

# Farm Sales In Vermont

BY PRESTON BRISTOW

In a recent international story entitled "Hobby Farmers: The New Peasants," *Newsweek* reports that successful English professionals, spurred by a yearning for the rustic life, are fleeing busy cities and revitalizing the British countryside. "About 40 percent of all farmland is now sold to lifestyle buyers," the article exclaims, "and the hunger for a taste of rural life has kept land prices buoyant even as agricultural incomes tumble."

For anyone familiar with the farm scene in Vermont, this tale has a familiar ring. Yet, unlike Vermont, where the loss of the traditional family farm is generally met with grief and mourning, the *Newsweek* article brims with enthusiasm over the changes that this infusion of entrepreneurial wealth and marketing savvy is bringing to British agriculture. What are the farm sale trends in Vermont, and is there reason for optimism?

While it's true that the 10,229 dairy farms in Vermont in 1955 have dwindled to fewer than 1,400 dairy farms today, the US Agricultural Census reveals that there are still about 6,700 farms of all types in Vermont.

That the total number of farms has declined by only 35 percent in over a half-century of intense development pressure between 1955 and 2005 is in itself a cause for optimism! We have farmland protection regulations and farmland easement programs to thank for this.

As a Realtor who represents buyers and sellers of farms statewide, I see continuing strong demand for intact farms from the following three types of buyers:

**Estate buyers.** With a farm in Woodstock having sold for \$6 million, another farm in Pomfret sold for \$6.25 million, and a third farm in Peacham on the market for \$9.75 million, will all farms in Vermont soon be estate farms? I don't think so.

Estate buyers look for very specific criteria in farms: privacy at or near the end of a road, restored historical or new classical buildings,



*Preston Bristow is a Realtor with the Woodstock Properties firm based in Woodstock.*

protected land around those buildings, high scenic values, and a location near cultural, social and transportation amenities. To put it bluntly, there are many Vermont farms that we needn't fear will become trophy farms.

The average estate farm is currently selling in the \$1-million to \$3-million range, and estate farms have their place in Vermont agriculture. Many estate farm owners lease their farmland at little or no cost to area farmers, and some in the tradition of Frederick and Julia Billings and William Seward and Lila Vanderbilt Webb run active farm operations, acquiring award-winning stock and implementing innovative techniques that others could not afford to try.

**Entrepreneurial buyers.** "Hobby Farm" is an unfortunate term because the word "hobby" implies something that you do in your spare time; it is a pastime and not something done to make money. No one would accuse David Muller's Woodstock Water Buffalo farm, with a \$2.5-million barn and processing facility built with the aid of a \$939,000 Vermont Economic Development Authority (VEDA) loan, of being a "hobby." Various referred to as hobby farmers,

part-time farmers and lifestyle farmers, for this article I will use the term "entrepreneurial farmers" because anyone who makes a career switch to go into farming has to be an entrepreneur.

As a Realtor, the wonderful thing about entrepreneurial farmers is that their needs are so varied that there's hardly a farm property anywhere that cannot be matched to one of them. Got a house on ten acres of river bottom land? It may be just what a vegetable farmer wants. Got an old farmstead and 40 acres of rolling pasture land? It may just fit the bill for a sheep or goat farmer. Got a farm on a busy state highway? For someone who's dreamed of a farm stand, it may be just the ticket. Farms that are too small to make it as a conventional dairy farm today are often perfect for a beef, horse or other operation.

Because entrepreneurial farms vary so widely, their going price varies widely as well. Generally, farms are less expensive the further north you go. It's reasonable to expect to pay between \$300,000 and \$800,000. Naturally, a nice home and a nice view can send the price over \$800,000. There are also farms priced under \$300,000 but they're often remote or the house and barns are in sad shape.

**Dairy buyers.** Don't discount dairy buyers! While the number of Vermont dairy farms may have dwindled eight-fold in the half-century between 1955 and 2005, the total amount of milk produced by Vermont farms has nearly doubled during that time period. In fact, sales of milk represent three-quarters of the total cash receipts from all Vermont farm products. For a farm with the right land base and infrastructure, a dairy farmer may be your best buyer.

It's a tough market for young farmers trying to buy a farm, just as it's a tough market for young couples stretching to buy their first home.

However, many conventional dairy farms are expanding, some dairy farmers are helping buy satellite dairy farms for their children, and out-of-state dairy farmers can leverage a sale of their smaller farm in, say, California or Pennsylvania for a very fine farm in Vermont.

Add to that mix the advent of organic dairy

and other creative approaches like grass-based and seasonal dairy and farmstead cheeses from cow's milk, and dairy is still a dominant player in farm real estate. The era of the \$250,000 or \$350,000 dairy farm has all but passed; expect to pay between \$500,000 and \$800,000 for a solid operating dairy farm and more if you add in animals and equipment.

**So you want to buy a farm.** Where do you start? You wouldn't shop for a new car without first deciding whether you needed a sports car or a mini van, and you shouldn't shop for a farm without knowing the land, the barns and the access to markets you need to succeed. The best place to start is the Vermont Agency of Agriculture, Food and Markets Website at [www.vermontagriculture.com](http://www.vermontagriculture.com). Be sure to check out the "Resource Guide for Vermont's New and Aspiring Farmers" under "Vermont New Farmer Networks." Included there is a section on agricultural lenders which is important to know because many conventional lenders do not make farm loans.

**So you have a farm you're ready to sell.** What should you do? You wouldn't sell a used car without first running it through the car wash and vacuuming it inside, and your farm is no different.

I've been to enough farms where the tractor was left in a field where it last broke down, the manure pit is full to the brim and has been since the cows were sold two years ago, and the farmhouse looks like the pillagers from a credit card commercial ran through it. Buyers don't expect "House Beautiful", but they'll be attracted to and pay more for a farm that looks like it's been loved, not abandoned.

Farming in Vermont is in a period of profound change, but that change includes signs of revitalization. Dairy farms continue to expand and dominate farm sales in those areas of the state where the soil base and infrastructure support it.

Elsewhere, the market for intact farms remains strong, including farms conserved by farmland easements, but generally not so strong as to be out of reach to urban entrepreneurs seeking a career change to farm life. Yes, there is reason for optimism. □