

AMERICAN FARMLAND

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The Greatest Legacy: A Gift of Land



The Yeiser family worked with AFT to protect their beautiful Ohio farmland, which was transferred to a neighboring farm family, the Hursts, who keep it in farming and take good care of the land.

Through a bequest to American Farmland Trust, families like the Yeisers have conserved the land they love forever while contributing to the future of farming.

Hundreds of wildflower varieties fill the fields of the former Yeiser farm in southwestern Ohio, where Mary and Charles Yeiser loved to spend time in nature among the rolling hills, woodlands and trout streams.

“The farm was the place they loved the most in their lives. It meant a great deal to them,” says their son Hank Yeiser. “They loved the farm and wanted to see it preserved. It is an absolutely magical place.”

Motivated by the desire to prevent a future housing development on their farm, the Yeisers worked with AFT on a plan where they would donate the land to AFT while retaining lifetime use of their property. The donation gave them income and estate-tax deductions—along



Mary and Charles “Chuck” Yeiser



The people who are motivated to do this want to conserve their land and see it stay in farming. They want to do right by their land.

— JERRY COSGROVE, AFT FARM LEGACY DIRECTOR

with peace of mind, knowing the land would stay undeveloped.

They also agreed that upon their deaths, AFT would protect the land with agricultural conservation easements and then try to sell it to farmers who could keep it in farming—using the proceeds from the sale to benefit farmland protection efforts nationwide.

After Charles Yeiser passed away in 2013 at age 92, AFT permanently protected the farm and sold it to neighboring farmers—the Hurst family, who had leased the land since 1980 and were looking to expand their corn and soybean operation.

“We helped the Yeisers see their hopes and dreams for their property come true,” says Jerry Cosgrove, AFT’s Farm Legacy Director. “Their gift helped AFT in our work around the country. They really saw the value of AFT as a nationwide organization advancing the goal of farmland protection. We have staff with experience and expertise in keeping land in farming.”

An attorney and expert in farmland protection and estate planning, Cosgrove works with landowners to shape a plan for what will happen to their land well into the future.

“Many landowners, when they reach a certain age, want to see the future of their land resolved,” Cosgrove says. “The people who are

motivated to do this want to conserve their land and see it stay in farming. The simplest way to do it is an outright gift, which relieves a landowner of the management and worry, and puts the land in the good hands of AFT to ensure it is protected. Another benefit to donating land is that you won’t owe the capital gains tax that you would have upon selling it.”

Ultimately, it’s the landowner who works with AFT to decide what’s best for their land. “These transactions are driven by the landowners’ goals and their desire to conserve the land. We’re just helping them implement their goals,” Cosgrove says.

The outcome of the Yeiser bequest is one that would have pleased the couple who were so dedicated to their land—their farm is now protected and in the hands of the farmers they trusted to operate it.

“Mr. Yeiser had asked me before he died to try and buy it,” John Hurst says. “This farm is so beautiful, if someone else had bought it, there would be houses on it.”

i For more information about leaving a gift of land or other options for your farm or ranch, please contact Jerry Cosgrove, AFT’s Farm Legacy Director at (518) 281-5074 or jcosgrove@farmland.org.

FROM THE PRESIDENT

Farms are our future. It's that fundamental. We can't hope for a prosperous future without abundant, healthy food and thriving farms—the very lifeblood of America.

Perhaps nothing is more critical to the future of our farms than having a next generation of farmers who can take over and steward the land. Yet the increasing age of the American farmer is a matter that should concern us all. Since AFT's founding in 1980, the average age of farmers rose from 50 to 58, while the number of beginning farmers dropped by 20 percent between 2007 and 2012.

Those are national statistics from the U.S. Census of Agriculture, and each region varies. In my home state of Maine, our story could not be more different. Between 2007 and 2012, the number of beginning farmers in Maine grew by an impressive 39 percent! One of the key reasons is that Maine during this period significantly increased its farmland protection efforts, creating affordable options for next-generation farmers looking to acquire the land they need to get started in agriculture.

In this issue, you'll read about some of AFT's efforts to help beginning farmers gain the tools and knowledge they need to secure affordable farmland—one of their biggest challenges. You'll also read about our burgeoning Farm Legacy program, which gives older owners of farmland greater options as they consider what kind of legacy they want to leave for the land they love—and for the future of American farming.

As I often say, we can't hope for any kind of sustainable future without sustainable agriculture.



AFT president John Piotti toured farms and listened to farm owners in Carroll County, Georgia, in November. At Heatherington Farm, he listened as the farm owner talked about his peach, plum and apple orchards and the family's history on the land.

