



FINDING, ASSESSING, AND SECURING FARMLAND

A Plain Language Guide from the New Entry Sustainable Farming Project



THIS GUIDE WILL HELP YOU ANSWER:

What kind of land am I looking for?

What sort of land tenure situation is right for me?

How do I get started with my land search?

What should I look for during a farmland visit?

How do I negotiate with a landowner and sign an agreement to use the land?

NEW ENTRY SUSTAINABLE FARMING PROJECT

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CONTENTS

Purpose of this Guide	2
Steps in Locating Farmland.....	3
What Kind of Farmland Are you Looking For?.....	4
Your Business Plan.....	5
What Type of Land Tenure is Right for You?.....	6
Farm Ownership and Purchasing Options.....	7
Farm Lease Options.....	9
A Grower’s Story.....	11
Telling Your Story and Starting Your Search	13
Farmland Visit.....	15
Web Soil Assessment.....	16
Zoning for Agriculture.....	19
Negotiating with the Landlord.....	20
Legal Considerations.....	20
Water Access.....	21
Begin Farming Your Land.....	22
Survey.....	24
Glossary.....	25
Resources.....	29
Appendix A: Elements of a Good Lease.....	32
Appendix B: Determining Farmland Rental Rates.....	34

PURPOSE OF THIS GUIDE

Who should read this guide?

This guide is written for beginning farmers who are looking for land to start a farm business. If you are thinking about starting a land search, it is a good idea to ask yourself a lot of questions about what you need before you begin. You will need to invest time to learn about the different ways you can secure farmland. This guide will help you understand the process of locating and securing farmland for your business. It comes out of our experience helping **beginning farmers** in New England, but we hope that it will be helpful to anyone who is looking for land in any part of the country.

You will benefit from this guide if you:

- have located a community where you would like to farm
- know what kind of farm business you would want and have written a business plan
- know how much land you need, and how much you can afford to pay for land

It may be helpful for you to use this workbook with someone who can guide you to more farming information, such as an experienced farmer, staff member of a farm service organization, or other service provider. This guide does not provide detailed information about lease agreements. Always get legal advice when negotiating a land purchase or lease agreement.

What is Plain Language?

This guide is presented in a format called **Plain Language**. Plain Language provides clear, simple, and accessible text for readers in order to reduce misunderstandings, errors, complaints, inquiries, and lack of comprehension. It also helps you to take action on what you learn and gives examples of other people practicing the information. We present this guide in Plain Language in order to make the topic accessible to everyone.

STEPS IN LOCATING FARMLAND

There are many steps to finding farmland for your farm business. This guide will take you through the most basic steps in locating land.

1. Determine what kind of farmland you are looking for.
2. Decide what type of **land tenure** situation is right for you.
3. Start the networking process.
4. Conduct farmland site visits.
5. Understand your land by using the **Web Soil Survey**, and other online information tools.
6. Negotiate with **landowners** and sign an agreement to use the land.
7. Begin farming your land!

Some of these steps are easier than others. This guide gives you more information about each step. **The New Entry Farmland Matching Program** can help you with any questions you have about these steps.

What is Land Tenure? Land **tenure** describes how you hold your land. For instance, you can own land, lease land for a short period of time, or lease land for a long period of time. Land tenure options will be discussed further on page 6.

What is the Web Soil Survey? The Web Soil Survey is a service of the **Natural Resources Conservation Service (NRCS)**. It is an on-line tool that allows you to determine the soil type on a piece of land anywhere in the US. More about this tool is on page 14.



Step
#1

WHAT KIND OF FARMLAND ARE YOU LOOKING FOR?

Answering the following questions will help you start your farmland search. They will help you understand your farm business needs and what you require for your farmland. Take a minute to write the answers to the following questions on a separate sheet of paper.

Acreage and Enterprises

- How many acres of land do you need in your first season?
- Do you want to be able to increase the number of acres you are farming in future seasons?
- How much money can you afford to spend per acre per season?
- Do you want to produce crops or livestock or both?
- What kind of soil and terrain are you looking for?
- Do you want your farm to be certified organic?

Location and Markets

- Where do you want to farm?
- How much does land cost to rent or buy in your area?
- Will you be farming in an urban, suburban, or rural community?
- How do you plan on marketing your farm products?

Infrastructure

- Do you need irrigation?
- Do you need storage?
- Do you need electricity?
- Do you need other equipment?
- Do you need fencing?
- Do you need parking?



YOUR BUSINESS PLAN

Your business plan will help you decide what kind of farmland you need for your farm business. If you do not have a business plan, we suggest that you take a class on farm business planning. Here is a list of organizations that offer resources on farm business planning:

1) New Entry Sustainable Farming Project

Offers plain language Farm Business Planning courses in Lowell, Massachusetts and through on-line distance learning.

Phone: 978-654-6745

Website: <http://nesfp.nutrition.tufts.edu/training/farmbusiness.html>

2) Massachusetts Department of Agricultural Resources

Offers three different levels of Agricultural Business Training Programs, depending on your level of farm business experience.

Phone: 413-548-1905

Website: <http://www.mass.gov/agr/programs/abtp/index.htm>

3) SCORE

Nonprofit organization that helps small businesses start, grow and succeed. They are a national organization with local offices. They also have an online business-planning tutorial.

Phone: 800-634-0245

Website: <http://www.score.org/index.html>

4) The U.S. Small Business Association

Offers a number of programs and resources to help small businesses grow and succeed. They are a national organization with a number of local offices.

Phone: 800-U-ASK-SBA

Website: <http://www.sba.gov/>

5) University of Minnesota Center for Farm Financial Management

Offers free online software, "AgPlan," which provides guidance in writing your business plan.

Phone: 800-234-1111

Website: <http://agplan.umn.edu/>

Step
#2

WHAT KIND OF LAND TENURE SITUATION IS RIGHT FOR YOU?

Before you start your land search, it is a good idea to know a little bit about different options for accessing land. For instance, do you want to lease or buy land? Do you want a long-term or short-term commitment? Below are some different options for land tenure and some things to think about when making your decision.

In the next sections, you will learn about different **Types of Land Tenure:**

Farm Ownership and Purchasing Options

- Traditional Sale
- Individual Development Accounts (IDAs)
- Farm Service Agency Loans
- Purchase with Seller Financing
- Agricultural Easements

Farm Leasing Options

- Lease Terms
- Payment options
- Lease with Option to Buy



FARM OWNERSHIP AND PURCHASING OPTIONS

Land ownership is a long-term commitment and is not right for everybody. While many farmers are attracted to the idea of owning their own land, it can be very risky. You should be certain that the land fits well into your business plan, community preferences, and land fertility requirements.

