BREAKING GROUND

A Guide to Growing Land Access for Local Food
Farming in Northeast Illinois
Founded in 1963, Openlands is among the oldest metropolitan conservation organizations in the nation and the only such group with a regional scope in the greater Chicago region. Openlands has helped protect more than 55,000 acres of land for public parks and forest preserves, wildlife refuges, greenway and blueway corridors, urban farms and community gardens. Openlands utilizes a number of conservation tools (outreach and education, technical assistance and planning, land acquisition and preservation, and policy and advocacy) to implement long-term solutions that balance inevitable growth in our region with the responsibility to protect open spaces and natural resources for generations to come.

Since 1993, the Liberty Prairie Foundation has provided leadership and financial support for sustainable local food system development, social entrepreneurship, conservation and environmental education. They envision a world where people of all ages are deeply connected to their food, land and community, and therefore make choices towards sustainable systems in nature and society. The Liberty Prairie Foundation has built many innovative partnerships locally, regionally and nationally, and has leveraged these efforts to advance their work in Lake County, Illinois. The Liberty Prairie Foundation is a nationally recognized leader in developing and supporting enterprises that build and strengthen the local food system while enhancing the natural landscape. They promote the integration of healthy ecosystems and the vibrant human communities they support.

Food:Land:Opportunity - Localizing the Chicago Foodshed is a multi-year initiative that aims to create a resilient local food economy that protects and conserves land and other natural resources while promoting market innovation and building wealth and assets in the Chicago region’s communities. Funded through the Searle Funds at The Chicago Community Trust, Food:Land:Opportunity is a collaboration between Kinship Foundation and The Chicago Community Trust.

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Cover Photo: Brook Farm in McHenry County, IL
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INTRODUCTION
Farmers and farmland are foundational parts of Northeast Illinois.

Farmers settled some of the first communities in the region. They contribute to local economies, steward the region’s soils and manage its waters. Farmland creates highly-sought ‘rural character’ close to home, and provides an important counterbalance to the chaos and congestion of urban life.

Farmers and farmland should continue to be important parts of the region’s future.

More so than other enterprises, farming advances a triple-bottom-line focus – on community, economy, and environment – that forms the core tenant of sustainability. Communities thrive when fresh, healthy food sustains their members. Local farms employ local families and attract visitors from other communities. Farmland managed sustainably filters storm water, retains rich soils and supports diverse species of wildlife.

We have taken our farmers and farmland for granted.

So prevalent are farmers and farmland in other places that we have failed to provide for their long-term presence here in Northeast Illinois. Our region’s support network for local farmers has been stretched thin. Federal incentives mostly target large-scale operations elsewhere in the state. State programs are underfunded or focus on other priorities. Local land protection is (almost) nonexistent or excludes agricultural areas. Private and nonprofit enterprises strive to assist local farmers, but struggle to overcome financial and institutional barriers.

Farmers are disappearing from Northeast Illinois.

The consequence of inaction has been a sustained loss of farmers from our region. Farmers find it progressively harder to make a living here. High property taxes, scarce supplies and extensive regulations have raised the cost of farming by more than 60% in the last 15 years. Additionally, the value of products sold by local farmers has not offset these costs. The Census of Agriculture reports that costs now exceed sales by nearly $5 million in Lake County alone.

Farmland is also disappearing from Northeast Illinois.

As the economic viability of farming declines, local farmland is being converted to other uses. The seven-county region of greater Chicago has lost nearly 400,000 acres (~30%) of its farmland in the last 25 years. Lake County has less than 30,000 acres of farmland remaining, down from 52,000 acres in 1997. At this rate, farmland will be gone from Lake County by 2032. So too could be the rural character, fresh food, clean water and open space it provides.

Farmland access is the biggest barrier to retaining farmers and farmland.

The 2013 Lake County Sustainable Local Food Systems Report and McHenry County Local Food Assessment identify challenges to local food farming in Northeast Illinois. A headline of both reports is how difficult it is for farmers to find available, affordable land. The survey of Lake County stakeholders identifies land affordability as the biggest barrier to local food production. Availability of suitably-sized parcels is the next biggest barrier. The McHenry County report identifies land access as the biggest non-regulatory barrier.

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1 USDA Census of Agriculture (2012)
2 USDA Census of Agriculture (2012)
3 CMAP (2013)
4 Openlands (2013)
About This Guide

A committed partnership of governments, farmers, nonprofits and foundations recognizes the importance of farmers and farmland to our region. We have coalesced around the goal of increasing locally-grown foods by connecting farmers with local landowners. This goal is the driving force behind this guide. Breaking Ground: A Guide to Increase Land Access for Local Food Production in Northeast Illinois is written and updated by Openlands in partnership with the Liberty Prairie Foundation with financial support from the Searle Funds at the Chicago Community Trust.

It is a guide for farmers.

The first section of this guide speaks directly to farmers who are trying to find land for growing local food. It takes farmers step-by-step through the important early stages of assessing needs and writing a business plan. It introduces farmers to many flexible, innovative real estate tools that lessen the financial and legal obstacles to accessing farmland. It provides advice for making a case for farmers’ businesses as well as communicating, negotiating and following-through with landowners.

It is a guide for landowners.

The second section of this guide speaks to landowners – private and public – who are considering making their land available to local food farmers. They are introduced to business models, ownership succession plans and real estate tools that help identify and address their own needs and the needs of local food farmers. By posing a series of questions, the guide helps landowners further refine their own individualized strategies for supporting local food production on their lands.

It is a guide for stakeholders.

Anyone who is interested in supporting farmers and protecting farmland can use this guide. Farmers’ advocacy groups can use this guide to educate their members on business planning practices. Landowners’ financial advisors can help their clients make more informed estate planning choices. Conservation groups can apply real estate tools in their farmland transactions. Community and economic development agencies can use the information herein to make a stronger case for agricultural jobs and businesses that localize the food value chain.

It is a guide that matches landowners with farmers.

Questions throughout the guide help landowners and farmers address key issues before they begin discussing land access opportunities with one another. Landowners and farmers who consider these key questions will start their discussions in a better place than those who begin the process ‘cold’. Landowners and farmers are encouraged to write down their answers to these questions and bring them to any discussions about land access.
About This Guide

It is a guide that proposes solutions.

Answers to land access challenges come in different forms. Individual farmers and landowners struggle with legal and financial barriers specific to them. Appendix A of this guide is a robust Toolkit of land access “Tools” from around the nation that help farmers and landowners to overcome land access barriers. Tools are organized around four primary strategies for accessing farmland – acquiring land now, acquiring land gradually, acquiring land later and leasing land. The Toolkit describes each tool, list pros and cons and cites resources where readers can learn more about each.

Other answers to land access challenges come in the form of public policy. Appendix B lists plans and policies from throughout Northeast Illinois and surrounding areas that aim to increase local food production. Please note that while this guide provides information that is targeted to specific geographies or constituencies, it is helpful to review all resources contained within, as some resources may be useful to multiple audiences.

It is a guide that highlights successes and opportunities.

Project profiles from around the region comprise Appendix D. These stories recount individual efforts of farmers to find land, landowners to provide land and stakeholders to help match farmers with landowners. Many of these profiles describe efforts that are both local and ongoing at the time of this publication. They are opportunities to learn in real-time about how to promote farmland access in Northeast Illinois.

It is a guide to more detailed information.

Appendix C lists the various agencies, organizations, associations and businesses that support local food producers and landowners in Northeast Illinois. Readers who are interested in learning more about farmland access strategies and tools may review the annotated bibliography of this guide. It contains references and links to additional land access resources to all materials cited in this guide.
Few professions demand more versatility than farming local, sustainably-grown food. Local food farmers cultivate plants, raise animals, repair equipment, monitor weather, manage their staff, and process their products. Off the farm, farmers find themselves playing the roles of attorney, salesman, fundraiser, purchasing agent and accountant.

In Northeast Illinois, most farmers must add ‘real estate agent’ to their list of qualifications. The relative scarcity and expense of farmland in our region demands a well-honed ability to identify suitable parcels, negotiate affordable purchase or lease prices, secure financing and navigate land use regulations. Understandably, brokering access to farmland is one of farmers’ most challenging roles.

Additionally, local food farmers have specific requirements when it comes to farmland. Most food farmers need on-site access to water, electricity, fencing and other infrastructure that is not available on all farmland. Many farmers must also consider other limiting factors, such as access to financing or transition periods for organic certification. These special circumstances further challenge local food farmers in their search for land in Northeast Illinois.

While finding farmland can be difficult, it is also one of farmers’ most important tasks. Farmland determines everything about an operation:

- Land area sets the scale of farms.
- Location provides proximity to markets.
- Soils, microclimates and infrastructure influence products.
- Structures determine storage and processing capacity.
- On-site houses enable seasonal labor or on-farm residence.

All these factors contribute to bottom-line profitability. They also make farmland more or less desirable in the eyes of farmers looking to establish long-term operations. Consequently, providing access to farmland that suits farmers’ various professional and personal preferences is critical to maintaining the viability of farmers and agriculture in our region. This guide outlines a process that farmers can follow to find and access farmland that fits their needs.
Weighing Personal Preferences in Land Access Decisions

People take up farming for many reasons. Some just want to make a living. Others want to run a profitable business that provides for their family and their employees’ families. Still others want to do something that creates social benefits of fresh food and open space. Regardless of their motivations, both new and continuing farmers should consider how personal preferences influence farmland access decisions.

Tenure Length

The decision to find farmland greatly depends upon how long a farmer wants to farm it. Some are only comfortable leasing land on a short-term basis in case their plans change. Others are ready to make a long-term commitment to farming, and can explore gradually or immediately purchasing farmland. Farmers should think about the length of time they want to spend farming, and then determine what type of tenure to pursue. (Write down your answers to these questions and bring them with you to any discussions you have with landowners about specific land access opportunities.)

1. Tenure Length – How long do you plan to be a farmer?
   a. Permanently – You want to acquire land and begin long-term farming as soon as possible.
   b. Long-term (5-20 years) – You want to farm for the foreseeable future, but may consider retiring or moving into another profession in the long-term future.
   c. Short-term (1-5 years) – You want to commit to a multi-year operation, but are not ready to make farming your permanent occupation.
   d. Year-by-year – You want to begin farming and see how it goes.

2. Tenure Type – What form of land access interests you?
   a. Acquire ownership of farmland now (See ‘Acquiring Land’ section).
   b. Acquire ownership of farmland later, or gradually over time (See ‘Acquiring Land’ and ‘Leasing or Licensing Land’ sections).
   c. Never own farmland, and lease or license farmland indefinitely (See ‘Leasing or Licensing Land’ section).
On-site residences

Many farmers realize that there are significant benefits to living on their farms. The time and labor-intensity of food crop production multiplies these benefits, compared with commodity crop production. However, the choice to live on a farm hinges on personal considerations as well as professional ones. Prospective farmers should think about their housing preferences before deciding to live on a farm. Current farmers who are scaling up should consider if they want new workers to live on the farm. Farmers may need to limit their searches to parcels that have farmhouses, are adjacent to suitable homes or can support new or expanded housing.

3. Residence – What living arrangements do you want your new farmland to support?
   a. On-site, with farm workers – You want to live on the farm and also provide living accommodations for seasonal or permanent farm workers.
   b. On-site, family-only – You want to live on the farm with your family only.
   c. On-site, farm workers only – You don’t want to live on your new farmland, but want it to support living accommodations for full-time and/or seasonal workers.
   d. Nearby – You want to live near, but not on, your farmland.
   e. Not a consideration – Residential needs are not a factor for you.

Public access

Land access opportunities for local food farmers are becoming more common on lands that are open to the public. However, not all farmers may be comfortable with having strangers on, or near, their land. Farmers should consider if they are comfortable farming on land that is open to the public, such as Forest Preserve properties, parks or private lands that allow seasonal hunting or farm stands.

4. Public access – Are you comfortable allowing the public to visit your farm?
   a. Full access – You are comfortable allowing the public to visit your farm any time in any season, such as on public land like Forest Preserves, parks or local trails.
   b. Limited access – You are comfortable allowing the public to visit your farm only at specified times, in identified areas and at your invitation (such as with farm stores or stands).
   c. Seasonal access – You are comfortable allowing the public to use your land for seasonal activities, such as hunting, that do not affect your farm operations.
   d. None – You are not comfortable having the public on your farm at any time.

Public interaction

Parcels on busy roads or in towns can provide opportunities to interact with the public through farm stands and tours. Farmers’ personal preferences, and business plans, might consider public interaction to be important parts of their local food farms, while other farmers prefer to work in more private, rural areas.

5. Public interaction – What level of public interaction do you find comfortable?
   a. High – You are comfortable giving tours, doing interviews and providing facilities to the public.
   b. Some – You are comfortable interacting with the public in limited, business-related ways, such as through on-site farm stands, hunting leases or by your invitation.
   c. Low – You are not comfortable interacting with the public on your farm.
Farmland access is among the most important, and expensive, decisions that local food producers make. Consequently, farmers should be able to make a solid financial case that justifies any decision to lease, license or purchase farmland. Local food producers can build a financial justification for farmland access by developing a comprehensive business plan. Farm business plans demonstrate a need for assets, like farmland. They also identify possible income sources to pay for these assets, as well as partnerships and other opportunities that may benefit the farm business. By doing these things, farm business plans inspire confidence among potential partners, landowners and lenders who can help farmers obtain land access.

Drafting a Mission Statement

A mission statement provides a 'public face' for a farmer’s vision. It clearly and concisely articulates a business’s reason(s) to exist. Farmers use mission statements to market their businesses to consumers, investors and the public. Farmers also use mission statements as the foundations of business plans, which outline exactly how farm business will accomplish a farmer’s vision.

Mission statements can be difficult to write. Partners in a farm business may have different ideas about what the business should do and how it should do it. Family members may have other objectives. Regardless of potential differences, everyone with an interest in the farm business should be invited to participate in writing its mission statement. Focus on building consensus around 3-5 main objectives that will drive the business. In the example below, the farm business owners identified these five core goals:

1. *Family members will inherit the business*
2. *Inputs will be used efficiently*
3. *The farm will employ land stewardship practices*
4. *It will yield 'high-quality vegetables’*
5. *The business will help maintain rural character in the community*

Sample Farm Mission Statement:

“We are a family-owned and -operated vegetable farm, and we plan to ensure this opportunity is available to the next generations of our family. We strive to make efficient use of inputs, maintain excellent land stewardship practices, and produce high-quality vegetables for the local community. We value rural life and are committed to keeping our rural community vital.” (Revised from Woodruff, 2007)

Developing a Business Plan

A farm business plan articulates how the business will pursue its mission. It is written in a way that can be marketed to prospective lenders, customers, landowners and business partners. It provides an affirmative articulation of a business’s goals, resources, finances and needs by answering the following questions:

- What do we do?
- What are our farming strengths and weaknesses?
- What are our business strengths and weaknesses?
- What are our business values?
- Who are our customers and what do they want?
- What practices do (or should) we use to accomplish what we do?
Elements of a strong farm business plan include the following sections:

<table>
<thead>
<tr>
<th>Plan Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Summary</td>
<td>Key points of the plan summarized in 1-2 pages that may be read quickly.</td>
</tr>
<tr>
<td>Table of Contents</td>
<td>Tells readers where to find information within the plan.</td>
</tr>
<tr>
<td>Mission Statement</td>
<td>Includes language that briefly identifies the business’s goals, and concise statements about how the business will reach each goal.</td>
</tr>
<tr>
<td>Business Profile</td>
<td>A general overview of the business, such as its legal name, status, proprietor(s) and partners. Profiles may include brief statements about what will be produced, hours and seasons of activity, expected costs and projected revenues.</td>
</tr>
<tr>
<td>Management Team</td>
<td>Profiles the key members of the farm business, including full bios, related experience, contact information and ongoing roles in the business.</td>
</tr>
<tr>
<td>Market Analysis</td>
<td>An honest assessment of the business’s industry, market geography, competitors, partners and customers. Includes available market data and describes how this data will influence key decisions about production, marketing, and staffing the business.</td>
</tr>
<tr>
<td>Business Strategy</td>
<td>A discussion of how the business fits into the existing market, given previous analysis, and how it will be profitable by fulfilling certain niches and/or exploiting competitive advantages.</td>
</tr>
<tr>
<td>Marketing Strategy</td>
<td>A detailed discussion of how the business will market itself to potential consumers, partners and investors.</td>
</tr>
<tr>
<td>Operations Plan</td>
<td>An overview of how the business will operate on a day-to-day and season-by-season basis. Operations plans should state who will do what and when using what equipment and infrastructure. It should also list any existing assets or resources that will be parts of the operation, as well as any gaps in needed resources that must be filled.</td>
</tr>
<tr>
<td>Funding Plan</td>
<td>Identifies sources of funds to execute the operations plan and fill identified operations gaps. Includes plans to purchase or lease land.</td>
</tr>
<tr>
<td>Financial Analyses</td>
<td>A summary of the business’s financial projections, including income, anticipated costs, debt payments and key assumptions.</td>
</tr>
<tr>
<td>Appendices</td>
<td>Charts, graphs or resources that you reference throughout the business plan.</td>
</tr>
</tbody>
</table>

*Figure 2-1: Recommended sections of Local Food Business Plans (adapted from Streeter, 2007)*
Land access considerations should be discussed throughout farm business plans. The mission statement and goals might reference a farmer’s desire to inherit land, or pass it on to future generations, as in the Sample Mission Statement above. If public land is a target, at least one business plan goal should align directly with that of a public landowner. The business profile should give a physical address or anticipated business location. Business and marketing strategies should cite the farm as a potential asset. Finally, funding and financial plans should consider the costs and, depending on the farmer’s choice of land access types, future revenues from the land itself.

Farm Business Questions to Consider

Although it is beyond the scope of this guide to provide individually-tailored guidance, the following questions will help local food farmers to assess their business needs as they relate to land access. Bring your answers with you to any discussions you have regarding land access opportunities with landowners, lenders or service providers. (Select all that apply.)

6. Experience – How much farming or farm business management experience do you have?

   a. New farmer – Less than three years of farming or farm business experience.

   b. Experienced farmer – At least three years of farming experience, but have never run your own farm business.

   c. Experienced farmer and operator – You currently operate or used to operate a farm business for at least three years.

7. Technical assistance – Are you open to receiving technical assistance from an existing farmer or farmland owner?

   a. Yes – I’d be most comfortable working for an existing farmer at this time.

   b. Yes – I’d be comfortable forming a business partnership with an existing farmer.

   c. Yes – I’d be comfortable receiving advice and support from a farmer, but running my own operation.

   d. Yes – I’d be comfortable leasing or borrowing equipment from other farmers.

   e. No – I prefer to receive as little technical assistance from other farmers as possible.

8. Business ownership – What models of farm business ownership do you prefer?

   a. Full and undivided ownership of the business and all its assets.

   b. Full business ownership with partial ownership and/or leased rights to some assets and inputs of the business, like land.

   c. A controlling, but not complete, ownership interest in the business, its assets and its inputs.

   d. A partial, non-controlling ownership interest in the business, its assets and its inputs.

   e. Other
9. Products – What products do you intend to produce?
   a. Vegetables
   b. Fruit
   c. Grain
   d. Poultry
   e. Hogs
   f. Sheep/Goats
   g. Cattle (beef or dairy)
   h. Organic products
   i. Other

10. Financial Resources – How would you describe your access to upfront cash or financial capital?
   a. High – Ready access to significant (>$500,000) cash &/or ‘liquid’ capital assets
   b. Medium – Access to some (>50,000) cash or liquid assets with good credit
   c. Low – Access to little (<50,000) cash or liquid assets &/or poor credit

11. Financial and real estate – how would you describe your comfort level with making financial decisions related to real estate transactions?
   a. Very comfortable – I have lots of experience making financial and real estate transactions.
   b. Somewhat comfortable – I have some experience making financial or real estate transactions.
   c. Somewhat uncomfortable – I have some knowledge of financial and real estate transactions, but little or no experience making related decisions.
   d. Very uncomfortable – I have little knowledge or experience making financial or real estate decisions.

