

# Recommendations of the King County Farms and Food Roundtable



June 2014

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*Thanks go to Maia Kurnik, an MHP student at the University of Washington working under the direction of Roundtable member Jennifer Otten, assistant professor, University of Washington School of Public Health for the idea to describe the work using the stages of the local farming economy. The original concept has been adapted to include ideas and information that emerged during meetings of the Farm and Food Roundtable.*

## TABLE OF CONTENTS

Background .....	1
Values.....	2
1.Acquire and Steward Land and Capital.....	3
RECOMMENDATIONS .....	4
2.Grow/Harvest.....	7
RECOMMENDATIONS .....	7
3.Process/Store/Transport .....	9
RECOMMENDATIONS .....	9
4.Market/Sell/Use.....	11
RECOMMENDATIONS .....	11
5.Food system development, coordination, evaluation and funding .....	14
RECOMMENDATIONS .....	14

## APPENDICES

Appendix 1: King County Farmland Acres.....	A-1
Appendix 2: Existing Research on Supply and Demand.....	A-2
Appendix 3: Summary on Farmland Leasing and Lease-to-Purchase Programs .....	A-8
Appendix 4: Farmland Preservation – Innovative Examples .....	A-26
Appendix 5: Notes on Farm-to-Institution Strategies .....	A-29
Appendix 6: South Carolina Plan to Connect Small Farms to Local Markets .....	A-34
Appendix 7: Roles of the Sponsors to Implement Recommendations.....	A-37

## Background

The King County Farms and Food Roundtable was created by three sponsoring organizations: King County, the City of Seattle, the Pike Place Market Preservation and Development Authority. The sponsors invited thirty-five individuals (see previous page) experienced in local farming, food processing, distribution, marketing, financing and technical assistance to participate in the Roundtable. The purpose of the group was two-fold:

- Identify options and make recommendations to the sponsoring agencies for strategies, both near-term and long-term, to preserve additional farmland in King County.
- Identify options and make recommendations for near-term and long-term strategies to increase market and distribution opportunities for local small and mid-sized farmers in King County, looking particularly at food hubs or other means of aggregating local product to expand access to markets.

In order to address this two-part charge from the sponsors, the Roundtable created two subcommittees: the Land Preservation Subcommittee, and the Markets and Distribution Subcommittee. Membership of the subcommittees was accomplished through self-selection by Roundtable participants. The Roundtable met three times between November 2013 and May 2014. Each of the subcommittees also met three times, between December 2013 and April 2014.

Cedar River Group was hired to facilitate the Roundtable's work. Representatives from the three sponsors created a staff team that worked with the consultants to guide the project. After the Roundtable developed its recommendations, the staff team also prepared a matrix of roles and responsibilities for each of the sponsors to begin implementation of the recommendations.

The following pages reflect a summary of the work of the Roundtable. The recommendations are divided into five sections, reflecting different stages of the local farming economy:

- Acquire and steward land and capital
- Grow/harvest
- Process/store/transport
- Market/sell/use
- Food system development, coordination, evaluation and funding

The consultant team conducted research on various topics during the Roundtable's work. That research is included in the appendix to this report.

## Values

The members of the Farms and Food Roundtable identified four values as the foundation for these recommendations. Those values are:

- Economic opportunity,
- Improvement in public health,
- Social equity, and
- Environmental quality and sustainability.

These values comprise the standard against which all of the goals and recommendations in this report were measured.

# 1. Acquire and Steward Land and Capital

## Challenges

- Shortage of affordable, available farmland.
- High and increasing cost of land throughout the county. The cost of farmland in cities is particularly high.
- Some land values remain high even after development rights have been purchased.
- Finding land owners willing to sell development rights.
- Many current farmers are aging, have no plans for transitioning land to next generation and could sell land for nonfarming uses.
- Young farmers and immigrant farmers often lack capital to secure land.
- The current capacity of the Farmland Preservation Program to ensure compliance with easements and manage leases on publicly owned property, and plan for new initiatives, is insufficient.
- Lack of water rights and/or drainage improvements makes some farmland less productive.
- While the County's agricultural zoning and Farmland Preservation Program have successfully protected local farmland (see the Existing Assets section), a significant amount of farmland in the rural zone has been developed for other uses during the past twenty years. There continues to be pressure to develop rural farmland that is not protected by zoning, or purchase of development rights.

## Existing Assets

- Approximately 55,600 acres of land are currently in production or farmable within the county.<sup>1</sup> (This number will continue to be refined. See Recommendation "N" in this Section.)
- Approximately half of the farmed or farmable land (27,000 acres) lies within the Agricultural Production Districts (APDs)<sup>2</sup> designated under the Growth Management Act.
- 13,500 acres of farmland are permanently protected through purchase of development rights or public ownership.<sup>3</sup>
- An innovative Transfer of Development Rights (TDR) program has been created by King County and the City of Seattle, which is designed to preserve additional farmland from development. It is projected that up to an additional 2,000 acres of farmland could be protected by 2024 through this program.<sup>4</sup>

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<sup>1</sup> Estimates based on analysis by King County Department of Natural Resources and Parks. See Appendix 1.

<sup>2</sup> Estimates based on analysis by King County Department of Natural Resources and Parks. See Appendix 1.

<sup>3</sup> Estimates based on analysis by King County Department of Natural Resources and Parks. See Appendix 1.

<sup>4</sup> Estimate provided by King County Department of Natural Resources and Parks staff to Land Preservation Subcommittee, January 13, 2014.

- The Conservation Futures Tax (CFT) has been in place in King County since 1982. The CFT currently generates \$17 million annually, and farmland acquisition is an eligible activity. There is an opportunity to allocate additional CFT funds for farmland preservation.
- The Washington Wildlife and Recreation Program provides a significant amount of state funding for farmland acquisition on a competitive basis.
- The Washington State Housing Finance Commission has begun to offer loans to new farmers for land acquisition.
- A strong community of private nonprofit land trusts is working with local governments to protect additional farmland.
- The federal Farm and Ranch Land Protection Program is a potential source for limited acquisitions.

## **RECOMMENDATIONS**

### **Local Policy Goals**

Goal 1: Preserve the farmability of sufficient farmland to help sustain a vibrant agricultural economy in King County:

- Establish a target of preserving 55,600 acres of farmable land through a combination of land use policy, economic incentives, transfer of development rights, and purchase of land and development rights.
- Pursue a near-term target of permanently protecting an additional 10,000 acres of farmland within 10 years.

Goal 2: Ensure protected farmland is well managed for the greatest public benefit:

- Improve the farmability and production on protected lands (e.g., drainage, water rights, etc.).
- Encourage sustainable land management practices that protect the ecological value of the lands.

Goal 3: Ensure there are new farmers with the skills and financial capital to farm protected lands that are affordable:

- Increase the number of new farmers, including young people and immigrants, as well as support opportunities for initial and ongoing training.

### **Actions to Achieve the Goals**

The members of the Roundtable recommend the partner agencies (King County, the City of Seattle, and the Pike Place Market) should:

- A. Strengthen the capacity of the County's Farmland Preservation Program by adding resources to take advantage of the existing funding opportunities, prepare for new funding resources, and steward the public interest in the land or easements owned by the public.
- B. In the near term (2 to 3 years) use proceeds from the City/County Transfer of Development Rights Program, Conservation Futures Tax, and grant funding to acquire farmland and/or

development rights. A higher percentage of Conservation Futures tax funds should be used for farmland preservation.

- C. To meet the goal of protecting an additional 10,000 acres in 10 years, create new funding sources to expand the Farmland Preservation Program (i.e., bonds, levies or other new major source of funds).
- D. Focus the purchase of land or development rights on:
  - Land currently in agricultural production, including anchor farms;
  - Land threatened by development potential;
  - Land in proximity to other protected farmland (land in Farmland Preservation Program or in APDs);
  - Land in proximity to other farmed land (as determined by current use taxation, the Public Benefit Rating System, or submission of a Farm Plan);
  - Land with high-quality soil;
  - Land with water rights and drainage improvements (or government willingness to invest in improvements).
- E. Use acquisition criteria that focus on protecting “agricultural communities” where there are critical masses of farms in one area. This would mean concentrating on parcels:
  - Inside APDs;
  - Outside, but adjacent to APDs (to reinforce the urban growth boundary);
  - Anchor farms that lie within incorporated cities (these farms have a high threat of being developed for other uses, and will require working across jurisdictions);
  - Larger parcels;
  - Unincorporated rural areas where there is a concentration of farms (i.e., current use taxation, those participating in the Public Benefit Rating System, and have filed farm plans);
  - Farmland that has the potential to be made available to new farmers at affordable rates.
- F. Purchase land that could be leased to farmers (directly or through nonprofit managers) as a means to reduce the barriers to entry for farmers (including lease to purchase options).<sup>5</sup>
- G. Create “farm incubators” for training and technical assistance for food production by new farmers, including leasing land to nonprofits (per Bainbridge Washington; Hawaii; ALBA in Monterey, California; and Seattle Tilth examples).<sup>6</sup>
- H. Encourage new programs and develop programmatic linkages that increase access to healthy foods, particularly for food insecure residents. (See also recommendations in Section 2 Grow/Harvest “B,” “C,” “D” and “E.”)
- I. Structure new purchase of development rights agreements to keep land in food production (e.g., Massachusetts and Vermont examples of Option to Purchase at Agricultural Value).<sup>7</sup>

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<sup>5</sup> See Appendix 3 for examples.

<sup>6</sup> See Appendix 3.

<sup>7</sup> See Appendix 4.



- J. Make strategic investments in infrastructure on protected farmland to enhance farm production and environmental sustainability (i.e., drainage improvements, water rights, housing for farmers, etc.) and implement strategies that support the viability of farming.
- K. Synchronize the work of the Farmland Preservation Program, Current Use Taxation, and Public Benefit Rating System to achieve complementary policy goals and provide incentives for active farming.
- L. Enhance nonfunding strategies to protect farmland (i.e., continued strong agricultural zoning, right to farm legislation, limits on house size on farmland, etc.).
- M. Assist farmers access capital through public (e.g., Farm Service Agency loans) or private equity (e.g., Slow Money Northwest, etc.) or loans (e.g., Craft 3, regional banks, etc.). Provide technical assistance to help farmers prepare for successfully securing and repaying capital acquired.
- N. Continue to analyze the land base to refine strategies for farmland preservation.
- O. Create a comprehensive strategy for farmland preservation, beyond acquisition related strategies.
- P. Work with the American Farmland Trust, PCC Farmland Trust, Forterra, Trust for Public Land, other land trusts, state agencies, and other organizations as appropriate, to identify potential joint projects as well as how best to work together toward common goals.

## 2. Grow/Harvest

### Challenges

- New and current farmers (including immigrants and young people) need training, access to land, capital, and equipment.
- Traditional sources of training and technical assistance (WSU Extension, Farm Link, etc.) have diminished due to funding constraints.
- Farms can be wiped out by forces beyond their control (droughts, floods, etc.).
- Small farming operations have difficulty bearing the cost of compliance with environmental regulations (Endangered Species Act, Water Quality Act, Food Safety Regulations, etc.).
- Increases in labor costs affect production costs.
- Crop insurance programs are difficult for small farmers to use and not well designed for specialty crops.
- Audits or other third-party certifications that can help with marketing are often costly and cumbersome for farmers.
- Seasonality limits market opportunity.

### Existing Assets

- King County has more than 1800 working farms, producing \$127 million in agricultural products annually, and ranks 13th among Washington's 39 counties in agricultural production.<sup>8</sup>
- The value of fruit and vegetable production in King County is estimated at \$20 million.<sup>9</sup>
- King County has been leasing land to immigrant farmers for more than 30 years.
- The City of Seattle has made public land available to nonprofits (such as Seattle Tilth) for the creation of "incubator farms" at the Rainier Beach Community Farm, the Red Barn Ranch in Auburn, and Marra Farm in South Park.
- Many recent immigrants bring farming skills from their country of origin.
- Cascade Harvest Coalition, Seattle Tilth, Clean Greens, and other organizations are helping new farmers (including disadvantaged youth and immigrants) to gain access to land and markets.
- If fully funded, the King Conservation District has the potential to fund enhancements in local production.

## RECOMMENDATIONS

### Local Policy Goals

To restore a fully functioning local agricultural economy as a source of healthy food and employment opportunity for future generations, the partner agencies should:

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<sup>8</sup> USDA Census of Agriculture, cited in 2009 King County FARMS Report Appendix, December 2009.

<sup>9</sup> King County 2009 FARMS Report Appendix.

- Enact policies and support programs that enhance the economic viability of farming in King County.
- Establish specific long-term and interim goals for increasing local food production (for example, double local production in ten years).

