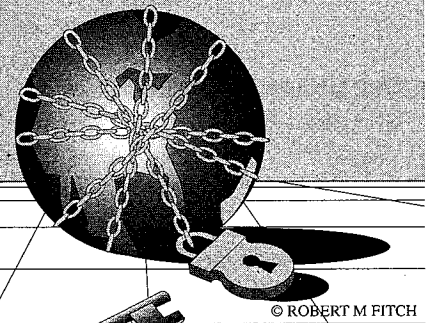


GROUND SWELL

A BI-MONTHLY PUBLICATION OF
COMMON GROUND-USA



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FEBRUARY-MARCH 2017 / \$3.00

VOLUME 30, NO. 2

WORKING GROUP UNDERWAY IN MINNESOTA TO START RENT-SHARING FARM TRUST

By Rich Nymoen, St. Paul, MN

In March, 2017, the Minnesota Chapter of Common Ground USA convened a Working Group to take next steps around starting a Rent-sharing Farm Trust in Minnesota. Besides our chapter representative, the group is made up of a farmer and representatives from non-profit farming groups such as the Land Stewardship Project and Renewing the Countryside. It will be meeting on at least a monthly basis to take final steps in determining the feasibility of such a trust in Minnesota and then, hopefully, take steps to put the trust in place.

This project started about three years ago when our chapter was approached for ideas to increase land access for new farmers in Minnesota. Farm land was selling here for as much as \$10k per acre due to high crop prices and speculative purchases of farm land. These high land costs were a major barrier for those wanting to become farmers.

We shared with those inquiring some information about how Land Value Taxes had made farm land more available to small farmers in California's Central Valley and in Taiwan. But realizing the political infeasibility of such a tax approach in Minnesota, our chapter began consulting with Jeff Smith and Paul Justus of Common Ground USA's OR/WA chapter on a land trust approach to the issue.

Together we crafted a proposal for a "Rent-sharing Farm Trust" that combines features of efforts such as Community Land Trusts in the affordable housing context and Carbon Fee and Dividend programs in the climate change context. Similar to Community Land Trusts for affordable housing, farms in the trust would be scattered geographically and the trust would have title only to the land of the farm, while the farmers renting land from the trust would have title to any buildings or improvements on the farm.

In addition, like Carbon Fee and Dividend programs, the full-market land rent collected from the farmers would form a pool of funds from which the trust's administrative expenses would be paid (including land acquisition), with the surplus in the pool being returned to the trust's farmers as an equal rent credit.

For example, if the trust collected \$100 in annual rent from Farm 1, \$200 from Farm 2 and \$300 from Farm 3, half of the \$600 in total rent collected could go for trust expenses with the remaining \$300 split equally among the three farmers as a \$100 rent credit. So then net rent would be \$0 for Farm 1, \$100 for Farm 2 and \$200 for Farm 3.

In this way, the trust is essentially holding land "in common" for farmers renting land from the trust. This is analogous to when land is left "in common" to heirs, often leading the heirs to then rent out the land and split the rental revenue equally among themselves.

Our proposal did not begin to gain steam until about two years ago when a law student named Maya Batres began researching it for class credit. During her research, she involved an attorney named Susan Stokes, who at the time was with the Willie Nelson-funded Farmers Legal Action Group (FLAG) and is now an Assistant Commissioner for the MN Department of Agriculture. Stokes was very encouraging of our proposal and, after receiving Batres' final research report, so was Julie Ristau of the Peter Barnes-founded group On the Commons. Ristau has a farming background and has relationships with many non-profit farming groups that she then connected us with. She also suggested that the trust start with 5-acre farms because land would be more likely to be donated to the trust in such smaller amounts.

About a year ago, Common Ground USA funded Batres to do another project in which she researched questions arising from her first report and engaged more people on our proposal. The report from this second Batres project was released in early 2017 and led to the formation of the Working Group mentioned above. This is a great opportunity to both practically address the problem of farm access by new farmers and to raise awareness of Georgist principles. To paraphrase Henry George, we must make more farm land common property.

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