12. Unique resources – Can you leverage your position in land access negotiations by providing any of the following?
   a. Large cash down payment
   b. Site improvement and maintenance services
   c. Valuable assets that may be used as collateral.
   d. Other?
Finding Land That’s Right for Local Food Farming

Working the right land is especially important for local food farmers. Local food farmland should have physical features that enable farmers to produce a range of profitable crops. Local food farms also benefit more from having economic features like on-site infrastructure and geographical proximity to markets that increase yields and sales. This section outlines a process that local food farmers can follow as they look for suitable farmland.

Geographical Features

Geographical features are everything related to the physical attributes of farmland and how these attributes influence how land can be used for local food farming. Desirable geographical attributes of local food farmland include the following features. The questions that follow can help refine your land search by fully considering the impacts of these features.

- **Soil type and quality** that meet the growing requirements of crops and/or livestock. The United States Department of Agriculture (USDA) rates soils based on their slope, composition and capacity to grow crops. ‘Prime’ USDA soils are considered to be the best for growing crops.

- **Internal access** to areas within the farm via on-site driveways, bridges and farm paths.

- **External access** to and from areas outside the farm via local roads and intersections.

- **Land cover** or existing site conditions that do not require excessive management.

13. Soils – What quality of soil is needed or acceptable for your farm business?

a. Good (mostly U.S.D.A. prime soils) with minimally sloping and rarely flooded land

b. Average (>50% U.S.D.A. prime soils) with some sloping areas or occasionally flooded land

c. Poor soils with mostly rocky, sloping or flooding-susceptible lands

14. Access – How easily can you move products and equipment around and off of the farmland?

a. Very good – established paths and roads allow easy access for farm equipment within the property, AND paved driveways and access roads are available to move product from the land.

b. Good – established paths and roads allow easy access for farm equipment within the property, OR paved driveways and access roads are available to move product from the land.

c. Poor – there are few or no internal paths or roads to move around the property, and vehicular access from off the farm is not established or overgrown.

15. Land cover – How much work is necessary to prepare the property for farming?

a. None – the land is currently in active production, or needs few additional preparations

b. Some – the land is not currently in active production, and/or needs minor improvements to prepare it for production (such as no chemical applications to prepare for organic production).

c. Significant – the land is overgrown, or has significant barriers to beginning farming production, such as buried rocks, chemical contamination or old and unusable infrastructure.
Location

Location is uniquely important to local food farmers. Offering products that are grown locally is a key part of many farmers’ business models and marketing strategies. However, location can pose challenges in the forms of transportation costs, visibility to customers and availability of suppliers. Local food farmers should review their business models and address the following location considerations in their land access decisions.

- **Proximity to consumers.** USDA studies show that local food farms stay in business longer if they engage in direct-to-consumer (DTC) marketing and sales\(^5\). However, conducting DTC activities like farm stands and CSA memberships can be time and labor-intensive for food farmers. The location of farms can increase the ‘bang for the buck’ that local food farmers get from DTC marketing, and may make it more worth their time and effort. For instance, farms that locate in highly-visible places, such as along busy roads or in towns, are more visible to potential customers. This, in turn, increases the visibility of DTC marketing efforts and income from DTC sales.

- **Proximity to distributors.** Alternatively, local food farmers can opt to locate near their distributors. 'Intermediary' distribution channels provided by food hubs, cooperatives and direct-to-retail agreements are expected to comprise a growing percentage of local food sales in the near future\(^6\). Local food farms that rely on sales through distributors can limit transportation costs by locating close to their distribution drop-off points. This option works best for farmers who generally incur high transportation costs and do not rely heavily on DTC sales or suppliers.

16. Service Location – Based on your business expenses, does your farm need to be near any of the following?

a. Customer base
b. Distributor drop-off points (food hubs, cooperatives, retailers)
c. Suppliers (seed and equipment retailers, animal processors, packagers, etc.)
d. Proximity to customers, distributors or suppliers is not a primary concern.

17. Customer Location – Based on your customer base, what is the best type of location for your farm?

a. Within a city (Chicago, Joliet)
b. Within a town (Libertyville, Woodstock)
c. In a highly-visible suburban area (i.e. in a neighborhood or on a main road)
d. In a highly-visible exurban area (i.e. along a highway)
e. In a rural area
f. Proximity to customers is not an important

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\(^5\) United States Department of Agriculture – ERS (2015)  
\(^6\) Ibid.
Infrastructure

Infrastructure is another especially important part of local food farms. It takes the forms of wells or water hook-ups, fencing, electricity and structures like sheds, homes and barns. These improvements enable farmers to raise more specialized and input-intensive products, like vegetables or organic poultry.

Infrastructure may be especially beneficial to farmers who own or have long-term leases on land. Long-term occupancy allows farmers to enjoy more years of use from their infrastructure investments. Consequently, significant investments in enhanced infrastructure, like electric fencing, drip irrigation or organic certification, are more likely to pay for themselves over the long-term. Farmers exploring land ownership should consider how major (and minor) infrastructure investments might fit within their business models, and subsequently, how these investments might fit on prospective parcels of farmland.

18. Infrastructure – Which of the following forms of infrastructure will your farm need?

- a. Water well
- b. Electricity
- c. Fencing
- d. Equipment shed or barn
- e. Wash-pack facility
- f. Storage bins for grains
- g. Other

Farm Size

Local food operations tend to be smaller than average farms7, although farmers’ land need vary depending on what they produce. Many local vegetable farmers start on less than 10 acres, which may be available on small lots or assemblages of lots. So, it may not be necessary for local food farmers to restrict their land search only to existing farm parcels. Abandoned subdivisions, municipal outparcels, corporate campuses and subdivided sections of larger farms have all been used to start local vegetable farms in Northeast Illinois. Alternatively, pastured pork or beef producers may need 100 acres or more. These farmers might need to limit their land search to parcels that contain more contiguous acreage.

Land is usually the most expensive input for beginning farmers. Consequently, beginning farmers should consider the minimum acreage they need to begin farming, and search for parcels or assemblages that fit this size. Farm business plans should also incorporate a strategy to identify additional land needs after becoming established, becoming profitable or securing a certain level of product demand.

19. Size – How large of a farm will you need for your farm business?

- a. Very small: <1 acre (i.e. community garden)
- b. Small: 1-10 acres (backyard farm, neighborhood out-parcel)
- c. Medium: 10-25 acres (suburban farmstead)
- d. Large: 25-50 acres (rural farmstead)
- e. Extra large: >50 acres (livestock pasture, grain production)

7 United States Department of Agriculture – ERS (2015)
Restricted Lands

Local food farmers can significantly reduce land access costs by targeting use-restricted lands. Use-restricted land is almost always priced below market value for parcels of comparable size. That is because property restrictions mean landowners can derive fewer economic benefits from land, and so buyers are not willing to pay market prices for it. Consequently, properties subject to land use restrictions will usually cost much less than similarly sized parcels that don’t have restrictions.

However, many land use restrictions have no impact on how local food farmers would use these properties. Zoning limitations on residential development densities, for example, have little effect on farmers. So, farmers can buy or lease restricted land at a bargain price without sacrificing their operational flexibility. Properties subject to restrictions that permit farming are good targets for local food producers. They include the following types of lands:

- **Parcels under easements.** A property easement restricts how owners of a property may use their land. Property rights that are usually restricted by easements include subdivision, construction and other activities that degrade natural or agricultural features of land. Conservation easements are common types of easements that permanently extinguish these rights. As a result, the economic value associated with those rights is subtracted from the market price of the land. This makes farmland under conservation easements less expensive than unrestricted farmland. Properties under a conservation easement are listed in the National Conservation Easement Database (NCED). *(The Toolkit section of this guide contains additional details about easements.)*

- **Out-parcels.** Developers of subdivisions and other planned-unit developments sometimes concentrate construction on only part of the land they are developing. Builders do this to minimize infrastructure, comply with local zoning and to create open space within their developments. These undeveloped ‘outparcels’ are usually transferred to a homeowners association, local government or neighboring property owner. However, outparcel owners often do not have the necessary resources to maintain them. This makes outparcels good targets for land-seeking local food farmers. Farmers can relieve outparcel owners of any land management responsibilities while providing an amenity to the surrounding community. Local government property tax and ownership records can assist with identifying desirable outparcels, on-site infrastructure and their landowners.

- **Foreclosed Properties.** Communities throughout Northeast Illinois are living with the legacy of the Great Recession and its impacts on the real estate industry. Abandoned subdivisions and foreclosed properties still dot the suburban landscape, while banks, local governments and other lien holders retain portfolios of foreclosed properties. Many lien holders cut their losses by liquidating foreclosed properties, along with their associated tax and legal liabilities, rather than waiting to sell them at market value. Local food farmers may encounter opportunities to conduct short sales or bargain sales of farmable land from these lien holders. Reviewing property tax records is a good way to find land owned by lienholders who may want to sell at discounted prices.

20. **Restrictions – Are you open to farming on restricted lands? If so, which restrictions are consistent with your needs?**

a. Conservation easement  
b. Out-Parcels  
c. Foreclosed Parcels  
d. Public Lands  
e. Not open to farming on use-restricted land

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*See Land Trust Alliance (2015)*  
*National Conservation Easement Database (2015)*
Project Profile: Partners Help Farmers Find Landowners in McHenry County

The Land Conservancy of McHenry County (the Conservancy), like many land trusts, has an extensive network of landowner relationships. Landowners view the Conservancy as a resource on conservation and land management issues. The Conservancy is also committed to the idea that farming is essential to McHenry County’s landscape. The Conservancy acted upon this commitment by tapping its landowner network to launch the Farmer Landowner Match Program in 2015. The Program connects farmers seeking land with landowners seeking farmers.

The Conservancy’s new program bore fruit when they were contacted by a husband-and-wife landowner pair near Hebron, Illinois, with 17 acres of farmland to lease. The Conservancy asked the Liberty Prairie Foundation (the Foundation) to assess the property for its suitability for sustainable farming and see if it might be a good fit for one of the businesses at their Farm Business Development Center (FBDC).

During the first visit with the landowners, the Foundation brought along a second-year farmer at the FBDC. The farmer and landowners developed an immediate rapport and identified some promising possibilities for working out a leasing agreement. The land, infrastructure, personalities and farming ethics were all compatible. At their second meeting, they explored details of a potential leasing arrangement. One important issue is if the landowners will allow the farmer to build a greenhouse, and if so, where it will go and how its construction costs will be covered.

Both parties still felt good enough about each other and the arrangement they were developing to meet a third time to begin working out a formal lease agreement. Their understanding is that the lease will let the farmer transition operations to the farm in 2017 and launch full-time operations there in 2018. Key to the evolving success of this partnership is that the landowners have prioritized finding a farmer who shares their values and vision for the land. As a result, they have been willing to be flexible and generous about important land access considerations for the farmer, including lease terms and rental rates.
PRIVATE LANDOWNERS

This section is written for farmers who have a business plan and know what kind of farmland they need, but cannot find it. They may have started by searching real estate listings online or in local newspapers. While they are guaranteed to find available land through these sources, most of it will be selling above market-rate and will not be situated for local food production.

Additionally, many farmland access tools that might benefit local food farmers cannot be used effectively once land is put on the open market. This is because sellers on the open market typically try to maximize the amount of money they receive for selling their land. Additionally, real estate agents have incentive to maximize sales prices in order to earn higher commissions. Consequently, these landowners are less willing to consider other, non-market forms of compensation for making their land available to farmers once their properties are listed.

This section helps farmers look for landowners who are thinking about making their land available to local food farmers. These landowners are more open to being compensated in non-traditional forms that may work better for local food farmers than cash or market-rate financing.

Private Landowners

Finding a landowner to support local food farming can feel like looking for a needle in a haystack. Private landowners own most of the land area in Northeast Illinois, and there are many thousands of them. However, only some of these landowners are willing to lease or sell their land, and only some of this land is suitable for food farming. The challenge for local food farmers is to find one landowner who both values local food and owns land that can support its production. The first step is knowing where to look. Landowners who share an interest in local food production are likely to be found through the following channels:

- **‘Farmlink’ websites.** There are a growing number of online websites that advertise farmland for lease or sale to local food farmers in the Midwest. These websites offer direct connections to potentially interested landowners. But again, these landowners may have already formed ideas about how much compensation they will receive, and may be less open to alternative arrangements outlined in the Land Access Toolkit. Farmers can contact organizations that host Farmlink websites directly to help them weed out options that do not fit their needs. Organizations that currently host farmlink websites in Northeast Illinois include The Land Connection\(^{10}\), the Land Stewardship Project\(^{11}\), The Land Conservancy of McHenry County\(^{12}\) and the Midwest Organic and Sustainable Education Service (MOSES)\(^{13}\).

- **Partners.** Institutional and organizational partners can help match local food farmers with landowners. Appendix C of this Guide lists many of these entities that are active throughout Northeast Illinois, including Liberty Prairie Foundation, Openlands, and many others.

- **Events.** Northeast Illinois hosts conferences, events, trade shows and many other opportunities to make face-to-face introductions with people in the farming community. Many of these events focus on issues related to local food farming, land management and land ownership. Appendix C lists these events, which include the Chicago Farmers group, MOSES Organic Farming Conference, Good Food Festival and others.

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10 The Land Connection (2015)
11 Land Stewardship Project (2015)
12 Land Conservancy of McHenry County (2015)
13 Midwest Organic and Sustainable Education Service – MOSES (2015)
After talking with interested landowners, a farmer’s next step is to build a relationship with them while exploring possible land access options. Every landowner is different. This may occur over many separate conversations, not all of which need to involve farmland access. Try to enlist partners who have worked with the landowner before and who truly understand landowners’ specific situations. Project Profiles in the Public Landowners and Private Landowners sections of this guide provide good examples of this often-complex and intensive process.

Public Landowners

Public lands hold great potential for local food production. State agencies, county forest preserves and local park districts throughout Northeast Illinois express interest in supporting local food production. However, farmers must approach public landowners differently than how they might approach private landowners. This section outlines strategies and tools that local food farmers need in order to explore farmland access opportunities with public landowners.

- **Learn about how public farmland is leased in communities where you are interested in farming.** The process for leasing public farmland varies across communities in Northeast Illinois. Some local governments have active programs that encourage public land leases to local food farmers, while others offer few or no concessions. You will need to tailor your approach for each public landowner by considering their application timelines, experience requirements, land use standards and other land leasing procedures. Once you know how their processes work, you can determine what ‘next steps’ to take in order to make land access possible for you.

- **Partner with private and nonprofit organizations that work with public landowners.** Collaboration between local food farmers and third-party partners can improve outcomes when working with public landowners. Partners provide institutional insights, valuable relationships and technical expertise that can facilitate conversations with public agencies. Outside partners can also generate political support for local food and offer assistance through grant seeking, ordinance drafting, education and outreach. These additional services are especially helpful when working with public agencies, many of which have little experience working with local food farmers. Farmers may review Appendix C of this guide, which lists experienced non-government partners.

- **Build the case for local food.** There are many public landowners in Northeast Illinois. Each has its own mission that it must pursue through managing land under its jurisdiction. Park districts use land to support recreation for local residents, for instance, while national wildlife refuges restore land as habitat for plants and animals. Local food farmers and partners who want to farm on public land need to demonstrate how their operations will contribute to these public goals. Any land access proposals should reflect this understanding.
First, identify parcels of public land that possess the right combination of the following features. Public landowners are most likely to support local food on these types of properties:

- Existing farmland
- Low restoration potential or priority
- Accessible by vehicles
- On-site water
- Suitable soils for agricultural production
- Areas where farming is consistent with other policies (i.e. within low-density or agricultural zones and/or outside municipal growth or service areas).

Then, develop basic site plans for public properties that you would like to target for land access. Consider recommending farming methods that advance the public landowner’s mission, such as cover cropping, buffer planting and late season mowing. Include maps and descriptions that depict the features below. (The Growing Food in Kane County report provides examples of how to conduct site selection and mapping that are useful to partner organizations.) Local stakeholders and organizations can help with this process. Basic site plans should address the following subjects:

- Land Use/Land Cover – what is on the land now, what is nearby and any proposed changes.
- Transportation – nearby roads, trails, parking lots, on-site driveways and farm paths.
- Water bodies – wetlands, streams and lakes.
- Farm infrastructure – current and proposed wells, fencing and structures.
- Known encumbrances – obstacles to food production, such as old building foundations, waste dumps or contaminated areas.
- Cultural or historic resources – family cemeteries, archaeological sites, historic structures.
- Soils and topography – type of soils, their characteristics and any sloping areas on the property.

Lastly, develop your site plans into a proposal. The proposal should be a modified version of your business plan that ties your proposed operational activities to one or more targeted parcels. If you are responding to a request-for-proposals, adhere as closely as possible to parameters outlined in the solicitation document. Your proposal may carry additional weight if you are able to personally meet with representatives of the public landowner. Identify the staff person who is responsible for leasing land, and schedule a meeting to discuss your proposal. Partners can help identify this person, or people, and provide the necessary influence to schedule the meeting. (See the Route 45 Nursery Project Profile in Appendix D for an example of how to advance a farming proposal with a public landowner.)
LEASING OR LICENSING LAND

Finding suitable farmland and a willing landowner are significant accomplishments for local food farmers. The next step is to formalize rights of land access through a lease or sales agreement. ‘Handshake contracts’ are common in farming, but they rarely offer the security or legal protection that local food farmers need to sustain year-to-year operations. Thankfully, farmers and landowners have many legal and financial tools at their disposal. This section aims to help farmers wield these tools in order to secure access to farmland on affordable and mutually-agreeable terms.

Farming lease agreements are common on private land in Northeast Illinois, and public land is routinely licensed to farmers. However, landowners may find lease (or license) terms for local food farming to be challenging or unfamiliar. Local food production typically requires longer-term agreements and more complicated provisions than most landowners offer. Consequently, land access agreements for local food should address certain topics that address landowners’ concerns and clarify farmers’ expectations. Farmers and their supporters can help landowners understand these expectations and the various leasing options that can meet them. Figure 2-2 below describes land access lease terms and offers examples of each.

Figure 2-2: Land Access Lease Terms, Descriptions and Examples

Resources that contain examples of each land access term are available in the Annotated Bibliography.

