

# **Colorado's Agricultural Land: Challenges and opportunities to support the next generation of farmers and ranchers**

**Young and Beginning Farmer  
Interim Study Committee**

**Denver, Colorado**

**August 10th, 2017**



# Young and Beginning Farmers and Ranchers

- **Beginning** – defined by the USDA as an individual who has 10 years or less of experience operating a farm or ranch
- **Young** – no formal USDA definition, but typically 35 years or younger

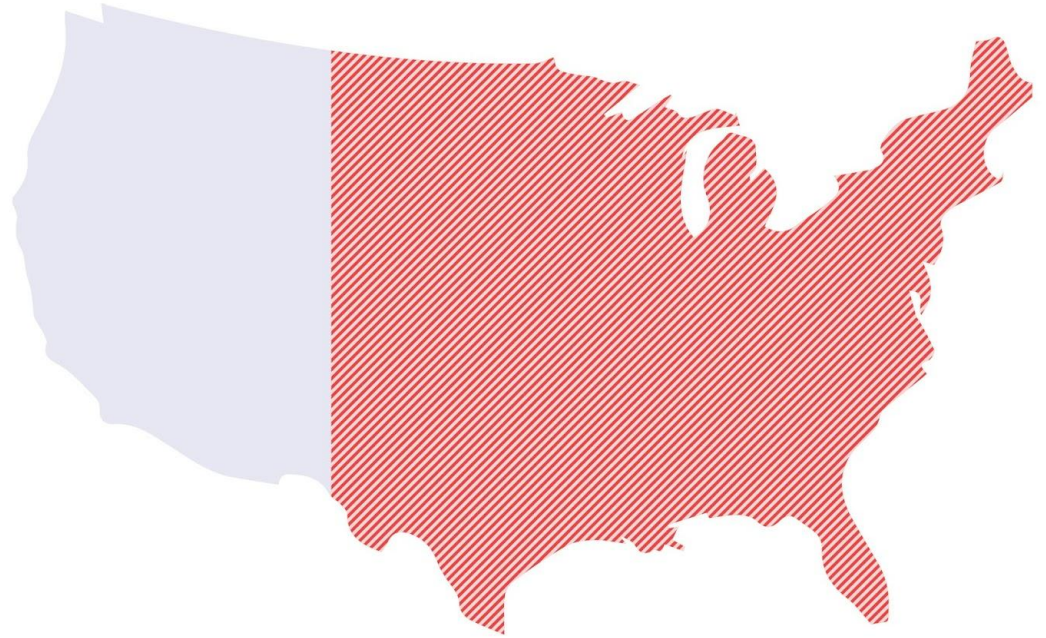


# Young and Beginning Farmers and Ranchers

- Economic Development
- Rural Development
- Stewardship
- Cultural Heritage



THE **AVERAGE AGE** OF THE  
AMERICAN FARMER IS **58.**

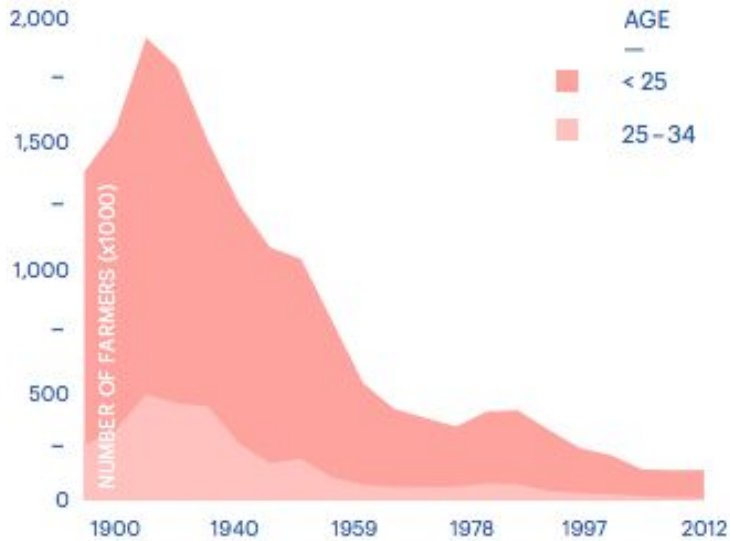


OVER THE NEXT 25 YEARS,  
**2/3 OF ALL FARMLAND** WILL  
NEED A NEW FARMER.