### **Actions to Achieve the Goals**

The members of the Roundtable recommend the partner agencies:

- A. Create an economic development plan for the local agricultural and food system that is as robust as those recently developed for other sectors of the economy. The plan should identify specific sectors where there are opportunities for expansion, the gaps that must be filled to take advantage of those opportunities, and methods to fill those gaps.
- B. Make public land and financial support available to local organizations to operate incubator farms to develop the next generation of farmers (like those now in operation at Red Barn Ranch, Rainier Beach Community Farm, and Marra Farm).
- C. Identify methods to link production (especially at incubator farms) to improved access to healthy food for low-income people.
- D. Identify sources of capital for new farmers to help them to gain access to land and equipment.
- E. Invest in the capacity of public agencies, academic institutions and nonprofit organizations (such as Cascade Harvest Coalition, WSU Extension, Farm Link, Seattle Tilth, Clean Greens) to undertake research and to provide technical assistance to:
  1. Increase the number of new farmers;
  2. Create career pathways for new and current farmers;
  3. Connect new farmers to available land and capital;
  4. Develop and spread innovative farming practices that improve production, protect the environment, and support health for those who produce and consume local food (e.g., responsible antibiotic and pesticide use, mineral and vitamin content related to soil health);
  5. Help farmers to meet increasingly rigorous health, safety and environmental standards;
  6. Reinvest in WSU Extension to provide applied research and outreach to farmers and communities, including research that promotes the economic viability of farms, builds value chains, and develops sustainable farming practices and agricultural adaptations that may be important as the climate changes.
- F. Review and revise local regulations within each farming community to ensure they are as streamlined and effective as possible and encourage sustainable local agricultural production.
- G. Work with each farming community to identify and implement targeted capital investments to improve the viability of farming (e.g., flood management, food processing, etc.).
- H. Explore the creation of mechanisms to pay farmers for the value of certain ecosystem services they provide, especially mechanisms that do not remove farmable land from production (e.g., salmon habitat restoration).
- I. Work with nonprofits and other agencies to improve coordination of existing services to farmers.

### 3. Process/Store/Transport

#### Challenges

- There is a shortage of cold/dry storage and other facilities that are needed to process the increasingly diverse agricultural products being created by King County farmers. Small farmers often need to aggregate their produce to fill orders and compete with larger suppliers.
- Food hubs are not yet economically viable without subsidies.
- Small farming operations face challenges in transporting their goods to market.
- The organizations that are developing solutions to these challenges are dependent on grant funding, much of which is coming to an end.
- The capacity of the organizations to meet these challenges must grow in tandem with demand for local products.

#### Existing Assets

- Nonprofit organizations and groups of farmers are working to fill the gaps through the development of food production cooperatives, food hubs and other creative solutions.
- A farmer's cooperative is being developed in the Snoqualmie Valley.
- Nonprofit food hubs are operating near King County on the north and in south King County, and others are being planned in the Rainier Valley and SeaTac.
- Increasing density in urban neighborhoods has created stronger markets for direct sales.

#### **RECOMMENDATIONS**

##### Local Policy Goals

Improve the economic viability of operating farms in King County by:

- Identifying and helping to fill gaps in the capacity of each sector of the agricultural economy—and each farming community—to store, process and transport its products to market.
- Focusing research, technical assistance and financial support on implementing safe and sustainable production systems.

##### Actions to Achieve the Goals

The members of the Roundtable recommend the partner agencies:

- A. Lead planning to identify the needed capacity and infrastructure to aggregate, store and process local farm products and develop sound business plans to sustain that capacity. The planning should analyze the needs in two ways:
  1. By sector (e.g., dairy, fruits and vegetables, etc.); and
  2. By farming community (e.g., Snoqualmie Valley, Enumclaw, Plateau, etc.).
- B. Review local regulations affecting the development of essential agricultural facilities and revise them as appropriate.

- C. Find direct financial support to stabilize (and, if possible, expand) funding for food hubs and cooperatives that have a strong potential for success and sound financial plans.
- D. Convene potential funders from government, philanthropy and the mission-investment sector to assemble the funding required for specific projects to meet the needs identified within each farm community.

## 4. Market/Sell/Use

### Challenges

- Import policy, trade regulations and the structure of the commercial market make it difficult for small farms to compete.
- More funding is needed for marketing local food to the general public (through campaigns such as Puget Sound Fresh).
- Economic disparities mean local/organic food is cost-prohibitive for many consumers.
- Some low-income communities do not have access to markets that carry healthy foods.
- The existing network of farmers markets faces a variety of challenges (as documented by the Regional Food Policy Council 2014 report). These include the need to secure permanent locations and build capacity to meet the growing demand for farmers markets.
- Small farmers face multiple barriers in attempting to serve institutions and the commercial market.

### Existing Assets

- The Pike Place Market is one of the nation's most iconic symbols of the connection between farms and consumers.
- Seattle and many other communities in King County have well-established farmers markets that have been a vital outlet for local agricultural products.
- Federal, state and local governments spend more than \$100 million each year to support various nutritional support programs in King County.
- The City of Seattle, in partnership with the Washington State Farmers Market Association and funding from JP Morgan Chase Bank and The Seattle Foundation, has created the "Fresh Bucks" program. It provides a financial incentive for low-income consumers to use their SNAP benefits to buy fresh fruits and vegetables at farmers markets. Additional funding for such programs was included in the 2014 federal Farm Bill.
- The Cascade Harvest Coalition and its partners are developing "farm to institution" food chains linking local farmers to major institutions such as hospitals, public schools and child development centers.<sup>10</sup>
- Slow Money Northwest has developed a network of local philanthropists willing to invest in the development of local food systems.

## RECOMMENDATIONS

### Local Policy Goals

Enhance the viability of local agriculture, and improve the health of all King County residents by:

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<sup>10</sup> See Appendix 5.

- Establishing specific long-term and interim targets and measurement systems for: increasing the amount of food that is grown in King County; reducing the percentage of King County residents who experience food insecurity; and increasing the percentage of King County residents who meet federal dietary standards for fresh fruits and vegetables.
- Providing access to healthy food, and clear and accurate nutrition information for all residents of the county.
- Enabling more King County residents to participate in the market for local agricultural products.
- Helping local farmers to participate in a spectrum of market opportunities including direct sales, farm to institution programs, and commercial markets.
- Spreading the word about how buying local agricultural products helps local economies.

### **Actions to Achieve the Goals**

The members of the Roundtable recommend the partner agencies:

- A. Establish the targets listed in the goals as part of the agricultural and food system economic development plan (Recommendation "A" in Section 2 Grow/Harvest).
- B. Provide funding to renew and expand the successful Puget Sound Fresh marketing campaign and incorporate new media to raise the general public awareness of local food and farms.
- C. Enhance direct sales to families and individuals by:
  - Investing in the staff capacity of farmers market organizations to expand existing markets; supporting adding new markets when there is evidence they can become financially viable for farmers, consumers and market operators; and working with community partners to develop mobile markets, CSAs and other strategies to reach underserved communities.
  - Supporting farmers markets in their efforts to secure permanent locations and improve their facilities to enable year-round operations where appropriate.
  - Implementing recommendations in the Farmers Market Viability Report produced by the Regional Food Policy Council.
  - Developing the capacity of the Pike Place Market and other farmers markets to become centers for nutrition education and the aggregation of food products for institutions, commercial markets, CSAs and food banks.
  - Working with federal, state and local officials as well as community organizations to eliminate barriers and create positive incentives for those who use nutrition support programs (such as SNAP and WIC) to purchase locally grown fruits and vegetables (such as the Fresh Bucks and Good Food Bag programs).
  - Encouraging employers to provide incentives to employees and clients to purchase fresh fruits and vegetables at farmers markets, CSAs and other direct market outlets.
- D. Strengthen the connections between local farmers and institutional markets (e.g., early learning centers, schools, colleges, hospitals and corporate cafeterias):
  - Stabilize (and, if possible, expand) funding for organizations that are developing farm-to-institution linkages in King County.

- Work with other jurisdictions and school districts to expand farm to institution programs in public facilities, focusing first on settings that will improve children’s health and influence their future purchasing patterns, such as child development centers, schools and summer lunch programs.
  - Create incentives (or requirements) for public institutions to offer local food in their facilities and programs.
- E. Strengthen connections between local farms and commercial markets:
- Lead by example by specifying fresh local food products in purchasing food for public programs and facilities.
  - Explore mechanisms to “even the playing field” in the marketplace so that local foods can compete.



## 5. Food system development, coordination, evaluation and funding

### Challenges

- Responsibility for planning and implementing food policy and coordinating investments in programs is fragmented.
- There is a need for a consistent forum to coordinate the actions of diverse groups for collective impact within King County.
- Many of the most innovative actors within the food system are grant funded and need more reliable financing.
- Existing funding levels are not adequate to achieve the goals in this report.

### Existing Assets

- The partnership among King County, City of Seattle and the Pike Place Market is functioning well.
- The participants in the Roundtable comprise an “all-star” line-up of leaders within the public, private and nonprofit sectors of the local food system.
- There is a reservoir of goodwill and common purpose among the participants.
- There is tremendous interest and support among the public in local food.
- The County Executive and other public officials are prepared to lead on these issues.
- Some existing financial tools are potentially available to implement some of these recommendations, including revenue generated through the new Transfer of Development Rights Program, the Conservation Futures Tax, and King Conservation District funding.
- Additional tools may become available through implementation of the 2014 federal Farm Bill.

## RECOMMENDATIONS

### Local Policy Goals

Build upon the partnership created by the Roundtable and continue to work together to implement these recommendations, identify common objectives and policies, and engage other partners to expand the effort.

### Actions to Achieve the Goals

The members of the Roundtable recommend the partner agencies:

- A. Agree on the membership of an ongoing body to pursue these recommendations.
- B. Build on the success of the existing partnership by establishing an ongoing interagency staff team that works to develop more detailed strategies to implement the recommendations in this report, to identify additional analysis required, and to coordinate policy direction and initiatives. Expand upon the existing partnership by inviting representatives of the King Conservation District, suburban cities, fisheries interests and other stakeholders to participate as appropriate.

- C. Connect interdepartmental work within King County and the City of Seattle with these recommendations.
- D. In the near term (2 to 3 years):
  - Allocate additional funds from County, City of Seattle and Pike Place Market budgets to address these recommendations.
  - Dedicate revenue from TDRs, Conservation Futures Tax and grant applications to implement the recommendations for farmland preservation.
  - Support the work of the King Conservation District Advisory Committee to generate additional funding to implement the recommendations for marketing and distribution.
- E. Develop options to increase the funding available to achieve the goals.
- F. Work with the Regional Food Policy Council and other regional actors to align the initiatives in King County with other actions supporting local agriculture and food system development in Central Puget Sound and throughout Washington.
- G. Publicize the steps that are taken and the successes that are achieved in implementing these recommendations to build popular support for future policy and funding initiatives.

# King County Farmland Acres (2013 mapping)

Location of Farmland	In Production	Farmable but not in Production	Total Farmable	Not farmable <sup>1</sup>	Total in APD (FPP)
Agriculture Production Districts - APDs	25,000 (11,200) <sub>2</sub>	2,000 (900) <sub>2</sub>	27,000 (12,100) <sub>2</sub>	14,000 (1,400) <sub>2</sub>	41,000 (13,500) <sub>2</sub>
Rural Area <sup>4</sup>	11,600	15,000 <sub>3</sub>	26,700	unknown	
Unincorporated Urban Area	600	unknown	600	NA	
Incorporated Area (Cities)	1,400	unknown	1,400	NA	
<b>Total</b>	<b>38,600</b>	<b>17,000</b>	<b>55,600</b>	<b>NA</b>	

<sup>1</sup> Not farmable: forests, developed areas, rivers, lakes, wetlands

<sup>2</sup> Portion that is in the Farmland Preservation Program (easements restrict development)

<sup>3</sup> Number was extrapolated from detailed mapping of about 18% of Rural Area.

<sup>4</sup> The Rural Area, designated in the Comprehensive Plan, is the area outside the Urban Growth Area and excluding the Agriculture (APD), Forest, and Mineral designations.

## King County Food Systems

**Existing Research on Supply and Demand****American Farmland Trust and University of Washington, Western Washington Foodshed Study. March 16, 2012.**

This study sought to answer the question “Is there enough farmland to feed our population locally?” It identified the food produced in Western Washington<sup>11</sup>, the food consumed in the region, and the potential to develop a local food system by reconnecting local farmers to local consumers.

