Transitioning Farmers Off the Incubator

Brought to you by the National Incubator Farm Training Initiative (NIFTI)

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Agenda

Technology Training – 3 minutes

NIFTI Overview – 2 minutes

Growing Strong Businesses, Intervale – 20 Minutes

Land Matching, New Entry – 20 minutes

Transitioning Farmers, ALBA – 20 minutes

Next Steps – 5 minutes

Q & A – 20 minutes
National Incubator Farm Training Initiative (NIFTI)

- National demand for new farmers and their products
- Proliferation of new incubator projects
- Shared challenges
- Increasing requests for TA
National TA Initiative: Major Activities

- **Webinars**
  - NEXT: Advocacy for Incubators (Thurs. 4/25, 1 – 2pm EST)

- **One-on-one Technical Assistance**

- **Online Resources** (Wiki, ListServe, etc.)
  - nifti.wikispaces.com

- **Toolkit** (Sept. 2013)

- **Field School** (October, 2013)
  - 2 Days
  - Site visit
  - Workshops
  - Networking
National TA Initiative:
Partners and Technical Assistance (TA) Providers

- Intervale Center
- Minnesota Food Association
- ALBA
- International Rescue Committee
- New Entry Sustainable Farming Project
- Cultivating Community
Growing Strong Businesses
Maggie Donin
Beginning Farmer Specialist
The Intervale Center
Transitioning Incubators out of the Intervale

NIFTI Presentation
March 26th, 2012
Maggie Donin
Beginning Farmer Specialist
Overview of Land Use Options

- Incubators farmers can lease land with us for up to 5 years.
- Can be exceptions
- This 5 year timeline is part of our conversation with incubators from the beginning.
- We always make it clear that this is not a permanent land access opportunity but an opportunity to build a business with support.
Growing Strong Businesses

- No specific program in place to work with farmers on transitioning out of the Intervale.
- We work with a small number of farmers each year so our work can be catered to the needs of each specific farmer. Therefore our work on transition with each farmers differs greatly.
- The goal is to give farmers the chance to build strong businesses so they can eventually be on their own land.
- Our hope is that once farmers are ready to make more long terms investments, whether it be in buying land or equipment, they know they have a successful business model in place and have acquired many more skills.
What do farmers gain at the Intervalle to aid in a successful transition?

• Close Relationships
• Business Planning
• Statewide Partnerships
• Mentorship
• Land Management Experience
• Equipment Training
• More!
It’s All About Relationships

“The most helpful was the support and knowledge of the other farmers.”
- Former Intervale Farmer

• The Intervale Centers relationship with the farmers.
  • We can vouch for their character when applying for land
  • Gain an understanding of what kind of land they are looking

• The farmers relationships with one another
  • In interviews with graduates, one of the most valuable assets many people say they gain is their relationship with other experienced farmers who farm here.
  • One example of how that benefits them is that those farmers will go with the incubators to see possible land and give them feedback

• The Intervale Centers relationship with other organizations and land access programs
  • Farmland Access Program knows we prepare farmers for success and therefore they like choosing Intervale graduates for their land
Business Planning

- Focus on individual business planning with each farm from the very beginning
- Therefore when they are ready to begin looking for land they have a business plan to hand to a landowner whether it be the Vermont Land Trust, a private landowner, or another type of organization.
- Prepared to meet with a lender
- By the 3rd or 4th year we begin to talk with farmers about what kind of infrastructure they may be looking for in a farm property. This is the kind of question they would most likely not have been able to answer before they had a chance to farm for a few years.
- Items we like them to identify are
  - Ideal acreage, soil range, location, and infrastructure
  - A desire to rent or own?
  - Loan/credit needs
  - List of questions about production, financial management, marketing related to scaling up that they need help answering
- After three years in business and at least $10,000 in revenue farmers can apply for our “Success on Farms” program to do more in depth business planning. Farms could utilize this program to prepare for their transition and the business changes that may be associated.
Statewide Partnerships

