

Conservation Financing

By Hannah Lewis

National Center for Appropriate Technology (NCAT) Agriculture Specialist

August 2013

Abstract

Farmland owners are in a wonderfully unique position to protect water, soil, and wildlife now and long into the future. The purpose of this publication is to offer guidance to farmland owners on the farm transfer process when conservation and sustainable agricultural practices are desired. A variety of farm-transfer tools that can help landowners achieve these conservation goals are discussed below.

This list of tools is not intended to be a complete or definitive list. Instead, this list identifies some of the most well-known and commonly used methods. Also, the information in this document is broad and general. You should consult directly with professionals in the field to get specific legal and financial advice for your own situation.

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Introduction

Many landowners, whether retiring from a lifelong career of farming or inheriting land from parents who farmed, want to leave a legacy of conservation and sustainable agriculture. As a landowner, you may be looking for ways to pass on the farm to a farmer and/or new owner who shares this vision. For retiring farmers and off-farm landowners alike, there are many ways to do this, depending on the value and priorities of the particular landowner.

For instance, some landowners want to keep the farm in the family, while others hold this as a lower priority or perhaps don't have a family heir. Another consideration is the extent to which landowners want to stay connected to the land over time. Farmland transfer involves transferring equity, management, and income potential to the next generation. Some landowners are ready to part with all of these rights and responsibilities at once, while others prefer a more gradual process, or perhaps depend on the income from renting the land. Whether transferring the land by selling, leasing, gifting, willing it through an estate plan, or a combination of these methods, landowners can include provisions to encourage and/or ensure conservation practices.

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Still another goal landowners may have—and one that may tie in nicely with the desire to promote sustainable agriculture—is to help a beginning farmer get started. While often a limiting factor for beginning farmers is lack of land and capital, they can in exchange offer: energy; time; a certain level of knowledge, skills, and experience; a shared commitment to sustainability and conservation in some cases; and access to USDA beginning farmer loans and related resources.

Indeed, a ground swell of support for local, sustainable agriculture has swept forward a variety of initiatives to support these farmers financially and otherwise. The Slow Money movement is an example of how beginning farmers can tap into a greater community commitment to sustainable agriculture. The basic concept that socially-minded individuals or groups can lend their money or invest it in sustainable farmers is taking shape in communities throughout the country. While landowners should be aware of these options as assets that the beginning farmer brings to the table, the remainder of this publication focuses on what the landowner can do to encourage sustainable agriculture in the process of farm transfer.

Methods of Farm Transfer				
	Sale	Lease	Gift	Estate plan
<i>Mechanisms to Facilitate Conservation Outcomes</i>	<ul style="list-style-type: none"> • Contract for deed • Deed restriction • Restrictive covenant • Agricultural conservation easement • Splitting land to sell part at market rate and part for conservation or alternative uses 	<ul style="list-style-type: none"> • Long-term lease with conservation provisions • Conservation incentives through cost sharing and/or risk sharing • Option to buy and/or right of first refusal 	<ul style="list-style-type: none"> • Gift of land to a land trust (estate tax burden lifted on that property) 	<ul style="list-style-type: none"> • Revocable or irrevocable trust with provisions for conservation • Bequest to a land trust or nonprofit

Selling Land

Selling a farm outright may be the most limited option in terms of ensuring conservation stewardship since, unless otherwise specified in a deed restriction, you lose all interest and claim to the land once the sale is complete—even if it’s to a family member. However, you do have control over how and to whom you advertise the sale. For instance, if you sell at auction, the land will simply go to the highest bidder. On the other hand, if you advertise it with a LandLink program or through a listing offered by a sustainable agriculture organization, you have an opportunity to attract conservation-minded farmers, especially if you already have features on the land such as organic certification, buffer strips, rotational grazing, etc. You could even interview potential buyers to get a feel for their vision for the land.

Further resources:

FarmLink programs facilitate farm transfer by providing services to help connect retiring farmers or landowners with beginning farmers. Programs are listed by state. www.farmtransition.org/netwpart.html

Selling a Portion of the Land to a Sustainable Farmer

Depending on how much land you have and how it’s configured, an option may be to

separate out a portion of the property with a greater conservation value to transfer to a sustainable farmer. Perhaps this portion would consist of a farmstead and surrounding land. This arrangement allows the flexibility to sell some land at top dollar on the open market in order to achieve financial objectives, while creating more favorable terms for a sustainable farmer on another part of land. If your successor is raising horticultural crops and/or small livestock, it's possible that he or she doesn't need or even want more than a couple dozen acres.