Traditional Sale

Buying land at market price is expensive and often does not make financial sense for a farmer. The market price of land is influenced by many factors, which make it more expensive than the agricultural value. Your business plan will help you determine how much money you will have available for the initial land payment and for on-going costs such as mortgage payments, yearly maintenance and upkeep, and property taxes.

USDA Farm Service Agency (FSA) and Farm Credit East

Very few people ever buy a house or piece of property without taking out a **loan** or **mortgage**. If you have been denied a loan by traditional banks, you can apply to the **Farm Service Agency (FSA)** for help. This agency, a part of the USDA, is set up to make sure farmers have the resources they need to farm, like buying land. FSA has a special loan program to help **socially disadvantaged** or **beginning farmers** purchase a farm.

Farm Credit East is also a lender for agricultural producers. They are a credit cooperative that has loan officers who understand agricultural businesses. They can also help farmers submit their application to the FSA for a **guaranteed loan**.

Most counties have an FSA office that can help you learn more about this loan program (see Resources). You can also find out more about the FSA farm ownership loan process in New Entry's Plain Language FSA Loan Guide at <http://www.nesfp.org>.

Individual Development Accounts (IDAs)

An **IDA** is a special savings account that matches the deposits of low and middle-income individuals. These accounts often require you to participate in a series of financial planning classes. The funds in this account must be used toward the purchase of items that increase your own "value"- such as education, capital business expenses (like farmland), or a home. IDAs can be set up on a short or long term basis. The withdrawal of funds must be approved by the organization offering the IDA.

The 2008 Farm Bill Authorized a new IDA program for **Beginning Farmer** and **Ranchers (BFRIDA)**. The program allows farmers to save up to \$3,000 which will be matched at a rate of 1:2. This means the original \$3,000 in savings would be matched with \$6,000, which would total \$9,000. The FSA administers this program.

FARM OWNERSHIP AND PURCHASING OPTIONS (CONT.)

Purchase with Seller Financing

You (the buyer) and the seller agree to a purchase price of the land and you take possession of the land. Instead of getting a mortgage from the bank, you make payments directly to the seller. The payment schedule and rate are written in a “note” that you and the seller both sign. This way, you do not have to pay brokerage fees to the bank, and neither does the seller. This works well if you have a good relationship with the seller. You should consult with an attorney to help draft this “note” with the seller.

Agricultural Easement

Putting an **agricultural easement** on a piece of land means that the land has to stay in agriculture forever and cannot be developed with houses or other buildings not related to agriculture. It is a type of **conservation easement**. Land that has an easement on it is worth less, meaning that you can purchase it for less money. If there is not yet an easement on the land, sometimes it is possible to fundraise in the community so a **land trust** can buy the easement. This will decrease the cost of the land you want to buy.

The **Massachusetts Department of Agricultural Resources (MDAR)** and land trusts in the state work to preserve prime farmland in the state through the Agricultural Preservation Restriction (APR) Program. This is the primary agricultural easement program in Massachusetts. The APR Program pays landowners to keep their land permanently undeveloped, so that it can still be farmed in the future. The program aims to support farmers by keeping farmland at reasonable prices across the state.



FARM LEASING OPTIONS

Many farmers may decide to lease land instead of buying it. If the lease document is well written, leasing land can be much less risky than buying land.

Lease Terms

A lease term is how long the lease lasts. It is very important to think about how many years you want your lease to last. Do you feel comfortable making a long-term commitment somewhere? Or are you still testing the land, your business, or the community? Perhaps you need a long term commitment in order to make expensive improvements and invest in the land.

Short term Lease

A short-term **lease** can be a “trial period” so you can move if you do not like the situation. However, it is difficult to make long-term decisions if you have a short-term lease. If you invest in improving the soil, conservation measures, or building structures and then your lease ends, you may not get the full benefit of the money you spent.

Long term Lease

A **lease** is considered long term if it has a term of at least 5-10 years. Sometimes long-term lease terms are as long as 99 years. Long term agreements like these may be made with both public and private landowners. Long term leases are more secure, allowing you to make long-term decisions and even build **equity** in a property. These agreements can be very complex.

Ground Lease

A ground lease is a lease which only includes the land and not any buildings on a given piece of property. This allows the buildings to be sold from one farmer to the next. Because the farmer will own the building on his/her leased property, they can build equity more easily.

What is Equity?

Equity is the term used for describing your financial stake in a property. It is important because it is a factor that many banks and other financial institutions take into account when making a **loan**.

FARM LEASING OPTIONS (CONT.)

Payment Options

Cash Lease

You and the landowner agree to a set amount of cash that is to be paid each year. Remember that the payment schedule is negotiable. For example, you could agree to pay a small portion of the annual rent at the beginning, and a larger portion at the end of the season.

Crop/Livestock Share

Instead of a set amount of cash, the rent is a portion of the income from the crop. This is a good way to share risk (and benefits) between you and the landowner. A crop share lease can be a good option for beginning farmers who do not have a lot of start-up capital. Sometimes the production costs and profits are both split between the farmer and the landowner.

See Appendix B for information on determining farm rental rates.

Lease with Option to Buy

Right of First Refusal

With a “right of first refusal” clause in your lease, if the landowner decides to sell the land, you get a chance to buy it at the seller’s asking price before it goes on the market. This way, you know that the land cannot be sold out from under you. However, you can only buy it at the seller’s asking price. You do not have a lot of negotiating power if the asking price is too high or if you are not financially ready when the property goes up for sale.

Option Agreement

With an option agreement in your lease, you and the owner decide on a purchase price and a purchase date. You must pay for this option when you first sign the lease. Sometimes, your annual rent money can count toward your initial down payment.