**Findings**

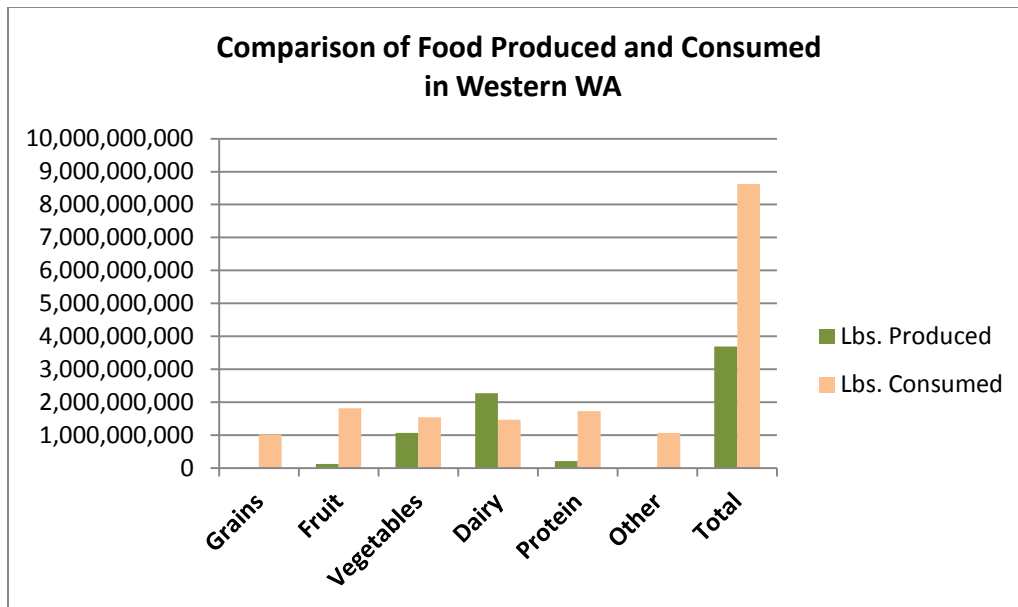
The study’s key findings related to supply and demand were:

- 3.7 billion pounds of food are produced in Western Washington.
- 8.6 billion pounds of food are consumed in Western Washington.
- Food production equals about 43 percent of the amount of food consumed.
- Dairy accounts for 61 percent of the food produced, and exceeds the amount consumed.
- Not counting dairy, the food produced in Western Washington equals about 20 percent of the food consumed.
- Among food groups, the balance of production and consumption ranges from 156 percent for the dairy produced to 2 percent for the grains produced.
- Within each food group, there is a fairly wide range in the balance of production and consumption. For example, production of vegetables is 69 percent of the amount consumed. But production of green peas is 362 percent of the amount consumed, and the leafy greens produced are only 6 percent of the amount consumed.
- The study notes that certain food items present an opportunity to increase production enough to meet local consumption needs, especially if they can be harvested year-round. The example is leafy greens.

The following chart compares the production and consumption of different kinds of foods in Western Washington.

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<sup>11</sup> The study covered the 19 counties west of the Cascade Mountain Range: Clallam, Clark, Cowlitz, Grays Harbor, Island, Jefferson, King, Kitsap, Lewis, Mason, Pacific, Pierce, San Juan, Skagit, Skamania, Snohomish, Thurston, Wahkiakum and Whatcom.



Source: American Farmland Trust and University of Washington, *Western Washington Foodshed Study (2012)*, p. \_\_\_\_.

### Strategies

The study explored strategies to make consumption and production more efficient, and facilitate the consumption of locally produced foods. The strategies were analyzed in terms of financial feasibility, political feasibility, and environmental impact, and given an overall score. The study suggested and evaluated specific tactics for each strategy.

The strategies related to supply and demand were as follows:

#### Option 1: Increase Demand for Local Food

Strategies:

- Initiate an “Eat Regionally” campaign to target consumers, grocers, restaurants (Feasibility rating: 5)
- Provide incentives for institutions to source locally (Feasibility rating: 4)

#### Option 2: Increase Access to Processing for Smaller-Scale Producers

Strategies:

- Adding processing capabilities to individual farms (vertical integration) and forming processing cooperatives (Feasibility rating: 4)
- Launch regional multi-purpose agricultural production centers (Feasibility rating: 4)
- Provide agricultural communities in Western Washington with mobile meat processing units (Feasibility rating: 5)
- Increase the scale of local producers (Feasibility rating: 4)

## **Cascade Harvest Coalition and Northwest Agriculture Business Center, Puget Sound Food Project Final Report. December 2008.**

The study included extensive surveys, interviews and site visits to food producers, processors, buyers and other agriculture interests in the 12-county Puget Sound region.<sup>12</sup> It also included a feasibility assessment of the viability of a regional, multi-purpose processing center, and a regional pastured poultry facility.

### ***Findings***

The key findings included the following:

- With increasing public demand for locally produced food, and with more than 5 million consumers in the region, there is a clear market for more local food throughout the region.
- There is inadequate food processing and related infrastructure available in close proximity to farming operations throughout the Puget Sound region.
- The “vast majority” of farmers in the region would increase food production if there were nearby processing available.
- Seventy-five percent of farmers surveyed said they were interested in having a shared, multipurpose agricultural production center near their farm. Most would be willing to transport their produce up to 30 miles to a processing center.
- Processing needs that the surveys identified included:
  - Post-harvest handling
  - Processing produce for fresh market
  - Drying/dehydrating fruits and vegetables
  - Processing fruit for puree and juices
  - Freezing fruits and vegetables
  - Central distribution/storage
  - Co-packing
  - Poultry processing
  - Livestock processing.

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<sup>12</sup> The 12 counties surveyed were Clallam, Island, Jefferson, King, Kitsap, Mason, Pierce, San Juan, Skagit, Snohomish, Thurston and Whatcom.

**Viki Sonntag and Tammy Morales, “Economic Opportunities for Regional Food System” (presented to Seattle City Council Committee on Regional Development and Sustainability) (April 20, 2010).**

**Viki Sonntag, “Summary Findings and Additional Research Questions: From Data Compilation, Economic Opportunities Analysis, Local Food Action Initiative” (April 15, 2010).**

**Viki Sonntag, Data Compilation Background Report: Economic Opportunities Preliminary Analysis, Local Food Action Initiative, City of Seattle (April 2010).**

The goal of Viki Sonntag’s study was to provide baseline data about the food economy in King County, and assist local leaders in identifying strategic priorities for community economic development. She compiled data from primary sources and local reports about the local food economy, and from national data for comparison, developed a framework for analysis, and refined it through two meetings with stakeholders.

### ***Findings***

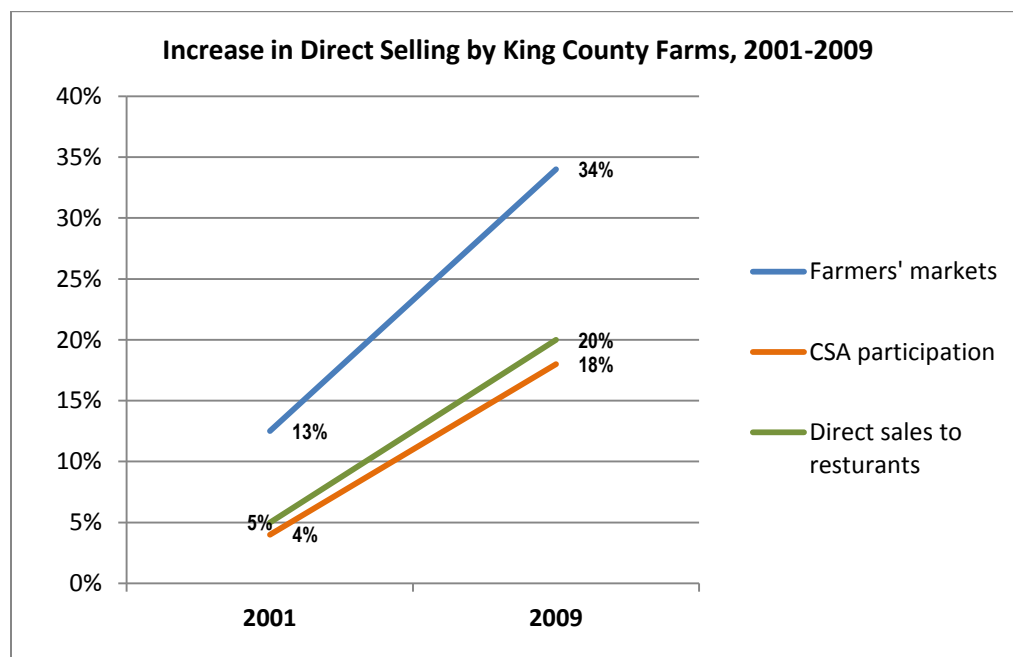
Key findings about food supply:

- The food industry in King County is made up of 1,790 farms and 5,400 companies.
- Direct sales from King County farms increased 15 percent *per year* between 2002 and 2007.
- Sales of fruits and vegetables from King County farms increased eight-fold between 1992 and 2007 from \$2 million to \$16 million.
- Ninety-nine percent of fruits and vegetables from King County farms are sold to the fresh market, with 90 percent to local markets.
- Vegetables are 92 percent of all food crop sales in King County.
- There is insufficient land in food production in King County to meet the current demand. Only 3,128 of 42,000 acres of zoned farm land are used for market crops. In 2007, only 950 acres were harvested.
- The cost of farmland in King County is a major constraint on the future supply of locally produced food. The agricultural value of farmland as a percentage of fair market value in King County is 24 percent.
- Growth in demand for local food increased the value of sales per acre for vegetables in King County by 34 percent from 2002 to 2007.
- Small farms in Washington lack distribution infrastructure, especially cold storage, drying, sorting and packing.
- Participation of local farms in King County in direct selling increased significantly between 2001 and 2009. (See graph.)

Key findings about food demand:

- There is strong demand for local food: three out of four King County residents buy locally grown food at least once a month.

- King County farmers meet only 12 percent of the local demand of vegetables. Residents' vegetable purchases total \$122 million per year.
- To meet the local demand for vegetables, King County farmers would need to increase production eight-fold. To meet the local demand for fruits, production would need to increase 67-fold.
- To meet the demand for fresh vegetables would require 13,650 acres using conventional farming practices. More than enough land is zoned for farming, but only 3,128 acres are used for market crops.
- Access to local fresh food is limited by the locations of farmers' markets and grocery stores that sell locally produced food.
- Grocery stores are nearly equal to farmers' markets in the percentage of residents who purchase local food there.
- Residents of lower income areas have less access to grocery stores that offer local, fresh food.
- Grocers, restaurants and institutional food services cite the lack of distribution as a major challenge to increasing their purchasing of local products.
- Shifting 20 percent of dollars spent on food in King County to local food would result in a \$434 million annual income increase for local producers and food businesses.



### Strategies

Suggested strategies included:

- Shifting residents' eating habits of fruits and vegetables to a healthier eating pattern would increase the demand by \$600 million, doubling the current demand.
- Use sustainable agricultural practices, since they require less land than conventional farming practices. To meet current demand on King County for fresh vegetables using conventional



practices would require 13,650 acres. Use of sustainable agriculture could meet the demand with just half to two-thirds as much land.

- Develop a distribution infrastructure, such as a shared, multi-purpose production center and commercial kitchens, and a distribution network.
- Encourage urban agricultural production for commercial sale by local entrepreneurs from diverse communities.
- Allow a variety of market options (mobile vendors, mini-farmers markets, etc.) to increase the convenience/access to and affordability of fresh food, especially for low-income households.
- Increase cross-jurisdictional collaboration on food system development.
- Explore alternatives to valuation of farmland.
- Increase public understanding about land use issues and the need for land for food production.

# Summary on Farmland Leasing and Lease-to-Purchase Programs

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(updated 2/25/14)

## Contents

Two Methods to Preserve Farmland .....	9
Leases Used for Farmland .....	9
Lease Types .....	9
Leasing .....	9
Lease to Purchase .....	10
Advantages and Disadvantages .....	10
Leasing .....	10
Lease to Purchase .....	11
Examples of Purchase and Lease Programs .....	13
Leasing .....	13
Washington State Trust Lands .....	17
Bainbridge Island .....	18
Boulder County, Colorado .....	19
State of Hawaii .....	20
County of Maui, Hawaii .....	21
South of the Sound Community Farm Land Trust .....	21
Lease-Purchase or Sale with Easement .....	21
New Brunswick, Canada .....	22
PCC Farmland Trust .....	23
Sources .....	23

## Two Methods to Preserve Farmland

Public agencies and land trusts have two basic ways to protect farmland:

- **Fee simple ownership:** The agency/trust purchases land or receives it through a donation. The agency/trust has stewardship responsibility for and maintains the land. The agency/trust may *lease* it out to farmers.
- **Conservation easement:** A landowner may sell or donate a conservation easement to the agency/trust. The easement is an agreement between the agency/trust and the landowner that permanently limits uses of the land in order to protect its conservation values, such as its value as farmland. The landowner continues to own and use the land, and can pass it on to heirs or sell it. The conservation easement stays in force through any change of ownership to maintain the land as farmland or open space. Because the easement removes the potential for the land to be developed, it usually lowers the land's market value. This lower market value translates to a lower estate tax for passing the land to heirs, or a lower purchase price that might be more affordable for new farmers (Land Trust Alliance, 2008, pp. 1-2).