Contract for Deed

With a *contract for deed* sale, the landowner sells the land on contract over the course of several years to a beginning farmer, who makes periodic payments with interest over that period of time. The terms of the contract can include specific language about conservation standards and/or allowable agricultural practices, similar to provisions that might be spelled out in a long-term lease (see below). A contract for deed sale may be of interest to beginning farmers who are unable to obtain financing from more traditional sources. In addition, a seller/landowner could consider assisting a beginning farmer by offering more favorable terms than a bank, such as a lower interest rate or lower down payment. A potential financial benefit to the landowner is the ability to spread any capital gains tax from the sale out over many years.

A contract for deed arrangement tends to work best between a seller and buyer that have a solid and trusting relationship, since there are many risks involved for both parties, particularly the buyer. Title to the land is held by the landowner until the final payment is made, and none of the payments up to that point count toward equity in the farm for the purchaser; defaulting on the loan means forfeiting all previous payments. The USDA Farm Service Agency offers a Land Contract Guarantee Program. If the buyer misses payments, the seller is protected from loss. The program is intended to make landowners more willing to take the risk of selling their land to a beginning farmer.

Further resources:

Contract Land Sales. 2012. National Sustainable Agriculture Coalition
<http://sustainableagriculture.net/publications/grassrootsguide/farming-opportunities/contract-land-sales/>

Frequently Asked Questions on Contracts for Deed in Minnesota. 2012. Farmers Legal Action Group (FLAG)
www.flaginc.org

Installment Sale Contracts for Beginning Farmers. 2011. Partnership for America's New Farmers. Drake University and Drake University Law School. <http://americasnewfarmers.org/installment-sale/>

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Land Contract Guarantee Program. Farm Service Agency, USDA
www.fsa.usda.gov/FSA/newsReleases?area=newsroom&subject=landing&topic=pfs&newstype=prfactsheet&type=detail&item=pf_20120120_farln_en_lcgrrt.html

Agricultural Conservation Easement

Owners of farmland near the edge of large metropolitan areas can consider getting an *agricultural easement* on their land before selling it. This would restrict current and future use to agriculture and potentially lower the purchase price for a beginning farmer. An easement reduces the market value of the land by preventing it from ever being developed for residential or commercial purposes.

Easements can serve a variety of conservation purposes, such as protecting farmland from urban sprawl, ensuring historic or cultural preservation, or creating permanent protection of wilderness or scenic areas. The conservation provisions of any given easement depend on the priorities of the landowner granting the easement as well as those of the organization or agency that will hold and enforce the easement. Therefore, an agricultural easement could specify the types of agricultural practices allowed on the land, such as organic production or particular conservation practices. Such provisions could be similar in language to the conservation provisions one might include in a long-term lease (see below).

But, unlike a long-term lease, since an easement is meant to last forever it should be created in a way that it can be interpreted and implemented over time, regardless of societal or environmental changes. Experts in the field recommend not requiring specific agricultural practices in the easement. The future is unpredictable—few in 1930 could have predicted what we can now do with electricity and computers, for instance—and getting too specific with requirements can lead to unnecessary burdens on future owners of the land. Instead, the easement should be viewed as your vision for what should happen with that land in fairly general terms that will allow future landowners to take advantage of new knowledge and new technologies that could help achieve that vision.

Where land prices are driven by agriculture (rather than development), agricultural easements do not necessarily lower the price and may therefore be less useful in facilitating transfer to a beginning farmer. Another caveat is that easements are not ubiquitously available since the eligible nonprofit organizations and government agencies that handle them are not evenly spread out across the country. Nor does every piece of land necessarily qualify for an easement. Often, the conservation value of the land is taken into consideration before a decision is made by an easement holder to accept a donation of an easement. Where an easement is an option for a landowner, a financial incentive to do so is a reduction in his or her estate tax.