<table>
<thead>
<tr>
<th>Land Access Terms</th>
<th>Legal Tools Descriptions</th>
<th>Resources</th>
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<tbody>
<tr>
<td>Type of tenure – nature of the rights that farmland access agreements convey to tenant farmers. Most tenure agreements only grant temporary land access interests. However, some types of land tenure help farmers build equity and limit their risk.</td>
<td>Rental agreements (leases) are the most common type of tenure. They confer no permanent ownership in the property, but formalize renters’ rights of access and use. Standard leases can serve as good starting places for farmers and landowners to begin business relationships. They outline length of the relationship, site-specific management terms, rent/consideration amounts and other points of agreement that should exist between farmers and landowners. Leasehold interests give tenant farmers exclusive rights to farm land for a set period of time. Leasehold interests can be conveyed through stand-alone agreements or included as a part of long-term leases. Leasehold interests provide economic value to tenant farmers. Farmers can usually sell their leasehold interests to other farmers, and in doing so, build equity in their operations. However, the value of a leasehold interest depreciates as the lease approaches its end. Leasehold interests also offer tenant farmers financial security. In the event that a landowner sells property under a leasehold interest, s/he must first buy out the leasehold interest from the farmer.</td>
<td>University of Illinois Extension (2014); Columbia Land Conservancy (2014); Land for Good (2014)</td>
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<tr>
<th>Land Access Terms</th>
<th>Legal Tools Descriptions</th>
<th>Resources</th>
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<tbody>
<tr>
<td>Type of tenure (cont.)</td>
<td>Subletting is the ability to temporarily transfer all or part of a lease to another farmer. Farm tenants may reserve the right to sublet leased land if they have more land than they need, or if they decide to move, stop farming or take time off during the lease period. Land access agreements often allow landowners to affirm or deny tenants' requests to sublet. Licenses are required to lease land from most local governments, which are prohibited from formally leasing land. Licenses often require that public land is used in a way that promotes the public good. This may create affirmative and restrictive obligations on what farmers can do on licensed land, such as providing public access or avoiding certain chemicals.</td>
<td>New England Small Farm Institute (2010); Forest Preserve District of Kane County (2015); Galesburg, City of (2014)</td>
</tr>
<tr>
<td>Length of tenure – the period of time that a lease allows farmers to access farmland. Longer is usually better for local food operations, but private landowners may prefer the flexibility that comes with shorter-term leases.</td>
<td>Rolling leases typically run for 3-5 years, but automatically renew for another 3-5 years after each year that no action is taken. Most rolling leases also require tenants or landowners to notify each other at least 6-12 months in advance if they decide to end the rolling lease. This gives farmers advance notice of the need to find new ground, and provides landowners with the flexibility to continue or end a farmer’s tenancy with minimal administrative effort. Long-term leases run for as little as 5 years and as many as 99 years. They give tenant farmers the most possible assurance that they will reap benefits of making investments in soil health, infrastructure and other improvements they make to their farms.</td>
<td>Columbia Land Conservancy (2014); Center for New Economics (2014); Equity Trust (2011b)</td>
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Figure continues on page 22
### Land Access Terms

**Improvements – who pays for what improvements during a farmer’s tenure.** Farmers typically pay for farm-related improvements, but risk losing the benefits of investments in the farm under short-term leases. Farmers may consider leveraging their willingness to pay for all on-site improvements in return for longer lease agreements, or cost-sharing with landowners under short-term agreements.

### Legal Tools Descriptions

Ground leases are a form of long-term lease that convey only the rights to lease the land itself, separately from any improvements on that land. Ground leases provide excellent tenure security when combined with outright sales and ownership of farm houses and structures to farm tenants. This has allowed farm tenants to build equity in the structures while keeping costs of long-term farmland access low by making only lease payments for the land.

### Permitted practices – what a farmer can do under a lease agreement.**
Local food leases may need to include more permitted practices than typical farming leases. Farmers should use the Permitted Practices section of their lease to establish consistency between their business and site management plans to ensure that activities necessary to operate the business are expressly allowed.

**Permitted practices may include:**

- Crop planting, cultivation, harvesting
- Produce processing, storing, distribution
- Applying fertilizers, herbicides and other chemicals
- Maintaining existing structures and erecting temporary structures (like hoop houses)
- Composting
- Commercial activities, such as operating a farm stand
- Public access limitations (during growing seasons)
- Public access allowances (during hunting season or for farm stands).

### Resources

- Equity Trust (2011b)
- Land for Good (2014)

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<thead>
<tr>
<th>Land Access Terms</th>
<th>Legal Tools Descriptions</th>
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| Prohibited practices – what a farmer cannot do under a lease agreement. Local food leases that are meant to encourage sustainable agriculture or protect certain resources on the property may contain terms that limit how or where a farmer can farm. | Prohibited practices may include:  
• Disturbing land within riparian or wetland areas  
• Applying certain fertilizers, pesticides and herbicides  
• Extensive soil tilling, land grading or field tile installation  
• Cutting trees or other vegetation  
• Farming in ways that are not consistent with a pre-existing USDA-NRCS Conservation Plan | Columbia Land Conservancy (2009) |

| Compensation – timing and amount of monetary or in-kind resources that farmers must provide to access farmland. Regular cash payments are normal, but local food farmers may consider negotiating compensation packages that fit better with business plans. | Crop sharing allows farmers to supplement or replace regular cash payments with a percentage of their crops or crop sales. For local food farmers with relatively high sales revenues, this may yield more benefit to both farmer and landowner. Both parties share in the risk of bad crop years, but also share in the bounty of successful years.  
Staggered or irregular payment schedules allow for minimal or no payments to be made throughout the year with larger payments scheduled around anticipated harvests, or when farmers have more cash on-hand.  
Combination compensation packages may include crop or revenue-sharing, standard payments and/or staggered lease payments.  
Noncash compensation includes any non-cash services or products that farmers provide landowners in exchange for land access. Negotiating noncash compensation requires a good understanding of what noncash resources landowners need and what benefits farmers can reliably provide outside of cash compensation.  
Options to purchase and rights of first refusal give tenant farmers the right to buy land under pre-determined circumstances, such as the landowner’s death or sale of the property. | Land for Good (2014) |
BNF provides numerous forms of monetary compensation to the FPD. However, this compensation is structured in a way that recognizes the time and costs needed for BNF to scale-up production. BNF pays market rate rent, but only on the acreage it farms in a given year. This allows BNF to gradually increase its acreage under production without paying rent on land it does not farm yet. BNF additionally shares royalties from its on-site farm stand sales with the FPD. This compensation package exceeds what the FPD could have received from commodity crop producers, but does not create a seasonal or financial burden on this local food farmer.

Acquiring Land

Acquiring land is the strategy that most effectively secures long-term land access for local food farmers. It is a strong signal to neighbors, customers, suppliers and other farmers that a local food producer plans to have a permanent presence in the community. It also gives resident farmers more flexibility and security to manage land for local food production. Helping farmers to acquire land in fee-title is the best way to increase local food production.

However, acquiring land is also the most difficult strategy. Buying land and paying property tax can be prohibitively expensive to new farmers in Northeast Illinois. Funds used to buy land, instead of leasing it, may be better spent developing infrastructure, hiring staff and purchasing other needed inputs to operate a farm. Purchasing a fixed asset, like land, also limits farmers’ geographic mobility. This may expose them to future changes around their land that hinder operations, like development and traffic. The strategies in the following figure aim to address these still-prevalent barriers to land ownership by local food farmers.
Figure 2-3: Farmland Acquisition Tools, Descriptions and Resources
Resources that contain examples of each land access term are available in the Annotated Bibliography.

<table>
<thead>
<tr>
<th>Acquisition Strategy</th>
<th>Legal Tools Descriptions</th>
<th>Resources</th>
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<tr>
<td>Secure financing – Purchasing land may require farmers to borrow money. Financing land purchases involves borrowing money for the purchase price, but may also include financing fees, due diligence costs, interest, down payments and payment insurance.</td>
<td>Subsidized land purchases allow farmers to reduce overall costs of acquiring land. For example, farmers who secure ‘guarantees’ on their loans may be offered lower interest rates on their loans. Some farmers can also receive low or no-cost loans to cover required down payments. Seller-financed loans may be more flexible and less expensive than loans through traditional lenders. Non-government programs run by land trusts and conservation organizations incentivize new farmers to buy farmland. Some organizations can offer per-acre payments or loan application assistance.</td>
<td>Public agencies offer low-interest loans, guarantees and down payment assistance to reduce farmers’ borrowing costs. See USDA-FSA (2014a), Illinois Finance Authority (2015). Farm Commons (2015c) contains sample seller-financed promissory notes. Exhibit C lists many non-government organizations that offer incentive programs.</td>
</tr>
<tr>
<td>Negotiate gradual purchase arrangements – Selling farmland should not be a one-size-fits-all transaction. Buyers and sellers may discover mutual benefits from exploring different terms for transferring property. Among the most helpful concessions that landowners can provide to farmers is time. By allowing farmers to gradually buy-out their ownership in land, landowners make the process easier and more affordable for farmers.</td>
<td>Contracts for title allow sellers to gradually transfer land ownership to farmers by receiving partial payments from them over time. Farmers acquire ownership of the land after they make all agreed-upon payments and satisfy any other agreement conditions. Subdivide-sell arrangements allow buyers to acquire land piece-by-piece, as they can afford it, rather than through one large lump-sum payment. This option provides a cleaner separation between farmer and landowner. However, it requires more legal work to subdivide multiple parcels and may cause the farm to become fragmented between multiple owners. Lease or license-to-own agreements are leases that convey an ownership interest to tenant farmers in proportion to their rental payments. They let farmers gradually buy out current landowners or buy-in to landowners’ existing operations. Farmers who want to build equity and landowners who want to gradually divest their interests may consider lease-to-own agreements.</td>
<td>USDA – FSA (2013); Partnership for America’s New Farmers (2014) Talk to local planning departments about the process of subdividing land in your community Equity Trust (2011a); Partnership for America’s New Farmers (2014)</td>
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<tr>
<td>Explore cash incentives to acquire farmland – Farmers can benefit from numerous financial incentives that are designed to increase conservation and land ownership among farmers.</td>
<td>Bargain sales provide landowners a way to sell land below market value without losing all their equity. Landowners may claim significant tax benefits by making a bargain sale to a nonprofit, such as a land trust, which is then legally directed to sell or lease to a farmer at a below-market rate. Below-market purchase options allow landowners to grant farmers exclusive rights to purchase land below market value. The value of these options are determined many ways, including through an assessment of the ‘agricultural value’ of property. Pass-through payments from the Conservation Stewardship Program (CSP) may be available to new or disadvantaged farmers. The CSP entitles landowners who are exiting the program to additional monetary benefits if they sell or lease land to a new or disadvantaged farmer. These landowners are encouraged to pass these additional benefits on to their buyers.</td>
<td>Vermont Land Trust (2015); Farmland Information Center (2012)</td>
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<tr>
<td>Partial ownership options for transitioning land – Some landowners prefer to retain management or ownership of property while they are alive. This is common among landowners who are not financially or personally ready to retire. To these landowners, farmers may want to offer some form of retainer interest in the land in exchange for some concessions.</td>
<td>Forming a Limited Liability Corporation (LLC) or Limited Liability Partnership (LLP) that includes land as a business asset can engage landowners with this preference. Ownership of the business (and its assets) may be divided proportionately between landowner and farmer. As farmers invest more in the business, they acquire larger ownership shares of it. As business partners, buyers and sellers share in the gains and losses of the farm business's value. Executing a buy-sell agreement gives farmers the exclusive right to buy a farm or farm business outright at a set point in the future. Events that trigger buy-sell agreements can include a landowner’s passing or intent to sell. At such time, farmers may exercise their option to either purchase the property or let it be sold. Ground leases with partial purchases allow farmers who have upfront cash to purchase physical features, like structures and equipment, while the landowner retains the land underneath. This reduces farmers’ purchase price by letting them acquire only the assets they need to operate their farms. Landowners may transition the remaining land ownership interest to heirs, or the farmer, at a later date.</td>
<td>See National Center for Appropriate Technology (2013) for introductory information about different legal ownership structures available to farmland owners.</td>
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### Acquisition Strategy

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<td>Life estates with remainder trusts transfer title of land from landowners to farmers or farm businesses, but entitle landowners to certain tenure or financial rights. Some life estates are subject to the condition that landowners receive regular payments (from tenants) for the rest of their lives. Others allow the landowner or the landowner’s family to live on the property. The property reverts back to the grantor (landowner) if payments are not made. Farmers may benefit from having full ownership of title if they apply for business loans or make improvements to the land. There are many other ways to structure fee-title land transfers through estate planning mechanisms. These mechanisms should be explored on a case-by-case basis with assistance from estate and tax attorneys.</td>
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<tr>
<td>Vermont Land Trust (2016); Land Trust Alliance (2015)</td>
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The following questions help farmers to select land access strategies that best meet their needs. (Select all that apply.)

22. Start acquiring now – Are you looking to begin acquiring full or partial land interests now? If so, which of the following tools suit your needs and abilities? (Review the Toolkit section of this guide for detailed description of each tool.)

a. Outright purchase

b. Contract-for-title

c. Conservation Easement-encumbered property (also see Restricted Lands question below)

d. Purchase subdivided parcel (subdivide-and-sell)

e. Transfer through an LLC or LP

f. LLC or LLP with a buy-sell agreement

g. Ground lease with purchased structures

23. Acquire later – Are you looking to acquire land some day, but not yet? If so, which transaction type most suits your needs? (Review the Toolkit section of this guide for detailed description of each tool.)

a. Lease with a purchase option

b. Lease with an option to purchase at agricultural value

c. Lease with right of first refusal

d. Transfer through a farmer’s estate plan via trust or bequest
PUBLIC
LANDOWNERS
Other programs. Farming serves as a revenue-generating land management option to use until more permanent site plans for public lands can be developed. Farmers control weeds, reduce pests, and conduct other land management tasks that can actually restore natural conditions to a property. They serve as great on-site ambassadors to the public, and can also respond quickly to circumstances on the land that require attention. All these benefits make farming an attractive and practical use of public lands for public landowners.

Food farming on public lands improves quality of life for residents.

Public land is an important asset for providing recreation opportunities and improving quality of life for residents in Northeast Illinois. Farming food on public lands expands the breadth of benefits that they can offer. Community gardens present opportunities for people to be outside and socialize for those who do not otherwise use public lands. Small farms offer outlets for residents to experience agriculture and purchase fresh, local food within their own communities. Consumers’ preferences for ‘buying local’ are driving up demand for local food, and consequently, demand for local food vastly outweighs its supply in Northeast Illinois. Local governments can tap this potential for driving economic growth, respond to their constituents’ demands and improve quality of life in their communities by making more public land available for local food production.

This guide aims to help public agencies support local food farming on their lands. (It assumes that public agencies are restricted from selling land to farmers, so limits its discussion to lease and license options.) It asks decision-makers to consider their current policies, land holdings, and political preferences with regards to farmland. It outlines how to identify suitable land for local food, as well as create procedures and workflows for renting this land to local food producers. It also offers guidance for landowners navigating the process of communicating with local food farmers to negotiate mutually-beneficial land access agreements and sustain positive relationships with them. This part of the guide closes with models of public-private partnerships that have successfully produced local food on public land in Northeast Illinois.

Local food thrives on public land throughout the country.

Municipal farms in New England, community gardens in Midwestern cities and roadside farm stands in California are parts of American communities from coast-to-coast. In Northeast Illinois, public parks host farmers’ markets, forest preserves support small farms and state lands provide space for conventional farmers. In addition to these places, government agencies hold some of the few remaining tracts of contiguous land in Northeast Illinois that are suitable for large-scale local food production. Unfortunately, many of these parcels are off-limits to local food farmers due to prohibitive rules, political resistance, poor infrastructure, antiquated leasing structures and persistent misconceptions about sustainable farming. The future of agriculture in Northeast Illinois depends upon government leadership to overcome these barriers.

Public lands benefit from local food farming.

Governments have reduced costs, increased revenues and expanded programs by allowing farming on their lands. Land rents from farming help bolster public revenues and free-up valuable appropriations to fund other programs. Farming serves as a revenue-generating land management option to use until more permanent site plans for public lands can be developed. Farmers control weeds, reduce pests, and conduct other land management tasks that can actually restore natural conditions to a property. They serve as great on-site ambassadors to the public, and can also respond quickly to circumstances on the land that require attention. All these benefits make farming an attractive and practical use of public lands for public landowners.
Project Profile: Land Protection Brings Sustainable Farming to Casey Farm

Protecting farmland creates opportunities to achieve more sustainable, local food production. Casey Farm, which is a 34-acre Centennial farm prominently located on the northern edge of Libertyville, was one such opportunity. Conserve Lake County (Conserve), a local nonprofit organization, envisioned protecting Casey Farm in order to advance conservation priorities, such as ecological restoration, natural landscaping and public recreation. Casey Farm has since become a demonstration site where sustainable farming is shown to support these important conservation values while also providing land access for a local food farmer.

In 2007, Conserve, the Lake County Forest Preserve District (LCFPD) and the Libertyville Township Open Space District teamed up to acquire Casey Farm. After the purchase, Conserve retained 6 acres of farmland, the historic barn and farmhouse. The LCFPD kept part of the original property to create a regional trail linkage and an additional 6 acres of farmland immediately adjacent to Conserve’s farmland. Libertyville Township holds title to the remainder.

The next step was to determine how sustainable farming could be established on a protected property owned by three different entities. The Liberty Prairie Foundation (the Foundation) was asked to help plan for creating a sustainable farm there. The Foundation has experience promoting sustainable farming on its own farmland and has access to prospective farmers through its Farm Business Development Center – an incubator program for sustainable farm enterprises. Ultimately, Conserve, LCFPD, and the Foundation developed an agreement that allows the Foundation (or its sub-licensor) to operate Casey Farm. This license includes farming standards, a legal framework, and infrastructure use requirements (for the barn, water and electricity) that allow an organic producer to operate at Casey Farm.

Additionally, the Foundation introduced Conserve to an organic producer who was interested in running this operation. Radical Root Organic Farm, which is owned and operated by Alex Needham and Alison Parker, executed a sub-license with the Foundation that allows them to farm at Casey Farm. Alex and Alison lease the farmhouse through a separate agreement from Conserve as their family’s residence. After four years in the Foundation’s Farm Business Development Center, Alex and Alison began full-sale vegetable and egg production at Casey Farm in 2014. They retail their food products through CSA subscriptions, farmers markets in Chicago, and farmstand sales at Casey Farm itself.

Navigating the complex arrangements with the multiple partners at Casey Farm can be challenging. However, it is through this collaborative arrangement that Alex and Alison have become able to secure affordable, long-term access to organic farmland (as well as irrigation, a barn, a residence, and other infrastructure) close to Chicago and suburban buyers’ markets. This agreement also serves as a model for producing locally-grown, organic food on public lands in Northeast Illinois.
Planning for Local Food Farming on Public Land

Determine types of farming that are right for public lands in your community

Use the questions below to help outline a vision of local food production in your community's public spaces.

1. What types of farming are likely to be acceptable to your community and appropriate for the land?
   a. High infrastructure – water, temporary & permanent greenhouses, electricity, impervious surfaces (Nursery, turf grass)
   b. Moderate infrastructure – water, temporary greenhouses/’hoop houses’ (Fruits, vegetables)
   c. Light infrastructure pasture – fencing, temporary or portable structures, equipment access (Livestock, poultry, hogs)
   d. Light infrastructure field – equipment access (Corn, grains, soybeans)

2. Is there land under your community’s jurisdiction that already has any of the following infrastructure in place? Or, is your community willing to allow a farmer to add the following farm infrastructure to any of its land? (Select all that apply.)
   a. Yes, Water well or connection
   b. Yes, Electricity
   c. Yes, Fencing
   d. Yes, Barns
   e. Yes, Wash-Pack Facility
   f. Yes, Temporary structures &/or hoop houses
   g. Yes, Other
   h. No

3. Does the public land contain on-site structures that may be available to a farmer, farm workers or for commercial uses?
   a. On-site for farmers and/or seasonal workers
   b. On-site for farmers and their families only
   c. On-site, but for non-residential, commercial uses only
   d. Nearby, but not on-site
   e. No

4. Are there any farm products that should or should not be produced on public land under your community’s or agency’s jurisdiction?
   a. Fruits & Vegetables
   b. Animals – livestock, poultry, hogs
   c. Grains, corn, soybeans
   d. Nursery crops
   e. Other

5. What type of public access should be encouraged on local food farms?
   a. Educational farm – petting zoo, walking paths, interpretational signage, walking tours, school field trips, community events, etc.
   b. Recreational amenities – walking/biking paths, community gardens or food plots
   c. Limited public access – scheduled events only
   d. Seasonal activities – hunting, skiing or other seasonal activities that occur off-season
   e. No public access required
Compare your community’s vision with its existing policies

Answers to the questions above will help form a vision of farming in public spaces within your community. Do your community’s plans and policies allow for this vision? If not, policy changes to revise or expand upon current policies may be necessary. To initiate policy changes:

1. Identify specific terms or provisions within your community’s policies that need to be changed (See Figure 3.1 below)

2. Approach internal staff with your policy change request

3. Request assistance from council members or the chief executive (i.e. mayor) within your community’s government to enact a new ordinance or resolutions that codify your policy changes

4. Draft language to accompany your ordinance that better accommodates local food farming

5. Engage constituents to support request policy changes (see Appendix C)

Existing policies may already accommodate conventional farming on public lands, but local food farming may need additional allowances. For instance, local food farmers may need assurances that they can sell produce from their farm, process and package certain crops on-site, or install temporary structures like greenhouses. Without such assurance, local food farmers may not benefit from land access in a community. Use Figure 3-1 below to review policies that impact local food within a community, including:

- Zoning code – accessory structures, accessory land uses, temporary uses
- Health code – sanitation standards for food processors, requirements for food vending
- Environmental regulations – nuisance standards for noise and on-site waste disposal (composting), impervious surface caps, storm water and erosion control

Identify policies and procedures that impact farming on public lands

Many communities in Northeast Illinois have created public land-managing agencies, like Forest Preserves and Park Districts. Policies that govern these agencies include language that dictates how public lands under their jurisdiction must be used. An important step towards making public lands available to local food farmers is to put all these policies in one place. This helps communities identify and assess any gaps, obstacles or overlaps that might occur within their own policies. Figure 3.1 below lists examples of terms and provisions that may appear in communities’ policies. Organizing them in a similar way will help identify any revisions that need to occur in order to support local food farming.
Engage constituents

Public landowners can tap many resources and opportunities to provide farmland access by engaging the local food community in Northeast Illinois. There are many stakeholders, organizations and residents here who can help develop, implement, and promote public local food programs. Appendix C lists potential partners and resources. Ideas for engaging the region’s growing local food community include the following.

