

Land Access Options Comparison Chart

| Leasing Land | Buying Land | Accepting Gifts/ Inheriting Land |
|---|--|---|
| ✓ Requires interested landowner and management of landlord relations | ✓ Requires a landowner interested in selling land | ✓ Requires landowner willing to transfer through a gift or bequest |
| ✓ Requires minimal financial outlay | ✓ Requires significant financial investment and may require financing | ✓ Requires planning to successfully execute transfer and avoid gift and estate taxes |
| ✓ May include limitations on land use, access, or farming practices | ✓ Provides the rights of land ownership including the right to use the property, exclude others, and transfer by sale, gift or inheritance | ✓ Provides the rights of land ownership including the right to use the property, exclude others, and transfer by sale, gift or inheritance |
| ✓ Often provides shorter-term access to land which may create uncertainty | ✓ Provides long-term access to land | ✓ Provides long-term access to land |
| ✓ More difficult for the lessee to build equity | ✓ Enables landowner to build equity | ✓ Enables landowner to build equity |
| ✓ May discourage investments in on-farm conservation | ✓ Enables landowners to invest in on-farm conservation | ✓ Enables landowners to invest in on-farm conservation |
| ✓ May include limitations on development / improvement of buildings and facilities | ✓ Allows development / improvement of buildings and facilities; only limited by local regulations | ✓ May require meeting terms of transfer |
| ✓ Allows participation in state and federal land leasing programs | ✓ Allows owner to take advantage of federal income tax benefits for agricultural land and purchaser to take advantage of state and federal financing opportunities | ✓ Allows owner to take advantage of federal income tax benefits for agricultural land |
| ✓ Allows for relatively easy liquidation through lease termination | ✓ Does not allow for easy liquidation— land would have to be sold | ✓ Does not allow for easy liquidation – land would have to be sold |
| ✓ Frees up capital to invest in equipment and/or livestock; offers opportunity to save money for land purchase | ✓ Ties up equity in the land | ✓ Ties up equity in the land |
| ✓ Helps with risk management of crops, infrastructure and business; must ensure that landowner and lessee have sufficient liability insurance | ✓ More liability and risk - landowner is responsible for all bills, mortgage, taxes, maintenance costs, and liability | ✓ May need to share responsibilities or pay bills, mortgage, taxes, maintenance costs and liability; land may be subject to inheritance or gift taxes |

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