Further resources:

Land Trust Alliance, a national conservation nonprofit organization, has an online database of state, local, and national land trusts operating throughout the United States.
<http://findalandtrust.org/>

U.S. Department of Agriculture (USDA) has a variety of conservation easement programs that provide financial and technical assistance to landowners to restore and provide long-term protection to different types of agriculture lands. These include the Wetland Reserve Program (WRP), Grassland Reserve Program (GRP), Healthy Forest Reserve Program (HFRP), and the Farm and Ranch Land Protection Program (FRPP), all of which are listed at www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/easements .

Deed Restriction or Restrictive Covenant

Similar to an easement, a *deed restriction* limits how the land can be used by the subsequent owner. A deed restriction is easier to create than an easement, but it is not as enforceable and may not offer long-term protection. A *restrictive covenant* is a type of deed restriction (or it can be another form of written agreement) that applies to two or more people on neighboring land for their mutual benefit; these parties are also mutually responsible for enforcing the rules of the covenant. A restrictive covenant applies to current and future owners of the land, although some covenants are not perpetual.

A mutual covenant could potentially be a way to create a sustainable agriculture cluster or community by selling land to a group of owners who will hold each other accountable to upholding the terms of the covenant by using conservation and sustainable agricultural practices.

Further resources:

Conservation Easement vs. Deed Restriction. 2008. Land Trust Alliance Fact Sheet. www.landtrustalliance.org/conservation/documents/CE-deed-restriction.pdf

Long-Term Leases

Most landowners are familiar with an annual cash rent, which is appealing in that it's simple, familiar, requires little planning and offers flexibility to the landowner to adjust the rent annually. However, annual cash rent does little to build the long-term landlord-tenant relationships that are conducive to expanding conservation and sustainable farming practices on the land. With a little extra research and planning, even an off-farm landowner with little knowledge of farming can establish a *long-term lease*.

Furthermore, you can gain the financial benefits of annual cash rent with a long-term lease by using a rent adjustment calculation that ties the annual rental rate to commodity prices and land values.

Establishing a long-term lease is a great way to facilitate conservation because it provides security to the farm operator that investments made in the soil today will benefit that same

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operator in the future. Furthermore, for the farm operator to qualify for USDA's Conservation Stewardship Program (CSP), he or she must have control of the land for the full five years of a CSP contract. Farm operators must also demonstrate control of land for Environmental Quality Incentives Program (EQIP) contracts, which vary in length from one to 10 years.

For the retiring farmer/landowner, a long-term lease is a legal instrument for putting a vision

for how the land should be managed into writing. This vision can be spelled out in the form of a comprehensive conservation plan accompanying the lease, with a provision requiring that the conservation plan be followed. Alternatively, a lease can include specific provisions related to crop rotation, pest-management practices, use of riparian buffers, etc.

To encourage adoption of sustainable practices, the lease can also include cost-sharing and/or risk-sharing terms for tenant and landlord to collaborate on in making these improvements. *Crop sharing*, wherein a portion of the harvested crop is paid as rent instead of cash, is a way to spread the risk of implementing new practices between landlord and tenant. *Flexible cash rent* is another way to share risk by tying the annual rental rate to the annual yield or total revenue. Landowners can also split costs with tenants for inputs such as cover crop seeds, certifications, or new equipment needed to implement sustainable practices.

Renting land is a good option for new farmers because it's more affordable and less risky than buying land, at least for the first few years of farming. In addition, landowners may choose to offer a

graduated rent to help a cash-poor beginning farmer get started. This would involve discounting the rent in the first year and increasing it over the next few years to full market rate. Some Midwestern states (Iowa, Nebraska and Wisconsin, for example) offer tax credits to landowners who lease land to a beginning farmer, which could offset the cost to a landowner.

Sample conservation provisions

(excerpted from Drake Agricultural Law Center's Sustainable Farm Lease, www.sustainablefarmlease.org)

- The Tenant will leave a vegetative buffer ___feet from any watercourse, stream, or river.
- A cover crop shall be seeded on corn ground harvested for silage.
- If any fieldwork is done in the fall, at least two-thirds of the soil will be left covered with crop residue.
- Tenant will figure credits for manure and previous legume crops before applying additional nutrients.
- Tenant agrees to minimize use of herbicides by employing integrated weed strategies as the primary means of weed control.
- Tenant agrees to minimize use of insecticides by employing pest-management strategies as primary means of pest control.
- Tenant agrees to implement a haying/grazing plan approved by NRCS or landowner.

