Farmland Tenure: A Toolkit

Steve Schwartz (Research and Education Grant Program)

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Title: Farmland Tenure: A Toolkit

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Situation:

Since California FarmLink was founded in 1999, it has fielded more than 2,000 requests from beginning farmers and ranchers statewide looking for assistance with land tenure challenges. Farmers sought sample language and guidance on how to craft land tenure agreements for both common and unusual circumstances.

Producers starting out or expanding their operations have a greater chance for success with an assurance of long-term land tenure. With extended lease agreements, producers are more likely to commit to crop rotations, cover cropping, soil building, permanent insectory hedgerows, and planting perennial crops like trees. Such commitments are difficult to justify economically with a one-year agreement on the land.

A number of tools and options exist for long-term land tenure, but many are inaccessible because only a few people are familiar with them, or they require high legal fees to implement. Research into these tools and options and their promotion through educational resources could expand their use.

Objectives:

Increase knowledge of trends in land tenure arrangements utilized by California farmers and ranchers
- Assist at least 500 farmers and ranchers in developing long-term land tenure agreements by providing a clear, concise guide to land tenure options
- Provide key decision-makers with policy options for increasing long-term tenure opportunities for beginning farmers

Actions:

To provide producers with readily accessible information on land tenure, the project team conducted these activities:

- Researched and summarized alternative land tenure models for producers
- Analyzed Agriculture Census data for 1992, 1997, and 2002, including cross-tabulations, that showed trends in California farmland tenure
- Assessed options for public agencies to lease out agricultural lands
- Researched more than 20 land tenure options, including:
  - Cash rent leases from private, government, and nonprofit entities
  - Intergenerational transfer with installment sale, lease option, and gifting
  - Community land trusts
  - Long-term lease (99 years/lifetime) and inheritable lease options
  - Limited liability corporation ownership with lease to nonprofit entity
  - Cooperative ownership of land and/or farm business with profile of legal options
  - Fee title purchase and sale of conservation easement(s)

Potential Benefits/Impacts

This project and the resulting handbook have provided clear, comprehensive materials to respond to the hundreds of requests California FarmLink receives from producers statewide seeking assistance with land tenure challenges. As a result, it is anticipated that there will be a decreasing number of small-size and beginning farmers and ranches operating without signed tenure agreements.

By translating key information on tenure into Spanish, the project has addressed a ‘missing link’ in sustainable production. California FarmLink has become aware of many Hispanic farm managers who are positioned to move into entrepreneurial farming opportunities.

A majority of the content in the toolkit – about 80% – has direct relevance across state boundaries, including case studies, descriptions of models, policy options, and best practices for leasing by public entities.

Results:

The culmination of the project research efforts was the publication in 2008 of a 184-page handbook, “Farmers’ Guide to Securing Land.” The six chapters cover:

1. Introduction on the use of the handbook and a brief description of 15 models for securing (having control over a piece of land) long-term land tenure
2. Trends in California land tenure practices
3. Lease models for securing land
4. Ownership models for securing land
5. Transfer of farming rights
6. Teamwork for tenure

The “Farmers’ Guide to Securing Land” has been distributed to more than 50 people, including participants in California FarmLink’s matching program, trainings, and outreach events. The matching program database includes 600 farmers and ranchers seeking to start or expand their own operations.

Key findings from the project have also been made available through workshops, including producer panels, to articulate important tenure options directly to producers. In addition, elements of the handbook have been translated into Spanish.