This paper focuses on leasing and leasing leading to ownership.

## Leases Used for Farmland

### Lease Types

#### Leasing

- Cash lease – Agreement between landowner and farmer for farming the land.
  - Fixed cost – A set cash amount, paid on a schedule. This may include a reduction by a certain amount for the first year to account for the tenant's cost in improving the land, or as an incentive for sustainable practices (Drake Agricultural Law Center, 2010, p. 5; McAdams, no date, p. 3)
  - Variable cost (flexible rent) – A hybrid between cash rent and crop share, using a cash base plus a share of returns from the crop. The payment also may be fully flexible, calculated by multiplying yield by either market price or gross sales, or a function of both (Land for Good, 2012, p. 22; McAdams, no date, p. 3).
- Crop share – Agreement between landowner and farmer for farming the land, where rent consists of or includes a share of the crop produced. This method shares both the benefits and risks of farming. Often, the landowner contributes a share of the farm improvements (Drake Agricultural Law Center, 2010, pp. 3–5; McAdams, no date, p. 3).
- Ground lease – Agreement between landowner (usually nonprofit, land trust) and farmer for farming the land, where the farmer “owns” any improvements he/she makes and can transfer or sell them. Sometimes the landowner owns the land and the tenant owns the house, barn and other farm buildings. Often used by land trusts that place a conservation easement on the property to ensure future affordability. Can be long-term or short-term. Can be done as a lease-to-own arrangement (Dean, 2011, p. 15; Land for Good, 2012, p. 19; University of Vermont, 2013).

Lease from a public entity – Can be a lease or lease-to-own, often with a conservation easement on the land. Leasing from a public entity may involve more complexity than a private landowner because of additional requirements and accountability, and variability in agency funding (Dean, 2011, pp. 18-19).

### ***Lease to Purchase***

- Right of first refusal – Gives the tenant (or easement holder) the option to purchase the land if/when it goes up for sale in the future. Often used with one or both parties are hesitant to negotiate a future sale when the land is leased (McAdams, no date, p. 3; Wagner & Ruhf, 2013, p. 7; Land for Good, 2012, pp. 19-20).
- Option to purchase – Gives the tenant at the time of the lease the opportunity to purchase the land in the future, often with the price and terms of the purchase set forth in the lease. The purchase price may be variable based on advance payments and/or improvements the tenant has made (Land for Good, 2012, pp. 19-20; McAdams, no date, p. 3; Wagner & Ruhf, 2013, p. 7).
- Lease to own – Offers the tenant the opportunity to gain ownership of the land in the future. Many elements can vary, including the level of certainty of the future purchase and timeframe, the size of payments relative to total cost, and whether lease payments may purchase any equity (Wagner & Ruhr, 2013, p. 7).
- Lease-purchase – When agreeing to the lease, the tenant farmer commits to purchase the property at the end of the lease term (Wagner & Ruhf, 2013, p. 7).

### **Advantages and Disadvantages**

#### ***Leasing***

##### Advantages:

- A way to preserve farmland and make it accessible at prices farmers can pay (as opposed to general market rates) and without need for financing (Land for Good, 2012, p. 2; University of Vermont, 2013).
- Allows tenant farmer a trial period to see if his/her farming plan is financially feasible; limits financial risk (Land for Good, 2012, pp. 2, 19).

##### Disadvantages:

- Leaves the agency-owner vulnerable to ongoing carrying costs and maintenance if it can't find willing and capable tenants (Land for Good, 2012, p. 1; personal communication with R. Sadinsky).
- It can be difficult to keep the lease rate reasonable for farmers to pay. Farmers might not be able to make lease payments steadily if there is a poor crop or it has not yet come in (ATTRA, no date, p. 5; Drake Agricultural Law Center, 2010, pp. 4-5; personal communication with J. Kintzi).
- It may be that neither the landlord nor the tenant farmer wants to pay for needed improvements (such as an irrigation system), especially if the lease term is short (McAdams, no date, p. 3).

- The tenant farmer is not building equity. Any nonremovable improvements the tenant has put in typically become the property of the landowner (ATTRA, no date, p. 5; Drake Agricultural Law Center, 2010, p. 3).
- The tenant farmer might not have incentive to use sustainable practices or install conservation infrastructure (Land for Good, 2012, pp. 18-19).

Other considerations:

- Many farmers want a long-term lease, at least five years, so they can improve the land, build their business, and relationships with suppliers and markets (Land for Good, 2012, p. 19; personal communication with J. Kintzi; University of Vermont, 2013).
- There is no one-size-fits-all. Different farmers have different levels of knowledge and skills, and different circumstances. The landlord needs to be flexible and operate on a case-by-case basis with the farmer (personal communication with J. Kintzi).
- The landlord may need to be not just a landlord, but a source of information, contacts – more of an advocate or resource to help the farmer be successful, especially for a new farmer. Regular communication between landlord and farmer can be helpful (personal communications with J. Kintzi, W. Tyner).
- To find potential tenants, network with other farmers in the area (personal communication with J. Kintzi).
- To find properties to acquire, talk with farmers, who may know of others who are thinking of retiring or selling, and with the neighbors of likely properties (personal communication with J. Kintzi).

### ***Lease to Purchase***

Advantages:

- Pluses for leasing, above.
- Tenant farmer is guaranteed that the land won't be sold out from under him/her (ATTRA, no date, p. 10).
- Farm business can first, as a tenant, focus time and money on business and land development, product operations and marketing (personal communication with R. Sadinsky; Wagner & Ruhr, 2013, p. 6).
- Since the farmer is already farming the land, the timing of the transition to ownership might be more flexible than for a sale to an outside buyer (Land for Good, 2012, p. 20).
- The farmer knows the purchase price in advance (Land for Good, 2012, p. 20).
- With farming experience and the opportunity to prove success that the lease provides, the farmer is more likely to qualify for a farmland mortgage or be attractive to a social investor (personal communication with R. Sadinsky).
- If the landowner agrees that the lease payments translate to equity or go toward the purchase price, it lowers the eventual purchase price of the land (Land for Good, 2012, p. 20). However, in practice this does not happen as often as people think (personal communication with R. Sadinsky).

- PCC Farmland Trust uses leasing as an interim step after buying land to help preserve it before selling it. During the lease period, the Trust secures a conservation easement, and the tenant builds the farm business, infrastructure and financing (personal communication with R. Sadinsky).
- Trust or public agency land owner can discount the market value of the property at the end of the lease period by taking a conservation easement on the property in place of some of the dollars of market value. The agency can also consider the value of improvements the tenant made. This can reduce the cost of the property to the tenant (personal communication with R. Sadinsky).

Disadvantages:

- Minuses for leasing, above.
- The rent may need to be higher to cover the value of the purchase option (Land for Good, 2012, p. 20).
- The value of the property may fluctuate over the lease term (Land for Good, 2012, p. 20).
- The term of the lease may be constricted, since the owner is planning to sell the land (Land for Good, 2012, p. 20).
- The agency that owns the farm needs to avoid the appearance or reality of private inurement or benefit (personal communication with R. Sadinsky).
- If the farmer must pay full market value, even a 10-year lease-to-own might not be long enough (personal communication with R. Sadinsky).
- It can be hard to find farm business owners who are ready to sign onto a lease-to-own or a long-term lease. Some tenants are happy with the agency as a landlord and see no need to purchase the land (personal communication with R. Sadinsky).

Other considerations:

- See leasing, above.
- The lease agreement needs to be very clear about the expectations and performance of all parties (Wagner & Ruhf, 2013, p. 7).
- It's a good idea to negotiate the purchase price at the time of the lease so the farmer knows what the goal is and can plan financing (personal communication with J. Kintzi).

## Examples of Purchase and Lease Programs

### Leasing

The chart below summarizes examples of leasing programs by public agencies and one community land trust. Details for each program follow the chart.

**Leasing and Ground Leasing Examples**

	WA DNR	City of Bainbridge	Boulder, CO	State of Hawaii	County of Maui, HI	South of the Sound Community Farm Land Trust
<b>Program name</b>	State Trust Lands	Public farmland	Leasing program	Agricultural Park Program	Kula Agricultural Park	Scatter Creek Community Farm and Conservancy (ground lease)
<b>How acquired</b>	<ul style="list-style-type: none"> <li>Granted by Congress at statehood (1889) to provide income for education, hospitals, prisons, Capitol bldgs</li> <li>Purchase, donation, exchange</li> </ul>	Purchased and donated (over about an eight-year period)	Purchased	<ul style="list-style-type: none"> <li>Fee simple purchase</li> <li>Some privately owned land master-leased by state</li> </ul>	Land exchange with private company	Donations and partnerships with other nonprofits
<b># Acres</b>	More than 1 million acres for agriculture and grazing	60 acres; of which 20.5 acres is currently farmed	26,154 acres	10 ag parks totaling 3,123 acres	445 acres	148 acres
<b># Leases/tenants</b>		<ul style="list-style-type: none"> <li>30-year master lease to Friends of the Farms to manage the land (started 1/1/2012)</li> <li>5 farm properties; currently 20.5 acres leased to six farmers. Crops are vegetables, fruit and wine grapes.</li> </ul>	120 leases with 75 tenants	227 farm lots, each under 20 acres	31 farm lots (10-30 acres per lot), 26 tenants	Two – Kirsop Farm (farm incubator), and Enterprise for Equity
<b>Length of lease</b>	Up to 25 years except: <ul style="list-style-type: none"> <li>Tree fruit and grapes up</li> </ul>	30-year master lease to Friends of the Farms	<ul style="list-style-type: none"> <li>One year, with two one-year options to</li> </ul>	<ul style="list-style-type: none"> <li>15 to 45 years for state-owned land</li> </ul>	50 years	99 years

	WA DNR	City of Bainbridge	Boulder, CO	State of Hawaii	County of Maui, HI	South of the Sound Community Farm Land Trust
	to 55 years <ul style="list-style-type: none"> <li>Share crop leases up to 10 years (RCW 79.13.060)</li> </ul>	Farm subleases: <ul style="list-style-type: none"> <li>25 years</li> <li>one is 12 years (a non-commercial farm)</li> </ul>	renew <ul style="list-style-type: none"> <li>Organic farms have three one-year options to renew</li> </ul>	<ul style="list-style-type: none"> <li>Negotiated w/ landowner for master-leased land</li> </ul>		
<b>Lease cost</b>	Amt based on fair market return to the state, based on market value assessment; state may adjust during the lease term Farming: <ul style="list-style-type: none"> <li>\$ per acre, or \$ per unit (e.g., bin or ton)</li> <li>or crop share (% of crop)</li> <li>or combination</li> </ul> Grazing: animal unit months	\$172 – \$334/year, based on USDA soil rates, doubled because of the land value in the area, and with variations related to site quality	Most are crop share leases, with the county paying some expenses up front.  Farmers who convert to organic get a 50% lower lease rate.	<ul style="list-style-type: none"> <li>Base rent determined by independent appraiser</li> <li>Plus percentage of gross proceeds</li> <li>For private land, state's rent + infrastructure costs</li> </ul>	\$100 per acre per year	
<b>Payments</b>	Paid annually	Paid annually	Crop share	Paid annually	Paid annually	
<b>Ownership of improvements</b>	<ul style="list-style-type: none"> <li>Become the property of the state at the end of the lease unless listed as an exhibit to the lease.</li> <li>State may require removal at end of lease term. (RCW 79.13.050)</li> </ul>					Lessee. Lessee can get a return on investment in improvements by selling them to the next farmer.
<b>Taxes</b>	<ul style="list-style-type: none"> <li>Lessee pays a Leasehold Excise Tax: 12% of taxable rent + 7% of the amount of the tax</li> <li>County may levy up to a 6% leasehold excise tax (but credit for any city leasehold tax)</li> <li>City may levy a up to a 4%</li> </ul>	City pays				