A lease can be a stepping stone in the farm-transition process, after which the beginning farmer is ready to buy the land. There are a few ways to prepare for an eventual sale coming out of a long-term lease. The lease agreement can include a *Purchase Option*, wherein the landowner and tenant set a purchase price up front and rent payments made over the course of the lease period can count toward a down payment. Alternatively, the lease can include a Right of First Refusal for the tenant, meaning the land can be sold to a third party only after the tenant has had a chance to purchase the land by matching that third party's offer.

Options for Setting the Rent		
Rent-Setting Option	Benefits	Drawbacks
<i>Annual Cash Rent</i>	<ul style="list-style-type: none"> • Easy to understand and implement • Maximum \$ each year to landowner • Maximum flexibility for landowner 	<ul style="list-style-type: none"> • Discourages long-term land stewardship practices • May not be affordable for <i>some</i> conservation or alternative crop practices (on the other hand, it may be quite affordable for some practices) • Difficult for organic farmers to operate with annual cash rent • Prevents farmer's access to conservation programs that require minimum five-year contracts
<i>Long-term lease with rent tied to commodity prices</i>	<ul style="list-style-type: none"> • Maximum or near-maximum \$ each year to landowner • Security of multi-year land use for the farm operator; stands to benefit from practices that may take longer than one growing season to provide a return on investment. • Access to conservation programs that require long-term control of the land 	<ul style="list-style-type: none"> • May not be affordable for <i>some</i> conservation or alternative crop practices (on the other hand, it may be quite affordable for some practices) • Less year-to-year flexibility for landowner
<i>Long-term lease with rent tied to yield or total farm</i>	<ul style="list-style-type: none"> • Accounts for year-to-year weather variations and 	<ul style="list-style-type: none"> • More complicated to administer; careful

<i>revenue</i>	<p>possibility of resulting reduced yields and/or incomes</p> <ul style="list-style-type: none"> • Landowner and farm operator share risk • Access to conservation programs that require long-term control of the land 	<p>recordkeeping required</p> <ul style="list-style-type: none"> • Not maximum \$ each year to landowner • Less year-to-year flexibility for landowner
<i>Crop sharing</i>	<ul style="list-style-type: none"> • Accounts for year-to-year weather variations and possibility of resulting reduced yields and/or incomes • Landowner and farm operator share risk • Can facilitate sustainable and conservation practices through agreements on what to plant on which acres 	<ul style="list-style-type: none"> • More complicated to administer; careful record-keeping required • Not maximum \$ each year to landowner • May be affected by timing of crop sale
<i>Graduated or stepped rent</i>	<ul style="list-style-type: none"> • Can facilitate start-up for beginning farmers • Can facilitate the three-year organic conversion process • May be a tax credit for the landowner 	<ul style="list-style-type: none"> • Requires up-front work to set the terms, plus careful yearly recordkeeping • Not maximum \$ each year to the landowner
<i>Rent-to-Own</i>	<ul style="list-style-type: none"> • May qualify for Federal Beginning Farmers and Ranchers program dollars • Allows a beginning farmer to build equity 	<ul style="list-style-type: none"> • May not return maximum \$ each year to the landowner • Risk of default and loss of equity to the beginning farmer
<p><i>Hybrid system:</i> Use a combination of different options on different acres depending on crop yield potential and conservation practice potential.</p>		

Further resources:

Sustainable Farm Lease. 2011. A Project of the Sustainable Agricultural Land Tenure Initiative. Drake University and Drake University Law School.
www.sustainablefarmlease.org

Frequently Asked Questions about Sustainable Long-Term Farm Leases. 2012. Farmers Legal Action Group (FLAG)
www.flaginc.org

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Revocable and Irrevocable Trusts

