

VERMONT FOOD SYSTEM PLAN ISSUE BRIEF



ISSUE:
Alternative Land
Ownership and
Access Models

What's At Stake?

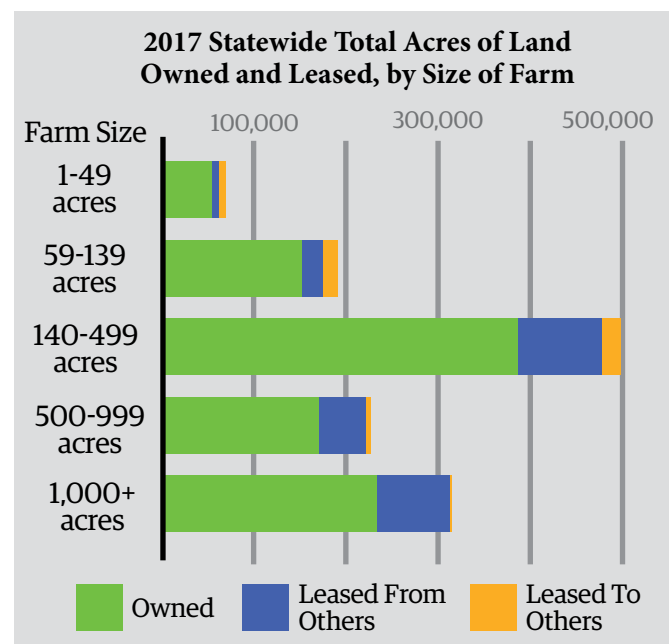
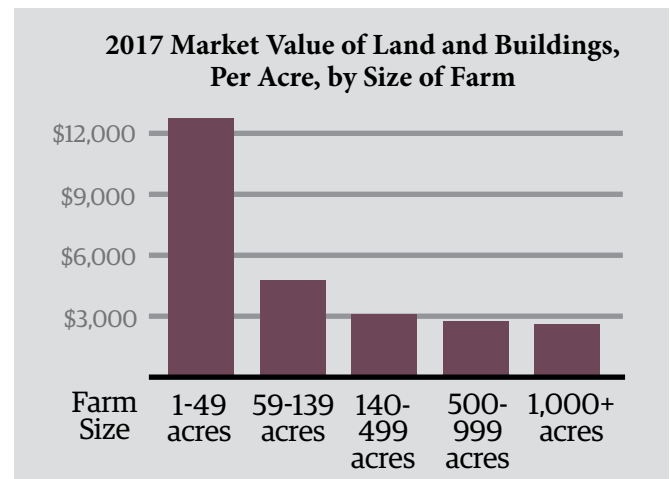
Vermont will have a substantial transfer of agricultural land over the next decade. Prioritizing creative approaches to farmland ownership and access will create farming opportunities for more people, including historically marginalized communities within and outside Vermont, who are disproportionately underrepresented in farmland ownership. The model of fee simple farmland ownership by a single family is not possible for many farmers, and not desirable for some others. It is unlikely to sufficiently address the shift underway in farmland ownership, as the price of land continues to rise and the costs of production and land are well above the return obtained from many farm businesses. If we do not explore and implement a range of approaches that provide alternative methods of land ownership and access, we risk losing farming opportunities for new entrepreneurs and existing farmers, agricultural land, and the opportunity to redress historical racial injustices related to land.

Current Conditions

Ensuring access to land for those wishing to farm or to expand their current operations should be a top priority within Vermont. The majority of farm support systems (technical assistance and resources, lending structures, and other financial tools) are set up for fee simple models of ownership. While a transition to a new owner might include a fee simple purchase with a conventional loan, farmers, service providers, funders, and communities are looking for ownership alternatives to help facilitate the volume of transfers on the horizon.