That's why I take my role at AFT so seriously. AFT is the only national organization that takes a comprehensive approach to protecting farmland, promoting environmentally sound farming practices and keeping farmers on the land. We understand there is a fundamental connection between life-sustaining farmland and the farmers and ranchers who devote their lives to caring for it.

With the ownership of over 300 million farmland acres expected to change hands in the next 10 to 15 years, we must double down on our efforts to help existing

farmers plan for their retirement and enable beginning farmers to enter the field.

I'm proud of what AFT has been able to do so far—and will continue to do with the support of our members. Thank you, and best wishes for a healthy and rewarding year ahead.


John Piotti
President & CEO
American Farmland Trust

AFT VOICES

Jennifer Dempsey, Director, Farmland Information Center

Jennifer Dempsey was in graduate school studying natural resources management, with plans to become a wetlands scientist, when she first encountered farmers who wanted to permanently protect their land. Hearing their stories changed her career path for good.

Dempsey had asked one of her professors if she could join her on the conservation commission for the town of Hadley, Massachusetts, which she chaired.

"One of my jobs on the commission was to help farmers fill out their applications to the state's Agricultural Preservation Restriction program," Dempsey says. Known as APR, the program lets Massachusetts farmers sell the development rights to their land and has preserved more than 73,000 acres of farmland over the last 40 years.

"Listening to the farmers' stories made me realize how much they cared about their land. Their land ethic was stronger than mine," Dempsey says. "That opened my eyes and taught me that farmers—who manage the majority of our nation's land—deserve a place at the table when we talk about protecting our natural resources."

Given her growing interest in working with farmers to protect the land and the environment, Dempsey stopped by the American Farmland Trust office in

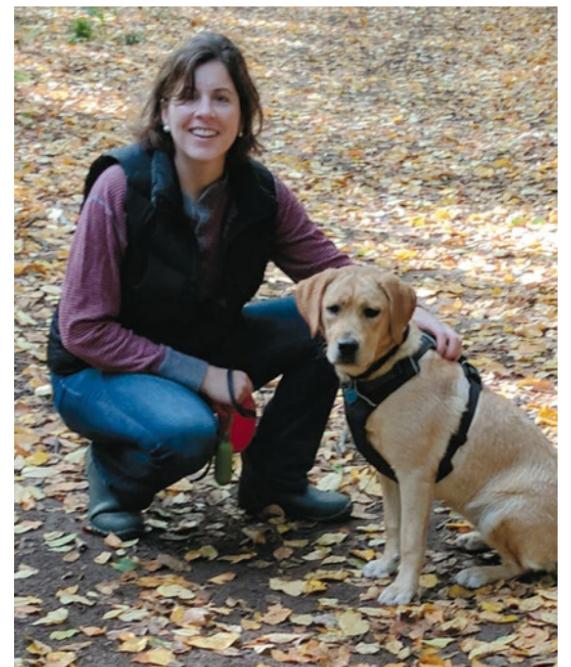
Northampton, Massachusetts, and offered to volunteer.

She became an intern in 1993, working on AFT's annual survey of state Purchase of Agricultural Conservation Easement (PACE) programs, which pay farmers to protect their land from development.

In 1995, AFT created the Farmland Information Center (FIC) in partnership with USDA's Natural Resources Conservation Service. FIC provides free technical assistance to concerned citizens, farmers and policymakers who want to protect farmland and ranchland. Dempsey became its first farmland information specialist and, ultimately, its director.

Through a website of resources and a toll-free hotline, AFT staff help farmers and ranchers who want to save their land but may not know much about conservation easements or other available resources. (A Farmland Protection Directory is available on the FIC home page for landowners who want to protect their land and for farmers looking for land.)

FIC also supports programs around the country that keep farmers on the land. When funding was jeopardized for a popular New England state program that has been very successful at saving farmland, FIC helped the program make the case to legislators that



it was a model for other states and should be preserved.

Citizens and reporters also go to FIC for statistics, analysis and resources for beginning farmers.

"I think the FIC is one of the core things that AFT offers—technical assistance with a focus on farmland protection and stewardship. We have a wealth of facts, figures, educational resources and model documents to help people make the case and learn about effective approaches from other places. I think the unique thing about the FIC is we provide our technical assistance free of charge. It's an incredible resource."

i To access the FIC, visit www.farmlandinfo.org or call toll-free for assistance: 800-370-4879.

