



## Toward a new Homestead Act: Designing a farmstead transfer and leasing program for high-value farming and farmstead preservation

**Abstract:** Finding ways to make farming more accessible for would-be farmers involves working with existing landowners and potential tenants/buyers to educate both groups on the possibilities open to them. Surveys, focus groups and personal interviews were used to determine what tactics would be more effective in engaging both groups.

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#### Budget:

\$29,852 for year one

**Q** What would motivate current landowners to make farmland and buildings available to beginning small-scale diversified farmers, particularly immigrant and refugee farmers?

**A** According to the research for this project, more familiarity with small-scale farming options and alternatives, and creation of low-risk ways for new farmers to prove their abilities, sincerity and prospects for making a profit.

### Background

The guiding vision for this project is an Iowa agricultural landscape that is more diverse in size of farm, age of farmer, gender and ethnicity of farmer, marketing strategy, and livestock and crop varieties in production. The long-term goal is to increase the opportunities for beginning farmers to access land with a house and outbuildings (i.e., a farmstead) suitable for small-scale, value-added, diversified agricultural production. The short- and medium-term goals are to identify and implement a strategy, rooted in the attitudes and motivations of landowners, beginning farmers and other stakeholders, to facilitate the transfer (through sale or lease) of farmstead-scale parcels to beginning farmers of diverse backgrounds who have a strong desire to engage in small-scale, high-value agriculture.

The specific objectives were to:

- 1) Complete a study and report on landowner and beginning farmer motivations to engage in a process of preserving and transitioning farmsteads, the results of which will be used to inform a multi-stakeholder planning process,
- 2) Engage at least 16 stakeholders (representing a wide range of expertise and experience relevant to farmland access) in a planning process that generates a comprehensive set of recommendations for farmstead transition in Iowa, and
- 3) Disseminate the report/recommendations to local and state government, agricultural and educational organizations and other stakeholder groups, and evaluate project effectiveness.

### Approach and methods

The co-PIs engaged stakeholders in three sessions to discuss the research and strategy-development process for this project. Potential stakeholders were identified on the basis of their work on projects or programs that will influence and/or be affected by the way land changes hands in Iowa in the coming years. The particular group of stakeholders changed from one meeting to the next, depending on what expertise and experience were needed. The steering committee (PI and co-PIs) managed the knowledge, innovations, and recommendations that emerged from the process of engaging stakeholders.



*Farmland to retail*

The researchers developed recommendations in the form of a project proposal, elements of which have been integrated into a partner proposal to the Leopold Center. In addition, a summary of project results and recommendations will be shared with stakeholder organizations, and through stakeholder organizations' outreach efforts (listserves).

## Results and discussion

The 28 participants in the landowner focus groups were wary of anyone moving onto their land, whether through purchasing or leasing the property. The landowners interviewed provided many reasons for their hesitation about renting or leasing their farmstead to a new farmer. Most of all, they were concerned that a newcomer would not be serious enough about farming, or would not have the appropriate skills or experience. Part of this uncertainty among landowners has to do with a lack of familiarity with alternative agricultural models, and skepticism that anyone could make a living farming 5-10 acres. If these concerns were satisfied, most indicated that they would have little problem selling or renting a farmstead, whether to a white, non-immigrant family or to an immigrant or minority family.

Overall, the immigrant gardeners and beginning farmers interviewed for this project were enthusiastic about growing food for home consumption and for sale, but were extremely wary of the cost of buying land and investing in a new business. Seven of the 10 gardeners interviewed wanted to expand the size of their gardens. When considering the possibility of accessing additional land to farm, gardeners overall expressed greater interest in owning land rather than renting. Most thought owning land would allow them greater freedom to produce what they wanted, and would constitute a valuable investment. The three immigrants who are currently farming are looking for additional land in Iowa, though perhaps not urgently.

Focus groups (and/or in-depth interviews) with 13 newly established and/or aspiring small-scale Latino immigrant farmers and five newly established white, non-immigrant farmers showed what they are looking for in terms of access to farmland. The results of these interviews support the presumption that a farmstead can be an appropriate amount of land and assemblage of buildings for some beginning diversified farmers selling to local markets. This is significant by comparison to conventional row crop agriculture, which isn't viable without many hundreds of acres.

## Conclusions

Major themes emerging from this project:

- Landowners' reluctance to sell or rent farmstead land to beginning farmers is due to a lack of knowledge of the profit potential of non-commodity agriculture, and a lack of familiarity with the abilities and capacity of any given individual beginning farmer who may be interested in the land.
- Importance of mentoring and training for new farmers, so that they are able to

demonstrate their commitment and competence as farmers

*Landowner reluctance*

Landowners may be unfamiliar with alternatives to conventional row-crop and feedlot models of agricultural production, and therefore unaware of potential value of a farmstead to a beginning farmer pursuing niche agriculture. Thus, a conclusion of this research is that a need for landowner education on the needs of beginning farmers and the profit potential of non-commodity crops.

*Building a beginning farmer resume*

On the flip side, a critical message for beginning farmers is the importance (before or in the process of committing to land) of being able to prove to themselves, to their landlord, and to a loan officer they have the capacity to make money farming. Farmstead seekers should consider developing resumes and references to offer potential landlords or sellers.

*Building beginning farmer capacity*

Incubator programs, mentorships and apprenticeships allow new farmers to build their businesses before making a commitment to land. This can prepare new farmers and give retiring farmers confidence in the credibility of potential lessees.

*Relevance of leasing*

The idea of connecting beginning farmers with landowners willing to lease a farmstead, and perhaps even provide some mentoring on the basics of farm management has many advantages. First, it can allow the new farmer to make mistakes and learn from them in a lower risk environment than if s/he had purchased land right away; second, renting can free new farmers from the burden of land debt during the vulnerable period of business start-up; third, leasing can allow new farmers to collect three years of income and expense records needed to apply for a loan. Finally, using the farmstead ground instead of historic crop ground can make rental more affordable, while avoiding the landowner burden of lost base acreage.

*Connecting with farmsteads near metro hubs*

The chance of success for farmers selling to local markets is likely to be higher near metro hubs because of the proximity to markets and off-farm jobs (for additional household income and health insurance).

## Impact of results

This planning process helped the steering committee (PI and co-PI team) and several key stakeholders to think strategically about programming to connect beginning farmers with farmstead landowners. This research reinforced the notion that no simple, straightforward process exists to find land owned by an older person or recent inheritor who may be in a position to sell it, but has not yet put it on the market. Recommendations focused on strategically connecting the metro-area farmstead owners (who are interested in supporting new farmers) with beginning, small-scale, diversified farmers.

When supporters of beginning farmers and sustainable agriculture consider the massive transfer of land that is taking place and will continue over the next several years, it may seem like an overwhelming task (especially with fast-climbing land prices) to help beginning farmers with limited resources compete for land against developers, wealthy investors and large-scale established farmers. However, focusing on land parcels that are closest in size, price, location and built infrastructure to what these beginning farmers need may increase efficiency and effectiveness in ensuring a land base for the niche farmers needed to satisfy growing demand for local foods.

## Education and outreach

The team developed a summary of research on current trends in farmland ownerships and transition in Iowa, which was distributed on the PFI listserv. They organized a meeting for an immigrant farmer with an FSA loan officer and the state dairy specialist.

The steering committee included ISU's Beginning Farmer Center, Small Farm Sustainability and Sociology Extension, and non-profit NCAT. Another nonprofit, Women Food and Agriculture Network, was engaged for a project proposal to implement the recommendations from this project.

## Leveraged funds

No additional funds were leveraged by this project.

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