- **Identify stakeholders who are involved in sustainable agriculture in and around a jurisdiction.**
- **Hold public meetings to discuss agriculture and local food issues and invite interested parties.**
- **Publicize events hosted by relevant local organizations.**
- **‘Table’ at farmers’ markets and field days.**
- **Host ‘farmers’ forums’ to discuss agriculture issues with farmers.**
Public landowners may not always need to find farmers. Farmers often find them. Communities that receive proposals from individual farmers to operate on public lands may grant access agreements on a case-by-case basis (see Barrington Natural Farms project profile). However, government landowners may be legally required to go through a formal selection process in order to offer land access to farmers. This may apply regardless of who initiates the proposal – a farmer or the public landowner. (An attorney who is familiar with local government procurement procedures should clarify communities’ relevant legal requirements.)

Choosing a Selection Process and Soliciting Farmers

Communities that decide to conduct formal solicitations can choose between different procurement options.

**Figure 3-2: Procurement strategies for soliciting local food on public lands**

<table>
<thead>
<tr>
<th>Procurement Type</th>
<th>Solicitation Description</th>
<th>Best For…</th>
</tr>
</thead>
<tbody>
<tr>
<td>Request for information (RFI)</td>
<td>Requests information from potential farmland licensees that is important to the procuring community. It may include farming experience, details about the proposed farm and length of time that land access being offered.</td>
<td>Communities that are open to exploring ideas about farming on their public lands. RFI procurements allow a wide range of applicants to propose a wide range of ideas. Communities are free from formal evaluation criteria, and may follow-up with any applicant(s) they choose.</td>
</tr>
<tr>
<td>Request for qualifications (RFQ) or qualified candidates (RFQC)</td>
<td>Requests specified qualifications from candidates seeking farmland access, such as years of experience, work history and professional references.</td>
<td>Communities that have a vague notion of what farming they want on their public lands, and prefer to work with self-sufficient and highly-qualified farmers.</td>
</tr>
<tr>
<td>Request for proposals (RFP)</td>
<td>Includes a more specific description about farm operations being sought by the procuring community. Requests detailed information about how a farmer will conduct these operations.</td>
<td>Communities that have specific, but somewhat flexible, ideas about the farm operations they prefer, and the lands on which they want them.</td>
</tr>
<tr>
<td>Request for quotes (RFQ)</td>
<td>Includes a specific, detailed description of farm operations sought by the procuring community and the terms under which the operation would work. Only a proposed license, per-acre rental rate or rate structure is requested.</td>
<td>Communities that have very specific and inflexible ideas about the farming activities they want and the land on which they want them.</td>
</tr>
</tbody>
</table>
Regardless of what type of procurement that a community chooses, written solicitation materials should contain some details about the land access opportunities being offered. Including the following points within solicitation notices will help respondents submit full and complete applications:

- **Minimum and maximum durations of potential land access agreements.**
- **Any legal terms of potential land access agreements that are firm and will not be negotiated.**
- **If the solicitation is for land access to specific parcel(s), land features like past and existing uses, on-site infrastructure, soils and vehicular access.**
- **Required performance standards, such as use of sustainable practices, prohibition of chemical inputs or requirements for public access.**
- **For more detailed solicitations, include site-specific farm plans that identify what agricultural activities may occur on what parts of properties covered by the solicitation.**

Also, consider your answers to the questions below as you develop solicitations for public farmland in your community. Select all that apply.

1. Does your jurisdiction own any farmland that is being actively farmed?
   - a. Yes, in food and conventional crops
   - b. Yes, in conventional crops
   - c. Yes, although it has been fallow recently
   - d. No land that has been recently farmed

2. Does your jurisdiction hold other types of land that is not currently farmed, but could potentially be available for local food production?
   - a. Yes, we own vacant lands with tillable soils for which we have no other plans.
   - b. Yes, we own permanently conserved land that is appropriate for some agriculture and for which we have no other plans.
   - c. Yes, we have acquired vacant parcels for which we have no plans.
   - d. Yes, we own land that is designated for other uses, but not within the next 5-10 years.
   - e. No.

3. Do your farm parcels have any of the following infrastructure for farming?
   - a. Water well or connection
   - b. Electricity
   - c. Fencing
   - d. Barns
   - e. Wash-pack facility or kitchen-scale sink
   - f. Residential building(s)
   - g. Commercial building(s)
   - h. Other

4. How much acreage can your jurisdiction devote to local food at each site?
   - a. Small-scale crop production (5-10 acres)
   - b. Medium-sized diversified operations (10-50 acres)
   - c. Larger-scale grain or livestock grazing operation (50-100+ acres)

5. How would you describe the types of soil on your land?
   - a. Good (mostly U.S.D.A. prime soils)
   - b. Average (>50% U.S.D.A. prime soils)
   - c. Poor (mostly rocky or marginal)
Selecting a farmer

Communities may receive very different responses to their solicitations. They may encounter farmers with varying levels of experience, access to resources and well-defined farming plans. Distinguishing between the relative merits of each can be difficult. Answering the questions below can help communities to identify characteristics of their applicants that are most important to them.

1. How long would you like to engage a local food farmer?
   a. Short-term – No more than three years or less
   b. Medium-term – No more than five years at a time
   c. Long-term – At least five years at a time
   d. Indefinitely – No limit to length of land access agreement

2. How much technical assistance will your community be able to provide tenant farmers?
   a. Frequent technical assistance (regularly scheduled and on-demand support)
   b. Some technical assistance (on-demand support for defined services or problems)
   c. Little or no technical assistance

3. What level of financial capitalization do you prefer from your farmer tenants?
   a. Few financial resources (<$50,000 assets)
   b. Moderate financial resources (> $50,000 assets)
   c. Significant financial resources (> $500,000)

4. What level of farming expertise do you prefer from your farmer tenants?
   a. Little (0-3 years) experience farming or farm business experience is okay
   b. Some (0-3 years) experience of both farming AND farm business experience is required.
   c. More experience (3+ years) farming OR managing farm businesses is required.
   d. More experience (3+ years) farming AND managing farm businesses is required.

5. What other services could a farmer provide that would be attractive to your community?
   a. Upfront cash endowment or other payment
   b. Other, non-cash assets that may be supplied as collateral to a land access agreement
   c. Site improvement and maintenance services
   d. Interpretative or hospitality experience (or willingness)

6. What other public priorities do you seek to advance by farming local food on public land?
   a. Recreation provision
   b. Environmental protection
   c. Healthy food access
   d. Economic development
   e. Other policy

Communities may also receive land access requests from different types of farms. This can be confusing to communities trying to differentiate between respective merits of applicants. Figure 3-3 below provides brief descriptions of types of farm operations that may apply for farmland access from Northeast Illinois communities. Note that operations may use combinations of one or more of these farm types.
Answering the following questions will enable communities to explore different forms of land access agreements, understand what their own policies and procedures require and focus in on what options are available to them. Figure 3-4 below describes some key terms that communities should consider including within land access agreements with local food farmers.

7. What form of land access agreement(s) does your community require to allow farming on public land?

   a. Handshake – No formal land access agreement
   b. Temporary use license
   c. Lease
   d. Request-for-proposal, Request-for-service or Request-for-qualifications
   a. Other

Farming agreements are common on public land in Northeast Illinois, but local food production is not. The structure of standard land access agreements between communities and local farmers are a primary reason. This is because communities tend to offer only short-term license agreements for farming on public lands, and local food production does not work well under short-term licenses. Successful local food production typically requires longer-term agreements that allow farmers to build soil fertility, establish crop rotations and create direct-marketing relationships.

Additionally, local food farming often requires land use and infrastructure allowances that some communities do not allow. For example, many food farms need to tap wells for on-site watering, erect animal enclosures, install greenhouses and maintain compost piles. Communities need to consider these common needs of local food farmers when drafting farmland access agreements.
8. What form(s) of compensation does your community accept for farming on public land?
   a. Regular cash payments (monthly, annually)
   b. Upfront cash payments
   c. Alternative compensation – crop-sharing, cost-sharing, revenue-sharing, etc.
   d. Provision of public recreation opportunities or facilities
   e. Other

9. Is your community authorized to offer any of the following land access tools? (See the Toolkit Appendix for more detailed descriptions of each land access tool.)
   a. Ground leases (sell above-ground structures and lease grounds themselves)
   b. Long-term leases (greater than 5 years)
   c. Leasehold interests (exclusive, long-term lease rights that may be bought and sold)
   d. Rolling leases (set-length agreements of 3+ years that automatically renew every year)
   e. Other

Figure 3-4: Key Terms in Land Access Agreements Between Communities and Local Food Farmers

<table>
<thead>
<tr>
<th>Land Access Term</th>
<th>Description</th>
<th>Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Length of access tenure</td>
<td>Longer is usually better for local food, while communities tend to prefer shorter licenses. Compromise may be reached by providing flexible options for renewing the agreement, such as through rolling leases (see Toolkit in Appendix A).</td>
<td>The Columbia Land Conservancy (2014) is a good rolling lease template.</td>
</tr>
<tr>
<td>Property description</td>
<td>This is a mutually agreed-upon baseline of pre-existing site conditions. Communities often require original baseline conditions to be maintained throughout the license term, while local food farmers may need to make significant changes. A common compromise is that farmers maintain the land to a certain standard during the license term and return it to its baseline condition after the license term.</td>
<td>Bureau of Land Management (2005) may be used as a model for baseline documentation reports that capture pre-existing site conditions.</td>
</tr>
<tr>
<td>Liability</td>
<td>Includes legal responsibilities of tenant farmers, landowners and third-parties, including insurance coverage requirements. This should provide an equitable, two-way release of liability with each party granting indemnity to the other to cover foreseeable scenarios. It should also include a two-way acceptance of certain legal responsibilities relating to anticipated uses of the land.</td>
<td>Sustainable Economies Law Center (2010)</td>
</tr>
</tbody>
</table>

Figure continues on page 39
<table>
<thead>
<tr>
<th>Land Access Term</th>
<th>Description</th>
<th>Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repairs, ‘capital improvements’, utilities</td>
<td>Determines who pays for what improvements to the property during a farmer’s tenure. Farmers typically, but not always, pay for farm-related improvements and utilities, while public landowners pay structural and access-enhancement costs. This section should also cover what improvements are permissible during the land access period.</td>
<td>Forest Preserve District of Kane County (2015) is an example of how trade-offs may be made between landowners and tenants for maintaining farm property in exchange for monetary consideration. (See Barrington Natural Farms Project Profile.)</td>
</tr>
<tr>
<td>Public access</td>
<td>Where and when (or if) the public is allowed to access the farm property. The benefits of allowing public access are highly dependent on the property and nature of farm business operating there.</td>
<td>Government agencies should rely upon enabling language, such as uniform deed restrictions, that enables consistent public access.</td>
</tr>
<tr>
<td>Compensation</td>
<td>The timing and amount of rent or other considerations that farmers must pay.</td>
<td>The Forest Preserve District of Kane County (2015) has licensed land to a local food farmer that includes fixed monthly payments and a percent of sales from produce grown on-site. (See Barrington Natural Farms Profile.)</td>
</tr>
<tr>
<td>Permitted practices</td>
<td>There should be consistency between farmers’ business plans and communities’ management plans for the properties in question. Potential terms including the following:</td>
<td>Land For Good (2014)</td>
</tr>
<tr>
<td></td>
<td>Animals – species of animals, if any, that a farmer may keep or raise on the property. The agreement should outline where and how animals should be confined and what, if any, processing of animals or animal products is permissible.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Composting – type and location of compost pile, if permitted at all.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fire – if or how fire may be used for restoration activities or debris management.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Growing practices – Farmers’ use of tools, machinery and chemicals like pesticides, fertilizers and fungicides in typical crop growing activities.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hours of use – Dates and times that farming activities are expected and permissible.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Noises &amp; nuisances – limitations against activities that are considered to be nuisances to the community.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sub- or co-leasing – standards governing possible transfer of management duties on all or part of the parcel.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Water usage – Agreement on if, where and how much water farmers may draw.</td>
<td></td>
</tr>
</tbody>
</table>
Communicate Regularly

Land access agreements should encourage regular communication between tenant farmers and public landowners. Agreements that include regular communication tend to result in more successful and lasting farmer-landowner relationships. Regular communication (such as through status reports accompanying rent payments, frequent property inspections, or regularly scheduled meetings) provides more opportunities to assess the status of the land access agreement. It also helps to identify any unforeseen circumstances and make needed adjustments to keep the agreement working for all parties.

For instance, regular conversations between landowners and tenant farmers will likely cover activities that farmers are proposing on the farm. Some activities, like electric fence installation, may be outside the scope of a land access agreement. Regular and frequent communication about these plans would identify the need to develop a mutually-agreeable solution. Otherwise, one party may spend significant time and money on a project that must be undone, creating a potentially adversarial relationship.

Given all the benefits of regular communication, farmers and landowners may want to include a correspondence section in the land access agreement. Required communications options may be tailored to include mutually-agreeable combinations of the options below. Figure 3-5 offers a template form that can be used to track correspondence with tenant farmers.

- **Forms of correspondence** – phone call, site visit, written letter, and e-mails
- **Content** – Farm financial and sales reports, pending management actions, harvest schedules, calendar of upcoming private or public activities (i.e. hunting), and timing of future site visits.
- **Frequency** – monthly, seasonally, bi-annually, annually
- **Primary Contact** – farmer or farm representative(s), landowner or landowner representative(s)

### FARMER CORRESPONDENCE RECORD

<table>
<thead>
<tr>
<th>Date</th>
<th>Correspondents</th>
<th>Form of Contact</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/21/15</td>
<td>Andrew S., Land Manager, to Charlie C., Farmer</td>
<td>E-mailed letter with follow-up phone call.</td>
<td></td>
</tr>
<tr>
<td>12/28/15</td>
<td>Charlie C. to Andrew S.</td>
<td>Phone call and e-mail message.</td>
<td>Confirmed terms of land access. Wants to start right away.</td>
</tr>
</tbody>
</table>

*Figure 3-5: Sample Farmer Correspondence Record*
Land access agreements are designed to provide legal protection for both farmers and landowners, but they also serve to cement a partnership. This partnership is ultimately a business relationship – if one party does well, the other benefits. Regular communication provides occasions for farmers and landowners to explore opportunities that benefit them both. For instance, farmers and landowners may identify agritourism opportunities (like ‘open houses’) that bring the public on to the farm, and in doing so, provide economic and recreational amenities to the community and grow the farmer’s potential customer base.

Likewise, farmers might also make landowners aware of opportunities to better manage or improve their land holdings, such as by re-vegetating eroding stream banks or building trails through scenic areas.

Project Profile: Barrington Natural Farms Finds a Home in the Forest Preserves

Barrington Natural Farms, LLC (BNF) is a diversified local food operation that produces free-range eggs, vegetables, milk and pastured pork and beef. The business was thriving, and it needed more land nearby to continue growing. Two miles away, the Kane County Forest Preserve District’s (FPD) Brunner Forest Preserve was being farmed conventionally for corn and soybeans. The historic dairy barn was in need of repairs, and soil from the property was eroding into the Fox River.

BNF proposed a partnership with the FPD, wherein the farm could expand on to publicly-owned farmland and the public could benefit from better access to locally grown food and land management services. The parties negotiated a land access agreement that requires BNF to use only sustainable agriculture practices on the farm, such as conservation grazing and limited chemical inputs, and maintain the interior of the historic dairy barn. The FPD agreed to grant BNF a 5-year land access license that includes flexible options to renew the agreement at any point before it expires. The FPD also agreed to renovate the dairy barn’s exterior so that BNF could safely use it.

Additionally, BNF provides numerous forms of monetary compensation to the FPD. However, this compensation is structured in a way that is not overly burdensome to either party. BNF pays market rate rent, but only on the acreage it farms. This allows BNF to gradually increase its acreage under production without paying rent on land it cannot yet farm. (The compensation schedule commits BNF to farming additional acreage in later years of the land access license.) BNF also shares royalties from its on-site farm stand sales with the FPD. This compensation package exceeds what the FPD could receive from commodity crop producers, but does not create a seasonal or financial burden on this local food farmer.
PRIVATE LANDOWNERS
First of all, thank you for reading this guide. As private landowners, you have a great influence over the future of farming in Northeast Illinois. Private land covers roughly 94% of Illinois, and in greater Chicago, around 62% of it is being farmed. We understand that you have many options for how to manage your land, and hope this guide will help you to support the next generation of farmers through your land management decisions.

This guide aims to help landowners decide if they are interested in selling, leasing or otherwise sharing their land with local food farmers. It offers guidance to landowners as they think through their personal priorities. It also outlines strategies for finding the right local food farmer and provides instructions for completing mutually beneficial land access agreements with them. Part of this guide is a toolkit (see Appendix A) that contains more details about different land access arrangements that landowners can make with farmers. It also provides local examples that illustrate how landowners are connecting with good local food farmers here in Northeast Illinois.

**PERSONAL PREFERENCES**

Land ownership comes with certain responsibilities and opportunities. Some, like paying property tax, are burdensome. Others can be empowering, like providing an inheritance for heirs and leaving a legacy. Many landowners take these responsibilities to heart. They develop personal connections with their land, and want to ensure that the land is cared for in the future. Making your land available to local food farmers is one way to live out your stewardship ethic as a landowner – both to the land itself and to future generations of farmers in Northeast Illinois. You have many options to consider about how to do this in a way that works best for you. Answering the questions below will help you start to sort through these options and focus on ones that align with your personal preferences.

1. What are your ideal near-term plans for your land (0-5 years)?

   a. I would like to sell my land now.

   b. I would like to sell my land at some point in the next 5 years.

   c. I would like to start transferring my land to someone else.

   d. I would like to lease my land on a year-to-year basis.

   e. I would like to lease my land for a period that is between 1 and 5 years.

   f. I would like lease my land for a period that is at least 5 years or more.
2. Do you have an ownership transition plan for your property (will, estate plan, other)?

   a. I have an estate plan or will that assigns my land to my heirs.

   b. My estate plan designates an organizational or nonprofit beneficiary.

   c. I have thought about succession planning, but haven't put anything on paper yet.

   d. I have not thought about long-term plans for my property.

   e. I am not interested in establishing transition plans at this time.