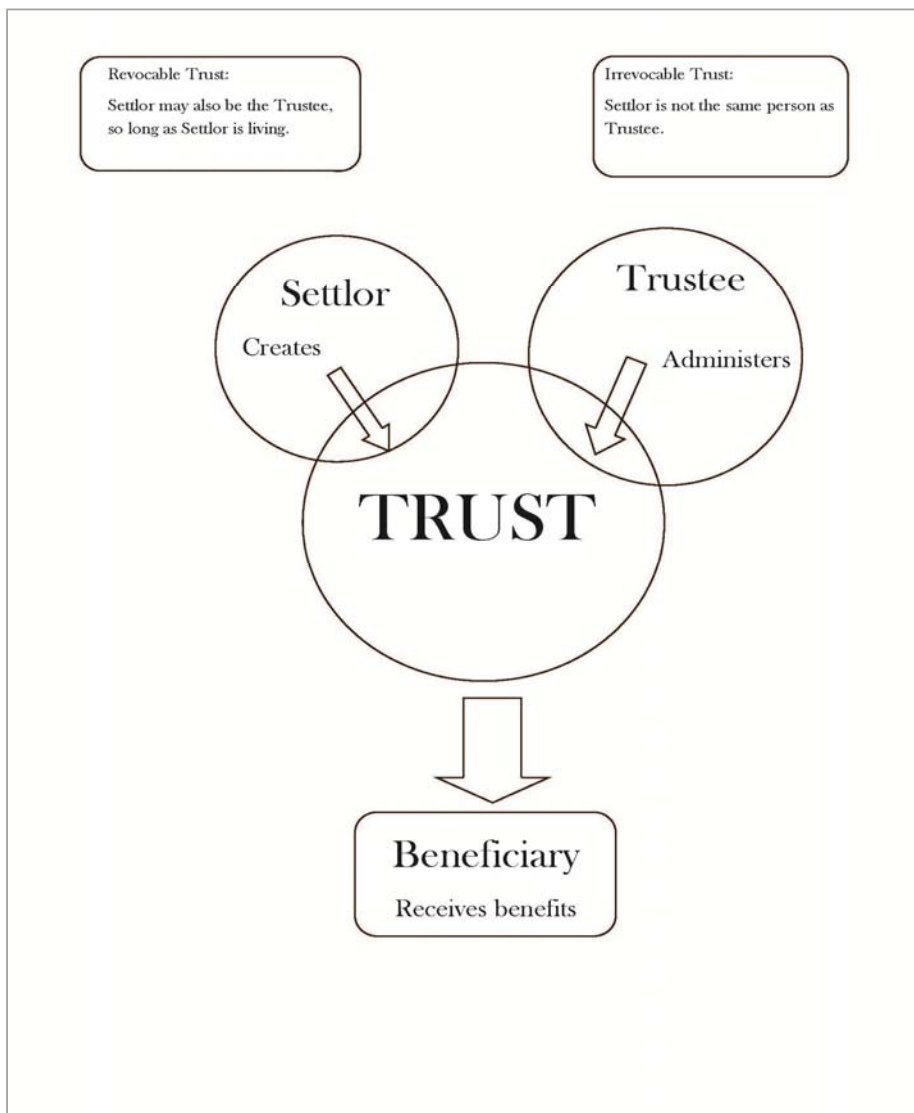
For landowners who want to keep the farm property in the family—whether or not a family member will farm it—putting the farm in *trust* offers a mechanism to encourage or require future operators to maintain conservation practices. Essentially, a trust establishes a legally binding management plan for a farm that will survive the settlor (the landowner who establishes the trust). As with an easement or a lease, the terms of a trust can include provisions requiring or encouraging conservation and sustainable agriculture practices. Moreover, a trust lends itself to the enforcement of a conservation ethic in the sense that good stewardship of the soil is essential for preserving the value of the estate for the beneficiaries.

Avoid Overly Restrictive Provisions in a Trust

What if a trust established in 1940 required that dairy cows on that farm would continue to be milked using the same procedures in place at the time that the trust was created? That era was pre-electricity for a lot of farms in this country. A provision like that would prevent future operators of that farm from being able to install a bulk tank and surge system and achieve Grade A status, and would thus virtually guarantee that dairy production would not continue at all on that farm – not at all the intent of the people who created the trust.

Two basic types of trusts can be established by a landowner during his or her lifetime – revocable and irrevocable. An *irrevocable trust* cannot be destroyed or altered, not even by the person who created it. A *revocable trust*, on the other hand, allows for the settlor to manage the trust, to receive benefits from it even though he or she no longer owns the property, and to change the terms of the trust or destroy it. However, after the settlor is no longer living, a revocable living trust becomes irrevocable, or permanent. In some states, a trust can be carried on from one generation to the next in perpetuity. Other states have a rule against perpetuities, requiring that a trust be dissolved 21 years after the death of the youngest generation alive when the trust is created.