More on Land Tenure Agreements:

This is just a short example of different types of land tenure situations. You can read a lot more about them in other resources, including:

Finding Ways to Farm: 6 ways to secure farmland, ATTRA, <http://www.ncat.org>

Holding Ground, NESFI, <http://www.smallfarm.org>

A GROWER'S STORY

Farmer Adisson, a trained agronomist, farmed in Haiti for many years before moving to the United States. He came with a wealth of experience growing vegetables, but needed help transitioning his experience to the Massachusetts climate and local business culture. After participating in New Entry's Farm Business Planning Course, field trainings, and farming at their incubator farm training sites for a number of years, he was ready to start farming independently. As Adisson completed his last season at the incubator farm, he was ready to transition to his own land. He noticed a plot for **lease** on New Entry's on-line map in North Andover was just the right size for him and located between where he lives and works. The farmland coordinator helped Adisson set up a meeting with the **landowner** to talk about their options.

In late January, Adisson visited the land. Addison and the landowner got along quite well. Addison could see himself farming the small plot, and the landowner was excited to have a farmer working the land. With the help of New Entry's farmland coordinator, they worked out a lease that satisfied both of them, making sure to talk about all the aspects of the farm business, including organic practices, working hours, farm guests, shed and equipment storage placement, hoop house construction, cover crop practices, parking, and even bathrooms! The two were about to sign a lease agreement when the landowner remembered that the plot of land was within 100 ft of a regulated **wetlands** area.

Continued on next page

A GROWER'S STORY (CONT.)

The **Department of Environmental Protection (DEP)** in MA requires a 100 ft buffer zone around wetlands in which there cannot be any disturbance to the land. However, new farming activities can apply for a special permit from the local **Conservation Commission** in order to use land within this buffer area. In order to prepare to go before the local Conservation Commission, Adisson met with a conservation planner from the **Natural Resources Conservation Service (NRCS)** to learn more about his farm plot. In early April, Adisson and the landowner attended a North Andover Conservation Commission meeting. Adisson presented the commission with his farm conservation practices. They approved his application with a restriction not to disturb the soil within 25 feet of the wetland and soon after the meeting he signed a lease to farm in North Andover.

But securing land is just the beginning of Adisson's challenges. Turning a field of grass to productive farmland is not easy. He called on a local farmer to plow the land for him for the first time. He will also need to set up a separate water meter in order to use town water to irrigate his crops. He will need to secure a walk-behind tractor in order to form his vegetable beds and cultivate. He will also need to build a shed to store his tools on site. Luckily, Adisson is well connected to the Merrimack Valley **Small Business Center** in Lowell (a Community Teamwork, Inc. program) and hopes to apply for a micro-loan to expand his farm business. After a season of experience on this new property under his belt, he also hopes to take advantage of USDA **NRCS** cost-share programs to expand his farm infrastructure.

TELLING YOUR STORY AND STARTING YOUR SEARCH

Now that you have a good idea of what you are looking for in a piece of land, where you want to farm, and what kinds of arrangements can be made to access farmland, it is time to start your land search! It is so important get yourself out into the community. Practice telling the story of why you want to farm and what kind of land you are looking for. The more people you talk to about your goals for your farm business, the better your chances of finding land.

For better or worse, there are a number of different places to look that may have information about farmable land that is available in your community.

Agricultural Commissions. The number of towns with **agricultural commissions** in Massachusetts is increasing. They represent the farming community, promote agriculture, and protect farmlands and farm businesses. Usually the voting members are farmers who might know of farmland available in the area. By telling them what you are looking for, they may be able to find something in the community, or know of a different town that may have what you are looking for. You can find their contact information by calling the town or city hall or by visiting their website.

Conservation Commissions. Every town and city in Massachusetts has a **Conservation Commission** that may be helpful in finding local land to use for farming. You can find their contact information by calling the town or city hall or by visiting their website.

Land Trusts. A **land trust** is a nonprofit organization that works to conserve land. Many land trusts try to get farmers onto land that they have conserved for agricultural purposes. They can also help you put a conservation easement on your land. It is a good idea to participate in the development of the **conservation easement** so you can be clear how you plan to develop the property for your farm.

Word of mouth. The more you tell your story, the more people will know about it who may have a good lead for you. Making connections in a community is a great way to spread your story and find the land you are looking for.

THE SEARCH CONTINUES...

Land Link Programs. These programs maintain databases of available land opportunities and farmers seeking land. Programs around the country are continuously evolving and changing, as more organizations are working on farmland access.

The **New England Farmland Finder** (www.newenglandfarmlandfinder.org) is a new farm property listing site that makes it easy for landowners to list property and farmers to search for it.

There are also programs that help connect farmers with landowners and assist in making landuse agreements. These programs include New Entry Sustainable Farming Project and Land For Good. More resources can be found at the end of this document.

FSA County offices. Your local **Farm Service Agency** will often have a list of ads from landowners in the area who have land available to rent or sell.

Newspapers. The classified section of the community's local newspaper is a great place to find land for sale and for rent. Reading the local paper will also give you a feel for the culture of the community.

Bulletin boards at farm stores and farm stands. Sometimes landowners post flyers advertising that they are looking for a farmer on their land. This can also be a good place to post that you are looking for land to farm in the area.

Real Estate Agents. Some real estate agents are knowledgeable about farmland rentals or sales. Call different agencies and ask!



FARMLAND VISIT

There are many different things to consider when you go on your farmland visit. When you are there, take notes on the physical characteristics, infrastructure, farming community, and other considerations that you may have. Use this checklist as a guide.

General

- Access / Parking
 - Cell Phone Reception
 - Housing / Residence
 - Restrictions / Restricted uses
- ### Infrastructure, Usage, Improvements, and Maintenance
- Barns
 - Equipment sheds
 - Farm office
 - Farm stands
 - Feed storage facilities
 - Fencing
 - Food processing facilities
 - Greenhouses
 - Irrigation, well, watering systems
 - Potable water for washing produce
 - Product storage facilities, coolers, freezers
 - Livestock
 - Power supply
 - Roads

Physical Characteristics

- Land Orientation
- Microclimates
- Soils
- Topography
- Water Resources
- Vegetation

Cultural and Community Considerations

- Current Tenant Relations
- Neighbor relations
- **Right to farm bylaw**- a bylaw like this one helps protect a farmer from nuisance suits from neighbors who may complain.
- **Farm service providers**- businesses that can help you farm in the area. For instance, they can identify local people who can help with equipment maintenance or identify locations where you can purchase farm inputs.

NRCS District Conservation Offices

If you want additional help evaluating your land and its resources, you should contact your local **NRCS** District Conservation Office. One of their main jobs is to help growers understand the natural resources on their land and the land's capabilities.

