



What is the Community Farm Land Trust Model of Farmland Preservation?

The Community Farm Land Trust model of farmland preservation was created to keep farmland affordable for the next generation of farmers. It works like this:

A nonprofit land trust purchases farmland with the help of federal, state, and local grant funds and commits to keeping the land in farming forever. The land is then leased to farmers under the terms of a 99-year, renewable, inheritable land lease.

The buildings on the farm can be purchased by the farmers that lease the land. This gives the new farmer an ownership stake in the farm, the ability to build equity in the buildings, and land security through the terms of the lease.

The land lease specifies that the land must continue to be farmed. All future purchasers of the farm buildings must sign a land lease and abide by the terms of the lease

It may sound complicated, but once everything is in place, the original owner of the land will have sold their farm knowing that it will never be developed. And the new farmer who otherwise could not have afforded to buy the land, will now has secure access to farmland and farm buildings at a price that makes farming the land economically feasible.

Benefits of the Community Farmland Trust Model

- Permanently protects farmland so that it remains in agricultural production forever
- Farm owners can receive the full appraised value of their farm by selling it to SSCFLT
- Future farmers gain secure access to farmland through a 99-year inheritable land lease
- Farmer lessees can build equity by acquiring the farm home & barns on leased land
- There may be tax benefits for the farm seller if they choose to participate in a bargain sale

What is a Bargain Sale?

While SSCFLT can and does purchase farmland at its full appraised value, some farmland owners (depending on their individual financial situation) may prefer to donate all or a portion of the value of their farm through a “bargain sale”. In a bargain sale, the difference between the appraised value of the farm and the discounted price the farm sells for, is tax deductible to the extent allowed by law.

What are the Nonprofit Land Trust’s Stewardship Responsibilities?

After a farm is purchased and the land is leased, South of the Sound Community Farm Land Trust is responsible for ensuring that the terms of the agricultural ground lease are respected. The Farm Land Trust visits the farm annually to ensure that the terms of the lease are followed.

For more information, contact:

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