A trust is governed by a designated trustee according to rules created by the settlor, on behalf of one or more designated beneficiaries (often the children or grandchildren), who share the benefit of rental income from the land. In a revocable trust, the settlor may also be the trustee as long as the settlor is living and competent. The settlor must designate someone else to become the trustee once the settlor is no longer able. This type of land transfer is a good way to distribute benefits to multiple heirs, while also guaranteeing access to the land for an operator willing to farm in a way that aligns with the goals of the trust. In fact, a specific operator could be named in the terms of the trust, and/or a long-term lease could be included as well. This arrangement can benefit the tenant operator by ensuring long-term access to the land while avoiding debt.



Finally, as with an easement, a note of caution should be observed when considering conservation provisions to include in the terms of a trust. Since a trust can last 100 years or longer, it's important to provide flexibility for the current operator at any given time to respond to societal or environmental changes not foreseen when the trust was created. The terms of a trust should be viewed as the vision for the land, stated in fairly general terms. The specific requirements for agricultural practices can be

spelled out in shorter-term lease agreements, which can be re-negotiated from time to time.

Further resources:

Trusts as an Estate Planning Tool. 2012. Melissa O'Rourke and Kelvin Leibold. Ag Decision Maker. Iowa State University (ISU) Extension and Outreach.
www.extension.iastate.edu/agdm/wholefarm/html/c4-59.html

Preparing to Transfer the Farm Business. 2013. Gary A. Hachfeld, David B. Bau, & C. Robert Holcomb. Transferring the Farm Series #1. University of Minnesota Extension.
www.cffm.umn.edu/publications/pubs/farmmgttopics/transferringthefarmseries.pdf

Forming a Business Entity to Facilitate Farm Transfer

Formation of a business entity such as a *limited partnership* or *Limited Liability Company (LLC)* can be a useful tool for transferring a farm to the next generation. While transferring a farm owned as a sole proprietorship would entail a cumbersome re-titling of each asset to the next generation, a business partnership allows multiple business owners to own shares in the farm business, which can be sold, gifted, or passed through the estate from one owner to another. Furthermore, a limited partnership and an LLC allow for some owners to be managers, while others are simply members. This offers non-farm heirs the chance to own the farm business even though they are not managers.

Forming a business partnership allows family members to take ownership of the property and carry on many of the sustainable and conservation practices that the original owners had incorporated, even if they are not the farm operators of the land but instead the landlords. It is also a way for the subsequent generation (grandchildren) to still have the possibility of access to the land in the hopes of farming.

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Further resources:

Farm Business Transfer Strategies. 2009. Gary A. Hachfeld, David B. Bau, C. Robert Holcomb, & James N. Kurtz. Transferring the Farm Series #2. University of Minnesota Extension.
www.extension.umn.edu/distribution/businessmanagement/components/M1177-2.pdf

Using Partnerships & Corporations to Transfer Farm Assets. 2009. Gary A. Hachfeld, David B. Bau, C. Robert Holcomb, & James N. Kurtz. Transferring the Farm Series #3. University of Minnesota Extension.
www.extension.umn.edu/distribution/businessmanagement/components/M1177-3.pdf

A Bequest: Frantzen Farm Example

Tom and Irene Frantzen are conservation-minded farmers in Iowa who are also long-time members of Practical Farmers of Iowa (PFI), a farmer-led nonprofit dedicated to on-farm research and education in sustainable agriculture practices. After careful consideration of a succession plan for their 300-acre farm, the Frantzens decided to bequeath the land to PFI. The bequest specifies that the farm should never be divided or sold and that Tom and Irene's son James should be the preferred tenant. The core vision is that the farm should always remain intact as a working farm with significant conservation features and that it should remain available as such for generation after generation of farmers, long after even their own son has retired from farming.

In light of steep appreciation of farmland values in the Midwest in recent years, this arrangement makes financial sense for the Frantzen family in several ways. For James, renting land from PFI is more affordable than buying out his two sisters' inheritances would be. It also provides assurance of long-term access to the land to make a living. As a bequest, this mechanism allows Tom and Irene to continue to own and earn income from the land throughout their retirement. Finally, Tom and Irene's non-farming daughters will receive their parents' life insurance proceeds. For all three children, the bequest allows them to avoid estate and inheritance tax on the land.

