

AGRARIAN TRUST | AGRARIAN COMMONS FREQUENTLY ASKED QUESTIONS



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General Questions about the Agrarian Commons Model

What is the Agrarian Commons model?

The Agrarian Commons is an innovative and transformative land-holding model committed to shaping a just, resilient, healthy food system and farm economy for the communities it serves. The Agrarian Commons hold land in community-centered entities that are 501(c)(2) subsidiaries of the national 501(c)(3) Agrarian Trust. All decision making within an Agrarian Commons takes place in the local 501(c)(2) governance structure. These Agrarian Commons own assets and land to convey affordable and equitable leases for the purpose of chemical-free, regenerative, and ecologically sustainable diversified food production for community benefit. Each Agrarian Commons is supported in various ways by the national 501(c)(3) Agrarian Trust. See a list of the Agrarian Commons at: <u>https://agrariantrust.org/agrariancommons/lac/</u>

Why is the Agrarian Commons model important?

Agriculture is in a crisis. Land is being consolidated and transferred out of the hands of small farmers, giving way to more industrial-scale operations that pollute rivers, erode the soil, degrade ecosystems, emit greenhouse gas, and contribute to exploitative labor conditions, and income inequality. Because of escalating land market values, next-generation farmers who want to farm sustainably cannot afford to access land, or must take on so much debt to do so that they are pressured out of sustainable agricultural practices. For example, if a farmer can afford to buy farmland, it is often at above agriculture values and a sustainable farm's revenues are not enough to regenerate the land to a level that allows the farm to be viable. The Agrarian Commons model addresses these problems by removing:

- 1) fee ownership of land and
- 2) debt required to access land

In return, farmers receive affordable and long-term equitable access to the land structured in a way that ensures community ownership and governance of land and shared agroecological stewardship. Learn more about this from the Crisis and Response infographic. Agrarian Commons permanently removes healthy agricultural land from the commodity market, so it never risks being sold to the highest bidder, but instead stays in the hands of the community closest to it and those farming it. By holding land as a Commons, the community can also access a variety of capital to re-invest in the land, farmers, and community. Donations, grants, and limited debt capital can be coupled with all forms of capital (and all that the inter-connectivity of Agrarian Commons across the US brings) to further land health and farm viability.

Does anything like this exist already?

No. The Agrarian Commons model is a unique network for holding land in trust for communitybased agriculture in the United States. (Learn more at: <u>https://agrariantrust.org/wp-</u> <u>content/uploads/2020/05/ComparingStructures1.pdf</u>). However, Agrarian Trust has been inspired by and guided by:

- Community Land Trusts
- New Communities Farm
- Bhoodan land gift movement, India
- Terre de Liens, France
- Access to Land Movement, Europe

Learn more about the influence European models such as France's Terre de Liens have had on guiding Agrarian Trust's principles and work in an article written by Agrarian Trust Director Ian McSweeney, Struggles and Strategies of the Farmland Trust Movement Across Europe: <u>https://agrariantrust.org/news/struggles-and-strategies-land-europe/</u>

How is this model different from a traditional land trust? Can a land trust participate?

Agrarian Trust offers the same types of traditional land protection that many land trusts do, but the Agrarian Commons model also offers protection of whole farms and natural ecosystems for land access, equity, and affordability for farmers, health of soils, water, biodiverse systems, and agrarian enterprises interconnected to community. Our PDF guide <u>Comparing Structures</u> offers a side-by-side comparison of how we are different in our governance, ownership access & equity, legal structure and production & stewardship initiatives. The Agrarian Commons model also partners with land trusts and other conservation organizations. Hear from Hermina Harold of Trust Montana or Kim Kirkbride of New River Land Trust on why they joined the Agrarian Commons at: <u>https://agrariantrust.org/agrariancommons/stakeholder-perspectives/</u>

Our farm already has a conservation easement, what additional benefits does an Agrarian Commons bring?

Agrarian Trust works with many farms that are protected with conservation easements. Conservation easements help to reduce the cost of land for farmers, and they also ensure that land will never be a housing development and that the soil will never be extracted from. Conservation easements in general do not address farming practices and typically do not address specific agricultural uses of the land. The Agrarian Commons model builds upon the conservation easement model by ensuring that farmland is held for chemical-free ecologically diversified farming, and that farmers are supported in building the soil and infrastructure for that. Agrarian Commons can help take farmland conservation a step further for farmers and landowners who want to ensure these farming practices are carried forward into the future, through community connection and stewardship.

