MASSACHUSETTS FOOD SYSTEM COLLABORATIVE

Exploring the feasibility of a down payment assistance program for Massachusetts farmers

Introduction

Massachusetts is losing farmland at an alarming rate. From 2012 to 2022, Massachusetts lost a total of 59,066 acres of farmland.[1] This means that, on average, 114 acres of farmland were lost each week over the course of ten years. Meanwhile, land costs continue to rise, with Massachusetts having the second highest cropland and third highest farm real estate values in the country at more than $15,000 per acre.[2] Making farmland financially available to farmers is crucial to protecting the Commonwealth's remaining farmland from further losses.



Massachusetts has identified a key policy opportunity for making farmland more financially available for farmers. In the December 2023 Massachusetts Farmland Action Plan, goal II strategy C action I point b stated: "Explore the potential creation of a state-funded zero-down-payment program, with equitable and affordable financing to accommodate land purchase for qualified BIPOC, historically underserved, and immigrant farmers."

Anecdotally, we know farmers in Massachusetts require multiple streams of funding to complete a land purchase, including USDA FSA loans, state grant funding or use restrictions, the partnership of land trusts, and personal savings. Some farms have received loans from commercial lenders as one component of their purchase, with a commercial interest rate, which in recent years has risen to more than 6%, whereas USDA interest rates vary from 2% for down payment assistance to 6% for direct ownership loans.[3]

The Massachusetts Food System Collaborative supports collective action for a sustainable, equitable, resilient and connected food system. A down payment assistance program is one piece of the land access and farm viability puzzle. The Collaborative also supports increased funding in the capital budget for the Agricultural Preservation Restriction (APR) program, funding of the Massachusetts Department of Agricultural Resources (MDAR) authority to buy, protect, and sell farmland, and increased business technical assistance and wraparound services and other policies identified in the Farmland Action Plan to comprehensively address the issues of protection, access, and viability that farmers face today.

Background

The Need for Downpayment Assistance

Farmland loss is a critical issue in Massachusetts

Massachusetts could lose 15% of its agricultural land by 2040, one of the highest rates in the country.[4] The potential land loss is greatest in the eastern part of the state, where Norfolk County could lose 46% of its farmland, and Middlesex County could lose 32% of its farmland.[4] The pace of farmland loss is highly concerning: from 2017 to 2022, Massachusetts lost 27,202 acres of farmland.[1] This is equivalent to an average of 105 acres lost per week: a figure larger than the average farm size across the Commonwealth, which is 66 acres.[1] On average, Massachusetts loses a farm every 12 days, with a net loss of 158 farms from 2017 to 2022. And, as seen in Table 1, the average age of producers in Massachusetts is 58, indicating that more farms will continue to transition to new ownership in the coming years, or farmland could be abandoned or transition to another land use if succession plans are not made.

Table 1. New and beginning farmer status, estimated land ownership, and average age of Massachusetts producers, by race or ethnicity, 2022*

Race or Ethnicity	Producers (% of total*)	Number New & Beginning Farmers (% of group)	Estimated Farm Ownership	Average Age
All producers	13,284 (100)	4,070 (30.6)	90.70%	58.7
American Indian or Alaska Native	18 (0.14)	8 (44.4)	84.60%	45.4
Asian	108 (0.81)	71 (65.7)	75.00%	53.6
Black or African American	163 (1.23)	105 (64.4)	16.40%	51.4
Native Hawaiian or Other Pacific Islander	9 (0.07)	6 (66.7)	33.30%	60.2
Hispanic, Latino, or Spanish Origin	206 (1.56)	100 (48.5)	85.70%	50.5
White	12,861 (96.8)	3,829 (29.8)	92.30%	58.9
More than one race	125 (0.94)	51 (40.8)	87.90%	54.1

*See Appendix: Table 1 for data sources, definitions, and calculations.