3. Long Term Desires for Land – Consider your priorities for your property’s long term management (5+ years). Which of the following is important to you?

   a. I would like the property to be farmed permanently.

   b. I would like my property to be open to the public for recreation, community farming/gardens, education or other uses.

   c. I would like the land to be managed sustainably, maximizing environmental benefits.

   d. I am open to exploring various options for my property’s long-term future.

   e. I am willing to let subsequent owners decide everything about what happens to the land.

   f. I am not ready to make decisions about the long-term future of my land.

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**FINDING A FARMER**

After considering your personal preferences, you can seek out a farmer whose goals and business plan are a good match for your land. It is key to find a farmer who will farm your land in a way that is consistent with your personal and financial goals. It is also advisable for landowners to consider forming a business partnership with a farmer. Questions in this section will help to figure out what type of arrangement might work best for you.

**Advertising Your Land**

Finding the right farmer starts with advertising the availability of your land for sale or rent. Real estate listings may get you plenty of interested buyers, but if you are interested in something more than just a straight cash sale, you are more likely to meet potential farmers whose interests align with yours if you go through the following channels.

- **‘Farmlink’ websites.** There are a growing number of online websites that advertise farmland directly to local food farmers in Northeast Illinois. In recent years, there have been more farmers than landowners using these sites, so competition for your land may be high. You can contact organizations that host farmlink websites directly to help create a posting for your land. Organizations that currently host farmlink websites in Northeast Illinois include The Land Connection, the Land Stewardship Project, The Land Conservancy of McHenry County and the Midwest Organic and Sustainable Education Service (MOSES). See Appendix C for descriptions of these organizations.

- **Partners.** Institutional and organizational partners can help match landowners with local food farmers. Many of these groups welcome the opportunity to speak with landowners. Review the list of organizations and agencies in Appendix C that actively work to promote local food. Start by contacting ones whose missions most closely match your plans for your property.

- **Events.** Northeast Illinois hosts conferences, events,
trade shows and many other opportunities to make face-to-face connections with people in the farming community. Many of these events focus on issues related to local food farming, land management and land ownership. Events include Chicago Farmers’ meetings, MOSES Organic Farming Conference, Good Food Festival and others. Additionally, landowners can consider attending agriculture-related events throughout the region. Event topics vary, but they are good opportunities to meet farmers searching for land.

Describing Your Land

When advertising your land to local food farmers, landowners should be ready to answer key questions about its physical features. Especially important are the location, size, infrastructure, soils and production history of the land. These features influence the types of farming operations that are best suited for your property and the type of farmer who will be interested in it.

Consider the following questions as you advertise your land to local food farmers. Select all answers that apply.

4. What farm products would you like to see grown on your land?
   a. Fruit
   b. Grain
   c. Vegetables
   d. Nursery crops
   e. Cattle
   f. Poultry
   g. Hogs
   h. Other
   i. Not sure/Doesn’t matter

5. Where is your farm located?
   a. Within or directly adjacent to a big city (Chicago)
   b. Within or directly adjacent to a smaller city (i.e. Woodstock)
   c. In a highly-visible suburban area
   d. In an highly-visible exurban area (i.e. along a highway)
   e. In a more remote, rural area

6. Does your land have any of the following farm infrastructure?
   a. Water well or water line connection
   b. Electricity
   c. Fencing
   d. Barns, silos or other buildings that support farming
   e. Sink, faucet or other cleaning area
   f. Greenhouses/hoophouses
   g. Cold storage
   h. Retail site
   e. Other

7. Given the size of your land holdings, what type of farm(s) can your land support?
   a. Small-scale vegetable crop production (5-10 acres)
   b. Medium-sized crop farming or diversified operations (10-50 acres)
   c. Larger-scale grain production or livestock grazing (50-100+ acres)

8. How would you describe the types of soil on your land?
   a. Good (mostly U.S.D.A. prime soils)
   b. Average (>50% U.S.D.A. prime soils)
   c. Poor (mostly rocky or marginal)

9. Does your land contain on-site residences that would be available for a farmer?
   a. On-site for farmers and/or seasonal workers
   b. On-site for farmers only
   c. Nearby, but not on-site
   d. No
Interviewing Prospective Farmers

Farmland access agreements for local food farming can be very different from conventional commodity farming leases. They are typically successful only if the relationship between farmer and landowner remains good. Consequently, local food farmers and landowners should take the time to meet one another and discuss details of their arrangement before finalizing it. After making initial contact with a prospective farmer, landowners should share more information about how they see their properties being used in the future. Likewise, farmers should share their own plans for farming it, talk about their experiences with farming and answer questions that landowners have.

This is also the time to begin thinking about how involved you want to be with the farm and farming operation on your land. Some private landowners simply want a buyer or a tenant for their land, while others are interested in some level of business partnership. Some may be looking for an exit strategy from land ownership that also supports new farmers. Still others have a strong commitment to the stewardship of their land that they want to make sure is upheld.

This section helps landowners to assess some important considerations for forming the right partnership with a farmer. It also highlights possibilities for conducting gradual land transition. Answering the following questions is an opportunity to think through your optimal level of involvement and how it impacts land access discussions with farmers.

10. Would you like to stay involved with your land?
   a. Yes, I would like to retain full ownership of my land.
   b. Yes, I would like to retain a controlling, but not full, ownership share of my land.
   c. Yes, I would like to retain a partial, but non-controlling, ownership interest in my land.
   d. Yes, I would like to remain involved in farming on my land, but do not want to retain a controlling ownership interest in it.
   e. No

11. How much experience would you like a farmer working on your land to have?
   a. A new or beginning farmer with less than 3 years experience is fine
   b. Some farming experience (˃3 years), but without business management skills is okay
   c. Some farming experience (˃3 years), and business management skills
   d. A long-term farmer (˃10 years) with experience both farming and managing a business

12. Are you willing to provide help, oversight or partnership to a farmer working on your land?
   a. I want to hire a farmer to help me with my farm business on my land.
   b. I can provide legal partnership and business support.
   c. I can provide technical assistance, advice and support, but no formal business partnership.
   d. I can lease equipment or supplies.
   e. No support
13. Would you consider forming a farm business partnership in exchange for access to your land? If so, what partnership model might you prefer? (If no form of farm business partnership interests you, skip the remaining questions in this section.)

a. I would prefer full and undivided ownership of the business and all its assets (possibly including the land).

b. I would consider full ownership of the business with partial ownership &/or leased rights to some assets and inputs (possibly including the land).

c. I would consider keeping a controlling, but not complete, ownership interest in the business, its assets and its inputs.

d. I would consider retaining a partial, non-controlling ownership interest in the business, its assets and its inputs.

e. I prefer another arrangement.

f. None.

14. What are your goals for a farm business partnership? Select all that apply.

a. Maximize profit in the short-term

b. Pursue medium and long-term gains by making capital investments in the short-term

c. Operate a business that maintains high standards for environmental and social responsibility

15. What is your ideal timeline for forming a farm business partnership?

a. I would like to form a business partnership with a farmer as soon as possible

b. Soon, when a favorable option becomes available

c. I have no set time horizon, and am willing to explore multiple offers and options

16. What financial resources and access to cash or capital do you expect from a partner?

a. Partner has access to >$500,000 cash, loans &/or ‘liquid’ capital assets.

b. Partner has access to >$50,000 cash or liquid assets with good credit.

c. I'm looking for the right partner, and don't need to set thresholds on financial status.

17. How much financial knowledge and business decision experience would you prefer your business partner to have?

a. Extensive financing and business decision experience

b. Little experience, but comfortable understanding and making financial and business decisions

c. I’m willing to mentor a new farmer on financial and business matters.

18. Consider what other resources a farm business partner could potentially provide. Which of the following interest you?

a. Site improvement and maintenance, such as light construction or land restoration

b. Sales network or existing customer base for farm products

c. Farm equipment and other physical assets, such as vehicles or tractors

d. Other resources
Project Profile: Landowner Finds Support in McHenry County

Many landowners in Northeast Illinois want to offer land to local food farmers, but do not always know where to go for help. The Land Conservancy of McHenry County (TLC) is helping to fill this informational void. One of the ways that TLC is doing this is by holding group meetings (called “Learning Circles”) that provide support and information specifically for women who own farmland in McHenry County.

After the inheritor of 150 acres came to one Learning Circle meeting and asked for help, TLC assembled a group of stakeholders to help her assess her options. It turned out that her land provides many assets that make it uniquely valuable for local food farming and conservation purposes. Its location along a state highway offers high visibility and easy access for farming activities that occur there. It also contains two homes, work sheds and more than 70 acres of prime soils that can support a wide range of farming operations. Finally, it adjoins Hackmatack National Wildlife Refuge and a high-quality stream corridor runs through it. The ecological value of this parcel makes its protection a priority for regional conservation efforts, which opens up funding possibilities.

Due to the high environmental and agricultural values of the land, and her family’s conservation values, the landowner became interested in ways to protect the property in a way that keeps it as part of the working landscape of McHenry County. TLC and other partners are helping her to explore strategies and legal tools that are outlined in this guide. The dual goals of all parties involved are to permanently conserve the property and ensure that it will be available to support future local food farmers in the County.
NEGOTIATING A LAND ACCESS AGREEMENT

Negotiating land access agreements is a delicate and detailed process. It should only begin in earnest after a landowner and farmer have arrived at some common ground on certain key points. The following questions will help landowners and farmers continue their conversation and begin more detailed negotiations. (You can find and review unfamiliar terms in Figures 4.1 and 4.2 below and Appendix A.)

19. Would you like to begin selling your land now? (You may sell it all outright, gradually over time, in pieces or through land use restrictions.) If so, do any of the following agreements suit you?

   a. Lease-to-own
   b. Contract-for-title
   c. Subdivide-and-sell
   d. Transfer through LLC or LLP
   e. LLC or LLP with buy-sell agreement
   f. Ground lease with purchase of structure(s)
   g. Conservation easement

20. Would you like to explore leasing options that convey some financial equity to a tenant farmer? If so, which of the following agreements appeals to you?

   a. Lease with purchase option
   b. Lease with reduced value purchase option
   c. Lease with right of first refusal
   d. Transfer through estate plan via trust or bequest
   e. Other
   f. None

21. If you are most comfortable leasing without conveying long-term legal rights, do any of the following lease agreements suit you?

   a. Long-term lease (>5 years)
   b. Ground lease, with sale of on-site structures and/or infrastructure
   c. Leasehold interests
   d. Rolling lease
   e. Crop Sharing
   f. Farming contract
   g. Standard lease
   h. Other
   i. None

22. Do you currently have, or would consider having, any of the following restrictions on your land?

   a. Yes, a conservation easement or other permanent restriction
   b. Yes, a temporary or time-limited land use restriction
   c. I do not currently have a restriction, but I would consider one.
   d. I am not interested in restricting use of my land.

23. What types of farming are acceptable to your community and appropriate for the land?

   a. High infrastructure – water, permanent structures, electricity, paved driveways (Nurseries, turf grass operations)
   b. Moderate infrastructure – water, fencing, temporary greenhouses/’hoop houses’, formal access roads (Fruit and vegetable farms)
   c. Light infrastructure pasture – temporary or portable structures and fencing, informal equipment access (Livestock, poultry, hogs)
   d. Light infrastructure field – informal equipment access, little else (Corn, grain, soybeans)

24. Are you comfortable allowing the public on to your land? If so, in what form?

   a. Full Access – Year round, few restrictions
   b. Limited Access – specified areas & times
   c. Seasonal Access – limited access only during specified seasons
   d. No Access – By initiation only
Leasing land

From here, the process of negotiating a land access agreement depends upon what general type of agreement both parties are seeking. There are two principal types of land access – leasing and buying – with different terms that apply to each. This section addresses leasing and selling separately, and describes corresponding terms and tools that are appropriate for each.

Lease terms specific to local food farming may be challenging or unfamiliar to landowners who are accustomed to traditional lease agreements. Thankfully, landowners have a variety of options in how they reach agreement with farmers over important agreement terms. In order to explore all the options available to them, it is helpful for landowners to understand key terms of land access lease agreements and how they affect local food production. Figure 4-1 below outlines recommended terms that should be parts of farmland access leases. It also includes examples of how these terms relate to local food producers. These are described in greater detail within the Toolkit section of this guide.

<table>
<thead>
<tr>
<th>Lease Terms</th>
<th>Legal Tools Descriptions</th>
<th>Examples</th>
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<tbody>
<tr>
<td>Type of tenure – nature of the rights that farmland access agreements confer to tenant farmers. Most tenure agreements convey only temporary land access interests. However, some types of land tenure help farmers build equity and limit their risk.</td>
<td>Straight rental agreements are the most common way to offer land access tenure that confers no ownership interests. Standard leases can be good starting places for farmers and landowners to begin business relationships. They outline the length of the relationship, site-specific management terms, rent and consideration amounts and other points of agreement that should exist.</td>
<td>University of Illinois Extension (2014); Columbia Land Conservancy (2014); Land for Good (2014)</td>
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<td></td>
<td>Lease or license-to-own agreements let farmers gradually buy out current landowners through their rent payments.</td>
<td>Equity Trust (2011a); Partnership for America’s New Farmers (2014)</td>
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<td></td>
<td>Options to purchase and rights of first refusal allow tenant farmers to make the first bid to buy property if it is sold during the lease tenure.</td>
<td>Center for New Economics (2014)</td>
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<td></td>
<td>Leasehold interests are legal rights that give tenant farmers exclusive rights to farm land for a set period of time. Leasehold interests can be conveyed through stand-alone agreements or included as a part of long-term leases. Landowners who want to sell property under a leasehold interest must first buy out the leasehold interest from the farmer.</td>
<td>Center for New Economics (2014)</td>
</tr>
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<td></td>
<td>Subletting is the ability to temporarily transfer all or part of a lease to another farmer. Farmers may reserve the right to sublet leased land if they have more land than they need, or if they decide to move, stop farming or take time off during the lease period. Land access agreements often allow landowners to affirm or deny tenants’ requests to sublet.</td>
<td>New England Small Farm Institute (2010)</td>
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Figure continues on page 51
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<thead>
<tr>
<th>Lease Terms</th>
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<tr>
<td>Length of tenure – period of time that the lease allows a farmer to access farmland. Longer is usually better for local food operations, while shorter-term leases tend to give landowners more flexibility.</td>
<td>Rolling leases typically run for 3-5 years, but automatically renew for another 3-5 years after each year that no action is taken. Most rolling leases also require tenants or landowners to notify each other at least 6-12 months in advance if they decide to end the rolling lease. This gives farmers advance notice of the need to find new ground, and provides landowners with advance notice to find a new farm tenant.</td>
<td>Columbia Land Conservancy (2014)</td>
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<td>Long-term leases may run for as little as 5 years and as many as 99 years. Long-term leases give tenant farmers maximal assurance that they will be able to reap benefits of investments in soil health and on-site infrastructure. Meanwhile, landowners receive the security of having a guaranteed tenant on their land over an extended period of time.</td>
<td>Center for New Economics (2014); Equity Trust (2011b)</td>
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<td>Ground leases combined with fee-title transfers convey ownership of parts of the farm – like the farm house, infrastructure and other buildings – to the farmer while the landowner keeps title of the land. The landowner also retains the right to accept rent payments for the farmer’s use of the land.</td>
<td>Equity Trust (2011b)</td>
</tr>
<tr>
<td>Improvements – who pays for what changes to the property. Farmers typically pay farm-related improvement costs, while landowners cover capital improvements (i.e. drive-ways, water hookups, buildings). Farmers renting under short-term agreements have less incentive to make improvements or conduct regular maintenance.</td>
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<td>Permitted practices – what a farmer can do under a lease agreement. Local food leases may need to include more practices than typical leases (such as operate a farm stand, allow seasonal workers, provide parking). These rights, or prohibitions on these rights, need to be explicitly stated. Land-owners may allow more permissive practices in exchange for making regular maintenance and repairs.</td>
<td>Permitted practices may include:</td>
<td>Land for Good (2014)</td>
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<td>• Planting, cultivation and harvesting crops</td>
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<td></td>
<td>• Processing, storing, and distributing produce</td>
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<td></td>
<td>• Applying fertilizers, herbicides and other chemicals</td>
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<td></td>
<td>• Maintaining existing structures and erecting temporary structures (like hoop houses)</td>
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<td></td>
<td>• Composting</td>
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<td></td>
<td>• Commercial activities, such as operating a farm stand</td>
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<td></td>
<td>• Public access limitations (during growing seasons)</td>
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<tr>
<td></td>
<td>• Public access allowances (during hunting season and to support farm stands)</td>
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Figure continues on page 52
### Lease Terms

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<tr>
<th>Compensation – timing and amount of monetary or other compensation that farmers must pay to access farmland. Scheduled cash rent payments are normal, but landowners may consider compensation packages that better align with their tenants’ ability to pay.</th>
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<th>Legal Tools Descriptions</th>
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<tr>
<td>Crop sharing allows farmers to supplement or replace regular cash payments with a percentage of their crops or crop sales. For local food farmers with relatively high sales revenues, this may yield more benefit to both farmer and landowner. Both parties share in the risk of bad crop years, but also share in the bounty of successful years.</td>
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<th>Examples</th>
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<td>University of Illinois Extension (2014)</td>
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| Staggered or irregular payment schedules allow for minimal or no payments to be made throughout the year with larger payments scheduled around anticipated harvests, or when farmers have more cash on-hand. |

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<th>Examples</th>
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<td>Columbia Land Conservancy (2009)</td>
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| Combination compensation packages may include crop or revenue-sharing, standard payments and/or staggered lease payments. |

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<th>Examples</th>
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<tr>
<td>Forest Preserve District of Kane County (2015)</td>
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| Noncash compensation includes any in-kind services or products that farmers can provide landowners in exchange for land access. Negotiating noncash compensation requires a good understanding of what will benefit landowners and what benefits farmers can reliably provide outside of cash compensation |

<table>
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<tr>
<th>Examples</th>
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| Performance standards – measures of compliance with land access agreement goals. Landowners establish performance measures to ensure that their tenants meet expectations outlined in the agreement. Progress to performance standards are measured at regularly scheduled meetings. They help avoid surprises and disagreements that might otherwise go unchecked. |

<table>
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<th>Performance standards can include:</th>
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<tr>
<td>• Acreage in production / out of production</td>
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<td>• Acreage by product (vegetables, livestock)</td>
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<tr>
<td>• Yields (for crop sharing arrangements)</td>
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<tr>
<td>• Sales (for revenue sharing arrangements)</td>
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<td>• Allowed activities (farm stands, hunting rentals)</td>
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<th>Examples</th>
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<td>Land for Good (2014)</td>
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*Figure 4-1: Land Access Lease Terms, Descriptions and Examples*
Selling Land

Landowners have a range of options for transferring their land to, and being compensated by, local food farmers. Selling all of your land, part of your land or partial interests in your land are all viable strategies. Landowners can also receive upfront cash payments, regular cash payments over time, tax incentives or payments-by-service in exchange for their land. This section discusses how these transfer and payment combinations may be combined to help landowners sell land to local food farmers. Figure 4-2 identifies strategies for selling your land, describes how these strategies benefit you as a landowner and points you towards resources that can be used to complete each strategy.

