

## LP7 Purchasing Land Resource List

### BACKGROUND INFORMATION

#### ***Agricultural Conservation Easements, American Farmland Trust, 2016***

<http://www.farmlandinfo.org/agricultural-conservation-easements>

This fact sheet describes what agricultural conservation easements are and how landowners can use them to keep agricultural land available for farming and ranching.

#### ***Farm Service Agency Loans: The Ins and Outs of Growing a Farm with Federal Loans, National Young Farmers Coalition, 2018***

<https://www.youngfarmers.org/resource/fsa-loans-guidebook>

This guide helps young farmers and ranchers navigate low interest federal credit options, including the popular microloan, offered by the Farm Service Agency (FSA).

#### ***Finding Good Farmland: How to Evaluate and Acquire Land for Raising Crops and Animals, Ann Larkin Hansen, 2013***

<http://www.storey.com/books/finding-good-farmland/>

This practical guide contains information you need to have before purchasing farmland, covering everything from the characteristics of the land (soil type, slope, water sources, drainage) and the surrounding area to permits, codes, taxes, roads, loans, mortgages, government assistance programs and more. Checklists and questionnaires are included.

#### ***Guidance for Heirs' Property Operators Participating in Farm Service Agency (FSA) Programs Fact Sheet, USDA Farm Service Agency, 2020***

[https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/FactSheets/guidance\\_heirs\\_property\\_operators\\_participating\\_in\\_fsa\\_programs-factsheet.pdf](https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/FactSheets/guidance_heirs_property_operators_participating_in_fsa_programs-factsheet.pdf)

Heirs' property is family owned land that is jointly owned by descendants of a deceased person whose estate did not clear probate. The descendants, or heirs, have the right to use the property, but they do not have a clear or marketable title to the property since the estate issues remain unresolved. The 2018 Farm Bill authorizes alternative documentation for heirs' property operators to establish a farm number. A farm number is required to be eligible for many different USDA programs, including lending, disaster relief programs, and participation in county committees. Operators on heirs' property who cannot provide owner verification, or a lease agreement, may provide alternative documents to substantiate they are in general control of the farming operation.

#### ***Highly Fractionated Indian Land Loan Program Fact Sheet, USDA Farm Service Agency, 2019***

[https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/FactSheets/2019/highly-fractionated-indian-land-loan-program-fact\\_sheet-aug\\_2019.pdf](https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/FactSheets/2019/highly-fractionated-indian-land-loan-program-fact_sheet-aug_2019.pdf)

The Highly Fractionated Indian Land Loan Program (HFIL) provides a way for tribes and tribal members to obtain loans to purchase fractionated land interests through intermediary lenders. Fractionation occurs because reservation land was divided and allotted to individual tribal members through the General Allotment Act of 1887 (also called the Dawes Act). Since that time, in each generation when an allottee died without a will, the land was not divided and parceled among heirs, but instead title ownership for the single parcel was divided among many owners. This means the same parcel of land once owned by a single person could now be owned by up to hundreds, even thousands, of individuals

with each inheriting an undivided interest in the land. The number of owners grows exponentially through each generation, resulting in highly fractionated ownership of many allotments of Indian land, and the problem continues to grow. The ability of the owners to use land decreases as fractionation increases, sometimes to the point where it is nearly impossible to locate the owners or for the known owners to coordinate the use of the property. This program seeks to alleviate this by providing a way to consolidate the fractionated interests.

**Publication 225, Farmer's Tax Guide, Internal Revenue Service.**

<https://www.irs.gov/forms-pubs/about-publication-225> and <https://www.irs.gov/pub/irs-pdf/p225.pdf>

This publication explains how the federal tax laws apply to farming.

DATA SOURCES

**2017 Census of Agriculture, USDA National Agricultural Statistics Service, 2019**

[https://www.nass.usda.gov/Publications/AgCensus/2017/Full\\_Report/Volume\\_1\\_Chapter\\_1\\_US/usv1.pdf](https://www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1_Chapter_1_US/usv1.pdf)

The Census of Agriculture provides a comprehensive summary of agricultural activity nationwide. It is the only source of uniform, comprehensive data about U.S. farms and ranches at the state and county level, including information about the value of land and buildings by county.

**Land Values 2020 Summary, USDA National Agricultural Statistics Service, 2020**

[https://www.nass.usda.gov/Publications/Todays\\_Reports/reports/land0820.pdf](https://www.nass.usda.gov/Publications/Todays_Reports/reports/land0820.pdf)

This report summarizes information from the annual June Area Survey, which collects data on crop acreage, land use, grain stocks, farms, rents, and the value of land and sales. NASS estimates national and state agricultural land values and rental rates paid by producers (cash rents) from that survey. Here are land values in chart and map format: [https://www.nass.usda.gov/Charts\\_and\\_Maps/Land\\_Values/](https://www.nass.usda.gov/Charts_and_Maps/Land_Values/).

