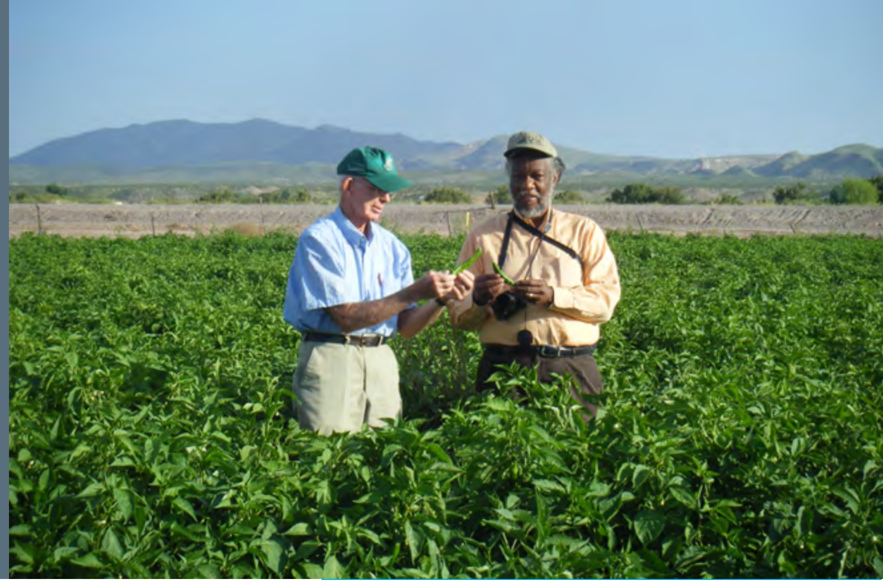
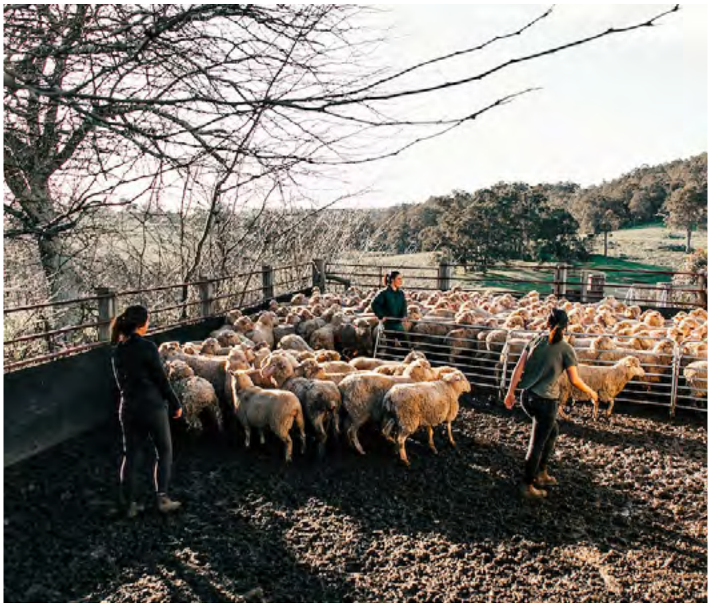
LAND POLICY FOR A SUSTAINABLE FARMING FUTURE

By Anthony Pahnke & Jordan Treakle



WHAT'S THE PROBLEM?

Farmland for food production in the United States is under threat. As 70% of all US arable land is estimated to change hands from 2020 to 2040, corporations (both domestic and offshore) are increasingly treating agricultural land as a speculative asset.[1] In 2019, corporations rented or owned approximately 7.9% of all US farmland acres, with the rate of corporate farmland ownership doubling since 2014.[2]



