

Other Programs to Support the Next Generation



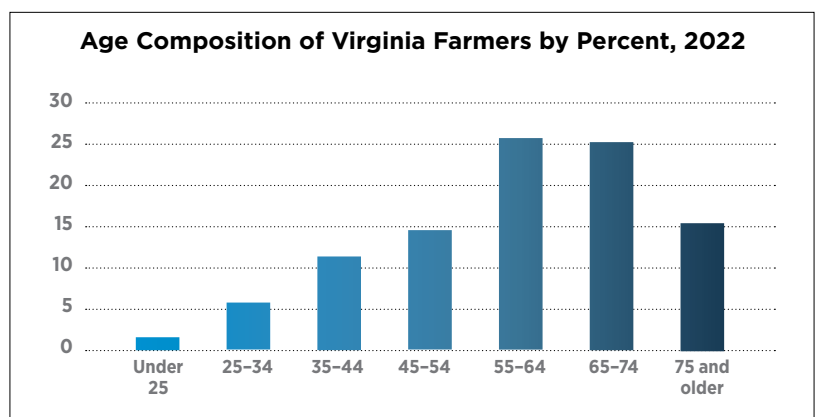
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Land and access is a significant challenge, especially for young and beginning farmers. Markets are tight with very limited acreage available to rent or to buy, especially on the open market.¹ Given that many new producers do not inherit land, it is increasingly difficult to secure suitable, available, and affordable acreage.²

With more than 40 percent of Virginia's farmers aged 65 and older, transitioning land to the next generation is important to the future of agriculture in the Commonwealth. According to the 2022 Census of Agriculture, since 2017, Virginia had a modest increase in the number of farmers under age 35 and of new and beginning farmers who have farmed for ten years or less. But the average age of beginning farmers is 48.6. While lower than the state's average age of 59.2, this figure suggests that it remains difficult for young people to enter the field.

Virginia has adopted a Farm Link program to address this issue, but concerned policy

makers and local leaders could consider additional programs that other states have adopted to support access to land and other agricultural resources.



Less than 8 percent of Virginia's farmers are younger than 35, while more than 40 percent are 65 or older. This is in striking contrast to the general workforce, where 35.5 percent of all workers are under age 35 and only 6.7 percent are age 65 and older.³

Source: USDA National Agriculture Statistics Service, 2022 Census of Agriculture. [Table 52. Selected Producer Characteristics: 2022 and 2017](#)

Aggie Bonds

Sixteen states offer Aggie Bond programs to help beginning farmers and ranchers buy land, equipment, buildings, and livestock. Typically run by a state department of agriculture or state finance authority, these federal/state partnerships allow private lenders to receive federal and/or state tax-exempt interest on loans made to beginning farmers. This makes it possible for local lenders to offer lower interest rates—on average, one to three percent lower than the commercial farm rate. Liability for these loans rests with the private lender.

By offering loans with below market interest rates, Aggie Bond programs are a cost-effective way to pass savings on to beginning farmers. Further, the interest farmers pay on these loans is exempt from federal—and in some cases, state—income taxes.

Beginning Farmer Tax Credits

Beginning Farmer Tax Credit (BFTC) programs give agricultural landowners a credit on their state income

taxes in exchange for renting and/or selling farmland and other agricultural assets to beginning farmers. As of 2024, [six states have authorized BFTC](#), each with its own priorities and approaches. The first, [Nebraska Next Gen](#), was authorized in 1999. It provides state income tax credits to an agricultural asset owner who enters into a three-year rental agreement with a beginning farmer. Assets include land, livestock, buildings, and machinery. [Iowa's beginning-farmer-tax-credit-program](#) is similar, while Kentucky only incentivizes tax credits for the sales of agricultural assets. [Minnesota](#), [Pennsylvania](#), and [Ohio](#) offer tax credits for both sales and rentals.

Farm Purchase and Protection Incentives

Farm Purchase and Protection Incentives (FPPI) programs have the dual purpose of incentivizing land access and protecting farmland. They are designed to help young and/or beginning farmers buy farmland while also protecting it with an agricultural conservation easement.