The Frantzens' situation may be unique because of their long and trusting relationship with PFI. However, landowners can use similar opportunities to donate or bequeath land to a state or local agency or a land-trust organization or conservancy.

More about the Frantzen story:

“Family bequeaths farm to PFI.” March 5, 2013. Jean Caspers-Simmet. *Agri News*. www.agrinews.com/family/bequeaths/farm/to/pfi/story-5166.html (accessed 6/06/13).

Creating an Educational Farm

Some farm families or farmland owners have a strong desire to leave a legacy of education tied to their land. This takes a high level of commitment and significant endowment funds to ensure that the property can be operated as an educational endeavor, but it is by no means impossible for those with the resources and will to do it. Sometimes the endowment must come from the resources of the property owners. If the property is desirable to an institution or adds value to the mission of an existing nonprofit organization, the funds for operating the educational farm may come through that institution or organization. The following list includes examples of teaching farms that have been established through various methods. Many of the tools described elsewhere in this document can be applied to the goal of turning a farm into an educational resource.

Educational Farm Examples

1. Farm supported by endowment fund with connection to local school district:

Henderson County Education Foundation, Inc.
Johnson Farm Endowment Fund www.hcef.info/?p=517

Excerpts from website:

Established in 2007, the Johnson Farm Endowment Fund is used for maintaining and operating the farm, for ensuring the farm will operate in future generations, and to support educational projects and scholarships of interest to the late Leander and Vernon Johnson.

2. Farm donated to University with operating and program funds coming through a University-run endowment:

Howling Cow Dairy Farm. North Carolina State University.
www.ncsu.edu/foodscience/dairy/howlingcow/farm.html

Excerpts from website:

The farm evolved from the consolidation of four dairy units — the most recent being the Randleigh Farms, a gift from the Kenan family. The 389-acre operation supports a herd of 245 registered Holsteins and 55 registered Jerseys, an ideal mix to support dairy teaching, research and production.

3. Farm donated to University with some program funds coming from outside sources:

Opportunities Farm. South Dakota State University.
www.opportunitiesfarm.com/

Excerpts from website:

The Opportunities Farm is a gift received by the SDSU Foundation in the spring of 2001 [from benefactor LeRoy Poppens.] A grant from the state of South Dakota in 2003 and an investment by the SDSU Foundation enabled the Opportunities Farm to construct three types of feedlot systems. Valued at \$1.6 million, the 1,120 acres of land and feedlot facilities provide an outstanding opportunity to conduct research and education for SDSU students.

4. Farm's original educational purpose restored through organization created by descendants of the founders:

Shelburne Farms.
www.shelburnefarms.org/about/history

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Excerpts from website:

In 1886, Dr. William Seward and Lila Vanderbilt Webb began acquiring farmland on the shores of Lake Champlain to create a model agricultural estate. Subsequent generations struggled to find a workable future for this singular farm. Shelburne Farms began a rebirth in 1972, when family descendants founded a nonprofit organization of the same name, dedicated to conservation education.

5. Farm created by land purchase through a farmland preservation organization:

White Oak Farm.

www.whiteoakfarmcsa.org/about/

Excerpts from website:

In partnership with the Equity Trust, a national farmland preservation organization, White Oak Farm purchased 62 acres of farm and forest land in Williams, Oregon during the Fall of 2002. Our vision is to create a farm that is an ecologically sound and economically viable center dedicated to teaching, cultivating an ecological agriculture and distributing its bounty, and preserving and propagating a wide diversity of edible, medicinal, and wildlife plants.

6. Farm established through combination of protection from commercial development, purchase by city, and support by outside group:

Zenger Farm: A Century-Old Working Urban Farm.

<http://zengerfarm.org/about-the-farm>

Excerpts from website:

Ulrich Zenger Jr., with great fondness for the place that had been his home, had the foresight and determination to protect the land from commercial development and preserve its integrity as a farm. The land was purchased by the City of Portland's Bureau of Environmental Services (BES) in 1994, five years after his death. In 1995 the land was leased to Urban Bounty Farm, which formed partnerships with the Environmental Middle School and the Portland State University Capstone Program, among others, to broaden the farm's availability as an open-air classroom. In 1999, the Friends of Zenger Farm was assembled. They authored the Zenger Farm Master Plan, obtained the City's approval of the Conditional Use Master Plan, and partnered with BES to secure a 50-year lease of the property.