	WA DNR	City of Bainbridge	Boulder, CO	State of Hawaii	County of Maui, HI	South of the Sound Community Farm Land Trust
	leasehold tax (RCW 82.29A.010, 82.29A.030, 82.02.030, 82.29A.040) • Lessee pays any other federal, state and local taxes (DNR Sample lease)					
<b>Services agency provides</b>	Per sample lease, state is not required to make nay repairs or maintenance during the lease term	<ul style="list-style-type: none"> <li>• Maintenance of leased &amp; unleased properties</li> <li>• Site committee (volunteers) for each farm</li> <li>• Projects committee (volunteer) for infrastructure improvements (3,000+ hrs/yr)</li> <li>• Monthly public farm tours</li> <li>• Annual public Harvest Fair</li> </ul>	<ul style="list-style-type: none"> <li>• Up front payment of some expenses as part of crop share arrangement</li> <li>• Funding for infrastructure improvements</li> <li>• General repair and maintenance</li> </ul>		<ul style="list-style-type: none"> <li>• Irrigation water</li> <li>• Farmer education</li> </ul>	Shared small farm equipment: <ul style="list-style-type: none"> <li>• SSCFLT purchases farm equipment.</li> <li>• Thurston Conservation District manages the rental to local farmers.</li> </ul>
<b>Management/ staffing</b>	State Dept. of Natural Resources	<ul style="list-style-type: none"> <li>• Managed by Friends of the Farms (nonprofit)</li> <li>• Staffed by part-time Executive Director, active volunteer Board</li> </ul>	<ul style="list-style-type: none"> <li>• Agricultural Management Division of County Parks and Open Space Dept.</li> <li>• Farm proceeds cover salaries of three staff.</li> </ul>	State Dept. of Agriculture, Agricultural Resource Management Division	County Office of Economic Development	<ul style="list-style-type: none"> <li>• The Trust</li> <li>• Staff by part-time Grant Writer/ Project Development Coordinator, a work Board and active volunteers</li> </ul>

Sources:

Washington State Dept. of Natural Resources:

- WDNR. Webpage: <http://www.dnr.wa.gov/BusinessPermits/Leasing/Pages/Home.aspx>
- State of Washington. (2013). Revised Code of Washington, Chapter 79.13 Land Leases; Chapter 82.29A Leasehold Excise Tax

City of Bainbridge:

- Friends of the Farms. Website: [www.friendsofthefarms.org](http://www.friendsofthefarms.org)
- Friends of the Farms. (2013). Friends of the Farms Annual Report – 2012.
- Friends of the Farms. (2014). New Farmer Housing Program: Affordable Housing for Farm Interns, Farm Apprentices and New Farmers.
- Telephone interview with Christy Carr
- Interview with Wendy Tyner, Executive Director

State of Hawaii. (undated). Webpage: <http://hdoa.hawaii.gov/arm/agricultural-parks/>

County of Maui. (undated). Webpage: <http://www.co.maui.hi.us/index.aspx?NID=621>

South of the Sound Community Farm Land Trust. Website: [www.communityfarmlandtrust.org](http://www.communityfarmlandtrust.org)

### ***Washington State Trust Lands***

The Washington State Department of Natural Resources (DNR) manages 3 million acres of state trust lands that provide revenue to build K-12 public schools, universities, other state educational institutions, mental hospitals, prisons and buildings at the state capitol. The U.S. Congress granted these lands to Washington at statehood (DNR, 2009, Agriculture and grazing, p. 3). In addition, the state owns some lands through purchase, donation and exchange (RCW 79.13.150). Currently, DNR has some properties for lease in Western Washington in Skagit County (DNR, Web page: Leasing for agriculture).

Close to 1 million acres of the state trust lands are in agricultural and grazing production:

- 110,000 acres – Dryland grain crops
- 32,000 acres – Irrigated row crops
- 14,000 acres – Orchards and vineyards
- 500,000 acres – Grazing (leases)
- 322,000 acres – Grazing on forested lands (range permits) (DNR, 2009, How to lease, p. 2).

Key elements of the leasing program are as follows:

- DNR advertises and holds public lease auctions for agricultural and grazing land (either as sealed bid or oral bid auctions). The notice includes a proposed lease, which includes a legal description of the land and the lease terms. Interested parties submit bids. The state selects the proposal that most benefits the trust. (DNR webpage, How do I lease Washington state trust land for agriculture or grazing?)
- Agricultural leases are for up to 25 years, except that leases for tree fruit and grapes are up to 55 years, and crop share leases are for 10 years (RCW 79.13.060).
- Leases are to “provide a fair market, rental return” to the state (RCW 79.13.010). Lease rates are based on a market value assessment that considers such factors as crop options, soil type and water availability. Rents for agricultural land are collected as cash per acres, or cash per unit (such as bin or ton), or as a percentage of the crop (crop share), or a combination. Rents for grazing land are based on Animal Unit Months (AUMs), and may be adjusted to the current market rate during the lease term (DNR, 2009, How to lease, p. 3).
- In addition to paying the lease, the lessee must pay a leasehold excise tax (defined in RCW 82.29A). This tax is 12 percent of the taxable rent, plus 7 percent of the amount of the tax. In addition, the county and city in which the land is located may levy a leasehold excise tax (up to 6 percent from the county and up to 4 percent from the city) (RCW 82.29A.010 - .080, RCW 82.02.030).
- Any improvements the lessee makes become the property of the state at the end of the lease unless they are defined otherwise in the lease, or the state may require their removal (DNR, 2014, p. 14).
- The state is not required to make repairs or do maintenance during the lease term (DNR, 2014, p. 15).

### ***Bainbridge Island***

The City of Bainbridge owns approximately 60 acres of “public farmland.” Some of the land the city purchased; some was donated. There are five farmland properties: Johnson Farm, M+E Property, Crawford Property, Morales Farm and Suyematsu-Bentryn Farm. Friends of the Farms is a nonprofit that manages the city’s farmland through a contract with the city.

The farms involve the public through youth educational programs, a public greenhouse, twice monthly farm tours at Suyematsu-Bentryn Farm, walking trails on Johnson Farm, community gardens (P-Patch) and an annual fall Harvest Fair at Johnson Farm. Some of the farms also have a farming intern program, with four to six interns a year during the farmers’ market season. See [www.friendsofthefarms.org](http://www.friendsofthefarms.org).

Key elements of the program are as follows:

- City gave a 30-year master lease to Friends of the Farms (FoF) to serve as the landlord, beginning 1/1/2012 (Friends of the Farms, 2012). FoF was interested in a 99-year lease, but there were legal questions as to whether that would constitute a “gift” (Personal communication with Christy Carr).
- FoF subleases the properties to farmers and manages the leases. Currently 20.5 acres are under lease with six farmers. All but one are 25-year leases; one is for 12 years. (The 12-year one is for a non-commercial farm, which is producing for food banks.) The lease rates are based on USDA soil rates, doubled because of the land value in the area, and with variations related to site quality. The rate is \$172 – \$334/acre/year, paid yearly (Friends of the Farms, 2012).
- Eventually, FoF hopes to lease about half the property. The rest will be for roads, storage, a meeting area, and a farmstand (Personal communication with Wendy Tyner).
- FoF is looking at the possibility of putting the land into a historic registry based on cultural, ethnic and military significance, as an additional way to protect it from development (Personal communication with Wendy Tyner).
- Eighty (80) percent of the lease payments go into the leased property for maintenance and infrastructure (Personal communication with Wendy Tyner).
- Because FoF’s funds are used primarily for land stewardship and structural enhancements, they do not run into the issue of providing benefits to private interests (Personal communication with Wendy Tyner).
- Lease payments have not covered the carrying costs of the properties. FoF has added funds from general operations and restricted private grants. However, they do not plan to make this a regular practice (Personal communication with Wendy Tyner).
- Initially, FoF had a line item in the city budget. But since the program’s start-up in 2012, FoF has maintained itself from the farm leases and from donations and grants (Personal communication with Wendy Tyner).
- The City pays property taxes and governmental assessments; provides property insurance against loss, damage, fire and other hazards; and approves lease modifications and Farm Site Committee policies (Internal FoF document, personal communication with Wendy Tyner).
- FoF manages the leases, coordinates capital improvements and organizes volunteers to do maintenance. For the properties that are not being farmed, FoF volunteers do maintenance to

mow a path for a public trail, take out invasives, etc. (Internal FoF document, personal communication with Wendy Tyner). One of the properties had been a Christmas tree farm, so FoF has harvested trees and sold them as a fundraiser (Personal communication with Christy Carr).

- Farmer lessees are responsible for best management practices in their approved farm plan developed by Kitsap Conservation District, ongoing maintenance and leasehold improvements supporting their farming activities, preparing harvest data reports, and participating in FoF's public outreach and community events and education activities (Internal FoF document, personal communication with Wendy Tyner).
- Each property has a site committee made up of the farmer and volunteers from FoF. They meet twice a year to discuss the progress of the farm and any issues that need attention (Personal communication with Wendy Tyner).
- Initially two of the properties were being farmed, and the farmers continued under a lease. To find farmers, FoF put out a public notice and reviewed applications. FoF developed a scoring system to evaluate the applications (Personal communication with Wendy Tyner).
- Two of the farm properties include homes; FoF rents out the rooms to the farm interns for \$100/mo., or to apprentices or new farmers for \$185/month (Friends of the Farms, 2014).
- FoF has developed a total of 20 P-Patches at two of the farms that are available to community members for \$35/year (Personal communication with Wendy Tyner).
- Staffing consists of a part-time Executive Director, contract bookkeeper, and an active volunteer Board and group of volunteers. There is a plan to seek resources to hire a part-time farm manager. Initially the organization had a significant amount of pro bono legal work. There is an active project committee that seeks funding as needed (Personal communication with Wendy Tyner).
- FoF has not had challenges with leaseholder turnover since they are still in their infancy. There have been issues with keeping the land in production, but FoF sees that as the farmers' responsibility (Personal communication with Wendy Tyner).

### ***Boulder County, Colorado***

Boulder County land protection efforts began in 1968. Of 95,000 acres of open space the county has protected, nearly 48 percent (44,970 acres) is agricultural land. Of these agricultural acres, the county Parks and Open Space Department's Agricultural Resources Division manages 26,154 acres. The county seeks conservation easements on agricultural land, but has found that two-thirds of owners are unwilling to sell easements. When the county buys agricultural land, it now retains and leases out the land in order to keep it available and affordable to farmers. Leasing enables more local producers to access land for farming (American Farmland Trust, no date; County of Boulder, no date).

Key elements of the lease program are as follows:

- County advertises properties for lease in local papers and notifies individuals who have asked to be on a waiting list (currently approximately 175), then holds an informational (pre-bid) meeting about the property.

- Interested individuals submit bid packets, including a description of how they intend to use the land. This process ensures that the land is leased to bona fide farmers.
- Leases are short-term (one year with two additional one-year options to renew, or three additional years for organic farms) to help tenants avoid paying high property taxes. During the three-year (four-year) period, the county does not put the property out to bid.
- The county promotes organic production by offering tenants who transition to organic production a 50 percent lower lease, and offering a longer lease.
- Most of the leases are crop share leases: the county pays some of the expenses up front in exchange for a share of the harvest. Crop-share leases require extensive documentation and don't net as much revenue as cash leases. But crop-share leases help support local producers.
- The county invests in and helps maintain the property, including funding infrastructure improvements and general maintenance.
- In 2009, ag land leases generated more than \$1 million in revenue. The funds go toward expenses on crop-share leases, property repair and maintenance, and salaries of three of the six staff of the Agricultural Management Division, which oversees the program.
- As of 2009, the county had 120 leases with 75 tenants for its 26,154 acres of ag land (American Farmland Trust, no date).

### ***State of Hawaii***

Hawaii operates State Agricultural Parks in 10 locations to promote diversified agriculture and small farms. The parks are state-owned land offering long-term leases to farmers at reasonable rates, with the lease funds helping to support the parks' infrastructure needs. The state also master leases some private land. The lessees are engaged in diversified agricultural crops or aquaculture, and are small farming enterprises (under 20 acres). Key elements include the following:

- Of the 10 agricultural parks, four are on Hawaii Island, four on Oahu, and one each on Kauai and Molokai. The 10 parks offer a total of 3,123 acres for farming in 227 farm lots, each of which is under 20 acres. All but two lots are currently leased (State of Hawaii, undated, Webpage: Agricultural Parks).
- For state-owned land, leases may run from 15 to 55 years; for private lands master-leased by the state, the lease term is determined through negotiation between the state and the land owner.
- For private land the state is master leasing, the lease rate is the state's rent plus infrastructure costs.
- The basic lease rate is determined by an independent appraiser. There is also a provision for additional rent based on a percentage of gross proceeds, which the lessee pays to the extent that it exceeds the basic rent.
- The state advertizes the availability of lots. Applications are reviewed and evaluated based on: minimum qualifications; agricultural experience; financial capability; and preference status (displaced farmer, new farmer, located in nonconforming use district, veteran). All applicants meeting the qualifications participate in a drawing to determine the order of lot selection.

- Farmers must submit a plan of development and utilization for approval (State of Hawaii, undated, Webpage: Ag Park Facts).

