

SECTION 2 | Building the Relationship

FINDING A LAND CONSERVANCY

Find your land conservancy by visiting directory.heartofthelakes.org

MI DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

The Michigan Farmland and Open Space Preservation Program in the Michigan Department of Agriculture and Rural Development can accept donated conservation easements on farmland. For more information, go to michigan.gov/mdard and search for Farmland Preservation.

WHAT TO LOOK FOR & WHAT TO EXPECT

For any land conservancy you wish to approach, take some time to look at their website to better understand their mission and whether farmland protection is a priority. You will also find other helpful information such as staff, board members and project examples. Most land conservancies have a section on their website specifically for landowners that describes their land protection tools.

It is important to understand the land conservancy's mission, how farmland preservation might fit into that mission, the conservancy's interest and experience in farmland preservation, their capacity to undertake the work, and whether or not they purchase conservation easements or land in fee. Even if they cannot undertake a project, the conservancy may be a great resource for help.

If there is no land conservancy undertaking farmland protection where you want to farm, the Michigan Department of Agriculture and Rural Development's Farmland and Open Space Preservation Program accepts donated conservation easements that meet their criteria. Go to michigan.gov/mdard and search Farmland Preservation to find out about donated conservation easements.

FINDING THE RIGHT LAND

Make certain you first have a land conservancy that is willing to work with if you are interested in buying farmland that has been, or that you hope will be, permanently protected through a conservation easement.

OTHER MICHIGAN RESOURCES

Although most of the following do not have specific programs to link farmers with farmland, these agencies and organizations may provide assistance or other resources:

Michigan Association of Conservation Districts
Contact your local Conservation District.

Michigan Integrated Food and Farming Systems
MIFFS connects beginning and historically underserved farmers with each other and to resource opportunities.

Michigan Organic Food and Farm Alliance
MOFFA has a land link program.

Michigan State University Center for Regional Food Systems
Conducts various activities to support farms and farmers in local food systems. They also advance the goals of the Michigan Good Food Charter.

Michigan State University Extension
Contact your County Extension office.

SECTION 3 | Negotiating & Closing the Deal

WHAT WILL BE INVOLVED?

The steps found in Finding Farmland to negotiating and closing the deal can be used as a general guideline, but you should talk to a land conservancy partner about their procedures and processes to get a more complete understanding. Potential funding sources can also dictate procedures and timing. For example, funds may or may not be available to cover some of the easement transaction costs at the time when you want to complete the easement.

HOW LONG WILL THE PROJECT TAKE?

The timeline provided in Finding Farmland on page 29 assumes that all the issues on page 28 have been addressed. Be mindful that resolving those issues can be the most time consuming!

FUNDING THE PURCHASE OF CONSERVED FARMLAND

SOURCES OF FUNDING

Local

In Michigan, approximately 20 counties, 9 townships and one multi-township entity have state-approved purchase of development rights (PDR) enabling ordinances that make them eligible for state matching funds when available. (see State)

Of these communities, voters in Grand Traverse County, Ingham County, and several in Washtenaw County have passed dedicated tax millages to generate local funds for their farmland PDR programs. Land conservancies in those areas are often very active partners in these programs. If a millage is not available, local PDR programs have raised dollars from other sources such as philanthropic foundations. Kent County's program is a good example of using foundations.

State

The Michigan Farmland and Open Space Preservation Program's Agricultural Preservation Fund can make grants to local PDR programs when the program has sufficient funding, but few grant cycles have been offered. The Agricultural Preservation Fund lacks adequate funding to regularly make grants. In special circumstances, other state funding sources – such as nonpoint pollution grants to prevent runoff and protect water quality – have been used to purchase development rights on farmland.

WHAT'S NEXT?

With the information and resources in Finding Farmland and this Companion, take the next step and reach out to your Michigan land conservancy. Your actions could not only lead to accessing affordable land for your farm business, but may also ensure permanent farmland preservation so that agriculture remains a significant rural economic driver in the state.

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WORKING WITH MICHIGAN'S LAND CONSERVANCIES

A Companion to Finding Farmland: A Farmer's Guide to Working with Land Trusts

In 2015, the National Young Farmers Coalition's (NYFC) published Finding Farmland: A Farmer's Guide to Working with Land Trusts. Finding Farmland is a wealth of information and resources for farmers looking for partners. You can find a copy of the guide at youngfarmers.org.

As Finding Farmland was written for a national audience, Heart of the Lakes, the state association of Michigan's land trusts, approached NYFC with the idea of producing a companion piece that farmers might find helpful when seeking out and working with land trusts in our state.

To underscore Finding Farmland, land trusts can be an invaluable resource even if they are not directly engaged in farmland protection. We hope this companion provides helpful guidance to farmers with our encouragement to connect with local land trusts in Michigan as an important step in any search for farmland.

In partnership with the
National Young Farmers Coalition



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WORKING WITH MICHIGAN'S LAND CONSERVANCIES

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HOW TO USE THIS COMPANION

First read NYFC's Finding Farmland to become acquainted with general concepts about how land trusts work, the tools they use, and how they can help you find farmland. Then turn to this Companion for Michigan-specific information.

The Companion follows Finding Farmland and is organized with the same chapter and section headers for easy reference. If the Companion does not reference a particular section of Finding Farmland, it means that the information is applicable to Michigan.

SECTION 1 |

Understanding the Basics

WHAT IS A LAND TRUST?