Background

The Need for Downpayment Assistance

Cropland and farm real estate values limit access to farmland

In 2026, Massachusetts cropland was valued at an average of $26,600 per acre, the second-highest value in the country.[2] Farm real estate, which includes the value of agricultural land and buildings, averaged $15,200 per acre and was the third highest in the country.[2] High farmland prices not only increase the amounts farmers must borrow, but also the upfront capital required to close a sale. Farmland loss and high land costs are barriers to new and beginning farmers being able to afford and access land. The USDA defines a beginning farmer as someone who has operated a farm or ranch for no more than 10 consecutive years.[5] In 2022, about a third of all Massachusetts producers met this definition.[6] Beginning farmers are more likely to farm entirely on rented land, indicating that owning farmland is a challenge for this group.[7]

Limited access to farmland has strong equity implications

Historically underserved farmers have disparate access to farmland. Beginning and historically underserved farmers are not interchangeable categories; while “beginning” describes how long someone has operated a farm, “historically underserved” describes groups that have faced barriers to participating in agriculture and accessing resources. However, the categories substantially overlap in Massachusetts. As shown in Table 1, the share of producers classified as new and beginning was considerably higher among several racial and ethnic groups. New and beginning farmers represented 65.7% of Asian producers, 64.4% of Black or African American producers, 48.5% of Hispanic or Latino producers, and 44.4% of American Indian or Alaska Native producers, compared with 29.8% of white producers. Furthermore, racial and ethnic minority groups are less likely to own the land they farm. Using the percentage of farms reporting owned land as a proxy, it is estimated that, while 92.3% of white producers own some land, only 16.4% of Black producers, 33.3% of Native Hawaiian or Other Pacific Islander producers, and 75% of Asian producers own some land. While these data do not directly capture access to capital or demand for down payment assistance, they do show that farmers from several historically underserved groups are disproportionately represented among those who have entered agriculture more recently and are less likely to own land. Barriers to purchasing farmland may therefore have particular implications for both the next generation and the racial and ethnic diversity of Massachusetts agriculture.

Comments From Our Partners, 2025

In 2025, the Collaborative met with various partners to discuss farmland access and viability, alongside a down payment assistance program. These beginning conversations included Farm Credit East, The Carrot Project, Berkshire Agricultural Ventures, USDA Farm Service Agency, Land For Good, and American Farmland Trust. Several recommended having a CDFI, lender, or state agency administer a flexible grant program that could address down-payment, equity, or collateral gaps and coordinate with FSA and Farm Credit East. While partners generally agreed that a down payment assistance program would help ease some of the financial barriers to purchasing farmland, there was consensus that this is just one piece of a complex puzzle. Recommendations from these conversations included providing land-search assistance, business planning, technical assistance, and working capital.

MA Precedent for Down Payment Assistance

Massachusetts already recognizes that required upfront equity can be a significant barrier to purchasing property. MassHousing, a state agency, provides up to $30,000 in down payment assistance to eligible first-time homebuyers statewide.[12] However, because its residential mortgage programs exclude agriculturally zoned and mixed-use properties, this assistance is generally unavailable for purchasing working farms and does not address the equity barrier facing farmers. Although these restrictions may help prevent residential assistance from facilitating non-farmer purchases of agricultural properties, they also demonstrate the need for a separate program designed explicitly for agricultural land. Massachusetts' preexisting commitments to down payment assistance for qualified first-time homebuyers, the APR program, and the Farmland Action Plan's implementation are all indicators that a down payment assistance program for farmers within MDAR could be politically and administratively feasible.

Similar Policies from Other States

Minnesota, Maryland, and Delaware provide case studies of three different approaches to down payment assistance policy. Minnesota provides a relatively accessible grant that can support many types and sizes of agricultural land purchases. However, their experience also shows that there are ways to improve on their policy to provide accessible financial assistance while ensuring that the buyer is accurately prepared to purchase farmland. Maryland provides substantially more equity and requires that land be conserved, and requires applicants to identify an eligible property, develop a viable business plan, and coordinate with lenders and preservation partners before applying for assistance. Delaware provides a zero-interest loan to young farmers, while requiring other commercial financing and a permanent easement on approved land. These programs raise questions for Massachusetts. Farmers and farm support partners must discuss whether to prioritize broad and flexible access, transaction readiness and completion, permanent farmland preservation, or some combination of these goals.