How are the names of each Agrarian Commons determined?

The name of each Agrarian Commons is determined by the local board and community stakeholders that comprise the founding members of the AC. For example, the name of the Little Jubba Central Maine Agrarian Commons was decided by the Somali Bantu community this Agrarian Commons represents. The name describes their relationship to land, the Jubba River Valley being their ancestral farmland and Central Maine being their home now and the place where they can safely continue their generational farming practices.

Big ideas often struggle to get off the ground because communities are not supported long-term. How are Commons boards and local communities supported to maintain long-term sustainability of the Commons?

Large barriers to the sustainability of many community initiatives include high upfront financial burdens and ongoing expenses and costs which can lead to burnout and high member turnover. In contrast, each Agrarian Commons starts from a foundation of sound financials, legal support,

and a national network of advisors. In terms of sound financials, the Agrarian Commons model reduces financial barriers in a number of ways:

- Agrarian Trust utilizes philanthropic dollars and land donations, not loans, to acquire land.
- Financial risk is further reduced by the fact that Agrarian Commons land is limited in its ability to raise debt to just 20% of the land value to prevent risky leveraging.
- The Agrarian Commons revenue and cost-sharing model is structured so that as more farms enter the Commons, the Agrarian Commons budget grows from collective lease revenue which helps offset costs that would otherwise overburden individual farms. See FAQ question: "Do local Agrarian Commons pay fees and dues to the national Agrarian Trust?"
- Crucially, each Agrarian Commons is a 501(c)(2) entity. As per their bylaws and IRS rules, 501(c)(2) entities are structured to be limited scope land holding subsidiaries of 501(c)(3) entities. This structure limits the scope, responsibility, and cost of operations of each AC they can only own, manage, and invest in properties, convey leases, and receive rental revenue. This limited scope ensures that AC entities operate with very little overhead costs.

How does the Agrarian Commons promote Indigenous Sovereignty?

Indigenous land sovereignty is a deeply-held value of Agrarian Trust. As one example, all 501(c)(3) land trusts have provisions in their founding bylaws that outline the future of their assets in the event the organization dissolves. In that event, our bylaws ensure that all assets will transfer to Indigenous communities and communities of color as one small way to move against the perpetuation of white-led nonprofit ownership of land Beyond that, we acknowledge that we have much to learn and much to do to promote Indigenous sovereignty. We have engaged and must continue to engage input and perspectives from individuals of Indigenous descent through AC Committee work and AC Boards to determine ways to engage Indigenous communities in what we hope to be impactful ways. We also recognize that no individual can represent all Indigenous communities. Some examples of work that Agrarian Commons is carrying forward include:

- Immediately once land is transferred into an Agrarian Commons, reparations are set up in the form of monthly direct payments to an Indigenous community that either exists there or is tied to the land
- Where possible, we also work on establishing "cultural respect and use easements" on the land where there are communities available and willing to accept that. It is our intent to ensure land is made available not just through lease tenure but through easements that provide communities land access for their ancestral lands

How does racial justice fit into the work of the Agrarian Commons?

Land ownership in the US is the embodiment of gross injustice. 98% of farmland is owned by white Americans of European descent, and land ownership by white-led nonprofit organizations in many cases simply further perpetuates this gross reality. Agrarian Trust is a white-led nonprofit organization. With that recognition, Agrarian Trust does not seek to own land at the national level by the 501(c)(3) Agrarian Trust. Land is owned in the local Agrarian Commons entities, so while the model does involve nonprofit ownership of land, the nonprofit entities (501(c)(2) Agrarian Commons) are local entities with governance structures that ensure equity decision making and autonomy over land is held in the local community. Under this structure Agrarian Trust plays a

supporting role. We also envision these localized Agrarian Commons as seeding the future of Agrarian Trust's work, and as a catalyst for bottom-up growth of the organization by providing future staff and board members to the Agrarian Trust. When people of color enter an Agrarian Commons, it is because they are leading that Agrarian Commons. The land work being done is creating land security for that community and not tokenizing them for the purpose of diversity statements without giving them true equity and stakeholder interest. For example, the Little Jubba Central Maine Agrarian Commons is one of the founding ACs that is majority led by people of color, and we are currently working with similar Agrarian Commons in formation. As another example, Cameron Terry is a Black farmer and board member of The Southwest Virginia AC which is prioritizing farmland acquisition for Cam's use through long-term tenure. Hear from Cam at: <u>https://agrariantrust.org/agrariancommons/stakeholder-perspectives/</u> We see these ACs and others as models of what can be and as examples of the work that needs to be done. We recognize that this process is slower than we would like, and we continue to work collaboratively with partners to evolve the model and bring about more impactful change:

- The Northeast Farmers of Color Land Trust has been involved in Agrarian Commons Creation Committee work, and the Agrarian Commons 501(c)(3) / 501(c)(2) structure is helping inform their structural land ownership model
- The Southeast Minnesota Agrarian Commons, currently white-led, is centered around the work of Main Street Project, a nonprofit providing training and farm enterprise building around small-scale poultry operations for Central and South American farmers.
- We are engaged in ongoing conversation and co-learning with many organizations and communities, including a first-of-its-kind agricultural community land trust recently founded in Puerto Rico to bring about similar models of community land ownership there. Some of these conversations will lead to the development of new Agrarian Commons as part of the first cohort of ACs in the country.

It is our intent for the Agrarian Commons model to continue to inspire other similar structures while also evolving in response to our collaborations to transform and dismantle the systems perpetuating racism and exclusion at the heart of US land ownership.

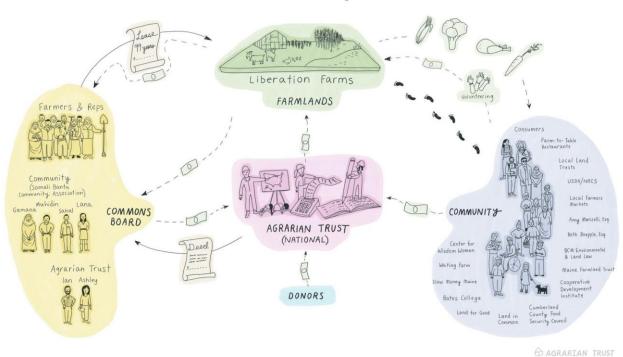
How is Agrarian Commons not another nonprofit existing through extractive rent?

It is important to ensure that the Agrarian Commons model is not replicating systems where lease rates are extracted simply to support the high overhead and operational costs of an unnecessary organization. Besides establishing land ownership and governance structures firmly in local community hands, one way the Commons avoids extractive rents is by lowering the costs that traditionally dictate high lease payments. For example, Agrarian Commons are formed utilizing 501(c)(2) and 501(c)(25) title-holding organizations. These types of entities are limited in scope to just the holding of land and conveyance of lease tenure. Because they cannot maintain operations in the same way a traditional nonprofit does, their overhead is much lower. In addition, most land that enters the Commons is acquired through philanthropic dollars, land donations, and with very little debt potential. Limiting the financial burdens typically associated with land ownership ensures the lowest lease payment possible. It is crucial to the model that the cost to access land falls well below traditional land ownership and financing structures. Learn more about the considerations that go into lease rates by reading the FAQ question "Can you be more specific about AC lease costs for farmers versus traditional market prices?"

How an Agrarian Commons Grows, A Case Study

Leading up to fundraising efforts

If you are a farmer thinking about if the Agrarian Commons model is right for you, the below illustration shares an example of how the Little Jubba Central Maine Agrarian Commons expanded during our fundraising phase. Agrarian Trust can expand connections and create opportunity in your search for securing farmland tenure. As you begin to explore the concepts of a Commons, take below our initial illustration concept of the Little Jubba Central Maine Agrarian Commons Commons before our fundraising campaigns:

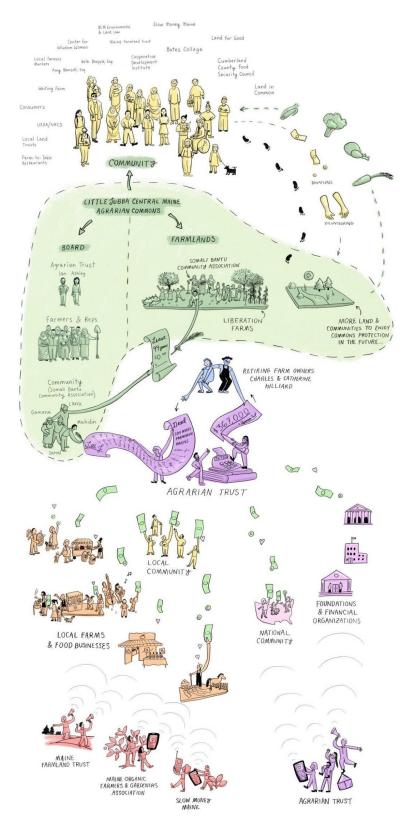


The Little Jubba Central Maine Agrarian Commons

Community collaborations and national connections

Once you, as a Farmer and Commons Board member, and Agrarian Trust prepare to fundraise, the community collaborations and national connections come into play. The illustration below shows how the Little Jubba Agrarian Commons community responded, and became involved with the project. We don't want you to think that you have to create all of these connections yourself! This illustration portrays the many community responses that occurred from the local farming community, some spontaneous and organic, and others through our partners and networks, which is how our Commons model is intended to work. As one example, through the national audience and networks Agrarian Trust brought into this campaign combined with localized efforts, the Somali Bantu Community Association experienced an 80% growth in social media followers bringing awareness to their work and future success.

As we work to fund Commons over the next few years, you will see each Commons model expand in their own unique ways.



The Little Jubba Central Maine Agrarian Commons: Fundrasing and Commons Structures

Relationship Between Agrarian Commons and Agrarian Trust

How does Agrarian Trust raise money for Agrarian Commons?

The \$12,000,000 being raised as part of the Agrarian Commons Phase 1 comes from a combination of grants and public funding, philanthropic donations of both land and cash, and investment capital from mission aligned investors who value and accept social and environmental returns above financial returns. Money is also being raised through crowd-funding campaigns that align the interests of local communities with the health and viability of the land and farms around them.

- See a recent fundraiser for the Little Jubba Central Maine Agrarian Commons: <u>https://agrariantrust.org/agrariancommons/little-jubba/</u>
- Other incoming crowd-funding campaigns will create a new vision and model for Community Supported Farm Tenure that engages farm CSA communities to develop deep and long-term relationships to support land ownership, tenure, and equity.

Do local Agrarian Commons pay fees and dues to the national Agrarian Trust organization?

There are no specific fees that the Agrarian Trust charges the Agrarian Commons. Legally, the model is bounded by the structure of US law, and the IRS requires that net annual proceeds from all 501(c)(2) organizations flow back to the parent 501(c)(3) organization. This legal and structural requirement does in some way create a fee, but Agrarian Trust supports each AC in creating an annual budget that expends all funds in a given year so that there are no net proceeds that must flow back to the Trust. An AC budget can expend funds for property taxes and insurance, property management, land acquisition, and all things related to the property holdings it has. Additionally, and contrary to collecting fees from ACs, the first couple of years for any Agrarian Commons will likely require support from the national 501(c)(3) Agrarian Trust until they grow in ability and size to support and sustain themselves. Self-sustainability is Agrarian Trust's long-term goal for each Agrarian Commons and this goal has influenced the structure of the model:

- Each Agrarian Commons will grow to a maximum of 12 farms, and limiting this is important to ensure these structures remain at the human scale. Having at least 4 farms in each AC soon after formation is also an important goal to ensure opportunities for collaboration and a lower cost burden.
- An Agrarian Commons with 6 farms for example could conceivably convey affordable lease tenure while still receiving enough revenue to not require financial support from Agrarian Trust.
- We see this as a philanthropic model that needs capital to be raised, land to be donated, and land purchases to be made at bargain sales. Lowering costs upfront to establishing an Agrarian Commons enables a quicker path to economic sustainability.

How will farmers access capital to finance their operations and investments?

Agrarian Trust understands that lack of access to capital is unjust in the US presently and is only getting more difficult, and the Agrarian Commons model makes it more difficult to borrow funds using land as collateral. Part of the philanthropic and investment money being raised to support the model is going towards the creation of a revolving capital fund which lessees will be able to

utilize directly for farm viability, renewable energy production and efficiencies, and soil and ecological health investment. This fund could also be used by farmers indirectly as security to access more traditional capital. See more details on capital structure on page two of our Phase 1 Overview.

Can both Agrarian Trust and Agrarian Commons acquire title for property? Who owns what under this model, and is Agrarian Trust intending to own any of this property long-term?