• At the end of the incubators’ 2nd year, Intervale Center staff encourage all farmers to begin having conversations with the organizations like the Farm Service Agency, Yankee Farm Credit, and the Vermont Land Trust.
• We feel that the sooner farmers can begin having relationships with these organizations and express their interest in gaining land, the more success they will have in the long run.
• The Intervale Center knows people at many statewide organizations to provide introductions if needed.
• We also encourage farmers to check land access databases that exist in Vermont.
• Get the word out! The more people who know you are looking for land, the better.
Mentors

• When farmers get accepted in to the Farms Program we connect them with one or two mentor farmers at the Intervale.
• The mentor farmers have long term leases with us and part of their responsibility is to provide 20 hours/year to an incubator farm as a mentor.
• Many graduates of the Farms Program comment that their mentor farmers became valuable resources during their transition.
• They have valuable experience since many have them in business for much longer than the incubators.

“Other Intervale farmers came with us on equipment buying trips to give advice. That was really helpful.”
-Former Intervale Farmer
Land Management Experience

“The fact that we had gotten a chance to learn about the equipment we needed and the techniques we wanted to use made the transition so much easier.”
- Former Intervale Farmer

- **Land Use Practices**
  - When farmers are leasing land from us they must abide by the land use policies that we have in place.
  - This helps to instill good practices in farmers for when they transition on to their own land.
  - These are also practices that they can include in their business plan to show that responsible land management is part of their business.

- **Equipment Training**
  - Access to a wide range of equipment and training through our Intervale Farmers Equipment Company.
  - Training and practice using many different pieces of equipment.
  - When a farmer is ready to transition to a situation where they will most likely not have access to equipment for rent, they will know what equipment is essential for their business.
Flexibility

• Many farmers report that the transition time can produce unexpected yields and other unknown issues can arise.

• By allowing farmers a somewhat flexible exit timeline, farmers can continue to grow their product at the Intervale and maintain their customer base as they begin to understand their new soil. This way their production can stay consistent.

“...being able to farm while we looked for land, purchased land, and built a farm and house without losing any ground in our business was a big accomplishment that I am really proud of. “
-Former Intervale Farmer
Successful Transitions

Full Moon Farm

Hinesburg, VT

- Began at the Intervale
- Farmed here for 10 years from 1998-2008
- Bought land in this county through the Vermont Land trust through successful CSA and farmers market sales
- Even though they moved 30 minutes outside of Burlington they were able to retain the same CSA customers (along with getting more) and sell at the same farmers market
- Now are a very successful, larger, diversified farm
- Were able to grow their business with relatively inexpensive land, access to equipment, and access to a booming market
• Started farming at the Intervale in 2009 and left in 2012
• She found the land that she is now farming on through a friend who knew she was looking for a farm.
• She did not have the money to purchase the farm before she started her business so her mother purchased the farm with the hopes of selling it to her daughter.
• The Intervale allowed her to build her business to the point where she was comfortable purchasing the farm from her mother.
• Before she left the Intervale she was able to clean the barn out, build a new house on the property, begin preparing the fields by applying cover crops, and make a legal arrangement with her mother to eventually purchase the farm.
Thanks!

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Land Matching
Jennifer Hashley
Project Director
New Entry Sustainable Farming Project
New Entry Sustainable Farming Project
Farmland Matching Service
Creating, cultivating, and conserving a new generation of farmers and food producers
Our Program Goals

- Remove barriers to help new entrants scale into farming by providing access to:
  - Training and education
  - Land
  - Capital
  - Markets
  - Farming experience
  - Reduced farmer isolation through built-in network
- Help build & sustain our local food system
- Keep farmland in active, ecologically sound production
- Preserve “agri-cultural” knowledge for future generations
Who We Serve

• Diverse range of growers
  – Age, Gender, Ethnicity
  – Enterprise, Experience
• Non-Farming Landowners
How We Prepare Farmers to Transition to Own Farms