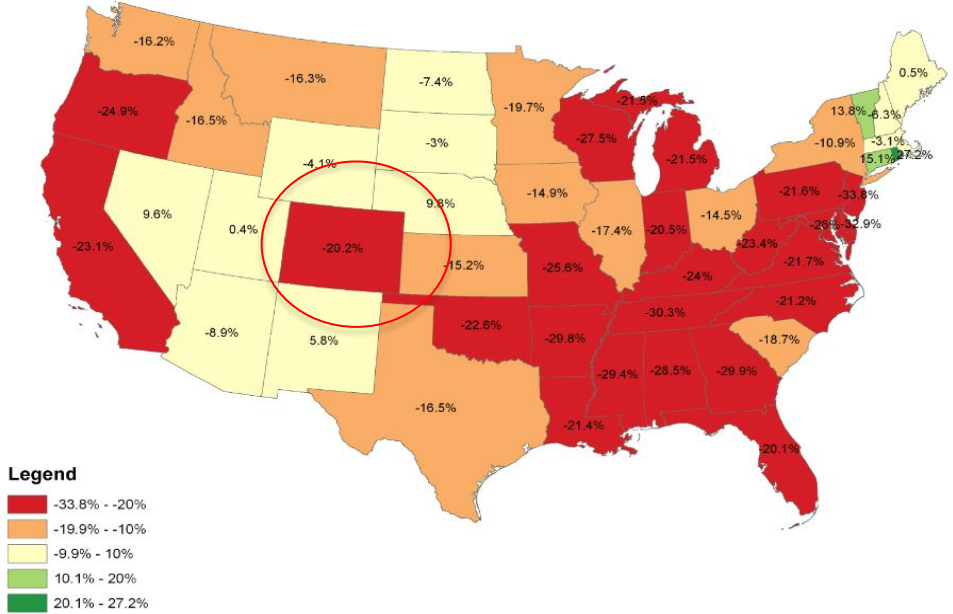


# Young and Beginning Farmers

**FIG 2: DECREASE IN FARMERS UNDER AGE 35 (1890-2012)**



## Principal Operators on Farm Less Than 10 Years Percent Change 2007-2012



- From 2002 to 2012, Colorado experienced an increase in the number of principal operators over the age of 55 and a decrease in the number of both young farmers and beginning farmers entering agriculture.
- Twenty-four percent of all Colorado farmers in 2012 were beginning farmers, down from 34 percent in 2002. Despite a small increase in the number of young farmers from 2007 to 2012, **Colorado farmers over the age of 55 outnumber young farmers and ranchers under 35 by 12 to 1.**
- Approximately sixty-four percent of Colorado producers will approach retirement over the next two decades, and over 20 million acres, or 63% of Colorado's agricultural land, may pass to new owners.



# Coalition

*By young farmers, for young farmers*



# Policy Change





# NETWORK Building



**34**  
**CHAPTERS**  
**In 26 States**



# Business Services

- **Membership benefits**
- **Trainings**
- **Reports**
- **Guidebooks**
- **Representation in D.C.**



|                                         |                                                                |                                     |             |
|-----------------------------------------|----------------------------------------------------------------|-------------------------------------|-------------|
| <br>An employee-owned company<br>5% off | <br>10% off                                                    | <br>WWW.HOSSTOOLS.COM<br>10% off    | <br>30% off |
| <br>workwear for women<br>15% off       | <br>the politics and practice of sustainable living<br>35% off | <br>10% off the HERS™ line of tools | <br>10% off |
| <br>25% off                             | <br>10% off                                                    | <br>FOR THE NORTHEAST<br>10% off    | <br>10% off |