The Agrarian Commons model establishes 501(c)(2) community land trust entities to own title to the land. Under this model, Agrarian Trust does not intend to own any property except where necessary as a vehicle to convey land title to the Agrarian Commons. For example, a land owner seeking tax relief or wishing to make a charitable donation may choose to make a land donation to Agrarian Trust, but that land will be conveyed to an Agrarian Commons entity as soon as possible.

The Agrarian Commons Farms and Farmers

Each Commons will eventually hold between 4 and 12 properties. Is this number independent of farm size?

Yes. There are many different ways to define the size of a farm including total land acreage, number of employees, revenue, sales, number of operations, and more. Rather than attempt to define an ideal farm size based on one of these metrics that would be consistent and appropriate across the country, we recognize that the Agrarian Commons model lends itself naturally to a certain range of farm sizes. For example, the model's emphasis on sustainable food production and collective ecological stewardship necessarily excludes the possibility of a large industrial-scale farm producing for the commodities market from existing within the Commons. So long as the agricultural and land practices of each farm are consistent with the vision for sustainable production for community benefit, the Agrarian Commons will not attempt to regulate farm operation or revenue size.

What are the sizes of the farms in the founding Agrarian Commons?

Every farm in an Agrarian Commons operates diversified food production regenerative agriculture with some form of community connection to them. This naturally lends itself to a certain range of acreage sizes, but there is still a diverse spectrum:

- Smallest farm is 12 acres
- Largest farm is 640 acres
- Some are commercial scale productions selling to larger markets, some are communitysale scaled subsistence farming
- All farms are within a hundred miles of an urban foodshed, which some produce food for
- One large farm (620 acres) is run by one family with 22 employees but just one business
- One large farm (600 acres) has 11 different businesses that operate on the land. They are all agrarian in nature but very diverse among each other
- 200 families will farm 107 acres of land when the fundraising is secured for Somali Bantu farmers in Maine
- No Agrarian Commons currently holds urban agricultural land, but the acreage will certainly be even smaller for those future farms

How do farms come into the Agrarian Commons and are they all structured the same or is there diversity?

The Agrarian Commons launched initially with 10 ACs and 12 farms. These 12 farms represent a diversity of situations:

- Mid-career farms in which the farmers owned the land and business but transferred the land into the Agrarian Commons while continuing to operate the farm as they have been.
- Long-held farms in which the previous farmers retired and if not for the Agrarian Commons the land would have fallen out of production and/or sold on the market. These land transfers have created new opportunities for next-generation farmers to access the land and continue and expand on the diversified food production that the exiting generation started.
- A non-farming landowner transferred unused farmland into the Agrarian Commons creating opportunities for next-generation farmers to access the land
- A nonprofit that supports refugee and immigrant populations through different social and agricultural services entered the Agrarian Commons without land but acquires farmland through fundraising efforts. This nonprofit leaseholder makes use of the land for farming, education, training, and other programs supporting next-generation immigrant and refugee families.
- A municipal county owns land for a nonprofit farm training and incubation center. The land is transferred into the Agrarian Commons while the farm training site continues to operate in collaboration with the county and nonprofit organization.
- A community land trust owns a farm. The farm is donated into an Agrarian Commons to be part of a collaborative local AC with other aligned farms, and because the AC values align with the community land trust's.

If the farmer does not own the land, how does the farmer acquire equity?

By design, the Agrarian Commons model makes it difficult to acquire equity in land and to access traditional forms of capital because the model removes individual land ownership. Due to four centuries of profound inequity and oppression in the United States, private ownership tends to be a powerful vehicle for wealth accumulation for some and a force of exclusion for others. Many people are excluded from land ownership and access to capital because of racial and economic injustice. Indigenous, Black, and Latinx farmers in particular have been excluded from access to land and capital needed to establish and maintain farms, which has further entrenched structural racism across our society. However, the Agrarian Commons model opens new pathways for equity generation:

- The ground lease is the most commonly utilized tool through which the Commons introduces equity building for farmers. Under a ground lease, farmers retain ownership of buildings and infrastructure they construct and invest in on the land. So, while the farmer does not own the land, the absence of a mortgage payment frees them up to invest in critical infrastructure which they retain ownership to and which represents built equity.
- Farmers enter into 99-year (or the maximum as per state law) renewable leases with Agrarian Commons, and the remaining term on each lease represents value the farmer could sell at any time.
- Investments in soil health, agrarian enterprises, healthy ecosystems, and renewable energy projects can have collective benefit on the Agrarian Commons as a whole and can

therefore be used to reduce a farmer's individual lease payments. It is possible that through such investments a farmer could reduce lease payments to \$0 and even generate additional revenue.