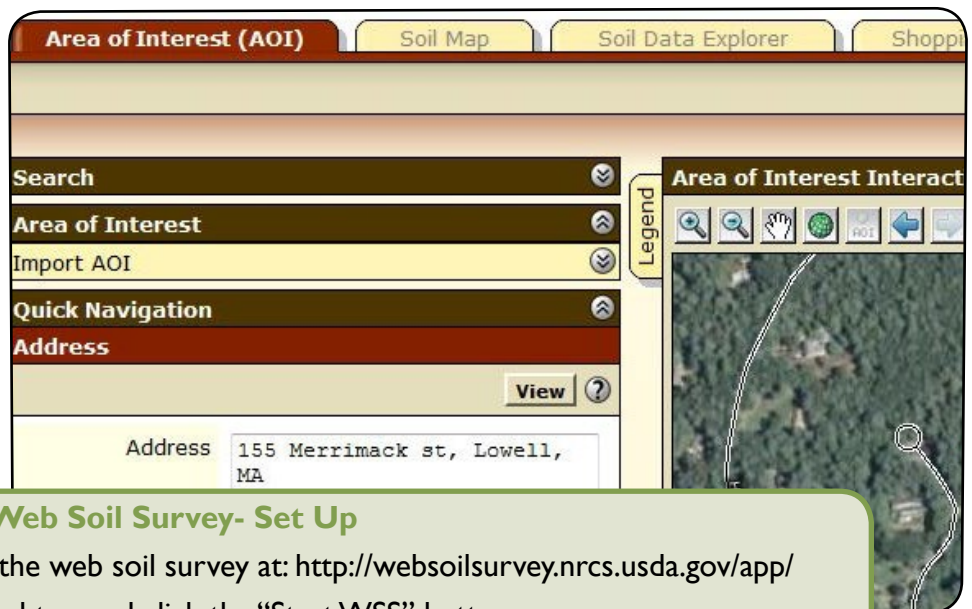
Step
#5

SOIL ASSESSMENT ON THE COMPUTER

When you've found a possible piece of land, it is important to assess its physical characteristics and infrastructure capacity. You can start the assessment from a computer with internet and then make arrangements for a farmland visit.

Web Soil Survey (WSS)

The Web Soil Survey is an on-line tool can tell you valuable information about the soil, though the scale is not accurate for small parcels. You should still take a soil sample and have it tested.



Using the Web Soil Survey- Set Up

1. Log onto the web soil survey at: <http://websoilsurvey.nrcs.usda.gov/app/HomePage.htm> and click the "Start WSS" button
2. Under "Quick Navigation" on the left hand side tool bar, type in the address of the farmland so the site can navigate the map to that area. You will see an aerial view of the property. You can zoom in and out as you desire.
3. Select the "AOI" (area of interest) button above the map. It is the square button that is the farthest to the right in the toolbar at the top of the map. Draw a polygon around the land you would like to assess by clicking on points that outline the land. Double click on the last point you placed, and the WSS will generate an Area of Interest for the next step: the soil assessment.

Using the Web Soil Survey- Data Exploration

1. Click the “soil data explorer” tab at the top of the map. On the left hand side, select, “**farmland classification**,” under “land classification.” Then click the “view rating” button. The new information and explanations will appear under the interactive map.
2. Click the “add to shopping cart” button on the top right of the map to save the information.
3. Explore any other data that looks interesting to you by clicking through the options of the left side of the page.
4. When you are done, click the “shopping cart” tab at the top of the map and then click “check out” and select the option of delivery you want to have. The WSS will generate a pdf file that you can download.

The screenshot displays the Web Soil Survey (WSS) interface. At the top, there is a navigation bar with links for Contact Us, Download Soils Data, Archived Soil Surveys, Soil Survey Status, Glossary, Preferences, Link, Logout, and Help. Below this is a secondary navigation bar with tabs for Area of Interest (AOI), Soil Map, **Soil Data Explorer**, and Shopping Cart (Free). A dropdown menu for "View Soil Information By Use" is set to "All Uses".

The main content area is divided into several sections. On the left, there is a "Search" section and a "Suitabilities and Limitations Ratings" section with "Open All" and "Close All" buttons. Below these are sections for "Land Classifications" and "Farmland Classification". The "Farmland Classification" section has "View Description" and "View Rating" buttons. At the bottom left, there are "View Options" for Map, Table, and Description of Rating, all of which are checked.

On the right, the "Map - Farmland Classification" is displayed. It features a map with a green area and a red area, labeled with soil codes 307D, 305C, and 305B. The map includes a legend, a scale bar (set to "not to scale"), and various map navigation tools.

FARMLAND CLASSIFICATIONS DEFINED

The farmland classification identifies areas that are best suited for food, feed, fiber, forage, or oil seed production. Each soil has certain capabilities, which determines which classification it will be in. There are four different classifications that may be returned to you when you run the “farmland classification” on the web soil survey in MA. The different classifications are, “prime farmland,” “farmland of statewide importance,” “farmland of unique importance,” and “not prime farmland.” Other states have other classifications that we do not define here.

Prime Farmland

Prime farmland has optimum physical and chemical characteristics and very few limitations for growing agricultural products. In MA, this means that it is not very rocky, drains well, and is not highly erodable. The soil is not too acidic, has a favorable temperature for the growing season, and has an adequate supply of precipitation. If open, this land is tillable and should be able to be used for most agricultural purposes.

Farmland of Statewide Importance

Farmland of Statewide Importance has some limitations for growing, but it still provides an important agricultural resource in MA. This land may have a steeper slope, be stonier, wetter, or have a shorter layer of top soil than prime farmland. In most cases this land will still be tillable.

Farmland of Unique Importance

Unique farmland is land other than prime farmland that is used for a specific high value food or fiber crop. In MA, farmland of unique importance generally refers to areas that are wet most of the year and are suited for cranberry production.

Not Prime Farmland

Land that is labeled as not prime farmland may have significant limitations to its agricultural use. Areas marked as not prime farmland may be areas of glacial till where there is very little topsoil to till. It may be that the soil is remarkably stony. However, there may still be agricultural uses for land labeled as not prime farmland. For instance, you could have animals pasture on this land or it may be a productive woodlot.

Each piece of land is unique and the best use will be determined through experience, knowledge of the landscape, and soil. The **NRCS** can also help determine the best uses for a given piece of land.