# Western Program

Our work focuses on protecting water for agriculture, building incentives to ensure the good stewardship of that water, and empowering young farmers with the tools they need to enter roles of water



# 2017 NYFC National Survey

- Our second national survey; data compiled by George Washington University at national and state levels
- NYFC partnered with 94 other organizations to increase participation in the survey outside of our existing network.
- limited our analysis to those individuals aged 40 and younger living in the United States who either currently farm, once farmed in the past, or would like to farm in the future.
- The 2017 National Young Farmer Survey yielded 4,746 total respondents.
  - 79% (2,772) are currently farming
  - 15% (734) have left farming
  - 5% (176) are aspiring farmers
  - 1% (32) do not wish to farm



# 2017 NYFC National Survey:

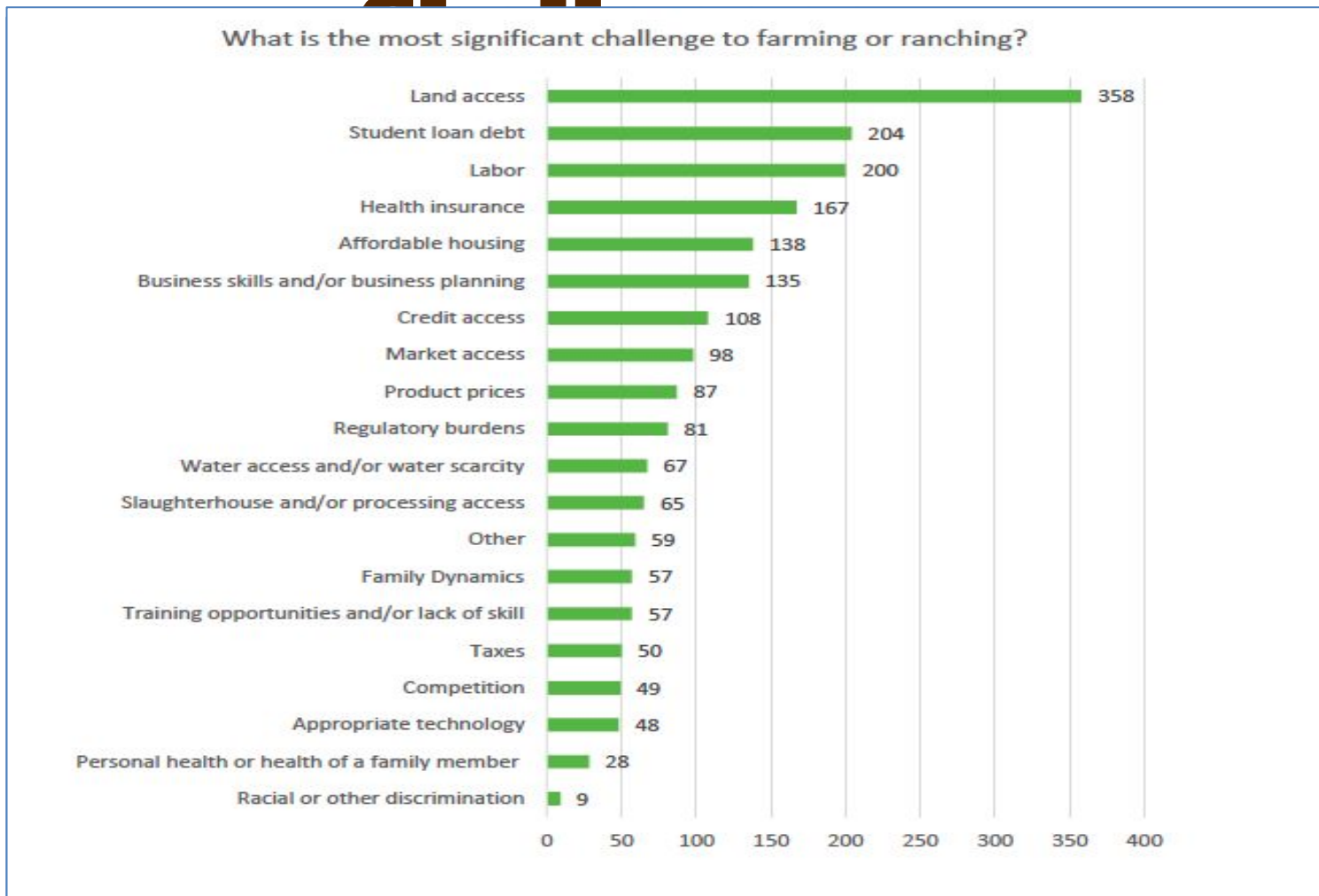
## Demographics

Farm