- Ongoing one-on-one TA (starting in Yr 2!)
  - ** Goal Setting **
  - Business Planning
  - Farm Management
    - Infrastructure needs
  - Financial Capacity
- Access to micro-financing / credit
  - USDA
  - SBDC
  - Carrot Project, Etc.
- Market Access (World PEAS)
- Advanced Workshops (livestock, equipment, etc.)
- Resource Connections
  = Land Matching (LONG Process!)
Land Access Challenges for New & Diverse Farmers

• Language/Literacy
• Cultural Familiarity & Racism, Town Politics
• Affordability
  – Income challenges (benefits)
• Scaling up & readiness for LT investments
  – Capitalization
  – Willingness to enter contracts/leases
  – Regulatory compliance
  – Continual Market Development
  – Insurance
• Tragedy or “blessing” of the Commons
  – Shared infrastructure
  – Soil building/weed mgmt
Farmland Matching Service

Rationale/Background

New Farmers:
- High land costs in Massachusetts
- Limited amount of farmland on the market
- Accessibility
- Expressed need from new / expanding growers

Landowners:
- Provide options for landowners
- Support 61A requirements
Steps for Farmland Matching in MA

- Farm owners connect with land and farmland is conserved and utilized

- Town Outreach (Agricultural Commissions, Con Coms, Land Trusts, Town-owned land, etc.) and education to locate suitable farmland

- Site visits and Technical Assistance for Farmers and Landowners

- Searchable Map and Database of Available Land for farmers

- Development of resource guides and workshops for landowners and municipalities on leasing land to farmers

- Development of Farmer Resources and Workshops on Finding Land and Land Tenure Options

**Key**
- Landowners
- Farmers
- Overlap
Landowner Outreach

GIS farmland ID
Targeted Landowner Outreach
Site visits and landowner TA
Farmer Outreach
Farmer workshops
Available Farmland

Map and Database Update
Farmer Resource Development
Farmer Workshops
_sites visits and farmer TA
Farmer Outreach

Steps for Farmland Matching in MA, ctd
Outreach to Farmers

Mechanics

- Incubator graduates (primary audience)
- New/Beginning farmer training groups
- Conferences and events
- Word of mouth
- Internet
- Publications and newsletters
Intake Assessments and Application Forms

Mechanics

- Intake data and needs assessment
- Specific information about farmer enterprise needs, markets
- Site requirements, land type, size, geographic specifications
- Experience level
- Capacity (financial, infrastructure, etc.)
Available Matches in Farmland Database

Mechanics

– Review of current available parcels and potential match suitability
– Land owner notification
– Schedule site visit
– Subsequent match meetings and placement

** Farmer Driven!
Identify Land and Landowners

Mechanics

– Conservation groups
– Ag Commissions
– Land trusts
– Town Land
– Word of mouth
– Individual Landowners
  – Assessors’ data
    – Land owners over 2 acres
    – Use of technology: GIS mapping
Outreach & Landowner Information Sessions

Mechanics

- Partnership with town and Ag Commissions
- Letters to identified property owners (town sponsored)
- Information Session
  - Realities of intensive farming in MA – enterprises
- Follow up (calls, site visits)
- Understand NFLO motivations
- Introductions with farmers
Build Landowner Relationships

**Mechanics**

– Site visits and physical land assessment
– Land owner intake assessment and application
– Evaluation of land owner expectations and needs
– Farmer matchmaking
Liaise between Landowners and Land Seekers

Mechanics

— Recommendations to landowners
— Set up meetings between landowners and land seekers
— Facilitate dialogue between two parties
— Evaluation of format and formality preferences
  — Lease templates and worksheets
  — Draft leases
  — Encourage review by attorney
— Ongoing relationship building as needed
Ongoing Support and Follow Up

Mechanics

– Farmer check-ins
– Follow up site visits
– Additional technical assistance
  • Resource needs, infrastructure devt
Characteristics of Successful Matches

Success =
– Clear goals and expectations
– Compatible business and production plans
– Good communication, openness and honesty
– Flexibility
– Shared Values
Challenges and Lessons Learned

Helpful Hints

– Pre-Screening: land, landowner, and landseeker
– Clearly Expressed Needs and Expectations
– Details, Details, Details
– Time Intensive
– Personalities & Motivations Matter
– Multi-layered TA needed
  – Capitalization, infrastructure
– Ongoing process with some growers
Statewide (& Regional) Farmland Work