In addition, many farmers who operate under traditional forms of land ownership and access to capital find themselves overburdened with debt and struggling to maintain even basic quality of life standards. Under traditional agricultural economic models, many farmers work their whole lives to build equity in a farm only to have to sell it off, and at a price next generation farmers cannot afford, just so they can retire. The simple act of lowering debt, land costs and overhead costs for farmers allows them to invest and build equity in other areas of their lives. For example, Jeremiah Vernon of Vernon Family Farm and the New Hampshire Agrarian Commons recognizes that the Agrarian Commons will lower his annual land access cost by between 74% and 90% the difference between his current mortgage and the Agrarian Commons lease payment opening him and his family up to the possibility of a farm business investment, retirement fund, college funds for his children's future, and other investments. This transformation also has a big impact on a local community. Traditional debt service on land is paid by a farmer to a national bank and that money leaves the farm and community forever. Under the Agrarian Commons model, the farmer pays an affordable lease rate (see FAQ question "Can you be more specific about AC lease costs for farmers versus traditional market prices?") to the community-centered Agrarian Commons they are part of, ensuring the money is reinvested in the AC and its farms, and recirculating the money locally in the surrounding community.

If individuals can own buildings and homes outside the land held by the Agrarian Commons, how can you ensure these properties do not get sold to people unsupportive of community agriculture?

The big picture for the Agrarian Commons is community-held land for community interest in perpetuity. Agrarian Trust retains Rights of First Purchase options on all Agrarian Commons properties. In some situations, these options are the only way to ensure a property remains in community interest. However, exercising such an option requires available funds and that is why raising funds specifically for capital lending is an important part of Agrarian Trust's fundraising efforts. See FAQ question: "How does Agrarian Trust raise money for the Agrarian Commons?" On the other hand, the local Agrarian Commons model is established upfront to decommodify land, and protections are put in place for each AC that prohibit sale of its property on the market. Still, in the rare instance that an AC attempted to sell its land, Agrarian Trust would seek to exercise its First Purchase options.

Financial Considerations of Agrarian Commons

Are there tax and other financial benefits to transferring land into an Agrarian Commons?

Transferring land into an Agrarian Commons creates multiple opportunities to reduce financial burdens:

• For the landowner: Agrarian Trust is a 501(c)(3) public charity, and there are tax benefits for anyone who transfers property into the Trust for less than the full market value. Land that is transferred to Agrarian Trust is conveyed as soon as possible to a localized 501(c)(2) Agrarian Commons for the benefit of the local agrarian community and economy, and it is utilized for the health of people and the earth.

- For the farmer: Land transferred to an Agrarian Commons is then leased to farmers and ranchers who experience major financial benefits in the form of 99+ year lease tenure that is affordable and equity building. The cost to the farmer under an Agrarian Commons lease is quite different than the debt service that would be incurred to pay a corporate bank for market-based land access and ownership.
- For the community: These affordable lease rates are paid to the local Agrarian Commons entity that then reinvests the revenue back into the farms and the Agrarian Commons itself. In this model, money is kept within the local economy rather than being sent off to a corporate bank somewhere disconnected from the local community. By revinesting this revenue back into the farms and the land, an Agrarian Commons is supporting diversified healthy food production for the surrounding community while also healing the land that the community depends on.

Can you be more specific about AC lease costs for farmers versus traditional market prices?

Most of the farmers that enter the Agrarian Commons are at or below poverty level because our culture has determined mid-size farming to be a low-income, undervalued career. We are determined to change that. The considerations that go into an Agrarian Commons lease are individualized to each farm. Overall, the Agrarian Commons model considers lease values differently from market-based (extractive) approaches.

 In the same ways the Agrarian Commons is moving land values out of a speculative and extractive market, we are also manifesting the same transition with lease rates. Many market lease rates for agriculture land use are determined within the structures of extractive and speculative farmland lease and agricultural practice structures. The Agrarian Commons model determines lease rates differently, first through direct engagement and collective work between potential lessee and lessor to first understand what is affordable within the context of that specific farm's business model and financial viability. A lease rate is then structured around that.