ZONING FOR AGRICULTURE

Zoning Background

Zoning is a process for planning how parcels of land in a city or town should be used. It is called zoning because each town is split up into **zones** of land use. To find out the zone of your parcel of farmland, consult the zoning map for your town. This can normally be found on the town's website. A **parcel** of land is a certain section of land or lot that is owned by the same person or entity.

The **zoning code** describes what and how something can be built on a certain piece of land or what activities can take place. What can be built or what activities can take place is called a **use**. Uses that are allowed on a piece of land can normally be found in the table of "permitted uses" on a town's zoning website. Often, these uses are split up into three categories: uses that are always allowed, uses that are allowed if you get special permission, or uses that are forbidden. It is important to note that if a use is not listed in the table of permitted uses, then it is technically forbidden, but you should check with a zoning officer to make sure. If you want to do something on your land that is technically forbidden, you will need to go through the zoning board of appeals process.

Zoning and Agriculture

It is important to make sure that agricultural activities are allowed on the parcel of land that you find. You may want to put up a hoop house or a barn on your land. You may want to sell or process your products on your own land. These are all uses that may or may not be allowed in different zones. If a use is not listed or specifically forbidden, sometimes it is still possible that the town may allow it. To get approval, you will have to go before the zoning board of appeals and make your case.

Research the zoning

Jack found the perfect piece of land to rent in a nearby town. The land was privately owned and located in a family's backyard. The land had a well on site, which was enough for the family's use and to irrigate an acre of vegetables. Jack wanted to make sure it was legal to farm on the parcel of land he found. He went to his town's website and downloaded the zoning map. He located his parcel of land and saw that it was in zone "RA." He found the definition of "RA" on the map and found it stood for Residential/Agriculture. Just to make sure that agriculture was allowed on the property, he looked at the table of permitted uses, and sure enough, many agricultural activities were listed.

Step
#6

NEGOTIATING WITH THE LANDOWNER

If you are going to **lease** land, it is important to have professional communication with your **landowner** (or **landlord**). Frequent and clear communication can help ensure a lasting relationship, and it gives you the opportunity to talk about issues and opportunities as they arise. Make sure you have a clear message about the kind of farming you want to do and what activities are involved to make your business successful. For instance, do you want to install a hoop house or a storage facility on the land? How often do you need to till or tend to your animals? Your lease can outline activities that are allowed on the land, as well as ways to resolve conflicts with your landowner.



LEGAL CONSIDERATIONS

Leases

Always consult a lawyer before you sign a **lease**. New Entry Sustainable Farming Project or Land For Good (www.landforgood.org) are organizations that can help you navigate issues of farm leases and lease terms, but a lawyer is necessary to ensure the lease is legal. See Appendix A for a guide of what to include in your lease. In New England, you can visit the New England Farm Transfer Network to find a list of lawyers who can help with legal issues related to farms.

Liability Insurance

For any farm business, the farmer must obtain **liability insurance** for their farming operation and their product. For farmers who are leasing land, you must include the landowner's name on your own liability insurance plan as an additional person insured.

A NOTE ON WATER ACCESS

Access to water is very important for many types of farming. Water can be accessed from a well, from surface water (like a river or a lake), or from city water lines. All of these water sources will work for most types of farming, but below are some important things to keep in mind about them. They all have costs associated with them, and they vary in cleanliness and sanitation.

Well Water: Well water is water that comes from a well dug into the earth. Some wells are deep, and water from them is clean and flows well. Other wells are shallow and the water may not be as clean, and the well may run dry more easily. If a well has already been dug on the site, then this can be the cheapest, most reliable source of water. However, to dig a new well often costs tens of thousands of dollars. The USDA NRCS office has a cost share program for well digging if you have adequate land tenure. In addition to money, you will have to check with your town's water department to see if it is legal to dig a well in the farm's location. In addition, well pumps often require electricity to run. If your farm doesn't already have access to electricity, it will be an added expense to installing a well.

Surface Water: If the property is nearby to a stream, river, or lake, then it may be possible to pump water for your farming needs. Generally, this water is not drinkable by humans and so should not be used to wash crops for market. Many bodies of water are regulated by the town's water department. It is important to call to find out if this is legal or if it requires a permit. Normally, pump equipment ranges from \$1,000-\$2,000.

Town or City Water: Many times the property is not located near a lake or stream and is within the range of town water. Towns and cities treat their own water for citizen's drinking and other water needs. It is clean water and can be used to wash crops for market. Town water costs money. For irrigation, a farmer only needs to pay the water cost and not the sewage cost. Depending on the town, water in Massachusetts will cost around \$2,000-\$2,500 to irrigate an acre-foot each year. Some towns have a reduced water rate for agricultural irrigation. If water is coming from a house, then a water split can be installed with a separate meter in order to measure just the irrigation water. To install a water split, a professional plumber needs to be called, and this process will cost from \$500-\$1,000. You only need to install a water split once but will have to keep paying for town water every year.

BEGIN FARMING YOUR LAND

Congratulations! You have found, assessed, and secured your own land. Keep in mind that transitioning to your new farmland can offer just as many challenges as your farmland search. Each piece of farmland is unique and every community offers its own resources and constraints. Giving yourself plenty of time to plan for your transition, asking for outside help, and starting slowly, will help make the transition run smoothly.

Plan Ahead.

It is important to start looking for farmland early and secure land tenure as early as possible before the growing season begins. Each land is different and the individual characteristics of the land you find will influence your final farm business plan. However, as much as you plan there will always be unexpected challenges that arise. Taking the time early on to understand your land will give you time to adapt and change when the unexpected occurs.

Take time to understand and research:

Soil and land characteristics. Where are the prime locations for your agricultural production? Where are places that would be most suitable to a hoop house, equipment shed, or animal housing structure?

Water resources. What water resources exist on the property? Will you have to pay for city water? Do you need to install a new pump for river water? Do you need a permit for any of these actions? What kind of irrigation system will make the most sense?

Your equipment needs. Do you have your own equipment? Do you need to rent equipment? Where are the nearest equipment rental stores? Do you know other farmers in the area that will let you rent their equipment or hire their services?

Agricultural Inputs. Where will you get your necessary supplies for the season? Can you mail order them or do you need to find a local supplier? Are there farmers in the area or farmer cooperatives that will share large orders of supplies with you? Who will you ask if you can't find what you're looking for?