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<tr>
<th>Lease Terms</th>
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<tr>
<td>Provide financing to farmers. Landowners can reduce the cost of selling land by financing farmers directly. Selling land usually involves additional costs – financing fees, due diligence costs, interest, down payments – that further reduce farmers’ capacity to buy land. Directly financing farmers lets landowners control these costs and retain a financial and/or real estate interest in their land during the repayment period.</td>
<td>Seller-financed sales allow landowners to work directly with farmers to finance the sale of their lands. The farmer receives title to the land right away, and makes payments to the landowner on a mutually-agreeable schedule. Landowners who are close to retiring may appreciate the additional source of income that seller financing offers them. However, they may consider working with a third-party lender or legal assistant who can help in case the farmer-lender cannot make payments.</td>
<td>University of Vermont Extension (2012) and Farm Commons (2015c) contain sample promissory notes.</td>
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<tr>
<td>Land Contracts (known also as installment contracts or contracts-for-title) work like seller-financed sales, except that title is not transferred from landowner to farmer until after all payments or conditions on the mortgage are met.</td>
<td></td>
<td>Partnership for America’s New Farmers (2014) has a general overview, and University of Vermont Extension (2012) contains sample promissory notes.</td>
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<th>Lease Terms</th>
<th>Legal Tools Descriptions</th>
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<tr>
<td>Gradual purchase arrangements. Selling farmland should not be a one-size-fits-all transaction. Buyers and sellers may discover mutual benefits from exploring different terms for transferring property. Among the most helpful concessions that landowners can provide to farmers is time. By allowing farmers to gradually buy-out their ownership in land, landowners make the process easier and more affordable for farmers.</td>
<td>Subdivide-sell plans help sellers to divest of land piece-by-piece. This option allows landowners to manage their income stream and associated tax liability from selling their land over time rather than all at once. It also creates a cleaner separation between farmers and landowners, but requires more legal work to subdivide parcels. This may cause large farms to be fragmented between multiple new owners. Landowners can prevent fragmentation by granting exclusive purchase options to farmers with plans to eventually farm all the landowner’s land.</td>
<td>Talk with the local planning department to learn how the subdivision process works in your community.</td>
</tr>
<tr>
<td>Lease or license-to-own agreements are leases that convey an ownership interest to tenant farmers in proportion to their rental payments. They let farmers gradually buy out current landowners or buy-in to landowners’ existing operations. Farmers who want to build equity and landowners who want to gradually divest of their interests may consider lease-to-own terms.</td>
<td>Form a Limited Liability Corporation (LLC) or Limited Liability Partnership (LLP) that includes farmland as a business asset. Landowners keep ownership of the business entity (plus its assets, including land), which can then be divided between business partners – the landowner and farmer(s). As farmers invest more in the farm business, the landowner cedes larger ownership shares to them. As joint business partners, buyer and seller share in the gains and losses of a farm business’s value.</td>
<td>See National Center for Appropriate Technology (2013) for introductory information about different legal ownership structures available to farmland owners.</td>
</tr>
<tr>
<td>Partial ownership options for transitioning ownership. Landowners who prefer to retain management or ownership of property can retain partial interests in their land while transferring it to a new farmer. This is common among landowners who are not financially or personally ready to retire.</td>
<td>Executing a buy-sell agreement allows landowners to grant farmers the exclusive right to buy a farm business outright at a set point in the future. Events that trigger buy-sell agreements can include the landowner’s passing or the landowner’s intent to sell or subdivide. At this point in time, farmers may exercise their option to either purchase the property, or let it be sold to another party.</td>
<td>Equity Trust (2011b)</td>
</tr>
<tr>
<td>Ground leases combined with partial title transfers allow landowners to sell physical features of their properties, like structures and equipment, while retaining ownership of the land underneath. This reduces farmers’ purchase price by letting them acquire only the assets they need to operate their farms. Landowners may transition the remaining land ownership interest to heirs, or the farmer, at a later date.</td>
<td></td>
<td>Equity Trust (2011b)</td>
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<tr>
<td>Lease Terms</td>
<td>Legal Tools Descriptions</td>
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<tr>
<td>Explore tax incentives for selling farmland. Landowners can claim numerous tax incentives that encourage conservation and transition of land ownership to new farmers.</td>
<td>Bargain sales provide landowners a way to sell land at below-market-value without losing all their equity. Landowners can claim significant tax benefits by making a bargain sale to an intermediary nonprofit, such as a land trust, which may then sell or lease to a farmer at a below-market rate. Bargain sales and donations of conservation easements (described below) are also eligible for income tax incentives.</td>
<td>Vermont Land Trust (2015); Farmland Information Center (2012)</td>
</tr>
<tr>
<td>Below-market purchase options are used by landowners to give farmers exclusive rights to purchase their land at less-than market value. The value of these options can be determined many ways, including through an assessment of the ‘agricultural value’ of property. Landowners may be able to deduct the value of these options on their taxes if the property is sold to a charitable organization.</td>
<td>National Young Farmers’ Coalition (2015)</td>
<td></td>
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<tr>
<td>Pass-through payments from the Conservation Stewardship Program (CSP) entitle landowners to additional monetary benefits if they sell or lease land to a new or disadvantaged farmer. These landowners are encouraged to pass some or all of these benefits on to their buyers.</td>
<td>USDA – FSA (2014c)</td>
<td></td>
</tr>
<tr>
<td>Conservation easements are partial ownership interests that may be transferred or donated to governments or non-government organizations in exchange for income tax incentives. Easements may transfer (or extinguish) the right to develop or subdivide property, farm it for commodity crops, apply agricultural chemicals, and other common property rights.</td>
<td>Land Trust Alliance (2014)</td>
<td></td>
</tr>
<tr>
<td>Full acquisitions. Landowners who want (or need) to divest their assets may prefer to do so all at one time.</td>
<td>Life estates with remainder trusts transfer title of land from landowners to farmers or farm businesses, but entitle landowners to certain tenure or financial rights. Some life estates are subject to the condition that landowners receive regular payments (from tenants) for the rest of their lives. Others allow the landowner or the landowner’s family to live on the property. The property reverts back to the grantor (landowner) if payments are not made. Farmers may benefit from having full ownership of title if they apply for business loans or make improvements to the land. There are many other ways to structure fee-title land transfers through estate planning mechanisms. These mechanisms should be explored on a case-by-case basis with assistance from estate and tax attorneys.</td>
<td>Vermont Land Trust (2016)</td>
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*Figure 4-2: Farmland Acquisition Tools, Descriptions and Resources*
Maintaining Good Relations via Regular Communication

Land transfer or lease agreements may not cover every situation that may arise, nor will they necessarily provide a roadmap for resolving every disagreement or contract question. Landowners may wonder, ‘What if my farmer does something completely outside the scope of the agreement?’; ‘What if something happens that is not covered by the agreement?’; or ‘What if we need to break or amend the agreement?’. Regular communication between landowners and farmers helps to avoid potential conflicts and mitigate negative impacts to both parties when unforeseen circumstances occur. This section discusses how to use regular communication strategies to stay on good terms with farmers working your land.

Providing for regular communication in the land access agreement. Farmers and landowners may consider having a correspondence provision in their land access agreement. Communications options codified in the agreement can be tailored to include mutually-agreeable terms, such as combinations of the following options.

- **Forms of correspondence** – phone call, site visit, written letter or e-mails.

- **Content** – farm financial and/or sales reports, pending management actions, harvest schedules, calendar of upcoming private or public activities (i.e. hunting), and timing of future site visits.

- **Frequency** – monthly, seasonally (i.e. not during harvests), bi-annually, annually (at a minimum).

- **Personnel** – farmer or farm representative(s), landowner or landowner representative(s)

Using regular communication to solidify partnerships. Land access agreements are designed to provide legal protection for both farmers and landowners, but they may also form the basis of a partnership. The farmer-landowner partnership is a business relationship; if one party does well, the other should benefit too. Regularly scheduled communication provides an occasion for farmers and landowners to discuss business matters and explore opportunities that benefit them both. For instance, farmers and landowners may identify new opportunities for the land, such as building a farm stand, that can bring the public on to the farm and increase the farmer's customer base. Farmers can also identify useful improvements to the land that will make it more productive and valuable.

Project Profile: Pursuing Pastured Pork in Wauconda

Family farms are scattered across Northeast Illinois. Many of these lands have been owned by one family for many generations, even though they may not be used for farming any more. Owners of family farms often have emotional connections to their land. However, not all of them are able to devote enough time or energy to maintain them in the condition that they would like.

One family recently encountered this dilemma on their 20-acre property in unincorporated Wauconda, Illinois. Their parents bought the property 60 years ago and used it for small-scale, diversified and chemical-free farming. It still supports the old family home, a barn and remnants of vegetable gardens and orchards. When two siblings inherited the property, they initially decided to sell it and move on.

Under these circumstances, the property would normally be listed with a local real estate agent for sale to the highest bidder and this unique property’s heritage would forever be lost. But things are moving in a different direction. This is because one of the heir’s cousins grew up on the property and had helped manage it. She loved the property and wanted to see it maintained as a farm. However, she does not want to live there herself, and needs the property to generate enough income to offset its maintenance and taxes. She contacted local nonprofit organizations, including Liberty Prairie Foundation, for help. They identified the property as a good candidate for sustainable agriculture. It adjoins the largest forest preserve in Lake County, is immediately eligible for organic certification and has good on-site infrastructure. In particular, the property is well-suited for pastured pigs or goats. It contains a suitable livestock barn, a small sloping pasture and good proximity to Chicago's markets.

Liberty Prairie Foundation has begun exploring options for how the property might be returned to local farming and how they might help the family manage it. Talks and negotiations are ongoing, and this may yet be a land access success story.
Farmers and landowners have many tools at their disposal to encourage land access for local food production. Choosing the right tool requires farmers and landowners to consider what strategy most closely meets their needs. Three primary strategies include a) buying (or selling) land right away, b) buying or selling land gradually or in the future and c) leasing land. Tools listed here combine legal and financial resources to help farmers and landowners to pursue each land access strategy.

### APPENDIX A

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<th>Tool</th>
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<th>Pros (+) and Cons (-)</th>
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| Bargain sales                 | Landowners may receive federal tax incentives for selling farmland at below-market value. Bargain sales of farmland are considered charitable donations for income tax purposes if they are made through a nonprofit organization that is eligible to receive tax-deductible gifts. A bargain sale may enable 'donors' to receive tax deductions of up to 30% of the reduction in sales price below appraised market-value. Nonprofit organizations may then lease or sell the land to a farmer at a lower price. | Farmers receive below-market land access  
+ Nonprofit intermediary facilitates transition  
-- Nonprofit may incur significant transaction costs, which may be passed on to farmers or sellers  
-- Landowners do not receive full market-value for their land | Farmers: Identify willing landowners who are looking to divest of their lands, and are willing to receive less-than market value.  
Landowners: Research financial incentives of bargain sales and meet with nonprofit organizations. Consult a tax attorney.  
Partners: Provide related information and resources to landowners and make a plan for accepting and transitioning bargain sale properties. | Land Trust Alliance                                                                 |
| Life Estates / Charitable Remainder Trusts | Life estates are legal tools through which landowners transfer land and are repaid gradually over the course of their lives. A similar legal tool is the reverse mortgage, except that in this case, the land recipient (farmer) plays the role of the bank by making regular payments to the landowner. In charitable remainder trusts, the land recipient is a charitable organization. Consequently, the donor may be eligible for tax incentives. However, the landowner and the landowner's estate may not be entitled to receive payments after the landowner passes away. | + Makes land available to farmers through more affordable, long-term agreements  
+ Allows landowners to stay involved with their land, if they so choose, without the burden of maintaining it by themselves  
-- Farmers risk losing past investments if they cannot make regular payments  
-- Landowners may not recoup value of land | Farmers: Develop relationships with landowners who are looking to transition their lands into another long-term farming arrangement.  
Landowners: Work with an estate attorney to consider transferring property into a trust.  
Stakeholders: Connect landowners and farmers with experienced estate attorneys. | National Association of Estate Planners                                                                 |
| Seller-financed sales         | Seller-financed sales allow landowners to work directly with farmers to finance the sale of their lands. The farmer receives title to the land right away, and makes mortgage payments directly to the landowner on a mutually-agreeable schedule. Farmers may appreciate the flexibility of working with a landowner to determine loan terms and fees, if any. Landowners who are close to retiring may appreciate the additional source of income that seller financing offers them. However, both parties may consider working with a third-party lender or legal assistant who can help in case the farmer or landowner does not comply with the agreement terms. | + No lender costs  
+ More negotiable and flexible loan terms, such as interest rates and timing of payments  
-- Difficult to determine recourse if either party fails to perform on the agreement. | Farmers: Research and provide examples of seller-financed farmland agreements to landowners. Get to know landowners well before suggesting a seller financing agreement.  
Landowners: Speak with a real estate &/or tax attorney to determine the costs and savings associated with seller-financed land sales.  
Partners: Help farmers and landowners to find and access information about costs and savings associated with seller financing. Offer to help mediate any disputes concerning the seller financing agreement. | University of Vermont Extension (2012) contains sample promissory notes. |
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| **Subsidized loans** | Purchasing land may require farmers to borrow a significant amount of money. This means that the overall cost of buying land is more than the purchase price. It may also include financing fees, due diligence costs, interest, down payments and payment insurance. These additional 'soft costs' can be reduced in a number of ways. Farmers who secure 'guarantees' on their loans may receive lower interest rates from lending institutions. Some farmers can also receive low or no-cost loans to help cover down payments that many lenders require. The immediate monetary benefits of these 'soft cost' savings may be small, but grow continuously over the full 30 year (or more) life of a loan. | + No or low costs associated with these subsidies  
-- Ongoing financial reporting requirements  
-- Potentially lengthy application/approval process | Farmers: Get quotes for low-interest loans, loan guarantees and down payment assistance from the Illinois Farm Service Agency, the Illinois Finance Authority or other lenders.  
Landowners: Explore buyer subsidies. If your land is enrolled in the Conservation Stewardship Program, you are eligible to receive additional payments if you sell (or lease) to a new or disadvantaged farmer.  
Partners: Support federal and state policies that fully fund and expand farmland affordability programs. | Illinois Finance Authority; USDA, Financial Assistance & Beginning Farmer Programs; NRCS, Conservation Stewardship Program |
| **Buy-sell Agreements** | Buy-sell provisions are parts of partnership agreements (LLPs) or trusts (see below). They entitle partners of a land-owning business or beneficiaries of an estate to the right of first refusal (RFR) when another partner or beneficiary wants to sell or bequeath shares in an asset, like land. (In other words, the other partners or estate heirs get to choose before anyone else if they would like to buy out the exiting partner.) Farmers that are part of a LLC, LLP or trust may acquire property slowly and piece-by-piece over time using the RFR provided by buy-sell agreements. | + Allows farmers to acquire land in stages, which can be more affordable and manageable  
+ Keeps other stakeholders involved in farm operation's business  
-- Timing of required buy-sell decisions may not coincide with farmers' financial timelines  
-- Other business partners may have different ideas or desires for available shares | Farmers: Establish your farming operation as a LLC or LLP and allow a landowner &/or other business partners to buy shares of it. Include a buy-sell agreement within the organizational framework.  
Landowners: Seek out business partnerships with farming businesses. Combine your land with the business's assets into a new LLC or LLP, which includes a buy-sell agreement between partners.  
Stakeholders: Consider purchasing shares of a farming operation that includes land, and agree to sell your shares to the farmer when s/he is able to acquire them from you. | National Association of Estate Planners  
Illinois Society of Professional Farm Managers & Rural Appraisers |
| **Lease or license-to-own agreements** | Lease or license-to-own agreements are leases that convey an ownership interest to tenant farmers in proportion to the sum total of their rental payments. They let farmers gradually buy out current landowners or buy-in to landowners' existing operations. Farmers who want to build equity and landowners who want to gradually divest of their interests may consider lease-to-own agreements. | + Conveys equity to tenant farmers  
+ Allows landowners to divest of land gradually  
-- Can result in split ownership of farm and farm operations  
-- Partial ownership may not make farmers eligible for certain financing opportunities | Farmers: Consider how joint ownership of your farm and its operations fits your farm business plan. Identify landowners and landowning farmers with whom you could partner.  
Landowners: Identify a farmer to whom you would consider transitioning your land and/or business.  
Partners: Provide necessary legal tools and resources to complete lease-to-own agreements. | Equity Trust (2011a)  
Partnership for America's New Farmers (2014)  
University of Vermont Extension (2012) |
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| Limited Liability Corporations (LLCs) or Partnerships (LLPs) | Farmland owners may make their land and businesses available to newer local farmers through LLCs and LLPs. By transferring land, equipment, infrastructure and other parts of a farming business into a LLC or LLP, landowners can allow other farmers to buy-in to their operations. Corporate charters for the LLC or LLP may allocate management responsibilities, as well as profits and costs, between owners in a mutually agreeable way that is financially feasible for farm operators. LLCs and LLPs may be coupled with lease-to-own agreements in order to joint ownership of farmland with ownership of an existing farm business. | + Confers equity in the farming operation, which may include land, without requiring farmers to acquire the entire operation at once  
+ Allows farmers to share expenses and risk with others  
-- Farmers may be subject to contrary management desires of business partners | Farmers: Inquire with landowning companies, like real estate investment trusts, to see if they own land on which they would consider joint ownership.  
Landowners: Speak with a real estate attorney about transitioning your land to new ownership through partial stakes in a LLC or LLP, and advertise available ownership shares in farmer-oriented publications.  
Stakeholders: Match new or local farmers with landowners or land management companies. | Solutions in the Land |
| Subdivide-and-sell plans  | Landowners who are looking to divest of their property or downsize their existing holdings can subdivide their larger parcel(s) and sell the pieces as new farmsteads. Landowners may divide their lands in such a way that the new pieces are suitable for local food-style farming. Things to consider when subdividing land include road access, water sources and potential for homestead and barn construction. Each new parcel should retain these features, if possible. | + Farmers and landowners can design and tailor parcel subdivisions according to their respective needs  
-- Subdividing large farmsteads may limit future options for agricultural operations  
-- Excessive subdivision can fragment the rural landscape and create neighboring parcels that may be used for different, inconsistent purposes | Farmers: Identify what factors you need to have in a farmstead and communicate them to landowners with large parcels.  
Landowners: Work with a farm planning consultant to determine if subdividing and selling your land makes sense.  
Partners: Assist landowners with the legal subdivision and site planning process, accepting easements or deed restrictions as needed, and match farmers with landowners. | Illinois Society of Professional Farm Managers & Rural Appraisers |
| Agricultural conservation easements | An agricultural conservation easement does not transfer ownership of land. However, it does permanently restrict how all current and future owners of a property may use that land. Agricultural easements typically limit future subdivision rights, as well as certain construction and other activities that may degrade natural and agricultural features. Property rights that are extinguished by conservation easements have economic value that is permanently removed from the price of the land. So, farmland under a conservation easement is less expensive for farmers (and others) to purchase than unrestricted farmland. Landowners who donate agricultural easements to government agencies or nonprofit land trusts may be eligible for significant income tax incentives. | + Farmers may purchase easement-restricted land below fair market value  
+ Easements allow landowners to determine how their land will be used in perpetuity  
+ Landowners who donate easements may receive significant income tax incentives  
-- Easements are not flexible, and once executed, cannot be changed  
-- Landowners lose some land value  
-- A third-party easement holder must agree to accept responsibility for holding easement | Farmers: Seek out easement-restricted lands for sale.  
Landowners: Think about how you want your land to be used in the future. Explore selling or donating a conservation easement to a local land trust or government.  
Partners: Work with local governments and non-profit land trusts to create conservation easements on land suitable for local food production. | National Conservation Easements Database  
Land Trust Alliance  
Prairie State Conservation Coalition |
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| Land Contracts (known also as installment contracts or contracts-for-title) with indexed escrow payments | Land contracts work like seller-financed sales. The purchasing farmer makes payments directly to the landowner. However, unlike typical land sales, the title of the property is not transferred from landowner to farmer until all after payments are made and other agreed-upon conditions of the land contract are met. Transferring title after the agreement closes reduces risks for landowners, who can retain title if purchasing farmers cannot make their payments. Since land contracts can create adversarial relationships between parties, they tend to work best between farmers and landowners who have a good deal of mutual trust in one another. Landowners and farmers may choose to divide monthly payments into two parts – one part equal to monthly rent and another part equal to the monthly payment on the principal value of the land. The principal payments may be placed into an escrow account. The escrow account is used to pay for the property at the time of final transfer, or is returned to the farmer if title is not transferred. This reduces farmers’ risk in a land contract. | + No lender costs  
+ More negotiable and flexible loan terms, like interest rates and payment schedules  
+ Self-financing landowners face less risk -- Difficult to determine legal recourse if either party fails to perform on the agreement -- Farmers risk losing value of past payments if they cannot strictly adhere to agreement terms (unless indexed escrow payments are used) | Farmers: Get to know landowners well before suggesting a land contract agreement. Landowners: Speak with a real estate &/or tax attorney to determine the costs and savings associated with land contract sales. Partners: Help farmers and landowners to find and access information about costs and savings associated with seller financing and land contracts. Offer to help mediate any disputes concerning the agreement. | Partnership for America’s New Farmers (2014)  
USDA Land Contract Guarantee Program |
| Lease with purchase option | Many beginning farmers want to own land eventually, but do not have enough upfront money to make a down payment. A lease that includes an exclusive option to purchase the land may benefit these farmers. A purchase option gives leasing farmers the first chance to purchase land before it goes on to the open market. At a landowner’s discretion, purchase options may be designed so that tenant farmers have an advantage over other potential buyers. They may allow tenants to purchase land at fair market value or at a set amount below its market value, such as at the land’s strictly agricultural value (as in OPAVs below) or with past lease payments that have been put in escrow (as in land contracts with indexed escrow payments above). | + Administratively simple  
+ Low or no-cost to both parties -- Does not guarantee farmer will be able to acquire land within necessary timeframe -- Does not reduce cost to farmer without other measures included, such as an OPAV provision | Farmers: Consider your financial circumstances and how a purchase option provision might help you afford your leased farmland. Ask your landowner to add a purchase option to your lease agreement that meets these needs. Landowners: Review different purchase options and offer your tenant farmer any of them that are comfortable to you. Stakeholders: Assist farmers and landowners to determine what purchase options are comfortable for them, and help farmers raise the money to purchase such options, if required by the landowner. | USDA - FSA (2014b)  
Equity Trust (2011a) |
<table>
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<th><strong>Options to Purchase at Agricultural Value (OPAV)</strong></th>
<th><strong>Discussion</strong></th>
<th><strong>Pros (+) and Cons (-)</strong></th>
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| Like a regular purchase option, OPAVs give the tenant farmer or other assigned beneficiary the right to buy the property whenever the landowner sells it. Additionally, OPAVs cap the price that the beneficiary must pay to the value of the land under strictly agricultural use. This value is determined through a specialized appraisal that considers only agricultural operations as the land’s ‘highest-and-best-use’. Determining the land value like this helps keep farmland affordable to farmers in areas where conservation or other restrictions are not enough to reduce land values to affordable levels. | + Sets sales price of land at a cost that farmers can afford on a farming income  
+ Can be applied flexibly by allowing farmer to sell option to a third-party, if needed  
-- Limits landowners’ potential proceeds from selling land, if exercised by tenant farmer or other beneficiary  
-- Requires a specialized, and possibly expensive, appraisal | Farmers: Talk with land trusts or local governments to see if they hold OPAVs on any suitable properties.  
Landowners: Ask land trusts or local governments if they would like to purchase or accept a donated OPAV from you.  
Stakeholders: Be ready to appraise and accept OPAVs from landowners and match farmers to properties with OPAVs on them. | Farmland Information Center (2012) |