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- › [Maryland's Next Generation Farmland Acquisition Program](#) is basically a fast-moving easement option purchase program. Selected applicants receive downpayment funds to buy farmland and subsequently protect it. Maryland also offers a small-acreage (SANG) program. SANG helps qualified young or beginning farmers who have trouble entering agriculture because of high farmland costs and lack of access secure adequate financial capital. It supports purchases of smaller farmland properties between 10 and 49 acres.
- › [Delaware's Young Farmers Program](#) provides a zero-interest loan in exchange for an easement on farmland purchased through the program.
- › Pennsylvania adopted an exemption from the state's realty transfer tax if a protected farm is conveyed to a beginning farmer.
- › [Rhode Island](#) created a Farmland Access Program to buy farmland from willing landowners at fair-market value, restrict it with an affirmative agricultural easement, then sell it to a qualified farmer at restricted agricultural value. (Rhode Island's program is also known as a "Buy-Protect-Sell" program.)
- › Washington created a tax-exempt bond program to help beginners and historically underserved farmers and ranchers acquire farmland at lower interest rates. (Washington's program has a "Buy-Protect-Sell" component.)

Farmer Mentoring Programs

Farmer mentor programs pair experienced farmers with new and beginning farmers. They offer experiential farm education, and they provide one-on-one business coaching, training, and other educational opportunities. Some offer apprenticeships while others offer training with a strong mentoring component. The USDA collaborates with [SCORE](#) to provide free business mentoring to farmers and rural business owners.

The Virginia Beginning Farmer & Rancher Coalition Program offers a [Farm Mentor Network](#) to facilitate the exchange of knowledge and skills between experienced farmers and beginning farmers. Farm mentors volunteer to share information, insights, and experiences with mentee farmers willing to learn. Most are working farmers themselves, and each offers a different experience depending on their time availability and farm needs. The



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Virginia Soil Health Coalition also offers a [Virginia Farmer Mentor Network](#). Farmers at any age and skill level can join this peer-to-peer program to learn about and implement practices that improve soil health and increase production. For more information on farmer mentoring programs, see the [Farmer Mentor Programs fact sheet](#).

To Learn More

- › [Council of Development Finance Agencies: “Aggie Bonds”](#)
- › [Julia Valliant, Marie O’Neill, and Julia Freedgood, “Bipartisan creation of US Land Access Policy Incentives: states’ efforts to support beginning farmers and resist farm consolidation and loss”](#)
- › [Julia Valliant and Julia Freedgood, “Land Access Policy Incentives: Emerging Approaches to Transitioning Farmland to a New Generation”](#)
- › [IA: Beginning Farmer Tax Credit Program](#)
- › [PA: Beginning Farmer Tax Credit Program](#)
- › [MN: Beginning Farmer Tax Credits](#)
- › [OH: Beginning Farmer Tax Credit Program](#)
- › [MD: MARBIDCO Next Generation Farmland Access Program and MD: MARBIDCO Small Acreage Next Generation Program](#)
- › [DE: Young Farmers Program](#)
- › [WA: Farmland Protection and Land Access Program](#)
- › [NE: Next Gen Program](#)

NOTES

- 1 Bigelow, Daniel, Allison Borchers, and Todd Hubbs. U.S. Farmland Ownership, Tenure, and Transfer, EIB-161, U.S. Department of Agriculture, Economic Research Service, August 2016. <https://www.ers.usda.gov/webdocs/publications/74672/eib-161.pdf?v=4266>
- 2 Katchova, A.L. and Ahearn, M.C. (2016), Dynamics of Farmland Ownership and Leasing: Implications for Young and Beginning Farmers. Applied Economic Perspectives and Policy, 38: 334-350. <https://doi.org/10.1093/aep/ppv024>
- 3 U.S. Bureau of Labor Statistics. Table 3.1 Civilian Labor Force by age, sex, race, and ethnicity 2003, 2013, 2023, and projected 2033. August 29, 2024. <https://www.bls.gov/emp/tables/civilian-labor-force-summary.htm>