

Leasing Farmland in New Jersey

Farmer Worksheet: Planning for a Lease



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Leasing Worksheet – Planning For a Lease

One of the first steps toward starting a new farm business or expanding an existing operation is to obtain access to land. When considering a lease agreement for the land you need, it is important to clearly define your plans and goals at the beginning of the process. Thinking critically about your farm business needs before entering into a lease can help you avoid problems later. For beginning farmers getting started, this is particularly important. This worksheet is designed with beginning farmers in mind but could be used by any farmer.

As a farmer, keep in mind that your plans and ideas might be different from those of a landowner. While you might be focused on what is required to run a successful farm business, a landowner might be concerned about other factors, such as supporting a specific type of agriculture or having property maintenance performed. Understanding and addressing these differences can be as important as evaluating whether a property's physical characteristics (soils, infrastructure, and other resources) are suitable for your operation.

Reviewing and answering the questions in this worksheet can start you on the path to developing a lease that addresses your interests and concerns, as well as those of a landowner. Some resources are also noted that may help as you develop your leasing plans. For a more comprehensive review of leasing considerations, including information that could help with writing a lease, please see the companion guidebook, "Leasing Farmland in New Jersey: A Guide for Landowners and Farmers."



Outlining Your Farm Business Needs

Whether you are planning to lease land for a short or long term, spending some time to outline your plans and what you need for your farm operation will provide a framework for the leasing discussions you have with landowners and the lease you create. This initial step in the planning process may also bring to light some ideas you may not have explored or aspects of a lease relationship you may not have considered. As you answer these questions, think about your priorities for each item. What items are absolutely necessary? What things are optional but important? In what areas could you compromise?

Farm type: What type of farm operation (e.g., vegetable, livestock, nursery, grain) do you have or are starting?

Acreage: How much acreage do you need to operate? Do you plan to expand in the future?

Soils: What soil types are suitable for the crops that you intend to grow? (Rutgers Cooperative Extension, NOFA-NJ, and USDA’s Web Soil Survey may be good resources regarding any soils questions.)

Infrastructure: What infrastructure do you need to run your business (to grow your crops or raise your livestock)? (Note anything that you need, e.g., irrigation, fencing, electricity, coolers, barns for equipment storage, greenhouses, etc.)

Marketing plans: How do you plan to market your products? Are you looking to sell your products onsite (such as through a roadside market or a community supported agriculture operation), or do you plan to sell them off-site (such as at a farmers' market or through another outlet)?

If your plans include on-site sales, how comfortable are you building this type of business on a leased property?

If your plans include off-site sales, how far are you willing to travel from the farm to a marketplace?

Location: What areas are you considering for your farm operation? How far are you willing to travel from your current residence (or home farm) to a new piece of property?

Lease length: How long would you like your lease term to be? (How much time are you looking to commit to a new piece of ground? What lease term would you be comfortable with for your business?)

Rental rate: What rental rate do you expect to pay? What rental rate can you afford? (What is the average rate in the areas you are considering? How much is the rate affected by renting irrigated land or land with infrastructure? Note: You can research basic rental rates through the USDA National Agricultural Statistics Service at [http://www.nass.usda.gov/Surveys/Guide to NASS Surveys/Cash Rents by County/index.asp](http://www.nass.usda.gov/Surveys/Guide%20to%20NASS%20Surveys/Cash%20Rents%20by%20County/index.asp).)

Landowner involvement: What type of landowner do you hope to work with? (Are you comfortable with a landowner who wishes to be involved in the continued management of the property, or do you prefer a landowner who is less involved? How would you structure the relationship?)

Farm business notes: Will you be operating entirely on leased land, or do you also own some land? If your ultimate goal is to prepare for the investment needed to become a landowner, does this affect your leasing plans?

Who else in addition to you is a decision-maker for the farm business (e.g., other family members or business partners)? Do they have different requirements or wishes regarding leasing?

Evaluating Properties

As you begin to look at specific properties and to consider lease agreements, evaluate each property's suitability for the needs of your farm business. In addition to considering the land's characteristics, also consider the landowner's plans and ideas and how well they align with your vision. Work with each landowner to discuss and answer these questions.

Farm history: What are the previous agricultural uses of the land? What crops have been grown? (Previous uses may be indicative of what the ground can support.)

Farm size: How many acres are available for lease? (Is this the whole property or a portion? How many acres are tillable? How many are forest land?)

Farm soils: What is the predominant soil type of the land? (Note: You can use USDA's Web Soil Survey to create a soil map of the property and research general information about the soil types. See <http://websoilsurvey.nrcs.usda.gov/app/HomePage.htm>.) Is this soil type suitable for the crops you intend to grow?

Farm infrastructure: What infrastructure is available with the land? Will it be included in the lease? If the infrastructure you need is not available, will the landowner allow you to make improvements to the property? Under what conditions?

Farm marketing: Will the landowner allow you to sell your products from the farm? Is the public allowed to access the land?

Land use: Are there any restrictions on the use of the land? Are there easements on any portion that would be leased (e.g., a utility, drainage, or preserved farmland easement)?

Is some or all of the property enrolled in a conservation program (e.g., through a USDA Natural Resources Conservation Service (NRCS) or Farm Service Agency (FSA) contract)?

Are there any competing adjacent uses (e.g., residential, commercial, or industrial?)

Farm practices: Does the property have a farm conservation plan? Will you be required to implement the plan or to maintain conservation practices already implemented?

Is some or all of the land certified for organic production? Is the landowner looking for you to maintain this certification?

What types of wildlife are typically seen on the property? Does this wildlife damage the crops? Will you or some other group be granted permission to hunt the land to reduce wildlife pressure on crops? If not, is there another option for wildlife control?

Landowner notes:

What are the landowner's motivations (reasons and goals) for making the property available?

Does the landowner have long-term plans for the property? What are they?

Additional Resources

As you review your farm operation and seek access to land, you may find it helpful to consult with agricultural professionals and review other resources. “Leasing Farmland in New Jersey: A Guide for Landowners and Farmers” contains a listing of agencies, organizations, and other resources you may find helpful. The guidebook also includes information on leasing considerations, creating and maintaining a lease, sample leases, and leasing profiles.

For a printed copy of the guidebook, contact the State Agriculture Development Committee at (609) 984-2504 or the Northeast Organic Farming Association of New Jersey at (908) 371-1111. The leasing guidebook also is available online at <http://nj.gov/agriculture/sadc/farmlink/resources/leaseguide.pdf>.



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