Special permits and regulations. What types of agricultural activities are allowed on your land? Do you need to get a special permit from the **conservation commission** to disturb the land close to wetlands? Do you need to apply to the **zoning** board of appeals to build a special agricultural structure? Does the local town board of health have special regulations you must follow?

BEGIN FARMING YOUR LAND (CONT.)

Use Outside Resources.

There are many resources available to farmers to help them with their farm business. Many of these resources can be utilized when you transition to your new farm. This is a list of some of the resources that you should think about using.

Conservation Planning. Your local **NRCS District Conservation Office** (see resources) can help you evaluate your farmland resources. They have information on soils, water, and the history of your land. They can help you plan what part of the land will be best for your agricultural enterprise.

Environmental Quality Incentives Program (EQIP). This is a cost-share program for farmers who want to improve their farm infrastructure so their farming business will have a better impact on the environment. EQIP money is available in Massachusetts for practices such as building high tunnels, creation of on-farm energy, and conservation practices related to organic production. If you are leasing land, keep in mind that your lease term must be as long, or longer, than the term of the EQIP grant. The program is administered by the **NRCS**.

Agricultural Management Assistance (AMA). This program, administered by the **NRCS**, offers a cost share program to help farmers install new irrigation systems to mitigate drought. This program also requires a lease term to be at least as long as the term of the grant.

Farm Service Agency (FSA) Loans. Loans are available from the FSA for more than just purchasing your land. There are also loans available to farmers to expand their farm business or infrastructure. These loans are given to farmers who have been denied a loan from a traditional bank. For more information, check out “How to Apply for an FSA Loan” at www.nesfp.org.

Start Small

There will always be unexpected challenges throughout the farming season. A new piece of land will probably have even more. If you can, start small on your piece of land so that you can get used to it and its new opportunities and constraints.

Good Luck!

Finding, assessing, and securing your land is hard work and requires dedication. This process is also rewarding and can enable you to continue and grow your farm business in the way you choose. You will likely continue to update and change your business plan as you get used to your new land and adapt to the changing markets around you. Enjoy your new land and good luck!

SURVEY

Thank you for your interest in this plain language guide. If you could take a few minutes to fill out a four-question survey, please go to: <http://survey.constantcontact.com/survey/a07e5uyxfc7h1glali9/start>

1) How would you describe your background?

- Farmer
- Home Gardener
- Educator or Researcher
- Rancher
- Non-Profit Professional
- Government Agent
- Other



2) How useful was this guide?

Not Useful

Most Useful

3) Where did you learn about this guide?

- Friend
- Internet
- Co-Worker
- New Entry Staff
- Other

4) How will you use the information in this guide? Please write 2 or 3 action items.

Additional comments, corrections, or suggestions.

Please write to us with additional comments, suggestions, corrections or to sign-up for the New Entry newsletter.

Survey results can be sent to:
New Entry Sustainable Farming Project
155 Merrimack Street- 3rd Floor
Lowell MA 01852



GLOSSARY

Agricultural Commission- Towns in MA can vote at Town Meeting in order to establish an Agricultural Commissions. These are town committees that represent the farming community, promote agricultural economic development, and protect farmlands and farm businesses. Agricultural commissions are often made up of both established and new farmers in the town. This group often has knowledge of available farmland in town. Members of the commission are appointed by the town's "Board of Selectman."

Agricultural Easement- a type of conservation easement especially for agricultural land.

Agricultural Preservation Restriction (APR) Program- a voluntary program for farmland owners who want to preserve their land. The program, administered with the Massachusetts Department of Agricultural Resources (MDAR), pays landowners the difference between the fair market value of their land and the value of their land for agriculture.

Beginning Farmer- According to the USDA, someone who has farmed for fewer than 10 years is a beginning farmer. You are also considered a beginning farmer if your farm operation is fewer than 10 years old.

Conservation Commission- Every town in Massachusetts has an elected committee, the conservation commission, which is charged with protecting open space and wetlands. Because of both these roles, they often manage farmland and/or know of available farmland in a given town.

Conservation District- An partner organization to the USDA NRCS dedicated to assessing conservation needs of a certain area and communicating those priorities to the USDA.

Conservation Easement- A conservation easement on a piece of land protects it from being developed. The landowner can receive a tax incentive for donating the rights for anyone to develop the land. Land with a conservation easement is then worth less to buy, because there is no option for the buyer to develop it.

Department of Environmental Protection (DEP)- the main agency in Massachusetts responsible for administering laws related to environmental quality.

Equity- a financial term. It describes the value a bank or financial institution considers you to have. It is important to build equity if you want to be able to be eligible for bank loans and other financial benefits. Many farmers build equity by buying farmland and farm equipment, or through constructing and owning farm structures.

GLOSSARY

Farm Credit East- a lender specialized in agricultural businesses. Traditional banks sometimes don't understand the ins and outs of a farm business and won't loan money to a farmer.

Farm Service Providers- businesses and non-profit organizations that help farmers farm. This includes businesses like tractor equipment or seed supply stores and non-profit organizations who help train farmers or connect them to markets.

Farmland classification- a categorization tool used by the NRCS to categorize the many different kinds of soil in the US. It distinguishes whether or not agriculture is suitable for a certain type of soil.

FSA- The Farm Service Agency manages commodity, disaster, credit, loan, and conservation programs for the USDA.

Individual Development Account (IDAs)- savings accounts where each dollar that you put into the account is matched by an outside financier. They are used primarily to buy a life-long asset, like a home or land.

Land Trust- a not-for-profit organization, normally made up of local citizens, that actively works to conserve land. They can do this by acquiring the land itself, acquiring a conservation easement for the land, or providing oversight for the conservation easement.

Land tenure- the term used to describe the way you hold your land. Different options include short or long term leasing or purchasing land.

Landowner- the property owner. It can be an individual, family, business, or governmental agency

Landlord- the lessor or owner of a property which is leased to a tenant. When the lease ends, the property reverts to the landlord.

Lease- a contract between the owner and tenant which allows the tenant to use the land for a certain period of time. See Appendix A for what to include in a good lease.

Lender- a person or entity that makes a loan. Traditional lenders include banks. Special lenders for agricultural purposes include the FSA and Farm Credit.

GLOSSARY

Liability Insurance- a type of insurance which protects the farmer and/or farm business from claims arising from injuries or damage to other people or property because of negligence of the farmer. Every farmer should hold liability insurance.

Loan- borrowed money that will be paid back over time. The payments will include paying back the original loan and the interest on that loan.