### ***County of Maui, Hawaii***

The County of Maui operates the Kula Agricultural Park. The purpose is to promote the development of diversified agriculture by providing appropriately-sized agricultural lots at a reasonable rent and a long-term tenure (County of Maui, no date, Webpage: Kula Agricultural Park). Key elements include the following:

- The park is a total of 445 acres, divided into 31 farm lots of 10 to 30 acres each. There are currently 26 tenants.
- Leases are for 50 years.
- Lease rate is \$100 per acre per year.
- The county provides irrigation water and has farmer education program (County of Maui, no date, Webpage: Kula Agricultural Park).

### ***South of the Sound Community Farm Land Trust***

South of the Sound Community Farm Land Trust seeks fee simple title to farmland, then leases it to farmers with a 99-year agricultural ground lease. The land trust owns the land, and the farmer who leases the land owns any improvements he/she makes and can transfer or sell them. This gives the farmer secure land tenure with the land trust providing oversight, and ensures that the land is actively farmed (South of the Sound Community Farm Land Trust, no date).

### **Lease-Purchase or Sale with Easement**

Public agencies and land trusts can acquire property and lease it with the intent to sell it to the lessee. These may be lease to own or lease with right of first refusal contracts. Another option is for the agency to sell land and acquire an easement at the same time. The chart below shows examples; details follow.

#### **Leasing and Sale Examples**

	<b>New Brunswick</b>	<b>PCC Farmland Trust</b>	<b>PCC Farmland Trust</b>
<b>Program name</b>	New Land Purchase Program (lease w/ sale to lessee at end of term)	(Lease with right of first refusal)	(Purchase/sale with easement)
<b>How acquired</b>	Purchase by provincial government	Purchase (short-term)	Purchase (short-term) or acting as intermediary in a sale
<b># Acres</b>		Varies	Varies
<b># Leases/tenants</b>			Not a lease
<b>Length of lease</b>	Six years – lessee agrees to purchase at the end of this term		---
<b>Lease cost</b>	Rate based on provincial lending rate at time of lease, calculated on the amount of the Board's investment in the land	Current lease rate for row crops: \$250 - \$300/acre/year	---
<b>Payments</b>	In Years 1 and 2, lease payments are deferred, payable at the end		---

	New Brunswick	PCC Farmland Trust	PCC Farmland Trust
	of the lease term. Starting Year 3, payment due annually.		
<b>Ownership of improvements</b>	Approved land development work can be part of the lease		---
<b>Taxes</b>			---
<b>Services agency provides</b>		Facilitate permanent conservation and purchase of the land	Transaction is a sale of property where the land trust gets a conservation easement
<b>Management/ staffing</b>	Agricultural Development Board, provincial Dept. of Agriculture, Aquaculture and Fisheries	Trust	Trust

*Sources:*

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[http://www2.gnb.ca/content/gnb/en/services/services\\_renderer.201160.html](http://www2.gnb.ca/content/gnb/en/services/services_renderer.201160.html)

PCC Farmland Trust. Webpage: Need Land? Retrieved from

<http://www.pccfarmlandtrust.org/workwithus/need-land/>

Personal communications with Rebecca Sadinsky, 2014.

### ***New Brunswick, Canada***

The province's New Land Purchase Program provides that the Agricultural Development Board can purchase land and lease it to an applicant for a period of up to six years, with the provision that the applicant agrees to purchase the land at the end of the lease (New Brunswick, no date). Key features include:

- Proposed land has not had any agricultural crop produced or harvested during the previous two years.
- Agricultural Development Board purchases the land, then leases it for six years.
- Applicant (farmer) must have acceptable agricultural knowledge, business skills and credit history.
- Applicant must provide a business plan showing reasonable chances of viability and demonstrating that a demand exists for the products.
- The project must fit with the province's sector strategies (in terms of impact on agricultural land, jobs, export sales, markets).
- Applicant must provide acceptable security for the proposed financing and show an acceptable amount of equity in the business.
- The lease rate is based on the provincial lending rate in effect at the time the lease is approved, and calculated on the amount of the Board's investment in the leased land.
- Approved land development work can be part of the lease.
- During years 1 and 2, annual lease payments are deferred, payable at the end of the lease term. Beginning in year 3, the farmer makes annual lease payments at the beginning of the year.
- Farmer agrees to purchase the land at the end of six years at a price equal to the Board's investment in the land (New Brunswick, no date).



### **PCC Farmland Trust**

**Lease with right of first refusal:** PCC Farmland Trust serves as a short-term owner while facilitating the permanent conservation and purchase of the land by a public agency, nonprofit or a farmer. Leases vary to fit each situation but generally include a right of first refusal and often set a price or formula for the tenant purchase. The current rate for row crops is \$250 to \$300/acre/year. PCC Farmland Trust does not use lease payments to build equity, since the Trust keeps the lease rates on the low side while the tenants establish their business practices and land. With sale prices at approximately \$5,000/acre, the lease rate would not build a very big down payment, even over 10 years. A complicating factor for the Trust, as for public agencies, is to protect against private benefit, private inurement, and the appearance of these (personal communication with Rebecca Sadinsky, 2014).

**Sale with easement:** When PCC Farmland Trust sells land to a new farm business owner, sometimes the Trust acquires a conservation easement at the same time by reducing the price of the land by the value of that easement. This way the Trust continues to have an interest in the property through enforcing the easement, which helps to ensure it will continue to be farmed. The easement also can make the land more affordable to the farmer.

The Trust has also used this method when a farmer wants to sell but does not want to donate a conservation easement. The Trust finds a farmer to make the fee simple purchase at the same time as the Trust purchases the easement. This gives the seller the full cash value, the new owner farmer gets the land at a price more appropriate to farming than to development, and the Trust has an easement to keep the land in agriculture (personal communication with Rebecca Sadinsky, 2014).

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## Farmland Preservation – Innovative Examples

The following examples of innovative practices were suggested by Dennis Canty and Bob Wagner of American Farmland Trust.

### Option to Purchase at Agricultural Value (OPAV) and Right of First Refusal

**What it is.** The Option to Purchase at Agricultural Value (OPAV) is included in a conservation easement to keep land it protects in use for agriculture. With an OPAV, If the owner puts the land up for sale, the easement holder will have the option to buy the property at the agricultural value, which is usually lower than the general market value. The easement holder can then sell it to someone who wants to farm it. The main advantages of the OPAV are to ensure farmer-to-farmer re-sales, and to give the easement holder a clear role in communications about the property transfer.

Right of First Refusal gives the easement holder the right to make an offer on property protected by a conservation easement that is offered for sale. However, the offer has to compete at market level.

**Where it is used.** The OPAV was put in place by Massachusetts in 1994 and by Vermont in 2003. A study by Land for Good in 2013 found that

- In Vermont, OPAV was considered in 10 of the 87 sales of protected farmland, and used only once.
- In Massachusetts, OPAV has not been used since all sales of farms with OPAV have been to farmers.

New Jersey includes a right of first refusal in its agricultural district agreements. Vermont used to use this provision but found they could not match the offers of wealthy non-farmers.

**Adding to old easements.** In Massachusetts some circumstances, such as proposing to subdivide an easement property, trigger the need to update the easement agreement, so the state adds OPAV language. In Vermont, the Housing and Conservation Board has a program to buy an OPAV on older conservation easements.

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## Programs for New Farmers

Some states and local jurisdictions have created programs to help beginning farmers to access the land and equipment they need to get a solid start. Examples that apply to local jurisdictions are:

- Capital and business planning
  - Loan guarantees for new farmers (Example: Iowa Beginning Farmer Loan Program)
  - Business planning assistance and Farm Viability Programs (Example: Vermont Farm Viability Enhancement Program)
- Easement programs
  - Connect access to capital with including a conservation easement on farmland purchased by new farmers. (Examples: Delaware Young Farmers Farmland Purchase and Preservation Loan Program; Carroll County, Maryland, Critical Farms Program)
  - “Starter farm” program – protect smaller farms with a house by requiring in the easement that the house remain with the farm (Example: Vermont Land Trust’s Farmland Access Program)
  - Farm Viability Program tied to easement-protected farms. The program provides business planning help and matching grants for new farmers who make capital investments in farm infrastructure. (Example: Massachusetts APR Improvement Program)

**Source:** Land for Good. Farmland Access and Tenure Innovations: Policy and Program Suggestions to Promote Land Access for New England’s Beginning Farmers. 2013.

### ***Combining Agricultural Easements and Transfer of Development Rights***

Montgomery County, Maryland, has developed a ***Building Lot Termination (BLT) Program*** to reduce the amount of farmland not covered by agricultural easements that is, therefore, in danger of non-agricultural development. The program has two parts:

1. Owners sell a BLT Easement to the county, agreeing to forego residential development and permanently retire any approved on-site waste disposal system associated with the lot. The BLT Easement involves “an enhanced level of compensation” to landowners who can demonstrate that their land is capable of residential development. When the county purchases the easement, it retires the development rights.
2. Through a privately-funded initiative, farmland owners can sell BLT Easements on the private market directly to developers who will use them as mitigation for increasing density in other development areas.

The BLT Program began in 2008, with the first open purchase period in 2011. Out of seven BLT applications in the first cycle, three applicants tendered offers and accepted easements.

**Sources:**

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## Notes on Farm-to-Institution Strategies

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### Purposes (pp. 5-6)

The purposes of this pilot project are to:

- Address childhood obesity among low-income children by serving healthy, regionally grown and produced food within child care, schools and hospitals.
- Increase the supply of healthy, regionally grown and produced food through a “values-based supply chain.”
- “Generate a catalytic investment strategy” for the farm-to-institution (F2I) sector.

The project aimed to address the following research questions:

1. “Why aren’t local institutions purchasing and serving more local fresh, prepared vegetables and fruits to their clients and/or customers?”
2. “What are the challenges to getting more fresh food into institutions and served to clients (e.g., regulations, processing, preparation, etc.)”
3. “What are the best opportunities for expanding this market?”
4. “Where would the application of creative/alternative funding and financing strategies catalyze market growth?”

### Market Analysis (pp. 12-23)

The report provides data on the size of the target population (low-income children) in King County and the three types of institutions that are the focus of the report: hospitals, schools and child care facilities. It also summarizes data on farm production in King County. Key points are:

- **Target population:** There are 115,543 low-income children (under age 18) in King County. To define low-income, the report uses the eligibility for free and reduced-price lunch under the federal school meal program: below 180 percent of the federal poverty level.
- **Hospitals:** There are 25 hospitals in King County with a total of 5,343 beds. The report estimates each hospital serves an average of 501,532 meals/year (12.5 million meals/year at all 25 hospitals), with an average food cost of \$2.38/meal, for an estimated total food cost of \$1.19 million/hospital/year (\$29.86 million for all 25 hospitals).
- Five hospitals have signed the **Healthy Food in Health Care Pledge** to provide nutritious, sustainable food.
- **Schools:** In 2011-12, schools in King County served 27.25 million meals (breakfasts, lunches and snack meals) to students at a cost of \$3.66 per meal (\$86.71 million). They collected revenue for the meals, but the expenses were higher by \$1.43 per meal.
- Free and reduced-price meals were 67.5 percent of the total.

- USDA supports a lot of healthy eating programs in schools, such as School Breakfast Program, Summer Food Service Program, Fresh Fruits and Vegetables Program, and Farm to School Program, which connects schools to local food. Washington state also supports Farm-to-School. The Kent, Renton and Auburn School Districts also have their own farm-to-school programs.
- **Child care:** There are 40,990 children in King County enrolled in child care centers and 6,404 in family child care homes, for a total of 47,394 children.
- For the preschool-aged children in child care, the report estimates there are a total of 2.71 million lunches served per year. Using the average price FareStart charges for child care lunches of \$3.32/each, the food costs for all preschool lunches are an estimated \$9 million per year.
- The FareStart Farm to Childcare effort focuses on getting nutritious local foods to child cares and educating providers and parents in making informed choices about food, and healthy local eating.

### Challenges (pp. 24-30)

The report describes the following major challenges to improving the farm-to-institution market:

- **Imperfect information:** Each set of players (producers, aggregators, bulk purchasers, and food service end users) does not know the constraints or requirements of the others.
- **Aging farmers:** As farmers retire, it's not clear if there will be new farmers to take over. Up to 70 percent of farmland will change hands in the next 20 years.
- **Managing risk:** There are risks at each link of the farm-to-institution chain to changing procedures and trying new things.
- **Land prices:** Prices of land and labor are increasing.
- **Aggregation:** (challenge and opportunity) Current distributors and wholesalers have extremely thin profit margins, which forces them to focus on volume and speed. There are new experiments with producer-directed food hubs, but most are not yet economically viable.
- **Processing:** (challenge and opportunity) Many institutions don't have the space, labor, time or knowledge to receive raw products and make them into meals.
- **Final delivery:** There are challenges for producers with the delivery window (a couple hours in the AM), the frequency and the size of deliveries to multiple institutions.
- **Seasonality/consistent supply:** Producers grow crops by season; consumers expect to have the same items available in the same quantities year-round.
- **Product consistency:** Institutions can find it challenging to have a wide variation in size and quality of the same food item.
- **Transaction costs:** Managing multiple accounts is a hidden cost for producers, and staff for coordinating procurement is a hidden cost for institutions.
- **Pricing:** Institutional buyers have strict budgets to meet, sometimes dictated by other agencies. Providers can find the price offered to make it cost prohibitive to sell to that institution.
- **Labor:** The tightening farm labor pool drives up costs for farmers. Turning raw product into prepared foods adds significant labor time for institutions.



