



FARM TRANSFER AND COMMUNITY DEVELOPMENT

What is farm transfer?

Farm transfer is the process of passing a farm from one generation or owner to another. It may also be referred to as farm succession or farm transition. Typically both the business and the land are transferred, but not always. Today, farm transfer is more complicated than in the past. There are many legal, financial, land use and family considerations. In addition, there are too few professional service providers with the necessary expertise to help families navigate the farm transfer planning process.

DID YOU KNOW...

- There are twice as many farm operators over the age of 65 as under 35.
- Farm operators and landlords over 65 own one-third of U.S. farm assets.
- It is estimated that 70% of U.S. agland will change hands in the next 20 years.
- Only 27% of farmers (in an Iowa study) have succession plans.
- Only one quarter of surveyed farmers had identified a successor.
- 88% of farmland landlords are not farmers.
- 70% of Americans (including farmers) don't have a will.
- The agricultural value of farmland in Connecticut, Massachusetts and Rhode Island is approximately nine times the national average of \$1,510.

Why is farm transfer important for community development?

Working farms matter to communities. Without adequate information and support, farm families are less likely to meet their personal and business goals to keep the farm in farming. Farms are most vulnerable to conversion to non-farm uses during a period of transition. If communities care about their farms and the multiple contributions of working agricultural lands, they need to care about farm succession. While all open spaces are important, active working landscapes provide unique economic, social and cultural benefits. Without successful transfers, farms cease to be farms. Also, since so much agriculturally capable land is in the hands of non-farmers, community development practitioners need to include these non-farming landowners in planning and community development.

What is farm transfer planning?

Farm transfer planning is a process that creates a road map of actions to transfer farm assets and management to family members or unrelated parties. Planning can take several months. The actual transfer may take years. Successful transfer planning requires a team of professionals. It begins with personal and family assessment, goal setting and values clarification. Farm transfer planning includes retirement, estate, business and land use planning, and culminates in a set of agreements.

There are many transfer planning tools such as wills, gifting, leases, trusts, and easements to meet family objectives. After options are explored, decisions are made and documents executed. Sometimes families benefit from working with a facilitator, mediator or “coach” who supports the family and moves the process along.



What are the issues and challenges?

Facing retirement and death is not easy for anyone. For many farm families and farmland owners, the issues are complex and it's hard to set aside the time for planning. All too often, it's too late to achieve the desired outcomes. Farm families report that it's difficult to find knowledgeable and affordable providers. In many parts of New England, development pressures and high land values require multiple partners and creative solutions to keep the land in farming. Sometimes the challenges include finding a farmer transferee. Often, making the land – and the necessary housing – affordable is a key part of the transfer package.

There are new models and new partners to help farm families pass their farms to the next generation. Land trusts, neighbors, community groups, municipal governments and state agencies can have an important part in ensuring successful farm succession.

How can you help?

*First, **be knowledgeable** about the farms in your community.* There are many roles that community development practitioners can play:

- Technical consulting
- Facilitating/expediting
- Funding/financing
- Referral
- Resources
- Linking
- Public education
- Easement or title holder
- Advocacy
- Mediation
- Business planning
- Social services

Seek and work with partners – any person or group that has a stake in economic, social and environmental aspects of working lands, for example: local and regional planners; economic and community developers; land trusts; ag commissions; conservation commissions; farm organizations; neighbor organizations; land use planners; lenders; developers; open space and recreation groups; and service providers (lawyers, accountants, estate planners, health care planners, etc.)

Refer farm families to the Farm Transfer Network of New England (FTNNE) (www.farmtransfernewengland.org) to find resources and an online directory of farm transfer service providers. Help educate others about the issues.