Minnesota

Administered by the Minnesota Department of Agriculture's (MDA) Rural Finance Authority, the Down Payment Assistance Grant program provides grants of up to $20,000 to help eligible farmers purchase their first farm or other agricultural real estate. Farmers must secure at least $8,000 in other funding, which may come from cash, loans, contract-for-deed financing, other grants, or a combination of these funding sources. It does not have to be the applicant's own cash. Applicants must have no previous ownership interest in farmland, including through a spouse, earn no more than $250,000 in annual agricultural sales, demonstrate farming knowledge or experience, provide most of the farm's labor and management, and purchase and hold the property as individuals rather than through an LLC or partnership.[9,10]

Grants are distributed through a lottery system. Priority is given to applicants with no more than $100,000 in annual farm sales and to producers of specialty crops, industrial hemp, or cannabis. The program is not expressly restricted to USDA-defined historically underserved farmers due to litigation settlements early in the program's administration (see *Lance Nistler v. Waltz et al.*). Applicants do not need to have identified a property when applying. After approval, they must provide a purchase agreement, evidence of financing, and generally have six months to close. Extensions may be granted to applicants with a purchase agreement or evidence that they are financially prepared and actively searching. Funding may support farmland or other agricultural real estate, including commercial greenhouses and livestock facilities. Purchases cannot close before grant approval.[9,10]

From FY2023 through FY2025, the program received 439 eligible applications requesting approximately $6.6 million and completed or awarded 112 grants totaling about $1.68 million. By June 2026, MDA reported that the program had helped 130 farmers purchase their first farms. Despite substantial unmet demand, Minnesota has not always spent its full appropriation. Many selected applicants have been unable to find affordable farmland, secure financing, or close within six months, resulting in forfeited awards and unspent funds. In FY2025, $1.416 million was available, but only $615,000 was ultimately awarded. In FY2025, the average purchased farm was 35 acres and cost $277,551, excluding residential value. The former $15,000 grant represented approximately 5% of the average purchase price. All reported recipients met Minnesota's definitions of limited land and market access,* and recipients averaged 32 years old.[9-11]

Recipients must own and actively farm the property for at least five years. Leaving before the end of that period can trigger repayment of 20% of the grant for each remaining year. As of the FY2025 report, no recipient had ceased owning the purchased property. Minnesota has increased the maximum award from $15,000 to $20,000, increased program funding, added closing-deadline extensions, prohibited certain family purchases, and expanded farm-purchase education and individualized technical assistance.[9]

Lessons Learned from Minnesota

Minnesota's experience highlights the importance of designing a program that supports financial equity and land access and availability. Down payment assistance alone may not result in a completed purchase when applicants have not identified land, are not financially prepared to obtain financing, or cannot close within the required period. A Massachusetts program should consider pairing down payment assistance with support finding land, financial readiness assistance, lender coordination, and sale closing assistance, while allowing sufficient time for closing given Massachusetts high land prices and the multi-year APR process. Reserving some funding for applicants who already have a purchase agreement could balance open access with purchase readiness. Program design should consider avoiding an annually appropriated grant, since unspent dollars tend to revert back to the state, rather than going into farmland purchasing. A bond-funded capital program or another structure allowing funds to remain available across fiscal years may be better suited for purchasing and preserving farmland. Other considerations include clearly defining what qualifies as farming, how continued agricultural use will be monitored, whether individuals, LLCs, and partnerships may qualify, and whether assistance should connect to farmland preservation. The program should also include dedicated administrative staffing and individualized technical assistance to help applicants successfully complete a purchase.

Maryland

Administered by the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO), the Next Generation Farmland Acquisition Program (Next Gen) provides down payment assistance to help young and beginning farmers purchase farmland while placing that land on a guaranteed path toward permanent agricultural preservation. Next Gen serves farms of at least 50 acres; however, MARBIDCO also offers a Small Acreage Next Generation program (SANG) for farms of 10-49 acres.[12]

Rather than providing an upfront grant to purchase the land, MARBIDCO purchases an easement option for up to 51% of the appraised fair market value of the land, excluding buildings and other infrastructure, up to $500,000. This funding functions as the farmer's down payment, or as equity to receive a loan from an external lender to finance the remainder of the sale. After purchasing the farm, the farmer has four years if a county is the designated default easement holder, or seven years if MARBIDCO designates another easement holder, to sell a permanent agricultural conservation easement to an eligible conservation program. The easement sale proceeds are used to repay MARBIDCO's original contribution plus a 3% administrative fee; any proceeds above that amount belong to the farmer. If the easement cannot be sold during the option period, MARBIDCO exercises its easement option without additional compensation and the property becomes permanently preserved.[12]