Alternative models of land access and/or farm transfer are tools that can be applied to achieve multiple objectives and goals. Land ownership can play an important role in generating wealth for future generations, yet it is inaccessible for many farmers. The Vermont Land Trust's (VLT) Farmland Access Program is an alternative approach already in use in Vermont. The program assists both those who prefer fee simple ownership by one buyer and those who want to pursue ownership by multiple individuals looking for less-typical models. The program offers a variety of pathways to secure affordable land access to a much wider group of farmers.

Additional land ownership and access structures which might be considered alternative include long-term leases, leasing public land, lease-to-own, collaborative and cooperative ownership models, ownership of land by nonprofits including community-based land trusts, and the use of investor capital or crowd-funding capital to finance transactions. These and other models should be researched, promoted, and encouraged as they address a range of limitations among the existing, more frequently occurring option of fee simple purchase by a single farmer or family utilizing debt financing.



Bottlenecks & Gaps

- The cost of farmland for lease or purchase is high relative to the profitability of business models on that land base given current market conditions.
- Conventional models of farmland transition, where an incoming owner-operator purchases land from a retiring owner-operator, require addressing multiple barriers including existing infrastructure, the difficulty that new farmers face accessing capital, and the high cost of land (see [Succession brief](#)).
- There are limitations to agricultural easements and their ability to help farmers afford land, especially when already-conserved land is being sold, or has inadequate farmer housing (see [Farmland Conservation brief](#)).
- Alternative models are not well known by all technical service providers, and the number of providers is not sufficient to the volume of land transfers.
- Financing alternative land ownership can be difficult, as banks and other lenders are not always set up for financing alternative models of ownership (e.g., cooperatives).

Opportunities

- Farmland held by community based land trusts, or other forms of community ownership of agricultural land, reduces one of the largest expenses on the farm (i.e., the land), and could also allow for local residents to have more power over what happens on farmland in their communities.
- In the absence of fee simple ownership, affordable, long-term leases can offer secure land tenure, and ground leases can provide means for farm enterprises to build equity for their business.
- Vermont's nationally renowned technical service providers, land trusts, nonprofits and others, with support and collaboration, have a demonstrated history of innovation and have a sincere interest in continuing to develop alternative methods to address land access issues.
- Cooperatives and models based on LLC or condominium structures exist in Vermont and elsewhere, and are models worth considering by service providers and interested farmers.

Recommendations

- Provide funding support for researching and developing alternative land ownership, access, and financing models. Involve communities which have worked on and practiced alternative models, including communities of color, as leaders of this conversation and learn from their successes and failures. Two examples are the Northeast Farmers of Color Land Trust, which will acquire land and easements to provide secure land tenure for Indigenous, Black, Latinx, and Asian farmers, and the Agrarian Trust, which has just created ten Agrarian Commons across the country (one in Vermont and one in New Hampshire). Agrarian Commons are community land trusts managed by community stakeholders that will hold farmland and issue long-term leases to local farmers.
- Research possible policy incentives to encourage multiple tenants or owners on larger conserved farms. For example, public funds and/or easement permissions may be critical to repurpose, remove, or add infrastructure to support new businesses and new business models to utilize this acreage.
- Support increased funding for the VLT Farmland Access Program, which is attempting to develop and utilize these types of new arrangements.
- Investigate current use of publicly held land in the state to determine viability of low-cost and long-term farm leasing on these lands.
- Investigate whether there are more ways the state of Vermont could support and incentivize partnerships of landowners, operators, and investors to encourage multi-stakeholder/collaborative farming efforts on larger tracts of land, to create more long-term secure land tenure for farmers.

Farm to Plate is Vermont's food system plan being implemented statewide to increase economic development and jobs in the farm and food sector and improve access to healthy local food for all Vermonters.

The Vermont Agency of Agriculture, Food & Markets (VAAFMM) facilitates, supports, and encourages the growth and viability of agriculture in Vermont while protecting the working landscape, human health, animal health, plant health, consumers, and the environment.

This brief was prepared by:

Lead Author: Fran Miller, *Vermont Law School*

Contributing Authors: Mike Ghia and Jim Hafner, *Land for Good*
Alison Nihart | Graham Unangst-Rufenacht, *Rural Vermont*.

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