technical assistance. State and local governments and land trusts may track available farmland and may own farmland that could be leased or sold. State and local farmland protection programs and land trusts may also be able to help farmers access farmland using agricultural conservation easements.

Prepare a checklist to refer to and take notes on site visits to help you evaluate available parcels of land in light of your farm operation.

(more →)

Resources

Farmland Information Center (www.farmlandinfo.org)
- Farm Link programs
- Farmland Protection Directory

Land for Good (http://landforgood.org)
- Lease examples

USDA Natural Resources Conservation Service (www.nrcs.usda.gov)
- Soil data and information produced by the National Cooperative Soil Survey

University of Vermont Extension (www.uvm.edu/newfarmer)
- Checklist to be used as a guide when examining prospective farm properties for lease

This fact sheet was developed as part of the Farmland Advisors project with support from the Northeast Sustainable Agriculture Research and Education (SARE) program and the Farm Credit AgEnhancement Program.
Jenny and Bruce Wooster were experienced produce growers and managers of a Community Supported Agriculture (CSA) at Appleton Farms, a property of The Trustees of Reservations. In 2003, they began looking for a place where they could earn their full livelihood, set down roots and raise children.

They took initial steps, participating in an agricultural business planning course and writing a business plan. They pinpointed what they were looking for, what was “necessary” (20 acres of prime farmland, irrigation potential, solid structures, finance-able) and where (the Connecticut River Valley). They wanted to run their own business but didn’t necessarily need to own the land.

The land search had them looking everywhere and talking to everyone: farm link programs, land trusts, real estate agents and other farmers. As they searched, they also took stock of their finances and familiarized themselves with the Farm Service Agency (FSA) and lenders at Farm Credit East.

Bruce got into the habit of making a round of calls every few weeks. He would pick up clues here and there, or follow-up on a lead. When the hydroelectric power company up the Connecticut River was being sold, he wondered if floodplain fields would also be in transition. Bruce called the office of then New Hampshire Commissioner of Agriculture Steve Taylor. While Taylor didn’t know about that river bottom land, he suggested Bruce call Albert Hudson in Winchester who had sold his cows and was looking to pass on his farm.

In September 2005, Jenny and Bruce drove out Route 2 from eastern Massachusetts, just over the state line into New Hampshire. The farm was beautiful and well cared for, with a sizeable barn complex. It was bigger than they’d ever considered—71 acres total, nearly 40 tillable. Albert and Judy Hudson were welcoming people. The farm was not “officially” on the market, though a few local dairy farmers had expressed interest and the Hudsons had contacted a realtor. Jenny and Bruce left them with a copy of their business plan.

Just after Thanksgiving, their talks with the Hudsons got more serious. The Hudsons agreed to rent the farm house plus an acre of land for a year, while Jenny and Bruce figured out financing and Albert continued to grow corn for silage to sell to neighboring farms. The year of renting gave the four a chance to get to know each other.

The Hudsons had invested their lives into the farm and planned to live as neighbors in a modest second house already built on a corner of the farm. Their two adult children had no interest in taking over the farm. They wanted the new farmers to be serious and to succeed. They had sold the development rights for most of the farm to the State of New Hampshire in the 1980s, and, while this didn’t legally limit the farm’s selling price, the Hudsons felt that it ethically did.

The farm purchase was completed in March 2007. The Hudsons hold a first mortgage with a 20-year term. Because of the owner-financing of half the mortgage, Jenny and Bruce were immediately eligible for a second mortgage through FSA with a low-interest, 40-year term. They bought the farm with no down payment at a cost of $420K, despite a property appraisal of $450K. The Hudsons reasoned that Jenny and Bruce could use that money upfront to repair the failed septic system and leaking big barn roof.

Jenny and Bruce, at age 35, launched Picadilly Farm and began selling CSA shares in 2007. They contributed $35K from their savings and borrowed $140K from a few friendly lenders, mostly interest-free, to capitalize the business well right from the start. Their certified organic vegetable and small-scale livestock business has grown to more than 800 CSA shareholders, along with a wholesale component.

They farm full time, with an annual gross of about $600K, and have been able to keep up with start-up debt repayment, accelerate payments on the 40-year mortgage and contribute modestly to retirement savings. Jenny and Bruce plan to farm at Picadilly as long as they can.