Applicants must have already identified a property and entered into a ratified contract of sale before applying. They must also work with their relevant county agricultural land-preservation office to determine whether the property is eligible for permanent preservation and identify a county program or land trust that could ultimately hold the easement. Applicants must submit a detailed farm business plan, financial statements, tax returns if available, and information from the property seller and county. A commercial-loan commitment is not required at application, but approved applicants generally have 30 days to secure one using the funding from MARBIDCO as equity. For small acreage farms that may not qualify for Next Gen, SANG provides 30% to 60% of the land's fair market value as down payment funding in exchange for a permanent agricultural easement, rather than MARBIDCO buying a temporary easement with the permanent easement option.[13,14]

Eligibility is not strictly limited to beginning farmers, but beginning farmers receive substantial preference in the application scoring process. MARBIDCO defines a beginning farmer as someone who owns no farm or currently owns less than 20 acres of agricultural land; has not operated a farm as a principal operator for more than 10 years; has at least one year of farming experience or qualifying farm-management training with substantial fieldwork; and expects to participate substantially in the operation of the purchased farm. Applicants with less capital or little to none current access to farmland receive additional priority. Applications are also evaluated based on the property's agricultural and preservation characteristics, the applicant's experience and education, and the quality and viability of the proposed farm business plan. The program does not expressly prioritize BIPOC or socially disadvantaged farmers; its scoring system instead favors applicants with fewer financial and land-access advantages.[13,14]

MARBIDCO launched the program in 2018 and plans to fund it through at least 2027 via capital budget appropriations. From 2018 to 2024, Next Gen and SANG helped 47 farmers purchase approximately 4,454 acres of farmland, of which 4,312 acres has been permanently preserved. MARBIDCO provided approximately $13.9 million for these purchases and leveraged approximately $18.5 million from commercial lenders. In 2024 alone, three standard Next Gen transactions received approximately $1.34 million in easement-option funding.[12]

Lessons Learned from Maryland

Maryland's experience shows how a down payment assistance program can provide substantial upfront equity for purchasing farmland while creating a path toward permanent conservation easements. However, its model depends on MARBIDCO's distinct role as a quasi-public agency. MARBIDCO can advance funds in exchange for an easement option, then recover its investment when a permanent easement is sold. This structure is not as directly applicable to MDAR; if MDAR operated a similar program, it would be unlikely to purchase an easement option using program funds when the agency would ultimately acquire the permanent easement itself through existing farmland preservation programs. Any Massachusetts adaptation of Maryland's program would need to account for the different state agency roles, financing authorities, and farmland preservation tools available in the Commonwealth. If Massachusetts were to pair down payment assistance with a conservation easement, Maryland's experience suggests that early coordination with lenders, appraisers, preservation agencies, and potential easement holders would be necessary to ensure completed transactions could move into long-term protection. Furthermore, Massachusetts should ensure that easement terms accommodate diversified and evolving agricultural uses, such as value-added processing, agritourism, and other business decisions, rather than preserving land in a way that limits the business flexibility needed to keep the farm business viable.

Delaware

Administered by the Delaware Department of Agriculture's Agricultural Lands Preservation Foundation, the Young Farmer Loan Program provides young farmers with 30-year, zero-interest loans. The Foundation loans up to 70% of the appraised value of the property's development rights, up to $500,000. In practice, this typically covers about 50% of the purchase price. The farmer grants the Foundation a permanent easement at closing to limit the property to agricultural development.15
Most loan recipients use commercial loans for the remainder of the purchase price. The Young Farmer Loan is secondary to any other commercial loan used to purchase the farm and typically covers half of the total purchase price. The farmer must repay their commercial lender first, then begin repayment on the Young Farmer Loan within 30 days to pay off the loan within the 30 year period.[16]

Applicants must be between 18 and 40 years old, have at least three years of farming experience, and have a net worth of no more than $300,000. Joint applications, including applications from spouses or siblings, are permitted, but all applicants must meet the eligibility requirements and have a combined net worth below $300,000. Eligible farmland must be zoned for agricultural use, contain at least 15 tillable acres, and not already be in an easement. Applicants may not already own more than twice the number of tillable acres that they are purchasing through the Young Farmer program.[15-16]

