

Generational Farm Transition

Family farms are a basic source of wealth in rural communities, and access to farmland is necessary for the next generation of farmers to share in this wealth. Most family farmers aspire to pass their land on to their children, an employee, or another young person. Unfortunately, the rising cost of farmland and other inputs makes this a challenge. Seeing this in their community, MFU members passed resolutions emphasizing the need to support beginning farmers and help farmers transition to the next generation.

Resolutions on beginning farmers and transition were passed at county conventions and adopted as a special order of business at MFU's state convention in 2021. Special orders of business are top priorities of members.

What's the issue?

The high cost of farmland and other inputs is a barrier to new farmers and those who lack access to capital. As the price of farmland continues to rise in Minnesota and the corporate ownership of agricultural land across the country has increased, the family farm is threatened. New farmers and others who lack capital are unable to compete.

What is MFU doing to facilitate generational land transition?

Minnesota Farmers Union advocates for policies that support the next generation of farmers, including:

- Expanding incentives to pass farmland to the next generation, such as Minnesota's Beginning Farmer Tax Credit (BFTC).
- Expanding access to credit for beginning and emerging farmers.
- Targeting programs and tax incentives—including capital gains exemptions—that support farmland access and transition.
- Limiting corporate ownership of farmland, including by supporting Minnesota's corporate farm law.
- Encouraging new farmers to participate in programs such as New Leader Academy and NFU's Beginning Farmer Institute (BFI).



What has MFU accomplished to facilitate land access and transition?

Minnesota Farmers Union advocated for policies to support beginning and emerging farmers at the Minnesota Legislature. In 2021, MFU:

- Secured \$150,000 to establish an Emerging Farmer Office and fund translation of agriculture department materials.
- Secured \$150,000 for land access and transition, including improving the Minnesota Department of Agriculture's FarmLink program.
- Supported expanding the Beginning Farmer Tax Credit by extending the credit for sale of agricultural assets to family members, increasing the credit to socially disadvantaged farmers and providing Rural Finance Authority (RFA) funding to administer the credit.
- Worked to make sure tax laws work for family farm transition.

"That transition piece has been a very big topic in my family as my father is approaching 65 and getting closer to wanting to retire. Looking at how to transfer that land into the next generation to be able to get my brother and I started has been a challenge. By expanding the Beginning Farm Tax Credit, it would allow us to get our foot in the door on our family farm."

– Brad Kluver, Northfield

What are next steps?

Minnesota Farmers Union continues to advocate for the investment and reforms needed to support the next generation of farmers at the local, state and federal level.

Are you interested in joining Minnesota Farmers Union members as they work on this issue?

Go to www.MFU.org to click and join.



Standing for Agriculture, Working for Farmers



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