As a general benchmark for financial planning and financial modeling for the Agrarian Commons, we have considered:

- Total farm lease rates of \$5,000 to \$12,000 annually, with variations dependent on acreage and market-based land value considerations in the regions where Agrarian Commons currently exist
- Residential home rental rate of \$2,000 annually
- Taxes and insurance covered by the leaseholder

Given the goals of the Agrarian Commons model, we are focused on leasing whole farm properties with buildings, infrastructures, and varied uses and enterprises. We do not use per acre lease rates, as we are not working with per acre single crop producers. We're also not leasing raw land without improvements. A significant aspect beyond the cost difference for a lessee involved in Agrarian Commons versus one who is not is that the Agrarian Commons leaseholder is on the Board of the Agrarian Commons that owns the farm they lease. Thus, the Agrarian Commons leaseholder is paying lease payment to something they are part of as opposed to paying lease payment to a landlord that may not be connected to them or the community. Lease revenue collected by the Agrarian Commons is then used to manage the farms and invest in soils, buildings and infrastructure needs of the farm.

We Want to Form an Agrarian Commons, Now What?

I want to form an Agrarian Commons - what do I need to know?

Forming an Agrarian Commons is a commitment to shaping a just, resilient, healthy food system and farm economy for the communities it serves. The primary responsibilities for an Agrarian Commons is holding and stewarding land for affordable, secure leases to farmers, and raising funds for continued stewardship and potential acquisition of additional farms. Agrarian Trust assists with the Agrarian Commons formation process in collaboration with founding board members, partners and advisors to:

- Confirm an understanding of the Agrarian Commons model, and alignment with philosophy and values.
- Assess readiness for Agrarian Commons formation, and opportunities for land acquisition.
- Form the Agrarian Commons board, review and adopt documents (Good Faith Agreement, Bylaws, Equitable Lease), and file 501(c)(2) forms for incorporation.
- Outline scope of work, timeline and operations plan for Year 1 and beyond, including additional land search and fundraising.

This is followed by an external Agrarian Commons launch and promotion in communities throughout the region to raise awareness and generate interest among farmers, transitioning farmland owners, farm and food system stakeholders, and the general public. What is the first step to establishing an Agrarian Commons?

Before an Agrarian Commons can be formed:

- A farm opportunity and/or farmer with land access needs must be identified.
- Founding board members representative of the community must be identified. A board is represented by the leaseholder(s), community stakeholders, and Agrarian Trust. Each of these categories must have a 1/3 representation.
- An Agrarian Commons with just one initial property would have 6 founding board members that would grow proportionately with each new property.

We have Board members identified, now what?

It is time to review the core Agrarian Commons legal documents, which have been developed through Agrarian Commons Creation Committee work and by the founding Agrarian Commons members. These documents are:

- Equitable Lease
- Bylaws for <u>501(c)(2) Agrarian Commons</u>, and for <u>501(c)(25) Agrarian Commons</u> which have multiple 501(c)(3) parent organizations
- <u>Good Faith Understanding</u>
- Ecological Stewardship Plan

We have an ideal property in mind, now what?

Next is to collaborate with Agrarian Trust on property due diligence. Some of the info we will need include:

- Aerial mapping showing boundaries of each separate parcel
- Farmland soils mapping
- Notes/mapping showing any existing conservation easements, buildings, and farmstead areas
- Details on zoning and other use restrictions, limitations, or considerations
- Mapping showing human connections to the land where do people live, and where is the farm(s)?

What decision-making authority does Agrarian Trust have besides having a one-third representation on each Agrarian Commons board? Does the local AC have flexibility to respond to their own needs or are they bound to AT requirements?

A little of both, and we are trying to create a balance. Some things we want to hold as ideals for all Agrarian Commons, which is a requirement of the Trust for each AC to uphold. For example, types of agriculture (regenerative, chemical-free, diversified food production), land stewardship practices, and equity building components of lease structure are all required. To define this relationship, each Agrarian Commons enters into a Good Faith Understanding (GFU) with Agrarian Trust to clearly define responsibilities and roles. The majority of governance responsibilities fall primarily on the local AC boards, but Agrarian Trust is responsible for a few items as per the GFU. For example, Agrarian Trust reviews annual status reports on properties, and creates the general ecological stewardship plans that each Commons will be for to ensure land care practices align with the Trust's vision for sustainable food production and collective ecological stewardship of the earth. For additional context, Agrarian Trust creates these localized 501(c)(2) Agrarian Commons in a group exemption process with the IRS which requires certain aspects of each c2 entity be the same, and this is reflected in the structure and founding documents:

- Bylaws must be the same for all ACs as per IRS rules
- Good Faith Understanding between AT and each AC is specific to place
- Lease agreements are more specific to each farm
- Size of the board, its focus area, how large it is, and its priority and work are all localized to place

Almost all requirements are localized except for 1) IRS requirements and 2) the unifying goals, vision, and principles of the AC model See more info by reading the FAQ question: "What requirements does Agrarian Trust enforce in the lease that each farm signs?" What requirements does Agrarian Trust enforce in the lease that each farm signs?