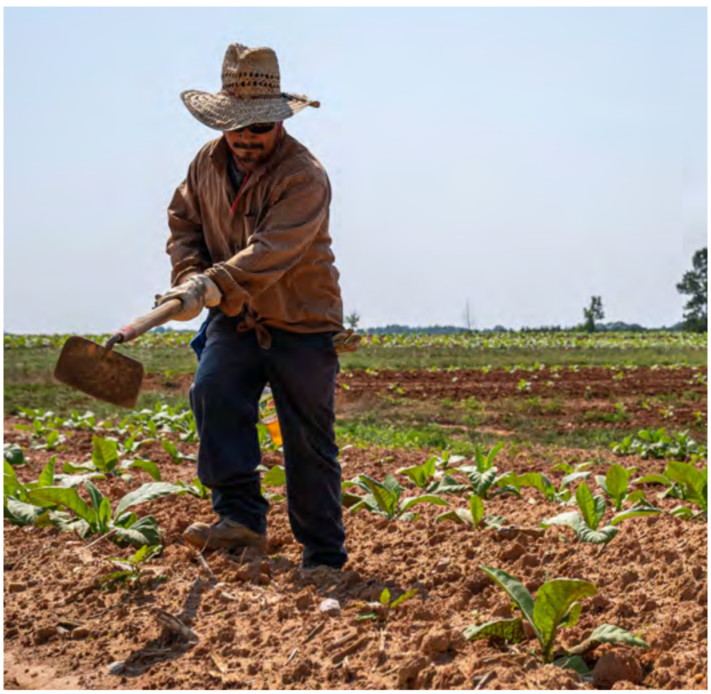
This corporate buy-up of rural America drives consolidation in the food system and contributes to the cost of farmland reaching historic levels, which prices out family farmers, and historically underserved, young, and beginning farmers in particular.[3] Indicative of how such changes negatively impact farming communities is how the percentage of cropland farmed by mid-size operations - namely, those with between 100-500 acres - fell from close to 45% in 1969 to 16% in 2017.[4] These interrelated trends of speculative corporate land investment, farm crisis, and the impacts on the next generation of producers raises urgent questions on the role of public policy on land issues - or land governance - and how new agricultural public programs and policies can ensure that farmland stays in the hands of the diverse rural communities that feed us.

AGRICULTURAL LAND VALUES NEARLY DOUBLED FROM 2005 TO 2019, AND JUMPED 7% FROM 2020 TO 2021.

For more information on NFFC's land campaign work, visit our website or scan this QR code!

www.nffc.net/what-we-do/land-grab-campaign/

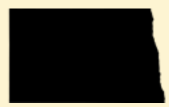
Since the 2008 food price and financial crisis, NFFC has been working with an international coalition of farmer, faith, environmental, and other civil society organizations to track corporate farmland purchases in the United States and abroad, and push for reforms to US land governance policy that build on historical precedent, and existing state-law, to promote secure land tenure and community land rights for family farmers over corporate interests.



THE CURRENT STATE OF LAND GOVERNANCE IN THE US

Land governance refers to the overarching regulatory framework that our public institutions administer concerning accessing, retaining, and transferring property. In the US context, this entails the overlapping federal, state, and local laws that regulate land access. Far from something new, states and the federal government have long been involved in governing land access.

States such as Wisconsin and Iowa in the upper Midwest passed laws in the 1880s and 1890s prohibiting foreign interests from owning land, principally to prohibit land speculation and absentee ownership.[5]



In the 1930s, North Dakota's legislature banned corporations from owning land, which is a policy that remains in place today.[6]

While most land governance is done at the state level, we need federal policy reform and new land laws as large-scale speculators and foreign interests increasingly acquire land. Currently, policy mechanisms that facilitate the transfer of land from one generation to the next are weak, if non-existent. Furthermore, federal oversight of land tenure trends, and foreign farmland investment in particular, is weak and outdated, with no meaningful new legislation on these issues since the 1970s. One step in the right direction is the USDA's Increasing Land, Capital, and Market Access Program, which dedicates $300,000,000 to community-based organizations, universities, and other institutions to develop and run programs in response to the land, capital, and market access needs of diverse groups around the country.[7] Still, in addition to more funding, policy change is also needed with respect to creating a sustainable future for our farmland.