- **Food safety/regulations:** These can be a challenge for small- and mid-sized producers. Hospitals have the highest requirements, including challenges with foods that react with medications.
- **Professional training and education:** There is a great need for outreach and education to share best practices.

### Opportunities (pp. 31-37)

The report describes opportunities in fairly broad terms without making specific recommendations for action. The opportunities discussed are:

- **Increasing demand for local food through “values-based supply chains”:** The report found that there has been a shift in consumer attitudes, with an increasing demand for healthy, local and sustainable food, including some willingness to pay more for locally sourced products. The report also found there is beginning to be an expectation for social responsibility through the farm to fork chain. The report calls this a “values-based supply chain” model, in which “personal relationships between supply chain players create equitable relationships” among them and provide a more stable supply of contracts and revenues.
- **High-quality farmland on the verge of succession:** With many farmers near retirement, there is opportunity to secure these farmlands through conservation easements and transfer of development rights.
- **Processing:** Because institutions need product in the right form, there is opportunity for processors and for farmers to provide value-added products. Key issues are timing (to have enough processing capacity when the crops are ready) and technical assistance for farmers to do on-site processing profitably.
- **Aggregation:** There are opportunities for farm-based community food hub sites for marketing, aggregating and distributing produce. NABC has used grant funds to create a web of connected food hub start-ups in the Puget Sound region, and is writing a business plan to sustain them when the grant ends. The report estimates it might take three to five years to have margins that will offset the overhead costs of the hub.
- **Stable contracts:** Advance and ongoing contracts between sellers and buyers increase the likelihood that both will be successful. “Some really innovative food buyers have worked with farmers to determine what seeds to purchase in the fall for harvest the next summer.”
- **Purchasing and production groups:** Some producers are working in groups as a co-op or through a broker or food hub to cooperatively allocate planting strategies to meet institutions’ need for consistent supply. Groups of buyers and institutions are collaborating on purchasing and sharing information on ways to keep costs down.
- **Marketing campaigns:** Successful marketing campaigns have included Public Health – Seattle & King County’s campaign through the Communities Putting Prevention to Work project. The national Dirty Dozen/Clean Fifteen Pesticides in Produce campaign provides information on healthy produce. School district farm-to-school campaigns include consumer education for teachers and parents. News reports on problematic ingredients (GMOs, trans fats, etc.) provide opportunities to promote fresh, local produce.

- **Off-contact space to expand markets and test product acceptance:** Hospital purchasing is dominated by a few Group Purchasing Organizations (GPOs), which offer efficiencies of scale. Foodservice management companies that operate school meal programs also participate in GPOs. Many institutions allow a percentage of purchasing (usually 10 to 20 percent) off-contract with the GPO. Once a product has proven successful, an institution can request the GPO to add the producer to its main contract. GPOs are starting to add and market local foods.
- **Regional purchasing cooperatives:** School districts in King County are finding value in group purchasing. The group made up of Auburn, Renton and Kent districts and Seattle Children's Hospital is focusing on purchasing local produce.
- **Seasonal menu cycles:** Seasonality of produce is a barrier for farmers. FareStart turned this problem into a solution by creating seasonal menus. Another option is a base menu with a "seasonal produce" slot that varies by what is available.
- **Marketing support:** The report suggests that grants be used to develop institutional buy-in, such as FareStart does in training childcare staff how to prepare food and explaining the nutritional value of local food.
- **Professional training and education:** Public relations and marketing campaigns that showcase new menus and healthy choices can help educate the families institutions serve. An online menu-planning tool WSDA has created helps institutions adapt their practices to using local food.
- **Summer meal programs:** These programs offer one of the best opportunities to showcase local food, since the programs are during the growing season. WSDA is piloting farm-to-school purchasing for summer meals in the Renton, Auburn and Kent school districts.
- **Seconds for processing:** Second grade produce (odd sized or blemished) can fill the institutional need for processed vegetables at lower cost to them.
- **"Blended margin" business models:** Selling to high-margin farmers markets and mid-market restaurants can help cover the cost of selling to institutions serving low-income populations.

### Investment Strategies (pp. 37-41)

The report proposes a set of investments that balance social impact goals and financial returns. It identifies three types of investments:

1. Enterprises that can serve more than one producer or situation, such as food hubs, processors and distributors. Examples are North Sound Food Hub and Farm Raiser.
2. Value-added products that use Washington-grown ingredients. An example is Better Bean Company, which produces a refrigerated cooked bean product sources from a regional supply chain, and which is popular with children.,
3. Purchasing farmland and leasing it to producers with lease terms and covenants that promote direct sales to institutions.

An important part of these investments is providing a technical assistance co-grant.

The report provides a sample investment portfolio (Table 16, p. 40), which includes food hubs, infrastructure, processing/distribution, value-added products and technical assistance.

### Additional Ideas (Appendix A., pp. 42-44)

The report provides a list of some related efforts that would support farm-to-institution work but fell outside the scope of the report. These were:

- **Business development efforts** that connect local producers and buyers. Examples are:
  - Cascade Harvest Coalition’s Farm-to-Table program
  - Seattle Chefs’ Collaborative Farm-Fischer-Chef Connection Conference
  - Programs hosted by Sustainable Connections
  - WSU’s Cultivating Success curriculum and workshops
  - Slow Money Northwest’s technical assistance
- **Expand “Taste Washington Day”** to hospitals and childcare. Taste Washington Day is an annual celebration of Washington-grown foods served in school meals, coordinated by WSDA and Washington School Nutrition Association.
- **Municipal or social impact bonds** to preserve farmland for health food production, citing King County’s Farmland Preservation Program.
- **Good food bag**, a program of NABC, which allows families and staff to pick up and purchase produce from one of their childcare, senior or community sites to use in their own home. One participating childcare, Tiny Tots, has developed education classes for the children’s families, and engages them in menu swapping and storytelling, and a weight loss contest.
- **Gleaning and food recovery programs** gather fresh fruits and vegetables for food banks and shelters. Examples are City Fruit, and Harvest Against Hunger. A program run by South King County Food Coalition maintains a cannery to process gleaned produce.

## South Carolina Plan to Connect Small Farms to Local Markets

Source: Meter, K., & Goldenberg, M. P. "Making Small Farms into Big Business: A plan for infrastructure investments to connect small farms in South Carolina to Local Markets." Crossroads Resource Center, 2013. <http://agriculture.sc.gov/> (click link "Making Small Farms into Big Business" under "Hot Topics")

### Recommendations:

- Adopt a formal **state policy commitment** supportive of local food production for local markets. Specific policies might include:
  - Coordinating local foods activities
  - Mounting a broad, long-term educational and marketing process, including:
    - Strengthening the **Certified South Carolina Grown** program, such as identifying the farm or collaborative where the food was produced, and allowing regional branding of foods
    - Conducting an ongoing **marketing campaign**, such as "Eat Five, Buy Five" (a Colorado program advocating that residents eat five servings of fruits and vegetables daily, and buy \$5 of food each week directly from a local farm).
- Increase **public awareness and education** about food preparation and nutrition, and encourage household and community gardens.
- Strengthen **food production "nodes"** through a competitive grant program. The nodes are clusters of farms in close proximity to each other that work in collaboration and use common food production infrastructure. They may also offer direct sales to consumers.
- Expand programs for new and beginning farmers and incubator farms.
- Encourage **food hubs** in larger regions. They define food hubs as regional facilities that focus on aggregation and distribution of local foods for larger markets, such as restaurants, grocery stores, educational institutions or wholesalers. Each food hub might get food from several food production nodes (clusters of farms).

### Food System Tiers

The report uses a model of the food system that is in five tiers (from University of Wisconsin Center for Integrated Agricultural Systems):

- Personal/household production of food (backyard gardens, community gardens, fishing, etc.)
- Direct producer to consumer (farm stands, farmers' markets, CSAs)
- Strategic partners in supply chain relationships (aggregators, food co-ops)
- Large volume aggregation and distribution (Sysco, Safeway)
- Global, anonymous aggregation and distribution (Archer Daniels Midland, Cargill)

The recommendations for public awareness and marketing address the personal/household tier; the food production nodes are at the direct to consumer tier; and the food hubs are at the strategic partners tier.

## Food Production Nodes

The report sees the potential for 15 to 20 nodes across the state. Each would make use of local facilities and interests, but core elements would include:

- Hoop houses, greenhouses, or other season-extension facilities
- Irrigation, including wells and drip irrigation systems
- Washing, sorting, packing facilities
- Food storage (refrigerated and nonrefrigerated)
- Training programs, such as for new and beginning farmers
- Local distribution capacity, such as refrigerated trucks, mobile markets, vans
- Farm stand or small retail market to meet local consumer demand

Other facilities might include: an incubator farm with plots for emerging farmers, a community kitchen for training or small-scale processing, classroom and training facilities, marketing and business planning assistance, renewable energy production, and agri-tourism sites.

The nodes would not be new intermediaries that would require a cut of the value of the farmers' production, but a place where farmers could collaborate to prepare and market their products directly to local consumers. Appendix E in the report provides a potential design for a food production node.

## Food Hubs

The report sees the potential for three or four food hubs in the state. The food hub is a regional facility that focuses on aggregation and distribution of local foods and serves large markets and institutional customers. Multiple food production nodes would provide food to a hub. To be successful will require a commitment by institutional buyers to buy local.

## Budget and Timeline

The report estimates a budget of \$9.85 million for the first three years of the program.

Activity	Budget
Competitive grant program for food production nodes	\$5 million
Expand new and beginning farmer program	\$300,000
Explore feasibility of additional food hubs	\$100,000 per year
Coordinate local foods activity (staffing, convening, research)	\$350,000 per year
Strengthen Certified South Carolina Grown program	\$500,000
Mount "Eat Five, Buy Five" marketing campaign	\$2 million for statewide rollout

## Values and Principles

The report provides the following set of values and principles (p. 39) that guided the recommendations and that seem generally applicable.

**The core shift to be made is to create a food culture, and productive resident networks** that allow South Carolina to produce most of its own food, and that encourage consumers to work collaboratively to eat locally.

**The key priority for infrastructure investments is to create local efficiencies** (much as prior investment has created efficiencies for long-distance food travel). To the extent South Carolina taps renewable energy sources to produce, store, and distribute its food, it creates a competitive advantage for itself as fossil fuel prices rise.

**This will be long-term work.** There will be few short cuts. The temptation to do only “what the market will currently bear” is likely to undermine the quest for in-state food trade.

The State of South Carolina should think in terms of using its investment dollars as a long-term effort to build local capacities, not as a short-term cash flow for specific parties.

**At each stage, it will be important to keep supply and demand for local food in balance as best as possible.** Currently, demand far exceeds supply. Yet planning one large processing facility in hopes of ramping up production to a level that would sustain it might require that the new facility have years of subsidy. In some cases, this could be the most reasonable option. Rapidly changing markets, and rapidly changing contexts, also suggest that early steps should be small, and made in concert with the ability of small farms to produce for local markets. Smaller facilities may be easier to cash flow in the short term, but also may be vulnerable to larger businesses and broader forces.

The key to growth will be building loyalty among South Carolina consumers at the household level to purchasing locally grown products; if this element is not made central, larger institutional facilities will be more prone to market disruptions.

One key to ensuring consumer loyalty to South Carolina products is to ensure that each ultimate consumer can **identify the farm where the food they buy was produced.**

**South Carolina consumers will eat differently in the future** if they are dedicated to supporting local farms. They will eat those foods that can most easily be produced in the state, according to their seasonality, and will rely less upon imported foods. The more state consumers align their preferences with seasonal cycles, the greater the potential for small farms to provide food for their South Carolina neighbors.

## Roles of the Sponsors to Implement Recommendations

(NOTE: This was created by the project staff team after Roundtable recommendations were developed.)

