



Gaining ground for farmers

TO: The ACBFR Subcommittee on Land Tenure
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DATE: June 19, 2015

Executive Summary

Thank you for the opportunity to submit comments to the USDA Advisory Committee on Beginning Farmers and Ranchers' Subcommittee on Land Tenure. This Executive Summary is followed by a full Comment with policy recommendations. Please also visit the FarmLASTS Project's [summary Research Report and Recommendations](#) that documents key land access and farm succession issues, and proposes policy reforms and innovation. As Subcommittee members know, and as has been documented, entering and exiting farmers face unprecedented challenges to acquire and pass on farms and farmland. Trends require USDA to address the needs of the growing numbers of farmers who do not, do not yet, or will not own land, as well as the expanding number of non-farmers, including inheritors, who own farmland.

Land For Good (LFG), a New England nonprofit that specializes in farmland access, tenure and transfer, believes that the important work of the Subcommittee begins with policy goal statements. A public policy goal framework that reflects current realities and promotes farming opportunity should *support a range of tenure options*. Policies should foster availability, affordability, security, equity-building, and mutually rewarding agreements between land owners and land users. The nature of private property, concentration versus decentralization of land ownership and wealth, assumptions about "upward tenure mobility" in agriculture, and the equitable distribution of rights, responsibilities and benefits are at the heart of this important discussion.

Our specific policy recommendations focus on the following themes:

- Acknowledge and foster a variety of tenure options in USDA policies and programs
- Use research and data to guide policy development and measure outcomes
- Increase attention paid to non-farming landowners
- Encourage more secure leases and paths to ownership
- Improve and diversify incentives for succession planning, especially at an earlier age
- Include innovation in tenure and land transactions in any policy framework



Commentary and Recommendations

"Equitable partition of land is the necessary basis of all self-sustaining agriculture. This partition of land may be in the form of ownership or...the right to hold the land for a specified time. ... These varying forms of land partition have arisen with the evolution of society."

Liberty Hyde Bailey, Cyclopedia of American Agriculture, 1909

Thank you for the opportunity to submit comments to the ACBFR Subcommittee on Land Tenure. Having focused on beginning farmers and farmland tenure for the past three decades, I am especially pleased about the Secretary's and Advisory Committee on Beginning Farmers and Ranchers' (ACBFR) interest in these critical issues. I served on the ACBFR for its first six years, as chair for three. I began my current work with [Land For Good](#) (LFG), a New England nonprofit, in 2004. LFG is one of very few organizations in the US specializing in agricultural land access, tenure and transfer. This year I stepped down as executive director, succeeded by Jim Hafner, who has deep experience with land tenure internationally. Five LFG Field Agents deliver education and assistance to farmers and landowners across New England. Our on-the-ground experience informs and "ground truths" our land tenure research, programs and policy work.

From 2007-2010, I served as the co-principle investigator on the national [FarmLand Access, Succession, Tenure and Stewardship \(FarmLASTS\) project](#), funded by the USDA National Research Initiative. FarmLASTS generated a *Research Report and Recommendations* that is germane to the work of the Subcommittee. The report documents key land access and farm succession issues, articulates relationships among land tenure, land stewardship, the structure of agriculture, and community vitality. The [full report](#) and [summary](#) version list *many specific policy recommendations*, a few of which are reiterated in this testimony. I refer the Subcommittee to [Farmland Access and Tenure Innovations: Policy and Program Suggestions to Promote Land Access for New England's Beginning Farmers](#), a report from LFG's Land Access Project (funded by the Beginning Farmer and Rancher Development Program) and the [Land chapter in New England Food Policy: Building a Sustainable Food System](#) for additional policy suggestions.

The FarmLASTS report posits that currently there is no overarching US policy framework on land tenure in agriculture. The Subcommittee has the unique opportunity to develop such a framework to fit contemporary conditions in US agriculture, and to influence fundamental cultural parameters relating land to farming opportunity and legacy.

As Subcommittee members know, and as has been documented, entering and exiting farmers face unprecedented challenges to acquire and pass on farms and farmland. Older farmers

confront succession much too late if at all. Research shows the “succession effect” in which farmers make business decisions relatively early in the business life cycle based on their anticipated succession outcome. *Transition must be addressed much sooner than is the culture or practice in agriculture.* Significantly, most older farmers do not have an identified successor. This dramatic shift in generational transition demographics is both a huge obstacle *and* a land access opportunity, particularly because now most new farmers come from non-farm backgrounds.

Farmers that are entering and scaling-up increasingly and mostly rely on insecure tenure based on verbal, annual rental agreements. Yet, in our experience, the majority yearn for ownership. This is a fine goal, but if beginning farmers do not have enough information and support to fully understand their land access options, they frequently despair of this vision and often quit or fail at farming *because of the land issue.* The 20% decline in new and beginning farmers documented in the 2012 U.S. Census of Agriculture may be an indication of this. Most are not adequately prepared to make good land acquisition choices, including developing realistic paths to ownership. At LFG we emphasize financial readiness, which includes understanding the costs of various acquisition strategies and developing business plans and, when appropriate, a land acquisition budget.

Policies that influence the land aspects of farm entry and exit must be informed by data. For example, FSA loan programs encourage qualified beginning farmers to borrow for land. Yet USDA/ERS research shows that beginning farmers without land debt are more likely to succeed. If older farmers can't easily exit, their land is much less available to entrants. Yet studies show that nearly 90% of farm owners neither had an exit strategy nor knew how to develop one.