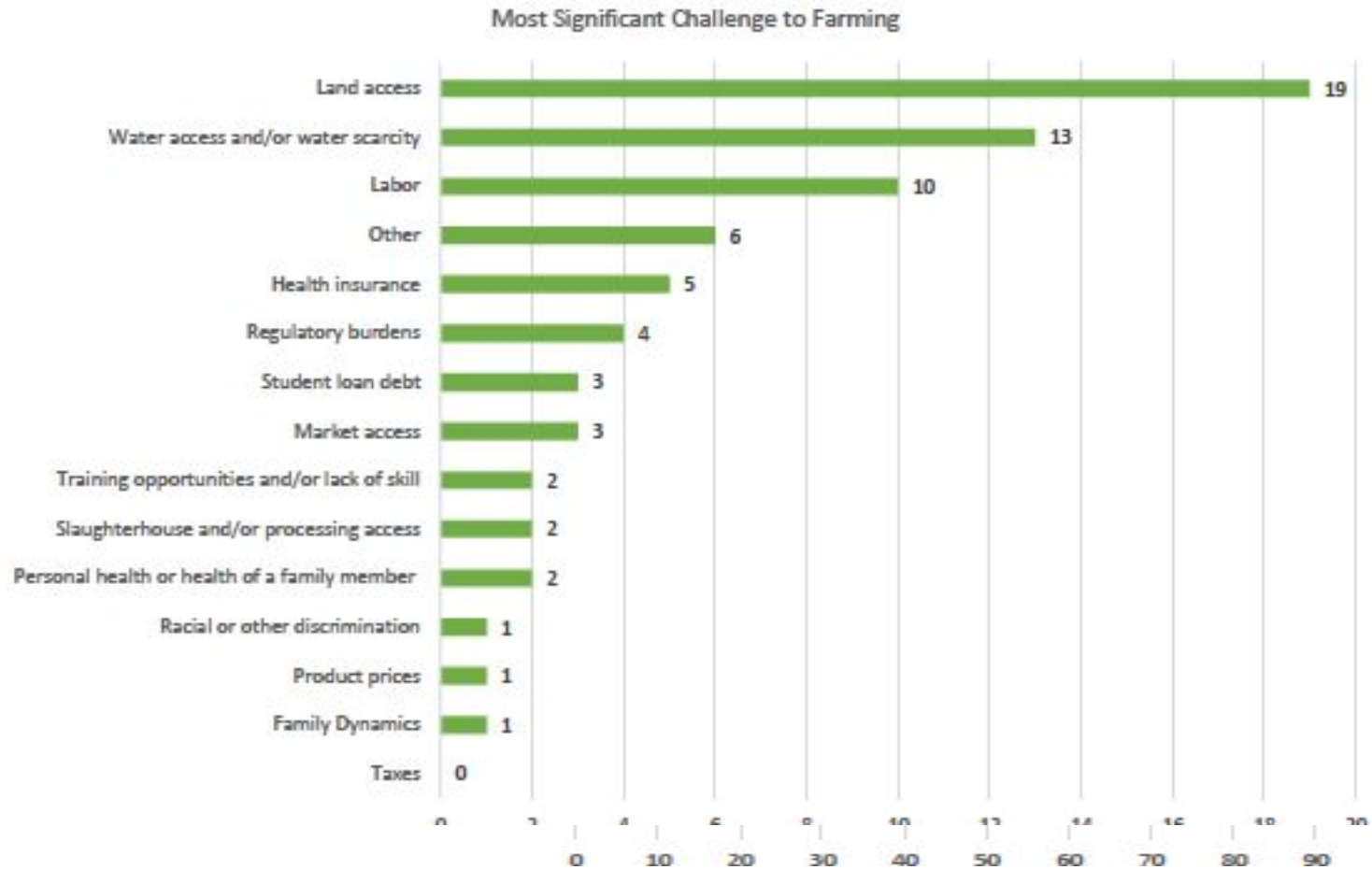
| <i>Which marketing channel makes up your highest proportion of sales overall?</i>      | <i># of Respondents</i> |
|----------------------------------------------------------------------------------------|-------------------------|
| <i>Community Supported Agriculture</i>                                                 | 462                     |
| <i>Farmers market</i>                                                                  | 434                     |
| <i>I don't know</i>                                                                    | 318                     |
| <i>Restaurant</i>                                                                      | 226                     |
| <i>Other</i>                                                                           | 225                     |
| <i>Farm stand or store</i>                                                             | 165                     |
| <i>Retail markets, including supermarkets, food cooperatives, and grocery stores</i>   | 127                     |
| <i>Commodity market through a cooperative</i>                                          | 88                      |
| <i>Commodity market through an intermediary, such as a grain elevator</i>              | 87                      |
| <i>Farm website</i>                                                                    | 78                      |
| <i>Distributor</i>                                                                     | 61                      |
| <i>Forward contracting to sell directly to an individual processor</i>                 | 44                      |
| <i>Food hub or value added producer</i>                                                | 42                      |
| <i>Institution, such as schools and universities, hospitals, food banks or prisons</i> | 41                      |



