

# GREENER PASTURES FOR NEW FARMERS

## CASE STUDY NONPROFIT MODEL

### OPEN SPACE INSTITUTE LEASE TO OWN PROGRAM

Open Space Institute | <http://www.osiny.org/>

Written By: Amy Verbofsky, Food System Planning Associate

Last Updated On: August 19, 2014

Founded in 1974, the Open Space Institute (OSI) protects scenic, natural, and historic landscapes to provide public enjoyment, conserve habitats, and sustain communities. In 2012, OSI undertook a pilot Lease to Own Program as a way to leverage OSI's land conservation work to support regional food system efforts. In the Lease to Own Program, OSI works with eligible farmers to identify and acquire suitable pieces of land that satisfy both their farming and land conservation requirements. Under the lease to own arrangement, the farmer leases the property from OSI for a established period with the option to purchase the property at any time during the lease. The purchase option provides farmers with the land security necessary to make investments in the property and, in turn, grow their farm business. The purchase option also supports OSI's conservation efforts by positioning a private party (the farmer) to purchase the preserved land. In the first year of the Lease to Own Pilot Program, OSI completed two transactions with two farm families (four farmers) to preserve a total of 350 acres of farmland. OSI is now looking to expand the program.

---

#### KEY POINTS:

- OSI partners with organizations like Greenmarket, Stone Barns Center for Food and Agriculture, and Essex Farm to identify farmers who want to own their own farm and have a proven commitment to farming.
- OSI's land acquisition arm, the Open Space Conservancy, acquires the property, which the farmer then leases.
- The farmer has the option to purchase the property any time during the lease period.
- This arrangement provides farmers with greater land security and allows OSI to find private owners for conserved land.



FOR FULL REPORT, PLEASE SEE [WWW.DVRPC.ORG/FOOD/GREENERPASTURES](http://WWW.DVRPC.ORG/FOOD/GREENERPASTURES)

Founded in 1974, the Open Space Institute (OSI) protects scenic, natural, and historic landscapes to provide public enjoyment, conserve habitats, and sustain communities. OSI's work emphasizes permanent protection on a landscape-level scale in an effort to prevent fragmentation, which disrupts key wildlife corridors, impairs water and air quality, and diminishes the beauty and scenery of natural areas. Although their mission is not directly related to the food system, OSI recognizes the value in maintaining working family farms as a source of local food production and as a basis for a sustainable economy. Through conservation easements and direct acquisition, OSI helps farmers protect their land in perpetuity and ensure the likelihood that their farms remain viable and productive in the face of development pressures and other challenges.

In 2012, OSI undertook a pilot Lease to Own Program as a way to leverage OSI's land conservation work to support regional food system efforts. They wanted to develop a program that not only aligned with their mission to preserve land on a large scale, but would also complement the resources already available to farmers through the agricultural lending industry. The Lease to Own Program is intended to help small and beginning farmers access land, grow their farming enterprise, build equity, and eventually graduate to traditional lending institutions.

OSI partners with organizations like Greenmarket, Stone Barns Center for Food and Agriculture, and Essex Farm to identify farmers who want to own their own farm and have a proven commitment to farming. OSI relies on their partners to help evaluate the dedication and creditworthiness of the candidates. After selecting an eligible farmer, OSI works with the farmer to identify a suitable piece of land that satisfies both their farming and land conservation requirements. OSI's land acquisition arm, the Open Space Conservancy, then acquires the property. The farmer leases the property from OSI for a set term, generally five to seven years, with the option to purchase the property at any time during the lease. The purchase option provides farmers with the land security necessary to make investments in the property, such as soil improvements or fence construction, and, in turn, grow their farm business. The purchase option also supports OSI's conservation efforts by positioning a private party (the farmer) to purchase the preserved land. OSI will recover the fee value of the property (property value minus the cost of the conservation easement) once the farmer exercises his or her purchase option.

In the first year of the Lease to Own Pilot Program, OSI completed two transactions with two farm families (four farmers) to preserve a total of 350 acres of farmland. The two farms, located in the Champlain region of New York, practice diversified vegetable farming. Diversified vegetable farming is well suited to this program and this level of farmer since it yields high-value products that do not require significant infrastructure investments, unlike a dairy farm. OSI is now looking to expand the program but acknowledges that there are still a number of questions concerning how to manage the program on a greater scale without significantly increasing costs. OSI recognizes that they will need to vary the type of farmer that they support in order to continue to support their mission of landscape-level preservation. They cannot provide assistance to the number of vegetable farms necessary to have a significant conservation impact without saturating the market with local vegetables and driving down prices. OSI will also need to formalize the process by which they identify suitable land and farmers. Jake Beinecke, an Open Space Institute, Farm Viability Project Analyst, noted that OSI was very lucky that the financing, land, and farmers all came together at the same time in the Lease to Own Pilot Program. Future efforts may need to establish official relationships with trusted partners to provide technical assistance and applicant screening. Additionally, leases may need to include a farm management plan to ensure that land conservation issues are considered.