Farmland for the Next Generation

A new program is training the next wave of farmers and farmland advocates.

Land is the source of life for farms. But acquiring the right farmland to rent or buy often isn't easy. Success for the next generation of farmers and ranchers depends on whether they can secure suitable land to start and expand their operations.

"Land access is a key obstacle for young and beginning farmers," says Julia Freedgood, AFT's Assistant VP of Programs. "Our research report *Cultivating the Next Generation: Resources and Policies to Help Young Farmers Succeed in Agriculture* found a lack of resources on gaining access to the land. It's a pervasive problem."

A recent report by National Young Farmers Coalition echoed the findings, identifying the top challenges faced by young farmers as

1) access to the land; 2) student loan debt; 3) labor and 4) health insurance.

The findings from *Cultivating the Next Generation* inspired AFT to develop *Farmland for the Next Generation*, a national, performance-based curriculum to train beginning farmers and ranchers to gain access to land.

Backed with a grant from the Beginning Farmer and Rancher Development Program, a federal program directed by the USDA's National Institute of Food and Agriculture (NIFA), AFT is developing a nationwide network of trainers

According to the 2012 census, there are more than **twice as many farmers who are 75 and older as 34 and younger.**

—AFT'S CULTIVATING THE NEXT GENERATION REPORT

who support beginning farmers and ranchers in their communities as they sort through the financial, legal and technical challenges of gaining access to land. The project is being led by Freedgood and Jennifer Dempsey, director of AFT's Farmland Information Center.

i To learn more about the Land Access Trainers,

visit www.farmland.org/initiatives/farmland-for-the-next-generation.

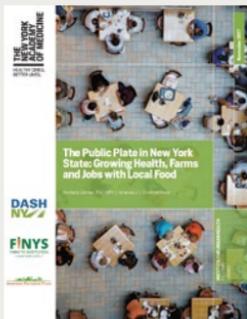
For resources for beginning farmers and ranchers, visit www.farmlandinfo.org/beginningfarmers.



AFT traveled to Atlanta, Georgia, in December to deliver hands-on training to our group of Land Access Trainers, who will use their new knowledge to help beginning farmers get started in agriculture.

AROUND THE COUNTRY

Boosting spending on fresh foods grown on **NEW YORK** farms and served in schools, senior centers and other institutions has the potential to improve health for more than six million New Yorkers



while increasing economic opportunities for farmers. The findings come from a new report, *The Public Plate in New York State: Growing Health, Farms and Jobs with Local Food*, by AFT and The New York Academy of Medicine through the Farm to Institution New York State initiative. (See www.finys.org/publicplate.)

Kara Heckert joined AFT as the new **CALIFORNIA** State Director. As the former executive director of the Sonoma Resource Conservation District, Heckert has a depth of experience finding solutions to complex soil and water conservation issues in California.

AFT president John Piotti presented a 2017 Leadership Award from the James Beard Foundation to Congresswoman Chellie Pingree from **MAINE**. Pingree is a longtime organic farmer who has made strengthening the nation's food system a priority in

Congress. The last reauthorization of the Farm Bill contained numerous provisions she introduced to increase investments for local farmers and broaden consumer access to healthy, sustainable food.

Farms in **MICHIGAN** are preparing to install habitat for threatened pollinators this spring through AFT's Farmland Pollinator Protection Project. The goal of the project is to increase populations of managed honey bees and wild pollinators by establishing high-quality pollinator habitat on protected farms.

AFT and the National Association of Conservation Districts (NACD) teamed up on a **NATIONAL Handbook for Conservation Districts on Environmental Markets**, a guide for conservation districts getting involved in environmental markets—particularly water quality trading. Water quality trading allows industries to purchase "credits" from farmers. In turn, farmers use the funds for farm improvements that reduce the amount of fertilizer running off their fields and barnyards. (See www.farmland.org/NACD for the guide.)



LEFT TO RIGHT: AFT President John Piotti; Congresswoman Chellie Pingree; James Beard Foundation President Susan Ungaro; and Chef Carla Hall, co-host of ABC's "The Chew."

CALIFORNIA's Bay Area has an extraordinarily rich and diverse food economy. However, the region continues to lose its best and most resilient farmland to development. Recognizing the integral role that farms and food businesses play in the Bay Area, AFT and Sustainable Agriculture Education released a new analysis, *The Bay Area Food Economy: Existing Conditions and Strategies for Resilience*, which outlines strategies for strengthening the region's agricultural industry. (See www.farmland.org/BayArea.)

