

NESAWG 2015 *It Takes A Region* Conference

Session: Who Holds the Keys to the Land

Presenters: Kathy Ruhf, Jerry Cosgrove, Shirley Sherrod

Kathy Ruhf

- land access has come on to policy makers' and broader public's radar screens only in the last five years
- recognized as a top challenge by American Farm Bureau Federation and National Young Farmers Coalition
- 70% of US farmland will change hands in the next two decades
 - o TOTAL survey says up to 10% of farmland may transfer in the next five years
- Land tenure has always been an issue in agriculture and varies region to region
 - o Sometimes fraught with cultural baggage
 - o Escalating land values
 - o Land transfer has never been more complicated
- Themes: equity and rights to access
 - o Land increasingly concentrated in older farmers and in non-farming landowners
 - o What are the factors?
 - Cost
 - Competition
 - Discrimination and prejudice against:
 - Minorities, veterans, women, Native Americans
 - o Insecure tenure undermines the viability of the business and reverberates, affecting the economic stability of the community
 - o Food security requires farmer security and farmer security requires land security
 - o There is a USDA committee on beginning farmers and ranchers
 - First subcommittee on land tenure; this is the only subcommittee of this committee, so this likely means the Secretary's office is conscious that this is an issue deserving of attention
 - o Traditional means of providing access are no longer sufficient, so we need to look outside the box
 - o There is presently no overarching national policy on land tenure
 - o Beginning farmers without land debt are more likely to succeed in the long run
 - o Nearly ½ of US farmers rent the land they're on
 - o We have policies that encourage farmers to take on debt to buy land
 - o So we need to look at which policies make the most sense towards ensuring the farmers' success
 - o The fork in the road: What are the ways farmers can work toward ownership or shared ownership?
- Elements of the land access challenge:
 - o Available: Food Solutions New England says we have to have more land available in food production
 - o Affordable: economically feasible for the farmer to acquire that property

- Appropriate: not every piece of property makes sense for farming (e.g., water, slope, forested)
- Secure: a scale from non-written handshake annual agreement to ownership, from short-term lease to long-term lease
- Equitable: division of rights, responsibilities, and benefits between user and owner; farmer should have the opportunity to build equity
- Findable: farmlink is a great idea, various ways to do it, but they all struggle and are fraught with challenges; average successful link per program was three or four
 - There isn't a Zillow for farmland, and we need to do a better job of matching seekers with owners
- Who plays a role?
 - Seekers
 - Landowners who may be planning to exit
 - The succession effect: farmers make business decisions in the early stages of their business cycle based on the anticipated succession outcome of that farm; if they don't have a successor they may make decisions that won't keep the farm viable
 - In Iowa 2/3 of retiring farmers don't have known successors
 - Non-farming landowners – TOTAL survey said 87% of farm landlords are not farmers
 - Public landholders
 - Institutional landowners (e.g., conservation orgs, educational, religious, land trusts)
 - Need communities to be more understanding of the transfer process
 - Need policymakers to better appreciate the process

Jerry Cosgrove

- common theme across these issues is money
- these issues are integrated; access, transfer, affordability, viability
- talking about sustainable ag is moot if you don't have a sustainable and secure land base
- barriers:
 - acquisition/entry costs – never cheap
 - pvt prop rights are value economically, sometimes without relation to the ag value of a particular parcel
 - transaction costs – we need to find the resources to cover these, because they're significant
 - economic return – if farms are not making money, the transactions are more difficult or impossible to sustain
 - it's a high-risk, low-return industry
 - carrying costs of land – e.g., property taxes in NY, from \$20 to \$50/acre; interest, even if it's 1% or 2%
 - depreciation

- appreciation – long-term real estate appreciation → land rich and cash poor
 - will need significant investment from public and private sector to make land access a public good
- mechanisms for addressing this issue:
 - grants
 - loans
 - tax credits, reductions, and deductions
 - roles for federal and state gov'n't
 - property tax incentives improved and targeted
 - land owners themselves are an underutilized resource; what are the landowners specific goals?
 - philanthropy - we need a lot more of it
 - harness private investors – how do they generate a return that still makes the land accessible and affordable? Do they need to partner with gov'n't and philanthropy?
 - Local Farms Fund – affiliated with Iroquois Valley
 - Nat'l Young Farmers Coalition
 - Equity Trust – Novo Fndn provided a revolving fund
 - Taconic Land Trust doing creative work on affordability
 - Land For Good – great resource across New England and beyond
 - Farm Credit – limited in terms of what they can do interest-wise, because they're a coop and need returns, but they're in the game and do a lot of work
 - Farm Service Agency – they have beginning farmer loans; competitive interest rates
 - Wide range of land trusts: VT, Maine, Scenic Hudson, etc.
 - American Farmland Trust has farmlink program in Hudson Valley
 - Hudson Valley Agribusiness Development Corp.
 - Glynnwood Center
 - Dirt Capital
 - Northeast Farmland Access
 - GrowNYC
 - Local Economies Project and FarmHub
 - VT Housing and Conservation Board

Shirley Sherrod

- after slavery, African Americans knew they needed to work on education and land acquisition
- by 1910, black people owned around 15 million acres of farmland
- Shirley's family had 5,000 acres
- One of the greatest economic engines in the rural south is land; and it's perceived that once it's lost it's lost forever
- Heir property means all family members own it together and no decision is possible without the consent of everyone
- Still no access to credit, even after black farmer's lawsuit (Pigford)

- Land is very valuable and important, but for heir property unless it's arranged properly it won't remain in that family
- A lot of widows own land but don't know the value of it
- After mechanization, some of the women didn't know the value of the operation because they weren't needed anymore to operate it
- There's still lots of discrimination at USDA
- Women in Ag project in Mississippi and Georgia is doing some wonderful things
- Young women and males need to be more involved in looking at assets that ancestors acquired
- Children in Georgia don't know where their food comes from

Q&A

- shared land for farming and non-farming owners and disputes between them often leads to dissolution of farm enterprise
- who do we want to see farming in the future? what are the demographics of the next generation of producers?
 - o Cultivating Community targets diverse populations
 - o Do we need policy incentives? Lenders need to be more proactive?
- Suggestion: build up infrastructure in rural areas
- Role of land trusts? VT Land Trust – remarkable growth; let's codify our commitment to conservation easements
- Examples of opportunities for multi-purpose land use, including ag and other purposes?
- Political support necessary for collaborative model, between housing, conservation, economic viability