



Faith Community Leases to Commercial Farmers and Ranchers

A Guide for Marin County Faith Communities

Nationally and locally, the most important barrier to young and underserved farmers is access to land. Meanwhile, many faith-based organizations have underutilized land that could be made available to a farmer or rancher. We will assume that if your congregation does careful planning and effective outreach, you have several potential lessees to choose from, and having a vision for a partnership will help you decide who is the best fit. This Fact Sheet will introduce best practices for leases focusing on 3 stages: Assessment; Promotion and Negotiation; and Transition.

Phase 1: Assessment

Offering to partner with a commercial farmer to grow food on your land is a powerful service to community, and a serious undertaking and requires some discernment and planning upfront. Interfaith Food and other non-profit partner groups are here to help.

Set Clear Goals:

Connecting to a private farm or ranch business can serve many goals for faith communities:

1. Supporting community food production;
2. Supporting development of small or family-scale businesses;
3. Living your faith community's values through ecologically sound care of the earth;
4. Minimizing maintenance costs; and
5. Generating positive cash-flow.

How will you measure success? As a non-profit organization, you are not bound by a single economic 'bottom-line'. This presents an opportunity to articulate faith-based goals, such as: how can the land lease advance your mission related to social justice and environmental values? A metric of success may include advancing your faith-based organization's mission by teaching concepts like: Stewardship, Tikkun Olam ("healing the world"), and care of God's Creation.

Being clear on the vision for your community is key to assessing the best approach for using the land available for your community. Do you envision a farm where youth or religious school students, and even customers from the broader community can walk freely through the fields, help harvest, and learn about natural processes? Not every farmer, or business model is suited to this community farm model.

Does your faith community want to support people who are looking to strengthen their own financial situation? This may mean working harder on outreach to find a beginning, immigrant, or BIPOC farmer. It may mean offering a scaled rental rate that provides the congregation more

revenue as the farm becomes more successful. Some congregations have a sign on their wall facing the street 'We Welcome Immigrants', but they don't realize that a local person may be trying to launch a farm as part of their life's dream, but has not been able to find land.

Site & Community Assessment

- **Noise, Smell, Debris...Oh My:** Think early if your religious community may find having a production/commercial farm near your house of worship to be a nuisance, or if certain types of farming operations are better suited for the available land. Discuss any concerns upfront with a potential lessee and be open to creative solutions. (For example, minimizing odor by requiring use of finished compost; managing noise from farm equipment by writing use conditions into the lease, such as 'no tractor use during Sunday services 9 a.m. to 1 p.m.' or whatever is appropriate.) If you don't want livestock, or particular animals or animal products (e.g. swine for Muslim or Jewish communities) that may offend your faith community, discuss that with the potential lessee.
- **Infrastructure and Environmental Factors:** A farmer will likely want to know about soil quality, well capacity, potential for organic certification of the land. These factors are also important to determine a fair rental price or other cost factors for your community. How will your community determine these issues?
- **Security:** Consider how and where farm equipment and materials will be stored. Do you want to specify the farmer/lessee must be on site when visitors come? Do you want to limit the number of employees, vendors, or customers that come to the farm site at certain times of day or night?

A Note on the Marin County Context: Many small-scale farmers live in the area and are looking for relatively small acreage of 2 acres or less. Other farmers live outside the San Francisco Bay Area but come to Marin each week to sell at strong farmers markets like those at the Marin Civic Center. While their main farms may be outside of the area, some of these established farmers would like supplemental land in Marin.

Stage 2: Promote Your Opportunity, Negotiate a Lease

Now that you've clarified basic terms of your lease opportunity, it's time to promote it. You should be clear on how many acres you have, whether you are ready to do a multi-year lease, and a basic idea of what you'll charge. Remember though, this is a negotiation with nuisance, - through open and direct communication, creativity, and a spirit of partnership, you will lay the foundation for an effective relationship with a farmer partner.

Conduct Inreach and Outreach to Promote the Available Land

We recommend reaching out to California FarmLink (a non-profit organization), local farmers market associations, and Cooperative Extension to help with outreach. Note: Don't forget 'inreach'. You may have a congregant who wants to lease, or has a friend or relative who would be interested. So share the opportunity internally (e.g. through a newsletter).

Timing: The assessment stage helps you make sure you're not wasting the time of a busy farmer. Understanding growing seasons - and the preparation necessary - will help your community develop a realistic timeline.

- Produce farmers likely want to be doing specific crop planning before March to be ready to go for the season.
- Signing a lease in late Summer or early Fall can facilitate planting cover crops which prepare the soil for the next year (among other things).

If your congregation has a typically slow and deliberate decision-making process be transparent about that. A private farmer may be used to negotiating a lease in a day, or a week. It will be most likely be beneficial to 'manage expectations'.

Phase 3: Lease Transition

While we are aware of faith communities leasing land to a farm family for multiple generations, this is uncommon, and may not be consistent with your faith communities goals around social justice. Your community may wish to offer limited 2-5 year leases with the intention of giving new farmers an opportunity on a regular basis.

If you are ready to change lessees, don't surprise your lessee! However, if you feel the partnership is no longer a fit, let them know months before the season is up that you are considering not renewing so that they can seek land elsewhere. Farmers prefer to think more than one-season at a time to facilitate soil building, infrastructure development and crop rotation.

Frequently Asked Questions:

1. Can an agricultural lease generate income? How much?

A farm project can generate revenue through modest plot rental fees, or selling produce at a farm stand. What is the market rate for an acre of agricultural land in Marin? That depends on factors including: soil quality; access to roads and markets; infrastructure like a barn or shed for equipment. Availability of housing on site, or willingness for a farmer to bring on a trailer or manufactured house will also impact rental price and level of interest. We recommend talking to UC Cooperative Extension, California FarmLink, Kitchen Table Advisors for the 'going rate' per acre. Farmers are used to paying for land for a year or a season, multi-year leases are preferable.

2. Will leasing to a commercial farm jeopardize our faith community's tax-exempt status?

It is unlikely that a farm lease will generate enough revenue to cause any risk to a congregation's status with the Internal Revenue Service ("IRS"). See fact sheet on 'Unrelated Income' in the resource section below.

3. Infrastructure:

Who should be responsible for **Infrastructure Investment**? Determine if the faith-based organization can provide one-time infrastructure investments for a well, electricity, fencing, and raised beds. If there is a solid lease signed, the farmer may be able to secure a loan for certain infrastructure. If the farmer finances the infrastructure improvements, what will happen to those improvements and 'sunk costs' at the end of the lease term? To make sure both parties are being treated fairly around this, we recommend working with a group specializing in land access for underserved farmers like California FarmLink.

Additional Resources

Unrelated Income Fact Sheet <https://interfaithfood.org/how-to-fact-sheets-for-faith-groups/>

FaithLands ToolKit: www.faithlands.org

UC Marin Master Gardeners: ucanr.edu/county/marin-county/master-gardeners

- A good source for advice, free guidance, and gardener training. UCCE can also connect you with affordable soil tests.

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