ERIC VITALE PHOTOGRAPHY

WHAT WILL YOUR LEGACY BE?

Keep farmland in farming for generations to come.



LANCE CHEUNG/USDA

If you own a farm or ranch, you face retirement with many concerns about the future.

Who will farm your land? How will it be farmed? Who will buy your land? Will it simply go to the highest bidder? What about the large capital gains taxes that will be due if you sell?

But it doesn't have to be that way.

Your gift of your family farm or ranch to American Farmland Trust will ensure its protection and availability for farming while supporting AFT's work to save farmland long into the future.

AFT will ensure that your land is protected and farmed with sound farming practices, and made available to next-generation farmers whenever possible. AFT will apply the proceeds to

our programs that secure future farming opportunities across the country.

A gift of farm real estate to AFT can be made outright during your lifetime, in your will, as a retained life estate or through various annuity or trust agreements. AFT advisors are available to craft the best approach for you, your family, your land and your legacy.

Our dedicated staff has decades of experience leading farm and ranch owners like you step by step through the gift-planning process. We are here for you.

i To learn more, contact Jerry Cosgrove, Farm Legacy Director, at **(518) 281-5074** or jcosgrove@farmland.org.

Conservation Options for Protecting a Farm or Ranch

If you own farmland or ranchland, a variety of tools exist to help you protect it and transition the land to the next generation. The following are some of the available strategies that can help you protect your farm or ranch and support conservation while possibly:

- Generating income for retirement
- Avoiding or reducing capital gains and gift taxes
- Ensuring your land is managed with sound farming practices

Agricultural Conservation Easements

Conservation easements are deed restrictions that landowners voluntarily place on their property to prohibit certain kinds of development. Legally, agricultural easements are a form of conservation easement, but because their purpose is to keep the land



LATYAPOVA/ISTOCKPHOTO

available for farming, most agricultural easements are structured with far more flexibility than standard conservation easements. In general, agricultural easements limit subdivisions and land uses that are incompatible with farming but allow for new farm buildings that support operations, including housing for the farm family.

Landowners can sell or donate an agricultural easement to a qualified conservation organization or government body. The value of an agricultural easement is generally the fair market value of the property without an easement, minus its restricted value with an easement, as determined by a qualified appraiser.

Integrating Agricultural Easements with Estate Planning

Agricultural easements are intended to limit land uses inconsistent with productive agriculture and to provide maximum flexibility for agricultural operations now and in the future. With a lifetime sale or donation, such easements can be integrated into estate planning or incorporated into a will or trust.

Agricultural easements may help address estate planning challenges in these ways:

- A sale of an agricultural easement can generate cash proceeds to buy out business partners or other family members.
- By reducing the market value of the land, agricultural easements can help make land

more affordable for the next generation to purchase.

- When easements are sold, the proceeds can be used to improve farm and ranch business viability.
- The sale of an agricultural easement can provide funds for retirement without having to sell the land outright.

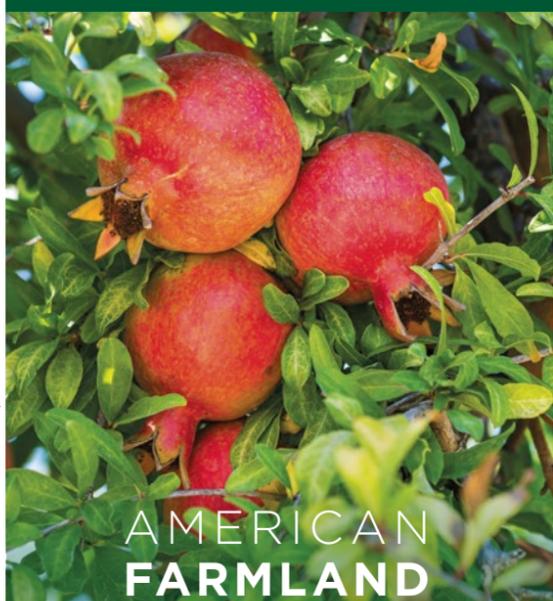
Other Conservation Options

There may be circumstances where a farm or ranch owner has no successor or heir but still wants to ensure that their land stays in agricultural production. Some additional options in these situations include:

- **DONATION** of a farm or ranch to a conservation organization
- **CHARITABLE REMAINDER TRUST:** land is sold and generates retirement income
- **CHARITABLE GIFT ANNUITY:** income stream annuity in exchange for gift of farm or ranch
- **LIFE ESTATE:** donation while retaining lifetime use of farm or ranch

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American Farmland Trust



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