In Michigan, land trusts are most often called land conservancies, and the terms are used interchangeably. Formally, Michigan's nonprofit incorporation law discourages the use of any name that sounds like a financial institution. That is why conservancy, not trust, is used in the state.

Michigan has nearly 30 active land conservancies. All are independent nonprofits and vary in terms of both organizational size and geographic service area. Some are all-volunteer. Many have professional staff, ranging from 1 to 3 individuals to as many as 27. Geographic service areas range from a couple of townships, to entire counties, to multiple counties. There are land conservancies that work statewide, but no statewide conservancy is engaged in farmland protection at this time.

Most land conservancies in the state would be considered conservation land trusts as described in the Finding Farmland guide (see "Types of Land Trusts", p. 5). A few conservancies do farmland protection work and are also interested in natural land and sometimes forest land protection. Some may participate in community and regional partnerships that address local food and farming systems.

To find your local or regional land conservancy by name, county or even current location visit directory.heartofthelakes.org.

CONSERVATION EASEMENTS ON FARMS

Note that Michigan land conservancies that purchase conservation easements or farmland outright, or help local governments do so, will most likely use some combination of public funding from local, state or federal farmland programs. A land conservancy may acquire conservation easements with only private

funds if their mission has a strong farmland protection focus and is part of a strategic conservation plan, but that is not typical. A land conservancy active in farmland protection will accept donated conservation easements as well, which may provide federal tax deduction benefits.

Potential state and local funding sources for agriculture conservation easements in Michigan can be found in Section 03 of this Companion.

In addition, about one-third of all Michigan farmland is enrolled in Farmland Development Rights Agreements, a component of the Michigan Department of Agriculture and Rural Development's (MDARD) Farmland and Open Space Preservation Program. These are voluntarily entered into by a landowner with the state for a specific period of time to preserve land in agriculture in exchange for certain tax benefits and exemptions from various special assessments. For more information about the Farmland Preservation Program, visit MDARD's michigan.gov/mdard and search for farmland preservation.

ELEMENTS OF AN EASEMENT

AFFORDABILITY INNOVATIONS IN AGRICULTURAL EASEMENTS

The "Affordability Innovations in Agricultural Easements", found in the box on page 8 of Finding Farmland, and other tools to protect farmland are under consideration or have been developed by Michigan land conservancies.

For example, the Leelanau Conservancy and several partners created a novel program called FarmAbility. It offers modest, financial incentives in return for

the landowner's agreement to farm their lands for a 10-year period. Enrollees sign Farm Conservation Agreements providing the Conservancy with a right-of-first-refusal to buy and preserve from development any enrolled farm placed on the market. The Legacy Land Conservancy and Grand Traverse Regional Land Conservancy have adapted FarmAbility and other conservancies are considering the program as well.

FARMLAND CONSERVATION TOOLBOX

REDUCING THE COST OF OWNERSHIP THROUGH EASEMENT PURCHASES

Purchase of Conservation Easements

Land conservancies that purchase easements typically rely on funding above and beyond normal operating funds. An example might be public funds and/or private grants or donor contributions raised as part of a special farmland protection campaign.

Land Resale

A few land conservancies in the state have acquired farmland, placed conservation easements on them, and then resold the land to farmers. This is not an everyday practice for conservancies engaged in farmland protection, but it is often given strong consideration if available funding and other circumstances allow.

In a related example, a local government purchase of development rights program may become aware of farmland for sale. They will negotiate to purchase the development rights while simultaneously finding a farmer to buy the underlying fee land at its restricted value. In this example, the prospective farm buyer may be part of the discussion of the conservation easement that will be placed on the land.

TALKING TO A LANDOWNER ABOUT CONSERVATION EASEMENTS

Before talking with any landowner, first find out if there is an active land conservancy willing to accept or purchase conservation easements on farmland.

FINDING AND ACQUIRING LAND

Land Leasing

A few Michigan land conservancies have taken this approach or are considering purchasing the land, placing a conservation easement on it and then signing a long-term lease, such as a ground lease, with a farmer.

Finding Land & Networking

Land conservancies may be great avenues for learning of any farmland properties for sale. In some instances, they may be able to provide purchase price information, connect to any land linking opportunities, should they exist, or point to other agencies and organizations in their service area.

GENERAL ASSISTANCE

Land conservancies vary around the state, so it never hurts to ask if they can provide assistance such as facilitation of land transfers between generations, general guidance, employment, and educational

programs. Some are very active in local or regional efforts to promote local and regional agriculture. If they are not able to help directly, conservancies still may be able to point you to the right people to ask.

WHAT YOU SHOULD NOT EXPECT FROM LAND CONSERVANCIES

Land conservancies cannot provide specific legal, financial and tax advice. If working with a land conservancy on a land transaction, the conservancy will recommend that landowners consult with their own professional advisors.

THINGS TO KNOW ABOUT CONSERVATION EASEMENTS EXCLUSIONS

Building envelopes are often identified in conservation easements but tend to be fixed and not floating. Floating building zones are not a general practice in Michigan.

NATURAL RESOURCES & FARMLAND CONSERVATION

Oil and Gas

Check with the land conservancy about their policies and experience regarding oil and gas development.

THINGS TO CONSIDER BEFORE WORKING WITH A MICHIGAN LAND CONSERVANCY

A little homework will help determine if a Michigan land conservancy is interested in farmland protection, but reach out to them even if it appears from their website or other sources that they do not. For example, if a significant portion of a farm property has important natural features, there may be a conservancy interested in its protection.