# 2017 NYFC National Survey:



# 2017 NYFC National Survey:



# 2017 NYFC Survey

## Land Access

- ❑ **BIGGEST CHALLENGE for current farmers both nationally and in Colorado**

- ❑ **MOST SIGNIFICANT reason for leaving agriculture**

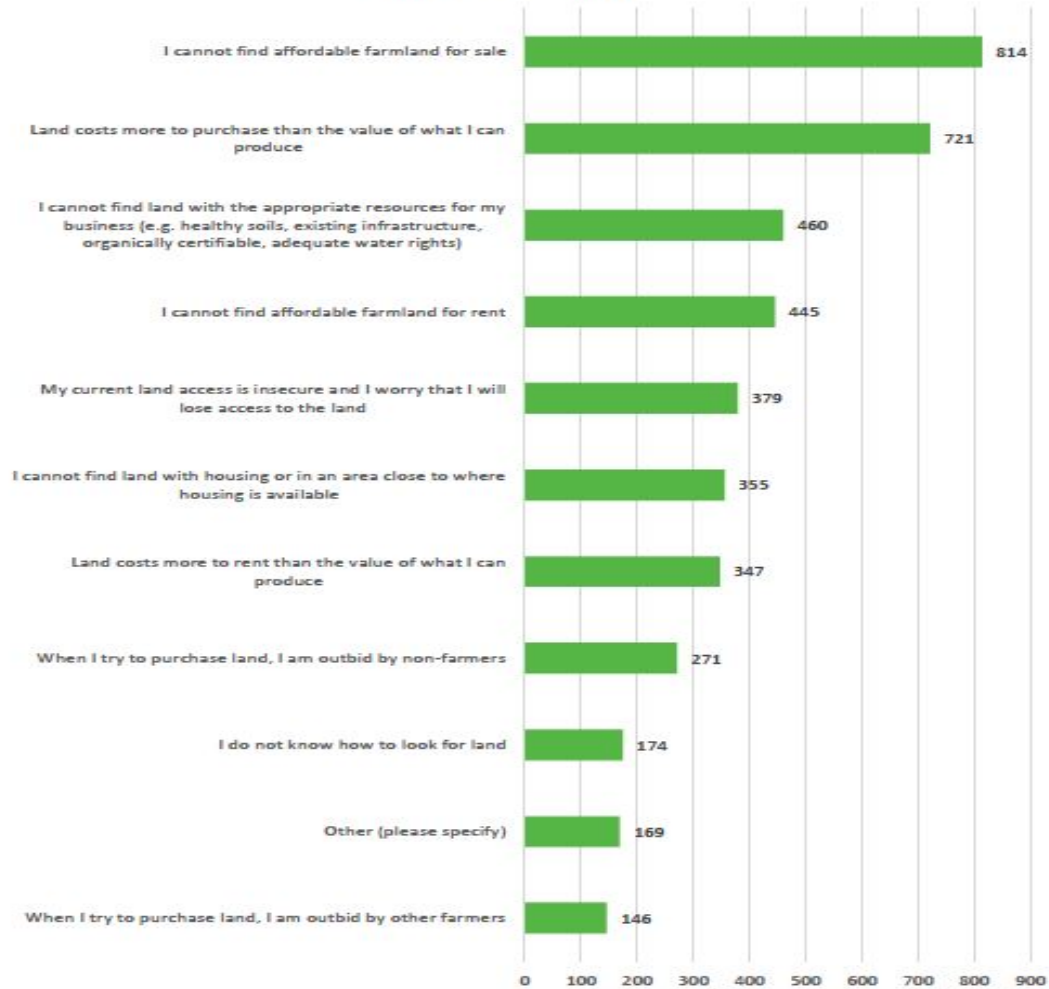
**BIGGEST BARRIER to start**





# 2017 NYFC National Survey: Land

Challenges of Land Access

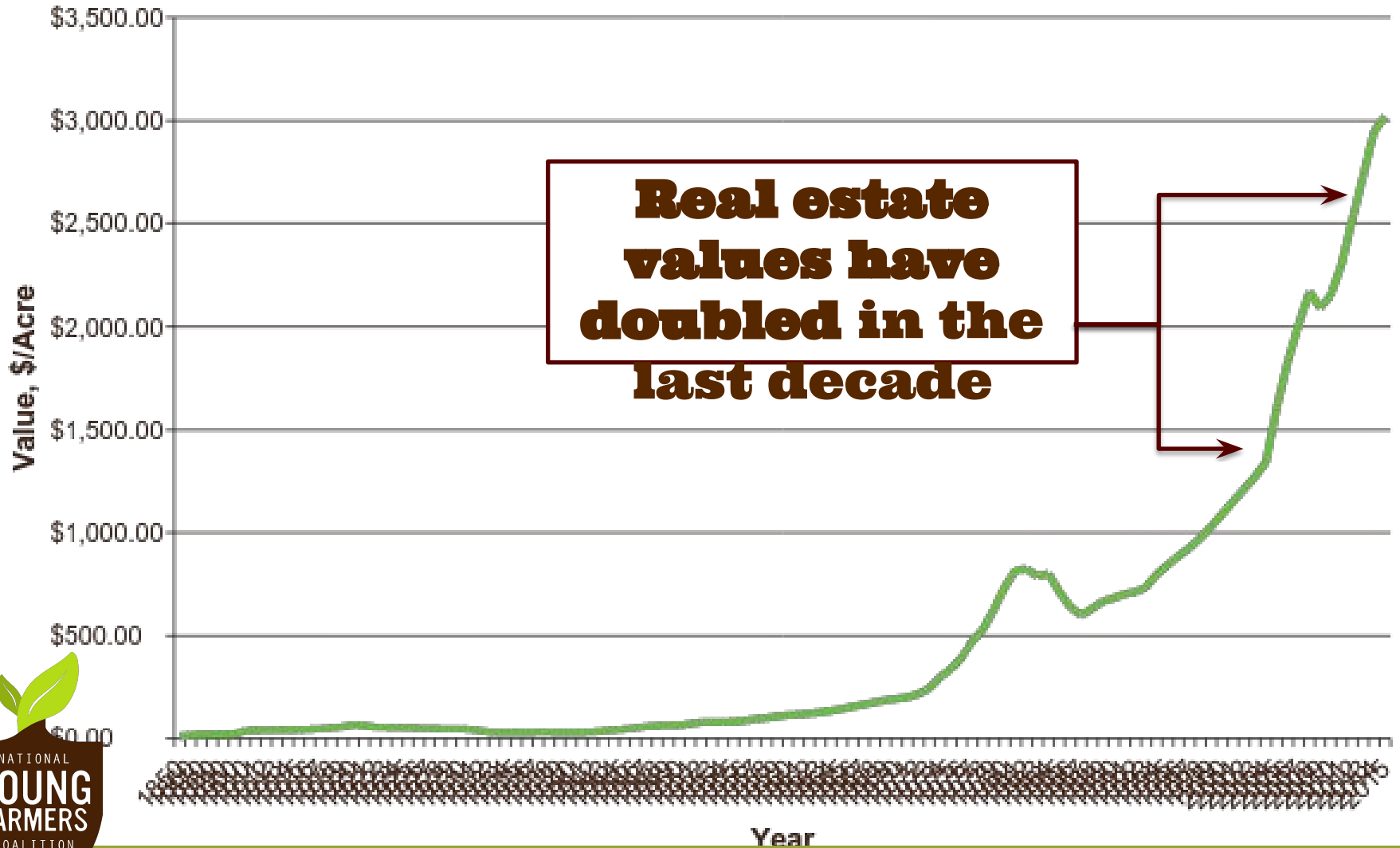


# Land Access Context

- **Real estate values have doubled** in the last decade
- **Land around urban areas** where market opportunities are greatest is often the most expensive. Similarly, irrigated land can be twice as expensive.
- **Pre-existing debt, such as student loans, prevents farmers from accessing capital**
- Many new farmers did not come from farming backgrounds
- Retiring farmers need to recoup equity from their business & land
- Fractionated ownership, disproportionate land loss, and discrimination against access in minority populations



# Challenges



# The Path to Land Access

**Desire to Farm**

**Gain Farm Experience**

**Farm Plan**

**Farm Search**

**Secure Farm Tenure**

**Success!**



# The Path to Land Access

**Farm Plan**



**Farm Search**



**Secure Farm Tenure**  
For how long?  
Ability to build equity?  
Equitable?



**Appropriate resources**  
(water, soils, infrastructure)  
?  
{affordable??}

**Access capital**  
(terms, combined financing, pre-existing debt?)

**Locate Land -**  
Is it on the market? Is it where you want to live? Close to markets?

**Appropriate size?**  
**Room for expansion?**

**Navigate farm transition**

**Success**  
\*and continued business management, conflict resolution, marketing, etc



# Policy Recommendation

- Establish a Beginning Farmer and Rancher Center at CSU to coordinate education and information services statewide for new farmers and ranchers; provide succession planning technical assistance
- Expand the Innovative Industries Internship Grant program to include agricultural industry internships
- Provide state income tax credits or other financial incentives for landowners who employ and intern/apprentices to help offset wages/other training costs and encourage more landowners to take on on-farm apprentices/internships



# Policy Recommendation

- Expand the Beginning Farmer and Rancher tax credit to include the sale of land and agricultural assets
- Create a state capital gains tax deferral/exclusion for farmland and agricultural assets sold to new and next generation farmers and ranchers until the land is converted out of agriculture.
- Establish a beginning farmer and rancher student loan repayment program to encourage more students to enter agricultural profession; encourage rural development



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