



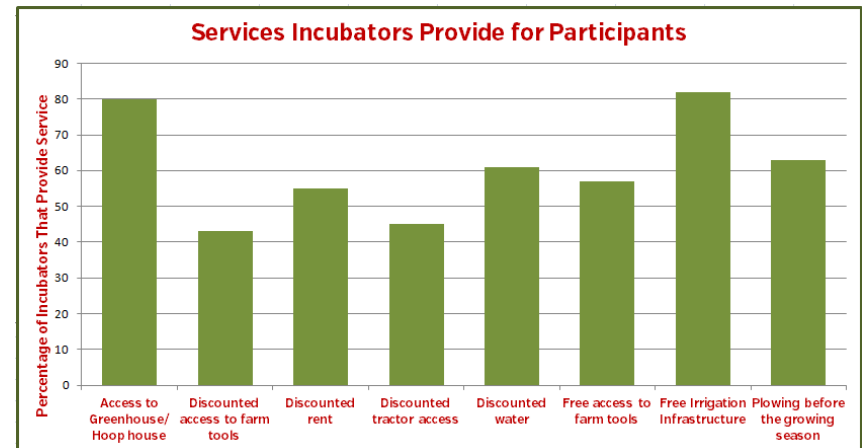
FACT SHEET

Rental Agreements for Incubators

Farm incubator projects provide beginning farmers with a number of services to help get them started, which in addition to training and mentorship, often includes access to land, water, tools, and equipment. Incubators can provide farmers with free or discounted rental rates for these services and use a variety of strategies to establish rental agreements and determine rental rates for farmers:

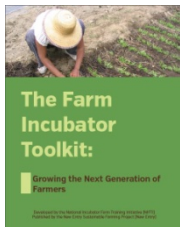
The tools and strategies listed below were shared by incubator projects on the [NIFTI list serve](#) in 2012 - 2013.

- **SEVICES PROVIDED:** Many incubators offer their participants a wide range of services, as illustrated by the chart to the right. Other services frequently offered can include access to office facilities, kitchen space, marketing, and warehouse space.
- **LAND LEASE:** When setting land lease prices, incubators note that it is important to factor in taxes on the land. Incubators can incorporate the cost of taxes into the lease price, or farmers can pay taxes and lease the land. In both cases, it is critical to know both the market rate for land. Many projects charge less than market rate to start, and then gradually increase to market rate by the farmers' final year in the program. Getting an estimate of the taxes can help determine rent to charge the farmer. Land lease fees can often include other services associated with the land, such as spring tillage, sanitation facilities, water station access, soil fertility costs, and access to work space .
- **WATER** - Whether or not incubators charge farmers for water access, it is important to encourage water conservation within individual plots, often through an established and/or required drip irrigation system. Some incubators are able to provide free water access by working directly with the city for an affordable annual fee. Others provide free access to the drip system and charge [~50 cents per hand line per hour] for overhead watering.



Rental Agreements, cont.

- **STORAGE SPACE** – Some incubators charge a per acre fee for land. That fee can also include a certain amount of space for storage. When allocating additional storage space in a walk-in cooler, barn, or other program-managed structure, the incubator can charge farmers a per pallet (or other appropriate unit) fee to cover the costs.
- **EQUIPMENT:** Several established neighboring farms can partner together and form a collective, such as the [Intervale Farmers' Equipment Company \(IFEC\)](#), which was created to allow incubator farmers to cooperatively purchase and manage equipment and greenhouse space. Rental rates cover maintenance and repair.
- **TRACTORS:** When renting out tractors and other large equipment, incubators can charge a rental fee that includes the cost of fuel or require that farmers purchase their own fuel. Include the cost of maintenance when calculating rental fees and determine how many hours of fees will be required to pay for the total costs of ownership.
- **SEASON EXTENSION:** When farmers are provided with free access to an incubator's hoopouses they can be made responsible for "self managing" the resource by allocating space amongst themselves and taking responsibility for repairs and replacement when necessary. In the case of heated or more resource intensive greenhouses, the farmers can essentially "lease" the space by paying for heat, electric, and equipment maintenance provided by the program and its staff.



Information for this fact sheet was collected from our NIFTI community of practice on the [Incubator Farm Programs list serve](#) and was compiled by Alyssa Charney, NIFTI Program Associate. For additional guidance on rental agreements as well as sample rental agreements for your project, see Section 5.4 of the "Farm Incubator Toolkit", available as a free download at <http://nesfp.org/nifti/toolkit>.

The National Incubator Farm Training Initiative (NIFTI) is a program of the [New Entry Sustainable Farming Project](#), which has trained and assisted the next generation of beginning farmers in Massachusetts since 1998. NIFTI provides comprehensive one-on-one consulting, educational resources, and professional development opportunities for dozens of organizations that run land-based beginning farmer training programs throughout the U. S. To find out more about NIFTI, visit us at <http://nesfp.org/nifti>.