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<th><strong>Right of First Refusal</strong></th>
<th><strong>Discussion</strong></th>
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| A right of first refusal (RFR) may be included in a lease contract or conservation easement in order to give farmers the chance to purchase farmland before it goes on to the market. Most RFRs allow their beneficiaries a set period of time (usually 90 days) to consider acquiring the property before having to compete against other potential buyers. This timing can be advantageous to farmers who need to secure financing before purchasing property, and may prevent escalation of the land’s value to unaffordable levels. Some RFRs allow tenant farmers or easement holders to purchase the land at a set amount below market rate (usually 90% of fair market value), providing another financial advantage to RFR beneficiaries. | + ‘Buys time’ for farmers to gather the needed financial resources to acquire leased farmland  
+ May allow farmers to purchase below market value, if part of a reduced RFR agreement  
-- Does not guarantee farmland will be affordable to farmers at the time it is sold | Farmers: If you do not want to purchase land now, but might in the future, identify landowner(s) who may be willing to sell land within your desired timeline.  
Landowners: Consider your timeline for selling or transitioning land and look for farmers who may be able to buy at a later date.  
Stakeholders: Match farmers and landowners with similar land buying/purchasing timelines and help them include a RFR in their land leases. | Center for New Economics (2014) |

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<th><strong>Trusts</strong></th>
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<th><strong>Pros (+) and Cons (-)</strong></th>
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| Trusts can be created as part of the estate planning process to direct how a property owner’s assets are allocated and used. If a landowner wants to have property stay in farming, he or she may use the trust to identify and designate another farmer or farming organization as a beneficiary (recipient of assets) and/or a trustee (manager of assets). The beneficiary/trustee farmer may inherit some or all of the property, as well as the responsibility for managing the property and (potentially) paying rent to other beneficiaries/heirs. Landowners can set terms for the trust that encourage their lands to be affordable and accessible to new farmers while still retaining value for their direct heirs. | + Gives landowners flexibility in designating how land is used and finances are structured  
-- Farmers may have to contend with other beneficiaries’ competing interests in the land | Farmers: Develop relationships with landowners who are looking to transition their lands into another long-term farming arrangement.  
Landowners: Work with an estate attorney to consider transferring property into a trust.  
Stakeholders: Connect landowners and farmers with experienced estate attorneys. | National Association of Estate Planners |
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| Crop Sharing                                  | Landowners who want to keep a financial and ownership interest in their land may lease it to a local farmer through a crop share agreement. Crop share agreements entitle the landowner to a portion of the harvested crops or the sales revenue from harvested crops. Some lease agreements fully or partially dedicate crop shares to cover the farmer’s cost of leasing the land. This reduces farmers’ cash payments and allows landowners to stay invested in the farming operations. | + Encourages landowners to share in their farmers’ operations and provide support  
-- Variable lease payments may not meet expectations or cover land costs | Farmers: Determine what expected harvest yields will be and if they can contribute to rent payments.  
Landowners: Assess risk tolerance regarding receiving lease payments and consider accepting harvest proceeds as payment.  
Forest Preserve District of Kane County (2014) |
| Farming Contracts                             | No land or lease rights are exchanged. A farmer is under contract with a landowner to produce certain crops on the property for a set amount of time. These non-binding arrangements can help develop relationships between landowner and farmer that eventually leads to more binding leases or land transfer arrangements. | + Maximum flexibility to amend or abolish arrangement  
-- Provides no security for farmer or landowner to invest in land or on-site operations | Farmers: After determining that a formal lease agreement is not right for your circumstances, list your land access requirements and offer them to landowners.  
Landowners: Consider contracts as short-term land access solutions, and possibly as a bridge to a more permanent arrangement.  
Stakeholders: None. | |
| Ground leases, combined with fee-title structure transfers | Ground leases are specialized lease agreements that apply to the ground, but not the structures, on a farm. By leasing ground separately from structures, farmers reduce the amount of rent they pay on the whole property.  
Ground leases are most useful for encouraging long-term land access when they are combined with fee-title sales of the structures themselves. Farmers may prefer to purchase the farm in parts by buying the house, barns, other buildings and infrastructure first. In the interim, they rent the land until they can more easily afford to buy it too.  
Ground leases also allow landowners to retain a vested interest in the land. This may be desirable if landowners become partners in the new farmer’s business. It also facilitates the use of crop sharing as part of compensation agreements. | + Allows farmers to assume the costs of owning land and structures gradually, rather all at once  
+ Enables farmers to share some costs, and possibly farm operation interests, with willing landowners  
-- Transitions can require extensive and difficult farmer searches and negotiations  
-- Upfront costs may still be prohibitive to many farmers | Farmers: Talk with local land trusts, government agencies and other farmers about jointly acquiring land and farm structures that meet your operation’s needs and executing a ground lease for the third-party’s land interests. Explore financing programs.  
Landowners: When selling your land, consider marketing it for sale as a potential ground lease and work with buyers who prefer to purchase the land in parts.  
Stakeholders: Determine if the land ownership and management goals of your organizations are consistent with acquiring land with structures on it. Amend them, if needed. Help connect farmers and landowners with common goals and timelines regarding farmland transition. | Equity Trust (2011b) |
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| Leasehold Interests | Leasehold interests are exclusive rights to lease certain parts of a farming operation, such as land, infrastructure, water access or the farming operation as a whole. Leasehold interests offer some financial security to beginning farmers. It allows them execute long-term leases, which are so beneficial to local food producers, but retain the right to sell their exclusive rights to another producer in the event that they want to stop farming before their lease term ends. Additionally, landowners must 'buy-out' any remaining leasehold interest from tenant farmers before selling the land. | + Provides some financial security if landowners choose to sell farmers' rented land  
+ Offers some flexibility (to sell the leasehold interest) that regular long-term leases do not provide  
-- May increase administrative burdens on landowners of finding and initiating new farm tenants after every transfer  
-- May be difficult to monetize for sale | Farmers: Identify any lease terms for which your farm business could benefit from having exclusive rights, such as vehicle access, and request that they be conveyed in your lease.  
Landowners: Within your comfort level, grant tenant farmers exclusive rights through your lease agreement.  
Stakeholders: Assist farmers and landowners to develop leasehold interests that meet their respective needs and benefit other uses (i.e. natural resources, public access). | Center for New Economics (2014) |
| Long Term Leases | Leases that extend between five and ninety-nine years are considered to be 'long-term' leases. They provide some security to farm tenants that their land will be available to them through multiple growing seasons. This, in turn, can give farmers the necessary peace-of-mind to install infrastructure, build the soil and establish a farming operation that is better positioned to earn long-term income, rather than just profits from year-to-year production. | + Low upfront costs to farmers  
+ Provides necessary land security to allow farmers to invest in on-site operations  
-- May limit landowner and farmer options to explore other opportunities, due to the lease length | Farmers: Develop a business plan that includes projections for repaying loans and other capital investments; ask landowners for a lease that corresponds to these projections.  
Landowners: Have a succession or land management plan for your property and consider leasing it to farmers whose timelines match your plans.  
Stakeholders: Help farmers and landowners to write business and land management plans with specific timelines. | Center for New Economics (2014) |
| Rolling Leases | Rolling leases automatically renew if neither party opts out after a certain time. For instance, a three-year rolling lease lasts for at least 3 years, but if neither farmer nor landowner chooses to end the lease after year one, the lease automatically renews for 3 additional years. This gives farmers advance notice of any management changes and allows them ample time to plan for changing locations, if needed. This also allows landowners time to find a new farmer if their current farm tenant initiates ending the lease. | + Provides measurable security for farmers seeking to make time-limited investments in on-site operations  
-- Does not allow flexibility to vacate lease agreement in certain cases when doing so is necessary | Farmers: Determine the minimum amount of time you would like to lease land. Provide the sample rolling lease provision to include in your lease agreement.  
Landowners: Consider your timeline for deciding on a permanent use for your land, and include a rolling lease provision that corresponds with this timeline.  
Stakeholders: Provide sample rolling lease language to landowners and farmers. | Forest Preserve District of Kane County (2014)  
Columbia Land Conservancy (2014) |
| Standard Lease Agreements | Standard leases serve as good starting places for farmers and landowners to begin business relationships. They outline the length of the relationship, site-specific management terms, rent/consideration amounts and other necessary points of agreement that should exist between farmers and landowners. | + Formalizes farmer-landowner relationship, providing certain legal recourse for both parties  
-- Does not provide any land access advantages to local farmers, on its face | Farmers: Use lease templates to discuss potential lease terms with landowners.  
Landowners: Tailor lease templates to meet the needs of your land and potential farmers of your land.  
Stakeholders: Connect landowners with farmers and provide lease templates. | University of Illinois Extension (2014)  
Land for Good (2014)  
Sustainable Economies Law Center (2010) |
APPENDIX B: model land access policies

These resources are examples of public policies that enable and support land access for local food production. They range from state-level legislation to local government planning efforts.


Page 34 of the Master Plan encourages new market opportunities for small farm businesses by partnering with nonprofit, academic and other government partners.


This Act creates property tax incentives to convert vacant land into community farms and gardens.


This master plan establishes a goal to “Encourage the preservation of farmland resources and the long term viability of local farm industries, and the critical role farming plays within the Cass County fabric.”


The Livable Communities, Local Food section outlines municipal strategies that support local food.


This is a reference document that contains model ordinance language for local food programs and policies.


This document identifies health impacts of land uses in Kane County, including local food farming.


This plan outlines farmland protection strategies for this Wisconsin County.


These ordinance amendments improve the County’s unified development ordinance to better accommodate local food production practices.


The comprehensive plan for Lee County, Illinois, contains provisions for “Sustainable Agriculture” (page I-17) and “Sustainable Agricultural Practices” (page II-21). It prioritizes the production of local food as a growing economic opportunity.


The State of Iowa allows farmland owners to earn tax credits for leasing land, equipment, livestock and buildings to beginning farmers.


This is a model state law that promotes local agriculture by providing small grants and technical assistance to local farmers and nonprofit partners.
APPENDIX C: organizations and resources

Agencies

**Illinois Finance Authority**: State agency that provides access to low-cost, non-conventional financing, along with expert, hands-on support to help businesses, farms, local governments, hospitals and non-profits receive capital required for growth. ([www.il-fa.com](http://www.il-fa.com)).

**Illinois...Where Fresh Is**: List of farmers’ markets in Illinois, which may be used in farm business location decisions. ([www.agr.state.il.us/whererefreshis](http://www.agr.state.il.us/whererefreshis))

**Natural Resources Conservation Service**: federal agency that provides technical assistance and funding programs that help farmers protect natural resources on their farmlands. ([www.usda.nrcs.gov](http://www.usda.nrcs.gov))

**United States Department of Agriculture – Farm Service Agency**: a federal agency that provides financing and technical assistance to farmers and farm businesses, such as the Land Contract Guarantee program. ([www.usda.fsa.gov](http://www.usda.fsa.gov))

**University of Illinois Extension**: a network of agriculture and education professionals operating in all 102 Illinois counties that offer technical assistance and educational resources on health, food security & safety, environmental stewardship, food production & marketing and community well being topics. ([www.extension.illinois.edu](http://www.extension.illinois.edu)).

**University of Illinois Agroecology/Sustainable Ag Program**: The Agroecology/Sustainable Agriculture Program facilitates and promotes research and education which protects Illinois natural and human resources and sustains agricultural production. It sponsors regional farmer study circles and teaches workshops in the development and writing of grant proposals. With the University of Illinois, it publishes Agroecology News & Perspectives, ASAP Update for Ag professionals. ([http://agroecologyandsustainableagriculture.org/](http://agroecologyandsustainableagriculture.org/))

**Illinois Organic Growers Association**: The mission of the Illinois Organic Growers Association is to support networking and farmer-to-farmer exchange among farmers interested in organic and sustainable production methods, promote and develop new and improved production methods that are state and region specific, and help growers educate consumers and expand markets for organic agricultural products. ([http://illinoisorganicgrowers.org/](http://illinoisorganicgrowers.org/))

**Illinois Society of Professional Farm Managers and Rural Appraisers**: serves and promotes those who provide management, consultation services, valuation, and marketing of agricultural resources ([www.ispfmra.org](http://www.ispfmra.org)). Provides listing of qualified professionals who can assist farmers to manage their operations and help landowners appraise their rural land holdings.

**Land Trust Alliance**: national coalition that supports activities of 1,100 + member land trust organizations ([www.lta.org](http://www.lta.org)). Lists local and regional organizations that help landowners explore conservation options for their lands.

**National Association of Estate Planners**: national organization of estate planning professionals that promotes the team approach to estate planning as the best way to serve clients ([www.naepc.org](http://www.naepc.org)). Lists professionals who can help farmers and landowners consider the tax implications of land access decisions.

**Prairie State Conservation Coalition**: statewide, not-for-profit association that works to strengthen the effectiveness of land trusts in Illinois ([www.prairiestateconservation.org](http://www.prairiestateconservation.org)). Lists local organizations that help landowners explore conservation options for their lands.

Associations

**Band of Farmers**: an association of community supported agriculture producers in Northern Illinois that enables farmers to tap into a larger segment of Chicago's population. ([https://boftccc.wildapricot.org/](https://boftccc.wildapricot.org/))

**Chicago Farmers**: a forum for education and an exchange of information between members and other allies in agribusiness. Holds monthly member meetings, an annual event and other miscellaneous seminars and farm tours throughout the year. ([www.chicagofarmers.org](http://www.chicagofarmers.org))

**Illinois Farmers Market Association**: the IFMA provides educational support for farmers’ market organizers, farmers, vendors and other community food and nutrition organizations. It employs partnerships, resource-sharing, and training on best management practices, operating procedures and state regulations. ([www.ilfarmersmarket.org](http://www.ilfarmersmarket.org))

**Illinois Organic Growers Association**: The mission of the Illinois Organic Growers Association is to support networking and farmer-to-farmer exchange among farmers interested in organic and sustainable production methods, promote and develop new and improved production methods that are state and region specific, and help growers educate consumers and expand markets for organic agricultural products. ([http://illinoisorganicgrowers.org/](http://illinoisorganicgrowers.org/))

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Organizations & Businesses

**American Farmland Trust**: This national nonprofit organization promotes conservation of agricultural lands. It hosts the Farmland Information Center, which is an online resource for farmers, landowners and stakeholders working to protect farm and ranch land. ([www.farmland.org](http://www.farmland.org))

**MarketMaker**: A national network of states, universities and organizations that connects farmers and fishermen with food retailers, grocery stores, processors, caterers, chefs, and consumers through a virtual infrastructure in order to bring healthier, fresher, and more flavorful food to the average consumer. ([http://il.foodmarketmaker.com/](http://il.foodmarketmaker.com/))

**Angelic Organics**: A biodynamic, community-supported farm with a mission of empowering people to create sustainable communities of soils, plants, animals and people through educational, creative, and experiential programs. Their Stateline Farm Beginnings program has helped launch 55 sustainable farm businesses since 2005. ([http://www.learngrowconnect.org/](http://www.learngrowconnect.org/))

**Michael Fields Agricultural Institute**: A non-profit organization with the mission to nurture the ecological, social and economic resiliency of food and farming systems through education, research, policy, and market development. It provides education opportunities for sustainable farmers and conventional farmers looking to transition to sustainable methods. ([http://michaelfields.org/](http://michaelfields.org/))

**Midwest Organic and Sustainable Education Service** (MOSES): A nonprofit organization that promotes organic and sustainable agriculture by providing the education, resources and expertise farmers need to succeed. ([www.mosesorganic.org](http://www.mosesorganic.org))

**Openlands**: One of the nation's oldest metropolitan conservation organizations, Openlands connects people to nature in greater Chicago. Openlands provides resources and technical assistance to landowners considering conservation on their farms and natural lands ([www.openlands.org](http://www.openlands.org)).

**Partnership for America's New Farmers**: A coalition of organizations, agencies, companies, and individuals interested in supporting effective new and beginning farmer policy initiatives through micro-lending and fundraising programs. ([www.americasnewfarmers.org](http://www.americasnewfarmers.org))

**Solutions in the Land**: Business that offers farm planning, market analysis and marketing services. ([www.solutionsintheland.com](http://www.solutionsintheland.com))

**The Land Connection**: Provides resources for farmers interested in sustainable production. ([http://thelandconnection.org](http://thelandconnection.org))

**Willcountygreen.com**: Provides list of farmers’ markets, farm stands, organic farms and Community Supported Agriculture in Will County. ([www.willcountygreen.com](http://www.willcountygreen.com))

**FamilyFarmed.org**: FamilyFarmed.org’s mission is to expand the production, marketing and distribution of locally grown and responsibly produced food, in order to enhance the social, economic and environmental health of our communities. FamilyFarmed.org hosts the Good Food Festival, which highlights accomplishments and topics in local food ([www.familyfarmed.org](http://www.familyfarmed.org)).