Major Activities

- Statewide meetings to discuss farmland priorities
- Town – by- Town mapping
- Landowner outreach through work/empowerment of local Agricultural Commissions
- Development of Regional Farm Friendly Neighbor Campaigns (*planned*)
- GOAL: Increase of farmland available: >2-5 parcels per town
- Support New England Farmland Finder & other LAP outcomes
Transitioning Farmers Off Incubator Site

March 26, 2013
Experience so Far

- ALBA Established in 2001
- Average 25 new students annually → 300 ALBA Participants
- 75 had entered incubator as of 2012
- 30 farmers still with us!
  - 10 have been here at least 5 years
  - 3 more than 8 years
- Of 45 who have left
  - 12 we know continued to farm
  - 13 stopped farming
  - 20 we don’t know
- Conclusion
  - Relatively few graduates so far
  - Little contact post-graduation
  - We have yet to master this!
Challenges Facing Graduates

- Culture and Services at ALBA
- Increased stringency from regulatory agencies
- Land scarcity in Salinas Valley
- Finding financing
- Transition Readiness (and willingness)
ALBA Culture

Great program, but...

- Info overload in 1st year, with inadequate follow-up
- Lax enforcement of rules and compliance
- Lack of accountability for performance
- Insular – protecting rather than connecting
- Highly autonomous, somewhat contentious environment
- Tenure not time-bound – always the hope of staying
- Out of sight, out of mind – limited alumni services
- Management diversions – endeavors off the farm
Land Availability in Salinas Valley

- Great climate and land → Highly competitive
  - Rent up to $3k/acre
  - Cost up to $40k/acre
  - Plenty of commercial farms with deep pockets
- Organic farming is increasingly common, but...
  - Small parcels of good organic land are difficult to find
- Landlords Prefer
  - One tenant over many
  - Financial stability
  - Excessively high rents (especially inexperienced owners)
- Available lands less costly but ‘marginal’
  - Hilly
  - Varied soil type/quality
  - Too hot/cold/windy/salt air
  - Poor infrastructure
  - Far away
Finance

- Agriculture sector not attractive to many banks
- ALBA borrower profile also unattractive (often)
  - Immigration status
  - Beginning farmers
  - Often limited English, education, business skills
  - Lack collateral
  - Lack a strong track record
    - No bank account
    - Many leave program without having serviced loan(s)
    - Poor record keeping still prevalent
    - Tax returns spotty
Way Forward

- Change mentality toward program → Temporary privilege
  - Entry into program and advancement is competitive and merit-based
  - Message from day one: your time here is limited, make the most of it
  - Continuation is conditional based on performance and conduct
  - Overriding program priority is to make farmers profitable and independent

- Establish pathway to success → Set milestones to promote readiness
  - Year 1: Crop plan, organic certification, learn Good Agricultural Practices
  - Year 2: Draft business plan, record-keeping, food safety certification
  - Year 3: Obtain loan, meet land owners, hire/manage labor
  - Year 4: Revise business plan, expansion planning, land ID/negotiation → Ready to leave nest!

- Provide transition and alumni services
  - Establish network of land-owners
  - Relationships with ALBA-friendly finance institutions and programs
  - Provide ongoing education and technical assistance
  - Cultivate alumni network; promote cooperation
Questions?

Chris Brown, Executive Director, ALBA

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NIFTI Next Steps

- **Technical Assistance**
  - A limited amount of TA is available through project partners
  - Initial intake and first 5 hours free
  - Contact New Entry for more info (eagudelo@comteam.org)

- **Webinars**
  - NEXT: Advocacy for Incubators
    - April 25th 1 – 2 pm EST
  - Others?

- **Online Resources**
  - Website
  - Wiki – Share your resources!
  - List Serve

- **Your input is critical!**
  - Please complete the evaluation after this webinar
  - Feel free to email with ideas, feedback or questions
Questions?
Thank you for attending

Please complete your evaluations!

Contact us:

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