



FACT SHEET

Organic Land Evaluation & Lease Negotiations

Leasing land for organic production requires a distinct approach compared to conventional agricultural agreements. Because the transition to certified organic status typically demands a rigorous three-year period without the use of prohibited substances, successful land access arrangements must account for the unique risks and requirements of this process. This fact sheet outlines critical considerations for farmers and landholders alike—from evaluating soil history and water security to structuring leases that incentivize stewardship. By addressing these factors upfront, parties can create robust, equitable agreements that support the long-term success of the farm business and the ecological integrity of the land.

1. Evaluating Land Suitability

Understanding and sharing the soil type(s) to be leased will help each party to understand its suitability for various crops and conservation practices. Before entering a lease, verify the following to ensure the property aligns with organic certification goals:

Organic Certification Eligibility

If the property has not been farmed, or has been farmed without prohibited inputs for at least three years, it may be eligible for immediate organic certification. Contact your organic certifying agency for more information and support.

Water Security

In addition to ensuring access, quantity, and infrastructure in good condition, ensure water quality and assess any risks from runoff contamination from neighboring properties, either crop production or livestock.

- **Assessment:** Test water sources, well pumps, and well capacity (GPM). Ensure the water quality meets the needs of your production; poor quality may necessitate filtration systems.
- **Investment:** Reliable water access makes the property significantly more attractive to farmers. Clarify who is responsible for infrastructure maintenance, including the pump, mainlines, lateral lines, valves, etc.

Chemical History & Drift Risks

Thoroughly review the history of chemical use on the property. Assess the risk of pesticide or herbicide drift from adjacent conventional farms and evaluate the soil health history to identify potential residual contaminants that could hinder certification.

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2. Lease Negotiation Strategies

Rent & Progressive Rates

Negotiate a “progressive” lease rate for transition periods. Starting with a lower initial rate allows the farmer to rehabilitate degraded soil or establish organic practices without the immediate financial burden of market-rate rent. Rates can increase as the land improves and becomes eligible for organic certification.

Performance-Based Incentives

Incorporate rent reductions or credits for:

- Achieving or maintaining organic certification.
- Implementing ecosystem services or conservation practices.
- Reaching specific milestones for soil health, such as organic matter.

Clear Dispute Resolution

Establish a formal process for dispute resolution such as is available through the California Agricultural Mediation Program. CALAMP provides free, confidential mediation for a wide range of agricultural issues—including lease terms, organic transition, and certification disputes—to avoid costly litigation and preserve the long-term lease relationship.

Organic Certification Protection

Include language protecting the property's eligibility for organic certification. This should outline permissibility or restrictions for OMRI (organic materials approved for use in organic farming) and non-OMRI (prohibited chemicals and inputs), and establish a process for open communication regarding pest management, ensuring practices do not risk the property's organic eligibility, conservation goals, or other relevant certifications (e.g., animal welfare or food safety).

Capital Improvements & Equipment

Clearly define responsibilities for long-term investments such as irrigation systems or fencing. Additionally, explicitly document any agreements regarding equipment access or shared machinery to avoid operational conflicts or risks to certification.

3. Term & Tenure

Choosing the Right Term

- Short-term/Trial (1–3 years): Useful for new partnerships or limited grazing needs, but can create uncertainty that discourages long-term investment in soil health, insectary habitat, and other resources for successful organic farming.
- Medium to Long-term (3+ years): Encourages lessee investment in infrastructure and restorative practices. Essential if the lessee is expected to fund permanent improvements.

Renewals

Utilize “Evergreen” or automatic renewal clauses to reduce the cost and headache of frequent renegotiations while maintaining a commitment to stewardship.

Purchase Options

Include a "Right of First Refusal" or "Option to Purchase" clause. This provides essential security for farmers making significant multi-year investments in restorative soil health practices.

4. Organic Production & Land Management

Input Restrictions

Explicitly prohibit the use of disallowed chemicals (herbicides, pesticides, poisons) in the lease body or Management Plan. Specify acceptable mechanical or non-lethal pest management methods.

Third-Party Certifications

Include language that protects the lessee's ability to comply with organic standards. Require annual sharing of any management plans submitted to certifiers, and/or sharing annual proof of certification status.

Buffer Strips & Riparian Health

Include specific requirements for maintaining vegetative buffer strips or filter strips, particularly near riparian zones. This ensures compliance with water quality regulations and protects sensitive areas.

Organic Materials Review Institute (OMRI) Inputs & Record Keeping:

Specify that all applied substances must be OMRI approved, or state another acceptable standard. Require the maintenance of detailed application records to support the farmer's Organic System Plan (OSP) and annual inspections.

5. Organic Certification with Group Land Access

In shared or group settings, farmers may choose between different structures for maintaining organic certification, depending on their needs and structure of their relationships.

Option 1: Individual Certification

- Pros: Maximum autonomy over production decisions and isolated liability; one farmer's non-compliance does not affect others.
- Cons: Higher individual costs and a significant administrative burden for each operator.

Option 2: Group/Collective Certification

- Pros: Shared certification costs, streamlined annual inspections, and simplified management of shared infrastructure or buffers.
- Cons: Risk of collective non-compliance (the "weakest link" risk) and high requirements for internal communication and coordination.

Key Considerations for Group Settings:

- Determine who serves as the "certified operator"—whether it is a collective legal entity or the individual farmers themselves.
- Establish mandatory protocols for record sharing, including Organic System Plan maintenance, input approval processes, and joint inspection preparation.

6. Foundational Values (Statement of Intent)

This clause acts as a guiding star for both parties, ensuring deep alignment on the economic, social, and ecological goals for the property. Crucially, this includes articulating shared values and clear intent regarding the transition of property to organic production, which often requires a dedicated multi-year effort. By explicitly outlining these shared visions—such as a commitment to soil health, community resilience, and economic viability throughout the transition process—both landholder and farmer create a reference point that helps adapt the agreement when unexpected events or challenges arise. This foundational step builds trust and facilitates collaborative problem-solving, turning a transactional lease into a long-term partnership.

Conclusion

Navigating the leasing of organic land requires balancing practical infrastructure needs with a shared commitment to long-term stewardship. By prioritizing transparent communication, flexible lease terms that account for transition periods, and a strong foundational agreement based on values, landowners and farmers can build resilient, productive partnerships. Investing time in these agreements up front fosters a more stable, sustainable future for both the farm business and the land itself.