**Illinois Stewardship Alliance**: A member of the National Sustainable Agriculture Coalition, the Illinois Stewardship Alliance promotes environmentally sustainable, economically viable, socially just, local food systems through policy development, advocacy, and education. ([http://www.ilstewards.org/](http://www.ilstewards.org/))

**Liberty Prairie Foundation**: A private operating foundation in the Prairie Crossing conservation community of Grayslake. The Liberty Prairie Foundation is a catalyst for building and strengthening the local food system while enhancing the natural landscape. It operates a farm business development center, conducts a youth farming program and engages in a variety of policy and programmatic work. ([www.libertyprairie.org](http://www.libertyprairie.org))
This section outlines five recent land access stories from Northeast Illinois. Local food farmers are partnering with landowners of both public and private lands; landowners are working with farmers who treat their land with respect; and traditional farmers are finding new farmers to partner with them to grow local food. These stories are called “project profiles” in this guide because, unlike case studies, they remain works-in-progress. Creating land access for local food farmers is a long-term process, and we hope to see more successful examples like these in communities across Northeast Illinois.

Barrington Natural Farms at Brunner Family Forest Preserve

Public lands can be good fits for local food farmers in Northeast Illinois. Farming on public land makes food farmers more visible to potential customers. Done right, it also invests local communities in the success of farm businesses. Some farmers are starting to take advantage of fruitful opportunities on public lands in Northeast Illinois.

Barrington Natural Farms (BNF) is a diversified farm operation in Barrington, Illinois. BNF produces free-range eggs, raw milk, pastured pork, grass-fed beef and operates a vegetable CSA. It owns some land itself and leases other land in order to satisfy its growing customer base. Even so, BNF has a waiting list for its CSA and foresees continuously expanding demand for its locally-grown, sustainably-produced goods.

In light of these trends, BNF explored ways to increase production by accessing additional farmland. BNF approached the Kane County Forest Preserve District (KCFPD) about leasing 150 acres of the 742-acre Brunner Family Forest Preserve along the Fox River in Carpentersville. BNF also wanted to use the dilapidated, but historic, dairy barn on the property.

Meanwhile, KCFPD had pressing maintenance issues on the property. The Preserve had long been farmed conventionally for commodity crops. Conventional farming had negatively impacted the Preserve’s riparian corridor along the Fox River. The unused dairy barn was falling further into disrepair, and KCFPD expressed concerns that this highly-visible, iconic structure may need to be condemned and demolished. KCFPD also lacked a plan and necessary funding for restoring the site to native prairie habitat.

Land access negotiations between BNF and KCFPD lasted 18 months. They arrived at a lease arrangement that satisfied the needs of both parties. BNF received a (relatively) long-term land access agreement, access to the dairy barn, the right to operate a farm stand and a compensation agreement that requires payment only for land that is actively farmed. KCFPD receives royalties from farm stand sales, more environmentally-sensitive land management practices and maintenance assistance for both the dairy barn and all public access points to the Preserve. Key elements of the agreement include the following.

- **License term**: There is an initial lease term of 5 years with up to four optional five-year renewal periods (25 years total).
- **Barn**: This large, historic barn was a focus of the negotiations. KCFPD invested more than $100,000 to repair the building’s roof, foundation and walls, while BNF is responsible for any additional design, construction, maintenance, and other capital improvements to the barn and garage, which will house the on-site farm stand.
- **Other maintenance**: BNF is responsible for maintaining public access areas and parking on the Preserve.
- **Rent**: In order to reflect the incremental costs of expanding a farm operation, rental payments incrementally increase over time. During the first year, BNF’s land use fee is $50/acre for 40 acres. The second year fee is $100/acre for 105 acres. The third year fee is $200/acre for 150 acres, and will remain at that level for the remainder of the land access agreement.
- **Royalties**: KCFPD receives 5% of BNF’s gross revenues that are attributable to the on-site farm stand and all other uses of the Preserve in any given year. BNF believes this amount will exceed $500,000, resulting in more than a $25,000 payment to KCFPD. This joint financial incentive serves to deepen the partnership between the two parties.
In 2007, Conserve, the Lake County Forest Preserve District (LCFPD) and the Libertyville Township Open Space District acquired Casey Farm. Conserve asked the Liberty Prairie Foundation (the Foundation) to help plan operations at Casey Farm as well. This multi-layered partnership conveyed many benefits to each participant.

1) Conserve acquired 6 acres of farmland, a historic barn and farmhouse. Partnering with the Foundation allowed them to demonstrate conservation and sustainable farming practices without managing the farm or farmer.

2) The Foundation was able to secure land access for a farmer emerging from its Farm Business Development Center.

3) LCFPD acquired land that adjoins its regional trail network and extended it through Casey Farm to offer trail users exposure to organic farming.

4) Alex Needham and Alison Parker of Radical Root Organic Farm have secured access to land with infrastructure and a residence in a beautiful location that is convenient to the greater Chicago markets.

Key terms that are embedded within the license agreement between Conserve and the Foundation have enabled Alex and Alison to succeed at Casey Farm.

1) A rolling lease sets out an initial 5-year lease term and allows an automatic renewal unless one party decides to exit the agreement. Its long-term nature is critical to Radical Root Organic Farm because it conveys the secure tenure they need to invest in building soil, establish a customer base and plant perennial crops that will only produce revenue over time.

2) Protocols assure farming activities will be sustainable in order that Casey Farm’s value is retained, or increased, during the term of the land access agreement. Examples of such protocol include regular soil tests and annual organic certification paperwork.

3) The visibility of Casey Farm has increased support for the farm and the farmers that operate it. Access is offered to the public in the form of guided tours so that they can experience local food production first-hand. Annual education programming reports are completed to document the farm’s value to the community.

Navigating the arrangements with multiple partners at Casey Farm can be challenging. However, this collaborative arrangement and license terms have secured affordable, long-term access to organic farmland for a local food farmer in Northeast Illinois.

**Sustainability**

- There are several terms of the license agreement that increase the sustainability of farm operations at the Preserve.
  - The use of atrazine, a pesticide, is prohibited.
  - Tilling must be minimized.
  - BNF must develop and follow an annual farming plan developed in consultation with KCFPD’s Director of Natural Resources.
  - No disturbance of the topsoil surface is allowed on land that is only licensed for hay production without written consent from KCFPD.
  - The first cutting of the hay is not allowed until after July 1st so that native grassland birds can fledge safely.
  - The agreement specifies that a set amount of land will be dedicated to organic production.
  - There are maximum stocking rates for livestock to prevent over-grazing.

Since executing the land access agreement, BNF has moved forward its plans for farming the Brunner Preserve. It is preparing the barn, garage and other infrastructure for local food farming and farm stand sales. BNF is also developing plans to offer farm tours to the public.

*‘Land Protection Brings Sustainable Farming to Casey Farm’*

Protecting farmland creates opportunities for more sustainable, local food production. Casey Farm – a 34-acre Centennial farm prominently located in Libertyville – was one such opportunity. Conserve Lake County (Conserve), a local nonprofit organization, envisioned making Casey Farm into a demonstration site. Conserve wanted to create a place where land conservation practices, like ecological restoration, natural landscaping and sustainable farming, could be experienced and better understood by the visiting public.
Hoffmann Farm – Richmond, IL

Landowners looking for someone to farm or buy their land can really benefit from having a helping hand. Experienced partners can help landowners to negotiate the legal, financial and logistical issues of offering access to their farmland. Non-government conservation and farming organizations make especially good partners. They facilitate the land access process by utilizing extensive networks of farmers, service providers and funders. Many landowners find that working with a non-government organization to be faster, easier and less expensive that working with traditional real estate brokers.

Elena had a very positive experience working with non-government organizations to sell her farmland. She inherited 150 acres of conventionally-farmed land in McHenry County. She had no interest in farming it herself, and was under pressure to maximize the land’s financial earning potential quickly. However, her family expressed a strong desire to maintain the agricultural and natural features of the property.

Elena began looking for answers. She attended a group meeting for female landowners hosted by a local land trust, the Land Conservancy of McHenry County (LCMC). LCMC shared Elena’s story with another non-government organization, the Liberty Prairie Foundation (LPF). LCMC and LPF visited Elena to learn about her land and her family’s desires for it. After their meeting, LPF developed a mutually-agreeable plan: LPF and LCMC would find a farmer to buy Elena’s land, farm it sustainably and live in the home on-site.

Unfortunately, few farmers were able to afford Elena’s land. Her property – 150 acres on Route 12 with two homes, good infrastructure and great soils – commanded a higher asking price than most farmed lands in the region. The additional requirements to protect on-site sections of the Nippersink Creek and use only sustainable farming methods further limited the pool of interested farmers.

LPF and LCMC helped explore many different options on Elena’s behalf. They talked with McHenry County about acquiring the land. They inquired with new farmers in LPF’s farm business development program. They also advertised the property in farming publications throughout the region. Eventually, they found another non-government organization, Openlands, to acquire Elena’s land at her asking price.

Openlands specializes in acquiring, holding and protecting land for conservation purposes. Openlands developed a financial plan to purchase Elena’s land, lease it to one or more farmers and help them farm it sustainably until a final purchaser is found. In response to Elena’s wishes, Openlands and LCMC will create a conservation easement on the property when it is sold again. The easement will permanently protect the property’s natural and agricultural features that mean so much to Elena’s family.

By working with this network of non-government organizations, Elena was able to retain the value of her land and protect its most valuable features. She also saved the time and money of hiring a real estate broker. This organizational partnership is prepared to assist other landowners in Northeast Illinois who are interested in making their lands available to local food farmers.

Pursuing Pastured Pork in Wauconda

Family farms are scattered across Northeast Illinois. Many of these lands have been owned by one family for many generations, even though they may not be used for farming any more. Owners of family farms often have emotional connections to their land. However, not all of them are able to devote enough time or energy to maintain them in the condition that they would like.

One family recently encountered this dilemma on their 20-acre property in unincorporated Wauconda. Their ancestors used the property for small-scale, diversified and chemical-free farming. It still supports the former family home, a barn and remnants of vegetable gardens and orchards. However, the property is steeply sloping in some areas, and its best use is for pastured agriculture.

When one family member inherited full ownership of the property, she decided to keep it within the family. However, she does not want to live there herself, and needs the property to generate enough income to offset its maintenance and taxes. She also has specific ideas about how the property should be farmed in the future.

This landowner contacted local nonprofit organizations, including Liberty Prairie Foundation (LPF), for help. LPF identified the property as a good candidate for sustainable agriculture. It adjoins the largest forest preserve in Lake County, and has grassy slopes that are good for pasturing livestock. LPF thought that a new farmer, who raises pastured pigs, might be a good tenant for this property.
Unfortunately, the landowner has negative perceptions of pig farming. She is concerned about its smell, its environmental impacts and complaints from her neighbors. LPF encouraged her to communicate with a prospective pork farmer. Their conversations gave the farmer a chance to give the landowner more accurate information about pig farming. They also helped the farmer to tailor his proposed operation around the landowner’s idea of how the land should be managed.

Talks between the landowner and prospective farmer are ongoing. Due to their willingness to discuss each other’s issues and concerns, this may soon become another successful example of creating land access for local food farming.

Partners Match Farmer with Landowners in McHenry County

Bringing landowners and farmers together is an important first step to creating new land access opportunities for local food farmers. More and more stakeholders are stepping up to help farmers and landowners take this first step. In Northeast Illinois, The Land Conservancy of McHenry County (the Conservancy), like many land trusts, has an extensive network of landowner relationships. Landowners view the Conservancy as a resource on conservation and land management issues. The Conservancy is also committed to the idea that farming is essential to McHenry County’s landscape.

The Conservancy acted upon this commitment by tapping its landowner network to launch the Farmer Landowner Match Program in 2015. The Program connects farmers seeking land with landowners seeking farmers. The Conservancy’s new program bore fruit when they were contacted by a husband-and-wife landowner pair near Hebron, Illinois, with 17 acres of farmland to lease.

The Conservancy then asked the Liberty Prairie Foundation (the Foundation) to assess the landowners’ property for its suitability for sustainable farming and see if any farmers were interested in leasing it. After asking initial questions about the property and determining that it has good potential for sustainable farming, the Foundation asked one of the farmers from their Farm Business Development Center (FBDC) to visit the farm with them. The farmer shared the landowners’ priorities and vision for farming, and quickly became comfortable with one another. The farmer and landowners then decided to explore how a land access agreement between them might work.

A fundamental consideration for the farmer is if the land and its infrastructure is suitable for the types of farming he wants to do. In this case, the farm was attractive because it has multiple features that meet his needs as a new farmer who is seeking to build a diversified operation. For growing organic vegetables, it has sufficient tillable acres, is immediately eligible for organic certification and has improving soils from recent cover cropping. For his planned pastured pig operation, it has intact rows of trees to serve as foraging areas and an on-site water source. It also has a modern metal barn that includes a cooler, water, electricity, tractors and other pieces of equipment that are a blessing for a beginning farmer with little to no capital. The fact that the landowners are open to installing a greenhouse and hoop houses also contributed to the farmer’s impression that the property would work for him. A drawback is the lack of an on-site residence, but the rental properties nearby partially offset this concern.

Intangible, inter-personal elements can be just as important in potential long-term land access arrangements as infrastructure issues. This is especially so when, as in this case, the landowners plan to be a regular presence on the farm and have a strong attachment to the land. The farmer established this critical relationship during his first two visits with the landowners. They spent a great deal of time talking about how the farmer liked to farm and just getting to know each other. There was even conversation about cooperating to establish a farm-to-table dinner on the property.

The farmers and landowners are now in the final stages of negotiating and executing a land access agreement. Foundation staff continues to facilitate this conversation by framing some challenging questions for the farmer and landowners to consider. Their involvement, as well as that of the Land Conservancy, has been instrumental in advancing this land access opportunity.
This report outlines important and current recommendations for advancing local food systems in Lake County.


This sample lease includes language that may be used to draft leases with flexible terms, such as rolling lease terms (section 2a), variable lease payments and management practices.


This multi-year lease template contains terms that are appropriate for conservation-oriented properties, as well as payment terms that reduce year-one rent in order to offset soil-building costs.


Article 4 of this document outlines, in full, an option to purchase property as part of a larger conservation easement document. Non-government entities may use this as a starting point when drafting legal language to secure such a purchase option as part of a deed restriction or property transition project.


The model agreement accomplishes both the long-term leasing of farmland for local food and also the transfer
of title to certain on-site buildings, structures and other identified improvements.


This resource compiles language from agricultural conservation easement programs from around the country. It offers sample language that may be used in other easements, deed restrictions or land access agreements.


A farmer's guide to funding land acquisitions using various legal and financial tools.


This resource contains a template land contract for farmers to download, review and use.


This resource contains sample promissory notes for landowner-financed loans to farmers.


Pages 18-35 contain an approved lease between a public landowner and a local food farmer. It is the most recent and most local example of such a lease in Northern Illinois. It contains notable provisions that include a rolling lease period, revenue-based lease payments, fee-based lease payments, general farm performance standards and other important features of public-private farmland leases.


This is a sample cash farm lease for publicly-owned farmland. It includes requires for tenant farmers to operate their on-site activities in ways that support, or do not detract from, public purposes as they relate to the property.


This is a comprehensive description of property taxes that landowners must pay in Illinois. Page 27 includes a list of preferred assessment types that benefit many owners of farmland and open spaces.


This website serves as a portal to agricultural loan, bond and loan guarantee offerings available through the Illinois Finance Authority. Links to summary documents and applications are provided for various programs, including Beginning Farmer Bonds, Specialized Livestock Guarantees, Working Capital Guarantees, Young Farmer Farm Purchase Guarantees, Agri-Debt Restructuring Guarantees and Agri-Industry Guarantees.

The Land Conservancy of McHenry County has recently begun connecting local food farmers with amenable landowners in Northern Illinois through the application process on this website.


This is a standard lease agreement that is designed to cover a multi-year period. It includes the basic terms that are expected in a lease agreement for farmland.


This handbook contains a sample request for proposal (RFP) and lease for public farmland, as well as instructional guidance for farmers and institutional landowners about how to facilitate land access agreements.


This website publicizes available farmland to farmers throughout the Midwest United States.


This guide identifies legal and financial tools that landowners may use to protect their property for farming, conservation and other uses.


The Land Trust Alliance (LTA) is a national organization that represents over 1,700 land trusts. The LTA advocates for policies that benefit land trusts – non-profit organizations that conserve natural, agricultural and historic properties. Their website allows visitors to search for land trusts by location and offers information about training, ongoing policy initiatives and current events surrounding land conservation.


This document is a template of a conservation easement between a donor and a state government. A landowner would use this template as a starting point for making a conservation easement donation to a state (or local) unit of government.


This document outlines terms associated with Michigan's farmland development rights covenants. These ten-year restrictions provide significant tax incentives and serve as a model for other temporary farmland protection agreements.


MOSES provides this online forum to help connect amenable landowners with local food farmers in the Midwest United States.

This website is the home page for the national organization that represents estate planning professionals. Among other information, the site includes a search function that helps individuals locate nearby estate planners with expertise in transitioning farmland assets.


This resource identifies various legal structures that are available to farm business owners and offers tips about what structures may be desirable to different farmers.


The National Conservation Easements Database is a comprehensive collection of conservation easement records. Available information includes parcel maps, conservation restrictions applied to parcels, easement holding entities, search functions and other useful information for identifying and learning about easement-encumbered lands. This website offers the ability to download reports, maps and other resources.


This is a sample lease written by the National Park Service – a public landowner – to transfer leasehold interests to private farmers.


This is a template legal agreement that conveys subleasing rights to a tenant farmer.


This report assesses local food production capacity in McHenry County, Illinois, and makes recommendations for making this capacity meet unmet local food demand.


This website provides text from a handout about installment sale contracts created by the Partnership for America’s New Farmers. The handout includes an introduction to land contracts, typical contract terms, associated pros and cons, incentives and other resources.


Solutions in the Land is a for-profit firm that assists landowners with their agricultural land management decisions. Firms like Solutions in the Land may serve as beneficial technical resources for landowners bringing local food farmers on to their lands. Farmers themselves may also benefit from working these firms in order to satisfy the site-specific demands of their landowners while remaining maximally profitable.


This guide for value-added producers provides an introduction to farm business planning and instructs producers about how to develop their own business.
This form provides a very basic template that legally secures an option to purchase property. It may be used as a starting point for government entities to create a similar template.


The USDA Transition Incentives Program website details the benefits to retiring farmers who lease or sell their land to new or disadvantaged farmers.


This flyer outlines the FSA’s land contract guarantee program, including an overview, eligibility requirements, loan terms and other pertinent information.


This report is a comprehensive, high-level report to the United States Congress about the status and trends affecting the nation’s local food economy.


This flyer outlines the USDA Guaranteed Housing Loans website details the eligibility requirements, loan terms and financing standards that applicants must meet in order to apply for loan guarantees through the USDA. Links to additional instructional information is also provided.

This is a standard farmland lease that involves cash payments as compensation for land access.


This is a template document that offers landowners and tenant farmers language through which they may execute a lease agreement that utilizes crop share and cash payments.


This guide provides detailed financial information and resources to farmers, landowners and stakeholders who want to explore options for financing local food farm operations.


This website details the process, pros and cons of creating a charitable remainder trust in favor of a nonprofit entity.


This webpage discusses ways that the Vermont Land Trust incorporates affordability provisions, such as options to purchase at agricultural value, into the deed restrictions and conservation easements.


This fact sheet outlines the purpose and practice of defining a mission statement for agricultural operations. It offers examples, questions and instructions to aid farmers with writing an effective mission statement.