Stage of Production	Actions	King County	City of Seattle	Pike Place Market PDA
<b>Acquire and Steward Land and Capital</b>	<ul style="list-style-type: none"> <li>Strengthen the capacity of the County's Farmland Preservation Program to acquire farmland and easements.</li> <li>Invest in stewardship and management of lands already protected.</li> <li>Launch a renewed effort to purchase land/development rights to double the amount of protected farmland in 10 years.</li> <li>Build partnerships with nonprofits to create and expand incubator farms on public land.</li> </ul>	<ul style="list-style-type: none"> <li>Take the lead and engage Seattle, Pike Place Market, suburban cities and land trusts to implement the farmland preservation measures in this action plan.</li> <li>Pursue funding options to build staff capacity to acquire land and easements, and provide stewardship of the public assets.</li> <li>In near term (2-3 years), use proceeds from the City/County Transfer of Development Rights Program, the Conservation Futures Tax, state and federal grants, and philanthropic investment to acquire land and easements.</li> <li>For longer-term (10 years), plan for bonds, levies or a new funding source that could be in place in 2-3 years.</li> <li>Make County-owned land available to nonprofit organizations to create incubator farms.</li> <li>Ensure that the importance of protecting farmland is understood and considered in County processes that may jeopardize farmland (e.g., land use planning, salmon recovery, flood management, etc.)</li> <li>Any future farmland acquisitions should include operating resources to maintain the program over time.</li> </ul>	<ul style="list-style-type: none"> <li>Support King County's farmland preservation initiatives through effective management and potential expansion of the City/County Transfer of Development Rights program.</li> <li>Continue to support the growth of incubator farms on City-owned land (Marra Farm, Red Barn Ranch, and Rainier Beach Urban Farm) and explore other potential sites, including city-owned land, for urban farming.</li> <li>Consider purchasing a limited amount of farmland and leasing the land to nonprofit organizations for incubator farms. Provide increased access to local healthy food by creating linkages between food grown on public land, and markets and programs that serve low-income consumers.</li> <li>Support increasing the percentage of Conservation Futures Tax funds used for the preservation of farmland in King County.</li> <li>Work with King County on the development of future funding strategies for farmland preservation.</li> <li>Continue to support the growth of the City's P-patch and urban garden programs through the maintenance, acquisition and development of appropriate sites and by providing education about growing food in the city.</li> </ul>	<ul style="list-style-type: none"> <li>Increase education programs at the Market that highlight the need to preserve local farmland.</li> <li>Contribute financial support to the growth of incubator farms.</li> <li>Develop pathways for farmers who start at incubator farms to sell their produce at the Market.</li> </ul>
<b>Grow/Harvest</b>	<ul style="list-style-type: none"> <li>Develop an economic development plan for the local agriculture sector that is as robust as those Seattle and King County have created for other sectors.</li> <li>Tailor public policies and programs to the unique and varied conditions in each of our county's farming communities.</li> </ul>	<ul style="list-style-type: none"> <li>Tailor public policies and programs to the unique and varied conditions in each of our county's farming communities. This would include recommendations of The Farm, Flood and Fish Task Force, the Farm-City Roundtable and the King Conservation District.</li> <li>Review the application of local regulations within each farming community to ensure they are as streamlined and effective as possible.</li> </ul>	<ul style="list-style-type: none"> <li>Through the Office of Economic Development, work with King County and other stakeholders to create a "sector strategy" for the local food sector, and align economic development policies to advance regional goals for the sector.</li> <li>Explore opportunities to provide financial support to Seattle-based</li> </ul>	<ul style="list-style-type: none"> <li>Establish a permanent staff position at the Market to identify and provide support to new and existing farmers.</li> </ul>

Stage of Production	Actions	King County	City of Seattle	Pike Place Market PDA
	<ul style="list-style-type: none"> <li>Invest in building the capacity of the public and nonprofit organizations that are connecting new farmers to land, providing technical assistance and conducting applied research to strengthen the local farm economy. This would include Cascade Harvest Coalition, the King County Conservation District, WSU Extension Service, and Seattle Tilth.</li> <li>Build partnerships with nonprofits to create and expand incubator farms on public land.</li> </ul>	<ul style="list-style-type: none"> <li>Work with each farming community to identify and implement targeted capital investments to improve the viability of farming (e.g., flood management)</li> <li>Explore the creation of mechanisms to pay farmers for the value of certain eco-system services they provide (e.g., salmon habitat restoration).</li> <li>Work with Roundtable sponsors and others to create resources for public agencies, academic institutions and nonprofit organizations to provide technical assistance to:               <ol style="list-style-type: none"> <li>Identify and train new and existing farmers and connect them to available land.</li> <li>Develop and spread innovative farming practices that improve production and protect the environment.</li> <li>Help farmers to meet increasingly rigorous health and safety standards.</li> </ol> </li> </ul>	<p>nonprofits that are operating incubator farms and providing direct assistance to farmers.</p>	
Process/Store/Transport	<ul style="list-style-type: none"> <li>Stabilize (and, if possible, expand) funding for food hubs and cooperatives.</li> <li>Conduct further analysis to identify specific needs in each farming community and develop business plans to meet them.</li> <li>Mobilize funding from government, philanthropy and mission investment to address the needs.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct further analysis to identify specific needs in each farming community.</li> <li>Work with Roundtable sponsors and other partners to increase technical assistance to farmers and processors in developing safe and sustainable production systems (through Public Health Seattle and King County and other technical service organizations).</li> <li>Restore the WSU extension service in King County.</li> <li>Encourage funding from business, government, philanthropy and mission investment to address the needs.</li> </ul>	<ul style="list-style-type: none"> <li>Work with Roundtable sponsors to conduct market research, and based on that research, explore opportunities to provide financial support for the development of food hubs, community kitchens, storage and other food system infrastructure where needed within the City of Seattle.</li> <li>Encourage funding from business, government, philanthropy and mission investment to address the needs described in these recommendations.</li> </ul>	<ul style="list-style-type: none"> <li>Explore the potential to develop Pike Place Market's role as a food hub by adding cold storage and processing facilities.</li> <li>Encourage funding from business, government, philanthropy and mission investment to address the needs described in these recommendations.</li> </ul>
Market/Sell/Use	<ul style="list-style-type: none"> <li>Expand the successful Puget Sound Fresh marketing campaign and include new media to influence the purchasing patterns of younger consumers.</li> <li>Invest in the staff capacity and capital infrastructure of farmers' markets to enable them to continue to expand and play a more active role in nutrition education.</li> <li>Stabilize (and, if possible, expand) funding for organizations that are demonstrating success in developing farm to institution programs.</li> </ul>	<ul style="list-style-type: none"> <li>Work with Roundtable sponsors and other partners to fund an expansion of the Puget Sound Fresh marketing campaign to increase consumer awareness and local food purchases.</li> <li>Work with City of Seattle to expand the capacity of Public Health - Seattle &amp; King County to provide support for farmers markets, CSAs and other direct marketing opportunities, nutrition education, and for farm to institution programs.</li> <li>Encourage County institutions such as Harborview Hospital, County Jail and Youth Detention Center, to purchase local food.</li> <li>Work with Roundtable sponsors and other partners to secure funding for the "Fresh Bucks" incentive program in Seattle and county-wide.</li> </ul>	<ul style="list-style-type: none"> <li>Work with Roundtable sponsors, other partners and City departments to explore opportunities to fund an expansion of the Puget Sound Fresh marketing campaign to increase consumer awareness and local food purchases.</li> <li>Work with King County to expand the capacity of Public Health-Seattle and King County to provide support for farmers markets, CSAs, and other direct marketing opportunities, and for farm to institution programs.</li> <li>Implement the recommendations in the Farmers Market Sustainability Report recently produced by the Puget Sound Regional Food Policy Council for the City</li> </ul>	<ul style="list-style-type: none"> <li>Work with Roundtable sponsors and other partners to fund an expansion of the Puget Sound Fresh marketing campaign to increase consumer awareness and local food purchases.</li> <li>Continue to increase the nutrition education activities available at the Market.</li> <li>Continue to develop the Market's role as a catalyst for the expansion of farmers markets to underserved areas and the creation of other direct delivery strategies.</li> <li>Create direct local food supply</li> </ul>



Stage of Production	Actions	King County	City of Seattle	Pike Place Market PDA
	<ul style="list-style-type: none"> <li>Lead by example in creating direct supply chains from local farms to public institutions and nutrition programs.</li> <li>Increase support for strategies to empower low-income families and individuals to purchase healthy local foods.</li> </ul>		<p>of Seattle.</p> <ul style="list-style-type: none"> <li>Support direct supply chains for fresh local foods in City-funded venues such as early learning centers, senior nutrition programs, and summer school programs.</li> <li>Review the City's investment, in emergency food programs to determine how they can best be incorporated in this action plan.</li> <li>Continue to provide support for the development of the Fresh Bucks program and other creative strategies to enable all Seattle residents to purchase fresh local products.</li> <li>Work with Roundtable sponsors and other partners to secure funding for the "Fresh Bucks" incentive program in Seattle and county-wide.</li> </ul>	<p>chains for Market venues such as the child care and senior centers, and affordable housing sites.</p> <ul style="list-style-type: none"> <li>Continue to support the "Double Bucks" incentive program and other creative strategies to enable all Market shoppers to purchase fresh local products.</li> <li>Work with Roundtable sponsors and other partners to secure funding for the "Fresh Bucks" incentive program in Seattle and county-wide.</li> </ul>
<b>Food system development, coordination, evaluation and funding</b>	<ul style="list-style-type: none"> <li>Continue to provide a county-wide forum to coordinate actions to pursue these recommendations, monitor progress, and make adjustments as needed to accomplish the goals.</li> <li>Integrate this action plan with recommendations of other forums (such as Farm, Fish, and Flood Task Force; Farm-City Roundtable; Ag Commission; etc.).</li> <li>Expand involvement of suburban cities, King Conservation District and other partners as appropriate.</li> <li>Track progress annually against the goals in the Roundtable Report.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to provide a county-wide forum to coordinate actions to pursue these recommendations through creation of a Kitchen Cabinet. Reach out to suburban cities and other partners as appropriate. The group will assess which of the Roundtable recommendations are ready for implementation and which will require further analysis or research. They will provide guidance to the staff work group, monitor progress of the Roundtable recommendations, and make adjustments as needed to accomplish the goals.</li> <li>The Kitchen Cabinet will also integrate this action plan with recommendations of other forums (such as Farm, Fish, and Flood Task Force; Farm-City Roundtable; Ag Commission).</li> <li>Take the lead in convening the inter-jurisdictional staff work group that will provide support for the Kitchen Cabinet; including research, analysis and recommendations.</li> <li>Track progress annually against the goals in the Roundtable Report.</li> <li>Take the lead in a coordinated effort to mobilize funding from government, philanthropy and mission investors to implement this action plan.</li> <li>Support the work of the King Conservation District Advisory Committee to increase funding which could be used to support some of the</li> </ul>	<ul style="list-style-type: none"> <li>Participate in the Kitchen Cabinet, continuing to build the coalition of interests created by the three sponsors of the Roundtable.</li> <li>Participate in the inter-jurisdictional staff work group to provide support for the Kitchen Cabinet; including research, analysis and recommendations.</li> <li>Take the lead for the partners in developing a creative and sustainable economic development strategy for the food system in King County. That strategy will include: <ul style="list-style-type: none"> <li>Measures to expand opportunities for immigrant and other new farmers to gain access to land, training and market opportunities.</li> <li>Measures to expand existing successful direct marketing strategies and institutional strategies (such as Farestart's contract food service to child development centers).</li> <li>Creative strategies to strengthen the ability of low-income families and individuals to purchase fresh local products.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Participate in the Kitchen Cabinet, continuing to build the coalition of interests created by the three sponsors of the Roundtable.</li> <li>Participate in the inter-jurisdictional staff work group to provide support for the kitchen cabinet; including research, analysis and recommendations.</li> <li>Take the lead for the partners as the laboratory for innovation, where new methods are tested at center stage of the region's local food system.</li> </ul>

Stage of Production	Actions	King County	City of Seattle	Pike Place Market PDA
		<p>recommendations within this plan.</p> <ul style="list-style-type: none"> <li>• Work with the Roundtable sponsors to explore the use of U.S. Department of Agriculture (including Specialty Block Grants) and other federal sources of funding to support this action plan.</li> <li>• Take the lead in a cooperative effort to identify sustainable funding to implement farmland preservation and food system development over time.</li> <li>• Monitor progress on the land preservation and local production goals. Work with the City of Seattle to coordinate with Public Health-Seattle and King County to monitor progress on local consumption, nutrition and equity goals.</li> </ul>	<ul style="list-style-type: none"> <li>– Innovative methods to improve publicly financed nutrition programs.</li> <li>• Support the work of the King Conservation District Advisory Committee to increase funding which could be used to support some of the recommendations within this plan.</li> <li>• Explore the use of the City's portion of King Conservation District funding to support the committee's recommended action plan.</li> <li>• Work with King County to have Public Health-Seattle &amp; King County monitor progress on local consumption, nutrition and equity goals.</li> </ul>	