Now is the time for our government to assist new farmers, instead of helping large-scale operators acquire more property and equipment, or allowing corporations to continue to take advantage of lax regulations.

FEDERAL LAND POLICY WAS A CRITICAL PART OF NEW DEAL ERA INITIATIVES

There is precedent for federal policy to support family farmers getting access to farmland for local food production and redistributing land to new, beginning operators. For instance, innovative policies such as the Bankhead-Jones Act (1937) made the USDA a vehicle for transferring property from willing sellers to buyers. With USDA as a lender of last resort, the Act provided subsidized public credit to landless people, targeting tenants, sharecroppers, and laborers. If the property owner defaulted, or quit farming, then the land would return to the USDA for another potential buyer. The legislation also connected increases in infrastructure spending to concomitant rises in farm productivity.[8] In tandem with other projects that were part of the New Deal-era Farm Security Administration (FSA) within the USDA, this Act ultimately redistributed over 2 million acres around the country.[9] Even as systemic racism characterized most US policy at this time, 21% of the participants were people of color. To assure this outcome, the USDA hired a person of color to do outreach to potential beneficiaries in need of land.[10] Despite the legislation's potential, years of implementing these novel efforts ended when white landed elites in the South made the FSA the subject of Congressional investigation. In 1946, the Farmers' Home Administration Act replaced the FSA, turning the USDA's focus to farmers who already had land, and not to marginalized landless people.[11]

REFORMING LAND GOVERNANCE IN THE UNITED STATES

Reform of land governance policy is needed to advance racial equity in the U.S. food and agriculture system, address land consolidation trends, restrict corporate power over farmland, and support a new generation of new and beginning farmers. To advance these goals, public policy reforms should include:

1 RESTRICT SPECULATIVE AND EXTRACTIVE CORPORATE FARMLAND INVESTMENTS

- Strengthen and expand limitations on corporate ownership of farmland. Nearly 20 states have laws limiting corporate and/or foreign ownership of farmland. These laws, and related regulatory efforts, should be replicated and strengthened by federal policy.

2 INCREASE RESEARCH AND ANALYSIS OF THE IMPACTS OF THE FINANCIALIZATION OF FARMLAND

- Expand federal oversight of land investment trends to ensure that the federal government can effectively track the scale and scope of foreign investment in US farmland, including US companies buying land with capital sourced from abroad
- Fund the USDA TOTAL (Tenure, Ownership, and Transition of Agricultural Land) Study, conducted every four years, and hold public hearings on its findings related to the socio-economic and ecological impacts of land tenure changes in the U.S.

3 INCREASE AND PROTECT ACCESS TO FARMLAND FOR FAMILY FARMERS AND HISTORICALLY UNDERSERVED COMMUNITIES

- Increase assistance to heirs' property owners, including scaling up the Heirs' Property Relending Program with permanent baseline funding, and supportive grant resources.
- Allocate public resources to support the formation of land trusts, agrarian commons, and other community-based land tenure arrangements; ensure farmers involved in these land tenure arrangements have equal access to all USDA programs.
- Create a USDA land access land grant program to support the acquisition of land by historically underserved farmers and ranchers.
- Expand funding for, and effectively implement, the Indian Tribal Land Acquisition Loan Program and the Highly Fractionated Indian Land Loan Program, in consultation with tribal communities and governments.

4 SUPPORT AGRICULTURAL POLICIES THAT TRANSITION FARMERS TO ECOLOGICAL PRODUCTION AND BOLSTER LOCAL FOOD SYSTEMS

- Scale up the Farming Opportunities Training and Outreach (FOTO) Grant program.
- Pass into law and implement recommendations of the USDA Equity Commission.
- Support fair prices for farmers that reflect parity pricing to ensure that farmers and workers are paid fair prices and living wages and can make a good livelihood and invest back in their community.

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NATIONAL FAMILY FARM COALITION

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