Farmers may submit a prequalification application before identifying a property to confirm their eligibility, but prequalification does not guarantee a loan award. To submit a full application, farmers must have a fully executed purchase contract or option agreement to confirm they've found land, a letter from a commercial lender confirming loan eligibility, and a farm business plan. When multiple applications compete for limited funds, projects with lower loan-to-value ratios (the ratio between loan amount and the appraised value of the land's development rights) are prioritized first, followed by the farm's Land Evaluation and Site Assessment (LESA) score.[16]

From the program's establishment in 2011 through August 2025, Delaware had made 40 Young Farmer loans totaling $9.8 million and permanently preserved 3,372 acres. The average loan was $244,489, or approximately $2,900 per acre, and Young Farmer loans averaged 49% of the farm purchase price.[17]

Lessons Learned from Delaware

Delaware's experience demonstrates the value of a zero-interest financing program that can reduce the immediate debt burden of purchasing farmland while leveraging commercial lending and permanently protecting agricultural land. However, it also indicates that eligibility rules and preservation requirements can gradually limit how useful a program is if they are not updated as land values increase and pathways into farming change. The 40-year age limit, net worth maximum, and three-year farming experience requirements were designed for young farmers, but may exclude qualified applicants who begin farming later in their lives as a second career or build relevant experience through agricultural education. Delaware has already applied some flexibility to the experience requirement, suggesting that statute should allow program administrators to make case-by-case determinations and periodically adjust financial thresholds for inflation rather than locking them in permanently. The 15-acre minimum and requirement that a new permanent easement be placed on the property also tend to favor larger, traditional operations and can exclude smaller farms seeking land near population centers, where parcels are smaller and more expensive. Although the easement advances farmland preservation goals, tying assistance to a new permanent easement prevents the program from supporting the purchases of already protected farmland. Delaware's experience so far suggests that Massachusetts should carefully consider whether permanent preservation is essential to a down-payment program.

Future Actions and Next Steps

As we discuss the idea of a down payment assistance program in Massachusetts, **we are asking our advocates and partners to help inform the development of such a program.**

The 2023 Farmland Action Plan identifies historically underserved, immigrant, and BIPOC farmers as groups that may need support. Since farmers of color are more likely to be considered new and beginning farmers, a program for beginning farmers could be one way to support racial equity in land access while remaining open to everyone. We still need to learn whether farmers would support or advocate for a program like this, and what would be the best way to hear their feedback.

We are exploring what requirements might make sense for farmers applying for funding. Would applicants need to have identified a property and entered into a purchase contract before applying? What information would be useful to request, such as a business planning course certificates, tax statements, or a business plan? And what level of matching capital, if any, would be realistic? It may be useful to explore how the program could connect farmers with business planning and other wraparound services. For example, should applicants who have completed business planning work receive an eligibility boost? We are also discussing whether the program should have a conservation component, such as eventually placing purchased land under a permanent conservation easement.

Potential funding sources include a new bond authorization in a future environmental or economic development bond bill, which may be the most likely option. Existing bond funding might also be worth exploring. The land acquisition line item could potentially support this program, as well as BPS. If Question 6 passes in November, the conservation fund in the annual budget could be another possibility.

This fall, we are continuing to raise the idea in agricultural advocacy meetings, gather feedback from farmers and our partners, and begin discussing it with legislators who might be interested in championing it. The Massachusetts Food System Forum on November 19 could offer another opportunity to discuss the idea. The deadline to file legislation for the upcoming session is January 15, 2027.

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Appendix: Table 1

Sources: Data obtained from the 2022 Census of Agriculture: Massachusetts Table 61: Selected Farm Characteristics by Race: 2022 and 2017; Table 62. Selected Producer Characteristics by Race: 2022 and 2017; Table 63: Selected Farm Characteristics by Race and Ethnicity: 2022 and 2017; and Table 64. Selected Producer Characteristics by Race and Ethnicity: 2022 and 2017.

Race or ethnicity: Racial categories are mutually exclusive; producers reporting more than one race are presented separately. Hispanic, Latino, or Spanish origin is reported as an ethnicity and may overlap with any racial category.

Percent of total is calculated by dividing producers in each racial category by all Massachusetts producers.

Percent new and beginning is calculated by dividing new and beginning producers in each racial category by all producers in that category. New & Beginning Farmers are defined as someone who “has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 consecutive years”.

Estimated farm ownership is calculated by dividing the number of farms reporting “owned land in farms” by the total number of farms in each group and is an estimated value for the percentage of farmers who own land in each group, since some farms may have multiple operators.