Trends and facts like these require USDA to address the needs of the growing numbers of farmers who do not, do not yet, or will not own land, as well as the expanding number of non-farmers, including inheritors, who own farmland. I serve as an advisor to the Non-Operating Landowners National Survey being conducted by Utah State University and American Farmland Trust in partnership with USDA/ERS. It lays the groundwork for more ambitious data-gathering about non-farming landowners, particularly absentee and women landowners, and with a focus on conservation practices. This, and the important new TOTAL survey will provide essential and much-needed information to guide policy and programming.

LFG believes that the important work of the Subcommittee begins with policy goal statements. While the Jeffersonian ideal of farm ownership retains a cultural grip, the facts of historical experience and recent trends tell another story. A public policy goal framework that reflects current realities and promotes farming opportunity should *support a range of tenure options.* Policies should foster availability, affordability, security, equity-building, and mutually rewarding agreements between land owners and land users.

Despite being generally regarded as inferior status, tenancy is not inherently disadvantageous for tenants or negative for society. Nor, according to studies, does it inevitably correlate with poor land stewardship. The trick is in the relationships among the owner, the user *and the land.*

Tenancy has always played a major role in farmers' access to land. Tenancy by itself and as a *path to ownership* should receive more policy attention and support.

Land tenure is not just about who owns or controls farmland. In today's agriculture, characterized by aging farmers and increasing consolidation of land and wealth, policies should foster entry *and* exit through a broad range of tools to hold and transfer land with companion objectives to create farming opportunity, reinvigorate the ag sector and mitigate negative consequences of decoupling ownership from user-ship. This is a complicated subject and policy challenge. Land is potent: land is legacy, *and* a working asset. The nature of private property, concentration versus decentralization of land ownership, assumptions about "upward tenure mobility" in agriculture, and the equitable distribution of rights, responsibilities and benefits are at the heart of the discussion. They can't be avoided. And any policy framework that developed with such a discussion is unlikely to result in a coherent set of goals – let alone outcomes. This is why the work of the Subcommittee is so vitally important.

Effective policy tools must reflect the situations and needs of specific target groups: beginning farmers, established farmers, exiting farmers and non-farming landowners--private, institutional and public. (Interestingly, at least in New England, a large portion of farmers "farming 10 years or less" are over 45 years old. They need help with both entry *and* exit!) For reasons of history, equity and current demographic trends, land tenure policies also should consider the particular needs of special populations e.g., Black, Hispanic, military veteran, women, immigrant, and refugee farmers, and women landowners. And policy proposals should be screened for their suitability to various US regions. A tool suited to New England or California might need to be adapted for the Southeast, for example.

Within USDA, FSA, NRCS, RD, ERS, and OAO all have a role to play in addressing land tenure, as does Farm Credit. Outside USDA, tax policy is a potentially fruitful (and fraught) area for reform and innovation around farm business and land transfer.

LFG offers the following policy ideas:

- Take maximum advantage of the new TOTAL survey as a policy tool to guide and improve understanding, outreach, education and policies pertaining to farmland ownership and tenure
- Increase outreach and programming support for non-farming landowners, while curbing any negative impacts of absentee, corporate, and investor land ownership
- Incentivize share-leasing
- Reward more secure leases such as those with greater than 3-year terms
- Reward or require *written* leases; support programs that assist with leasing
- Improve ability of tenants to access capital
- Stimulate research and innovation in—and application of—paths to ownership such as lease-to-own, work-in, and sharemilking; link to strategies for farmers without identified successors
- Incentivize succession *planning* (not necessarily actual succession) through e.g., cost-

share, or require it for eligibility to other programs (new NRCS ACEP/ALE rules are an example);

- Reward or support retirement and succession planning *earlier* in the business life cycle to avoid crisis, poor decisions and negative “succession effects”
- Include land access education (tenure options, land acquisition financial readiness) in FSA borrower training programs and business planning courses
- Promote (and don’t penalize) innovative land tenure arrangements such as ground leases (in which tenants can build equity) and other models
- Promote (and don’t penalize) shared ownership, including easement holders and community land trusts, for example
- Strengthen PDR programs, particularly by tying protection to affordability provisions
- Address affordability of farmer housing; couple housing access with land access
- Create a farmer pension program (e.g., IDA, or farmer pension models from Europe and Japan) and/or other strategies to stimulate timely and secure exit from farming
- Encourage more public land to be available for farming, and under more secure conditions
- Explore the role of private capital in US farmland, particularly investment entities and new “crowdfunding” (non-accredited investor) models (See LFG’s [report on farmland investors](#).)
- Address heir property issues for African Americans and Native Americans
- Strengthen (support? reward?) public and private services so that more professionals have more knowledge and skills to assist with farm transitions (e.g., trainings, network gatherings)
- Investigate and support development of programs to connect farm seekers with farming and non-farming landowners
- Authorize and support research on transition methods and business models; emphasize innovation and removal of obstacles

LFG is small nonprofit addressing big land tenure challenges in our region and nationally. Our comprehensive, systems change model for tackling farmland tenure challenges seeks creative solutions at multiple levels. We invite you to learn more about our perspective in “[Access to farmland: A systems change perspective](#)” in the *Journal of Agriculture, Food Systems, and Community Development* (2013).

After more than a decade of championing land access and transfer, we at LFG are thrilled to see these issues receive the attention they need, and to be a part of the current dialogue. Thank you for your good work. We look forward to learning of the Subcommittee’s discussion and recommendations.

NOTE: Sources for research referenced are available upon request.