USDA Conservation Programs

The USDA has a variety of conservation programs that farmland owners can initiate on their land and later transfer through sale or lease to a new owner. This includes the Conservation Reserve Program (CRP), which provides rental payments to farmers for the number of acres of environmentally sensitive land they plant into a long-term (10 to 15 years) cover to improve soil, prevent erosion and provide wildlife habitat. In fact, the Farm Service Agency (FSA) Transition Incentive Program actually encourages the transfer of conservation program land to a beginning farmer by allowing landowners to receive two additional years of CRP payments if they lease the land to a beginning farmer who grazes livestock and uses conservation practices.

Conservation Programs

USDA conservation programs are administered by the Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS), which are accessible throughout the nation in county and regional field offices called USDA Service Centers. Find the USDA Service Center nearest to you at <http://offices.sc.egov.usda.gov/locator/app>.

USDA Natural Resource Conservation Service conservation programs:

- Wetland Reserve Program
www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/easements/wetlands/
- Grasslands Reserve Program
www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/easements/grassland
- Healthy Forests Reserve Program
www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/easements/forests/
- Farm and Ranch Lands Protection Program
www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/easements/farmranch/
- Environmental Quality Incentive Program
www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/financial/eqip/
- Conservation Stewardship Program
www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/financial/csp/

USDA Farm Service Agency conservation programs:

- Conservation Reserve Program
www.fsa.usda.gov/FSA/webapp?area=home&subject=copr&topic=crp
- Transition Incentive Program
www.fsa.usda.gov/FSA/webapp?area=home&subject=copr&topic=tipr

Conclusion

Considering that 65 years and older is the fastest-growing age bracket for American farmers, a lot of land is now changing hands. Huge numbers of landowners, whether the retiring farmers themselves or their heirs, are facing big decisions and many are asking how to promote sustainable agriculture through farmland transfer. Wielding the tools described above to promote conservation may be relatively new territory and may take persistence on the part of landowners. This overview is intended to offer a framework for discussing such options with a legal adviser, financial adviser, family members, agricultural educators, farmers and other landowners.

This publication is offered as educational information. It does not offer legal advice. If you have questions on this information, contact an attorney.

Further Resources on Farmland Transfer and Conservation

Minnesota and Midwest resources:

University of Minnesota Extension offers a 10-part online guide to farm business transfer called the Transferring the Farm Series.

www.extension.umn.edu/distribution/businessmanagement/M1177.html

Land Stewardship Project assists beginning farmers in developing viable business plans and connecting with established and retiring farmers to access land and mentorship opportunities.

<http://landstewardshipproject.org/morefarmers>

Renewing the Countryside offers a variety of information sources on farm succession (monthly radio program, bimonthly newsletter, downloadable publications, case studies), as well as individual assessment and coaching to landowners on the farm-transfer process.

www.farmtransitions.org

Farmers' Legal Action Group provides legal advice and guidance to farmers on estate planning and related matters.

www.flaginc.org

Beginning Farmer Center of Iowa State University offers guidance to farm families on farm succession planning and manages a LandLink matchmaking service to pair aspiring farmers in search of land with retiring farmers.

www.extension.iastate.edu/bfc/publications-and-webinars

Women Food and Agriculture Network's Women Caring for the Land Program provides guidance to women landowners throughout the Midwest to help them develop and implement their conservation goals.

www.wfan.org/our-programs/women-caring-for-the-landsm/

Farm Commons provides legal advice to farmers and landowners through one-on-one assistance, and also links farmers and farm attorneys with information on succession planning and other legal matters.

www.farmcommons.org

National resources:

Land Trust Alliance helps landowners identify strategies for conserving their land, including connecting with a local land trust.

www.landtrustalliance.org/conservation/landowners

American Farmland Trust conducts research, advocacy, and education related to farmland protection.

www.farmland.org

Land for Good serves farmers and landowners in New England on issues related to farmland access and succession planning, and offers a variety of online resources relevant nationwide.

www.landforgood.org/resources.html

Planning the Future of Your Farm: A Workbook Supporting Farm Transfer Decisions. 2012. Andrew Branan, attorney. Virginia Cooperative Extension.

<http://pubs.ext.vt.edu/446/446-610/446-610.html>

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