The lease relationship between a local Agrarian Commons and the leaseholder is fairly similar across all farms and ACs in that Agrarian Trust has developed, in collaboration with two Agrarian Commons Creation Committees, a template lease document that is intended to be a starting point for all lease agreements in this model. Agrarian Trust requires that each lease include the following to uphold our principles:

• Long-term tenure: Agrarian Trust requires the maximum legal lease term. In most states this is a 99-year rolling lease, and in some states it is 15-year leases. This ensures

farmers can farm as long as they desire, with the ability to pass the farm on to the next generation.

- Equity Building: It is essential that farmers under an Agrarian Commons can accrue financial equity. Because the farmer does not individually own the land, there are many ways that equity can be accrued under the model. See the FAQ question: "If the farmer does not own the land, how does the farmer acquire equity?"
- Community Connection: Agrarian Trust does not specify a particular way that a farm must connect with the community, so long as it does in some way. Examples of community connections include CSAs, educational workshops and programs, and engagement with local schools.
- Maintenance of Property: The leaseholder is responsible for various activities related to maintaining the property which might also include property taxes and insurance, although part of Agrarian Trust fundraising efforts is long-term capital endowments for the land, buildings, and reserves for insurance and property taxes in case an Agrarian Commons needs support in this area.

Agrarian Commons general membership seems very open and easy to join. Why not limit membership to the Board and a handful of clearly defined committees?

Agrarian Trust envisions the Agrarian Commons model as new and innovative compared to what exists in the United States at this time. Agrarian Trust does not merely want to create a handful of Agrarian Commons across the nation, but provide a model that others can replicate and expand on. Allowing for general membership opens this model up to a broader community of people in ways that traditional, rigidly defined and non-innovative governance structures do not. In addition, general membership benefits farms who come into Agrarian Commons with extensive CSA memberships and broad retail and market customer lists as it allows farms to retain and deepen those relationships. While the IRS requires Agrarian Trust to maintain certain control of each Commons, it is our intention to cede as much control as possible under the law to local communities.

When people work together, conflict inevitably arises. How does Agrarian Trust support local Agrarian Commons in conflict mitigation and resolution?

Conflict is not intrinsically a bad thing, and can in fact be a sign that people are communicating their needs and working through diverse issues and perspectives to arrive at consensus and collaborative solutions. For example, no interpersonal conflict exists between residents of a small town and an international bank executive precisely because the voices of local people are not being heard or represented, yet the executive can still wield incredible power and influence over their lives. The Agrarian Commons model elevates the voices and representation of local communities by ensuring that each AC Board of Directors is comprised in equal proportion of 1/3 Leaseholder, 1/3 Community Stakeholder, and 1/3 Agrarian Trust. Beyond that, when it comes to specific conflict resolution strategies, the Agrarian Trust is still learning ways to best support local ACs. We recognize that certain activities are appropriately done from a national entity, while other activities are best decided and spearheaded at the local level. Finding that balance is an ongoing process. Part of the activities we engage in as a national entity to support ACs include organization structures, governance structures, communication and community outreach,

networking, and legal support. We also value and support opportunities for the transfer of knowledge and experience between Agrarian Commons for shared learning, which we hope will inform conflict resolution strategies.

How Can I Help?

I'm looking to support local farms, how can I help?

- Subscribe to the newsletter
- Donate to Agrarian Commons
- Donate to AC fundraisers you can find a link at the top of their page if one is ongoing
- Donate to Agrarian Trust
- <u>Donate land to Agrarian Commons</u> so next generation farmers can access and support communities in perpetuity
- Share and promote your favorite #agrariancommons on social media, and Like and Follow Agrarian Trust:
 - <u>Facebook | Instagram | Twitter</u>
- <u>Contact us</u>

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