Loan Guarantee- a promise by one party, like the FSA to assume the debt responsibility of someone who borrows money if the borrower cannot pay their loan back. This makes it easier for one to borrow money from a bank because the bank does not risk as much to make that loan.

Mortgage- a special loan given by a bank to a purchaser in order to buy a “fixed asset” like a home or a piece of farmland. Mortgages are usually repaid to the bank through monthly installments to pay down the initial loan and the interest on that loan.

New Entry Farmland Matching Program- a service in Eastern Massachusetts to help farmers find land, make agreements with landowners, and transition to their new plot.

NRCS- Natural Resources Conservation Service. This agency is part of the USDA, and it will help a farmer or landowner make a conservation plan for their property.
Parcel- A parcel of land is a section of land that is owned by the same person or entity.

Right to Farm Bylaw- MA passed a right to farm bylaw in order to confirm the state’s commitment to agriculture and protect farmers from unnecessary conflict with their neighbors. Each town can choose to affirm the state’s commitment by passing this bylaw at the community level.

Seller financing- a loan provided by the seller of the property to the purchaser. The purchaser will make a down payment to the seller and then make payments over time to pay for the rest of the property. Interest is normally included with these payments.

Small Business Assistance Center- usually a non-profit organization that has many services for individuals who wish to start a business. Services range from business planning to counseling to microloan funding.

Socially Disadvantaged Farmer- According to the USDA, a socially disadvantaged farmer or rancher is a farmer or rancher who is a part of a group that has experienced racial or ethnic prejudices. Those groups include African Americans,

GLOSSARY

Tenant- someone who occupies a building or land that is owned by someone else.

USDA Service Centers- locations where customers can reach FSA, NRCS, and Rural Development Agencies. To locate the Service Center near you, see the Additional Resource section in this guide for contact information.

Use- In regards to the zoning code, a use is a type of building or activity that is allowed or forbidden on a given parcel. For example, if a parcel is zoned RA, then residential and agricultural uses are allowed on the parcel. Zoning codes and uses vary from town to town.

Web Soil Survey- a service of the natural resources conservation service (NRCS). It is an on-line tool that allows you to determine the soil type on a piece of land anywhere in the US and the capabilities of that soil.

Wetlands- an area of land that is often saturated with water. This high water content is the major factor influencing the soil, plants, and animals on that land.

Zoning- a process that towns and cities use to plan how certain areas of their community should be used. Each parcel of land is located in a certain zone in the town, which dictates what is allowed and what is not allowed on that parcel.

Zoning Code- a complicated document which describes what activities are allowed and the regulations on how to build structures on a given parcel (the use). Zoning codes and uses vary from town to town.

RESOURCES

Finding and Purchasing Land

Massachusetts Agricultural Commissions

Information for and about agricultural commissions in Massachusetts.

<http://www.massagcom.org/>

Massachusetts Association of Conservation Commissions

Information for and about conservation commissions in Massachusetts.

<http://www.maccweb.org/>

Land Trust Alliance

Information about and the locations of your nearest land trust.

<http://www.landtrustalliance.org/>

Farm Service Agency (FSA)

The FSA provides loans to farmers and often has information about land available in their service area. These office are often co-located at the NRCS offices.

<http://offices.sc.egov.usda.gov/locator/app?state=us&agency=fsa>

Farm Credit East

Farm Credit is a specialized lender and financial services leader committed to Northeast agriculture, commercial fishing, and forest products and industries.

www.farmcrediteast.com

USDA Service Center Locator

This website provides the address of a USDA Service Center and other Agency offices serving your area along with information on how to contact them.

<http://offices.sc.egov.usda.gov/locator/app>

Individual Development Accounts

Information about an IDA service provider near you.

<http://cfed.org/programs/idas/>

Farmers' Legal Action Group (FLAG)

FLAG is a nonprofit law center dedicated to providing legal services to family farmers and their rural communities to help keep family farmers on the land.

<http://www.flaginc.org>

Farm Transfer Network of New England

The Farm Transfer Network of New England is a network of professionals and organizations offering you special expertise in farm transfer and succession.

<http://www.farmtransfernewengland.org>

RESOURCES

Land Linking Programs and Resources

Connecticut Land Link

The Connecticut FarmLink Program and website is designed to be a farmland clearinghouse with the goal of keeping farmland in production.

<http://www.farmlink.uconn.edu/>

Land For Good (LFG)

LFG offers education and assistance to owners and managers of working lands, entering farmers, and other-land use decision-makers in the six New England states.

<http://www.landforgood.org>

Maine Farm Link

FarmLink is a farm transfer program that connects farmers seeking farmland with retiring Maine farmers and other farmland owners who wish to see their land farmed.

<http://www.maineFarmlink.org/>

New England Farmland Finder

The Farmland Finder is a website that makes it easy for farm properties to be posted, and for farm seekers to search through them.

<http://www.newenglandfarmlandfinder.org>

New England Land Link (NELL)

NELL is a program to help farmers and landholders locate and transfer farms in New England.

http://www.smallfarm.org/main/for_new_farmers/new_england_landlink/

New Entry Sustainable Farming Project (NESFP)

The farmland location and matching service through NESFP assists qualified beginning farmers and experienced growers to locate suitable land for agricultural production.

<http://www.nesfp.org/farmland>

SEMAP Farms Forever

Farms Forever is an on-the-ground partner helping farms throughout Southeastern Massachusetts take action on transfer planning.

<http://semaponline.org/semap/farms-forever/>

Vermont Land Access Database (LAD)

If you are a farmer or aspiring farmer who is looking for land, farms, or farm employment opportunities, LAD can be one of the many tools you can use to aid in your search.

<http://www.uvm.edu/newfarmer/?Page=vermont-lad/index.html&SM=land/sub-menu.html>

RESOURCES

NRCS Massachusetts Field and Conservation District Offices

Massachusetts State Office

451 West Street
Amherst, MA 01002
Tel: 413. 253.4350

Holden Field Office

52 Boyden Road, Room 10
Holden, MA 01520
Tel: 508. 829.4477 ext. 3

Barnstable Field Office

270 Communications Way, Unit 1G
Hyannis, MA 02601
Tel: 508. 771.6476

Pittsfield Field Office

319 Littleton Road, Suite 302
Westford, MA 01186
Tel: 978. 692.1904 ext. 3

Greenfield Field Office

55 Federal Street, Room 290
Greenfield, MA 01301
Tel: 413. 772.0384 ext. 3

West Wareham Field Office

15 Cranberry Highway
West Wareham, MA 02576
Tel: 508. 295.5151 ext. 2

Hadley Field Office

195 Russell Street, Suite B6
Hadley, MA 01035
Tel: 413. 585.1000 ext. 3



APPENDIX A:

ELEMENTS IN A GOOD LEASE

A clear and detailed lease agreement will help you maintain a good relationship with your landlord and help you to resolve disputes that may come up. Always consult with a lawyer before signing a lease.