ONLINE TOOLS

**Farm Credit Calculators**

The Farm Credit System (FCS, see below) is a nationwide network of borrower-owned lending institutions and specialized service organizations. Branch office websites typically offer loan payment calculators. To locate a branch office website visit: <https://farmcredit.com/locations>.

**Land Affordability Calculator, National Young Farmer Coalition**

The calculator enables farmers to create different scenarios to help inform land purchases. The site also provides case studies that describe how farmers made land purchases.

<https://findingfarmland.youngfarmers.org/calculator>

OTHER RESOURCES

**County and Municipal Offices**

County and municipal offices house a wealth of information on local land use policy as well as individual parcels. They also have experts, such as an assessor, who can talk to land seekers about community conditions or site-specific issues. Many have information available online, but it is also a good idea to visit in person. Here is a list of information land seekers can collect from a county or municipal office:

- Ownership
- Property taxes paid and property valuations
- Easements, liens and other restrictions

- Local comprehensive/master plan and other community plans
- Ordinances, zoning and other local policies that affect agriculture

### ***Farm Credit System***

In 1916 Congress enacted a law to establish the Farm Credit System (FCS) to provide a reliable source of financing for farmers. FCS is a nationwide network of borrower-owned lending institutions and specialized service organizations that provide loans and other services to agricultural producers, rural homeowners, aquatic producers, timber harvesters, agri-businesses, and agricultural and rural utility cooperatives. To locate a Farm Credit institution near you, visit: <https://farmcredit.com/locations>.

### ***Real Estate Agents***

Real estate agents are licensed to help customers buy, sell and rent properties. They can provide parcel specific information and data about sale prices, local tax rates and community amenities.

### ***Real Estate Listing Services***

There are many online real estate listing services under the umbrella of the National Multiple Listing Service (MLS). These services provide a listing of homes, farms and land available for sale or rent plus information on demographics, average sale prices, trends, tax rates and community services.

- Lands of America: <https://www.landsofamerica.com/>
- National Multiple Listing Service: <http://www.mls.com/>
- Realtor.com: <https://www.realtor.com/>
- Trulia: <https://www.trulia.com/>
- Zillow: <https://www.zillow.com/>

### ***Rural Tax Education Website***

<https://www.ruraltax.org/index>

A website overseen by The National Farm Income Tax Extension Committee that provides farmers and ranchers, other agricultural producers, and Extension educators with crucial tax information, including their publication, *Tax Guide for Owners and Operators of Small and Medium Size Farms*:

<http://www.ruraltax.org/small-farm-tax-guide>

### ***Society of Rural Appraisers and Farm Managers***

<http://www.asfmra.org/directory/find-experts2>

This link provides a directory of members of the American Society of Farm Managers and Rural Appraisers is a professional association for rural property land experts, with more than 2,100 members nationwide. Members can help beginning farmers and ranchers evaluate land, develop a management plan and determine if the price is reasonable.

### ***State Departments of Agriculture***

State departments of agriculture sometimes provide classifieds online or in their newsletters that include real estate listings. In addition, some states operate state-owned farmland leasing and licensing programs that make publicly owned agricultural land available to farmers.

- National Association of State Department of Agriculture's Directory: <http://www.nasda.org/states/state-directory>

**State Loan Programs**

<http://www.stateagfinance.org/>

State finance programs provide low interest loans, loan guarantees, and loan participation programs to help producers buy land, buildings, equipment and breeding livestock. Some programs, including "Aggie Bond" programs, are targeted specifically to beginning farmers. The National Council of State Agricultural Finance Programs tracks available programs and produces a comprehensive directory of state-level programs available to beginning and established producers.

**USDA Farm Service Agency**

The USDA Farm Service Agency (FSA) provides direct and guaranteed loans to farmers and ranchers unable to obtain financing from other lenders for operating expenses and land purchases. Microloans are direct farm operating loans with a shortened application process and reduced paperwork designed to meet the needs of smaller, non-traditional, and niche type operations. To find out more, contact FSA, typically located in your local USDA service center: <https://offices.sc.egov.usda.gov/locator/app>

The USDA Farm Service Agency (FSA) also administers the Transition Incentives Program (TIP), which encourages landowners with expiring Conservation Reserve Program (CRP) contracts to sell or lease their land to beginning or socially disadvantaged farmers. The USDA Rural Development (RD) and USDA FSA advertise an inventory of property for sale to socially disadvantaged applicants as well as beginning farmers and ranchers before it is available to the public.

- USDA FSA Transition Incentives Program: <https://www.fsa.usda.gov/programs-and-services/conservation-programs/transition-incentives/index>
- USDA RD/FSA Inventory of Property for Sale: <https://www.resales.usda.gov/resales/public/home>