A list of the people, companies, or organizations signing the lease. This includes the tenant (this is you, the land user) and the landlord (most often the property owner). These could be individuals, a land trust, a town, an LLC, or a corporation.

Description of the property. A detailed description of the land is good to have on record. This can include maps of the land and entire parcel, current conditions of the property, and existing farm infrastructure (like barns, equipment, farmhouses, etc). Sometimes the farmhouse is in a separate lease.

Term of the lease. This includes how long the lease agreement is good for, when it starts and ends, and if it is renewable.

The amount and type of rent and how and when it will be paid. This will include information on whether it is a cash lease or a crop/livestock share.

Taxes. The lease should specify who pays for the various taxes involved in farming. This will include the property taxes.

Security Deposit. Sometimes you will have to deposit money at the beginning of the lease term as insurance to the landowner that s/he can repair any damage you may cause.

Utilities. The lease should specify who pays for utilities, such as water and electricity.

Entry of the landlord. This includes information about when the landlord has the right to enter the property and for what reasons.

Permitted and prohibited uses on the farm. This can include types of farming operations (animals, vegetables, pasture), types of farming and stewardship practices (like organic), and certain activities like CSA pickup or Farmstand operation that are allowed on the land.

Responsibility for maintenance and repairs. Most often, you will be in charge of routine maintenance such as annual servicing or painting. The landlord is often in charge of major repairs and maintenance such as fixing roofing, water supply systems, or waste treatment systems.

APPENDIX A (CONT.)

Investments in capital improvements. Capital improvement is building something new on the property. It also includes fixing an existing system on the property that greatly increases the value and the utility of the land. It can be challenging for you to invest in capital improvements if the lease term is not long enough because you may not make money from your investment. The lease can include an agreement on how you will be compensated at the end of the lease if you do make capital improvements.

Liability or other insurance. It is important to include provisions about what type of insurance is required of you and the landlord (such as liability or crop insurance). A lease should also include who is responsible for obtaining the insurance.

Default Provisions. Leases will often include information about what happens if either party does not uphold to the standards laid out in the lease. This can also include a time period for you to solve the situation that you and the landlord believe can be fixed, or alternative mediation steps to resolve a conflict.

Condemnation or Casualty Provisions. This part of the lease will describe what happens to the lease agreement if the property is condemned or something terrible happens, like a fire.

APPENDIX B: DETERMINING FARMLAND RENTAL RATES

Land rental rates usually depend on three factors: the type of land that you want, how you will use the land, and if there are buildings or other infrastructure included on the land. There is also often non-productive land as part of the lease. The best rental agreement comes from a conversation between the landholder and the new farmer.

What type of land do you want? Rental rates are generally highest for tillable land, then hayland, and followed by pastureland.

Tillable Land. Land that is suitable for preparation and growing of crops.

Hayland. Land that suitable for growing hay or other feed crops for livestock.

Pastureland. According to the USDA, this is land that is used for hay production or grazing livestock. Land that is very steeply sloped or has no nearby water access for livestock is not considered pastureland.

How will you use the land? Rental rates are generally highest for land that will in intensive vegetable production vs. annual commodity crop production. A hay farmer or a farmer with grazing livestock pays the least.

Intensive Vegetable Production. Annual fruit and vegetable production where the farmer tries to harvest the produce possible given the space.

Commodity Crop Production. Crops that are typically grown in large volumes that are not sold directly to consumers, but to commercial markets. Examples are corn, soybeans, and wheat.

Are there buildings or other infrastructure included on the land? Rental rates are generally higher when there are existing buildings on the land due to higher risk and cost of ownership.

- Rental rates of buildings can be determined in several ways. For example, they could be based on capacity (i.e. how many bales of hay can the barn hold?), usefulness, repair costs, property taxes, or insurance payments.
- With any building, such as a barn or greenhouse, it is important to keep in mind potential maintenance and repair costs when determining land rental rates.

APPENDIX B (CONT.)

One tool to determine the rental rates for land and buildings is the “DIRTI 5” formula:

- D:** Depreciation on the building over its useful life
- I:** Insurance that the owner pays
- R:** Repair costs
- T:** Taxes (property)
- I:** Interest- either interest that the owner is paying on the building or an interest rate that provides a return on investment to the owner.

The **DIRTI 5** Formula will be different for each individual situation, so various factors may or may not be included depending on your specific agreement.

More on Land Rental Values:

A good resource for national and state level data on land values and rental rates is the USDA National Agricultural Statistics Service. The “Quickstats” query tool for the Agricultural Census has a huge amount of data, but they did publish a separate report that lists land values and rental rates across states. That report can be found here (<http://usda01.library.cornell.edu/usda/nass/SB993/sb1018.pdf>). While the report does not give an average value of cash rent per acre specifically for Massachusetts, the average value of cash rent for cropland per acre per year for the Northeast in 2008 was \$51.50. The USDA reported that in 2011, the average value of cropland per acre per year was \$57.50.

Land For Good, a nonprofit that works to connect owners and managers of working land to beginning farmers in New England, gives the following rental rates for land in New England:

- \$15/acre/year for pastureland
- \$25/acre/year for hayland
- \$50-\$250/acre/year for tillable land (field crops or vegetables)

This information can be found in detail in the “Digging Deeper” of Section 2: Financial Assessment in the Land for Good’s new report: *Acquiring Your Farm* (<http://newsite.landforgood.org/index.php/home.html>).

Another resource is the FSA Conservation Reserve Program (CRP) Soil Rental Rates. CRP pays farmers cash rent to take land out of production. The Soil Rental Rate is the price that the government will pay farmers to take their land out of production. While Massachusetts does not have many CRP lands listed, there is a report showing FSA rental rates across all states. See page 8 of this (http://www.fsa.usda.gov/Internet/FSA_File/nov2011crpstat.pdf) FSA report.