



# Cultivating the Next Generation: Resources and Policies to Help Beginning Farmers Succeed in Agriculture

Julia Freedgood  
Jennifer Dempsey



  
American Farmland Trust  
SAVING THE LAND THAT SUSTAINS US





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## Acknowledgments

**F**IRST and foremost, American Farmland Trust would like to thank the enterprising young and beginning farmers who were willing to share their time and stories with us: Paul Bucciaglia, Rigoberto Bucio, Adam Burke, Alison and Luke Howard, Brandon King, Clay Nash, Alex Needham and Alison Parker, Gina Perez, Lindsey Lusher Shute, Andrew Stout, Jess Thompson and Mark Trapp.

Special thanks to the Farm Credit System for its support and to Gary Matteson, Vice President for Young, Beginning, Small Farmer Programs and Outreach, for his assistance, suggestions and feedback throughout the course of this project. We also thank the Members of American Farmland Trust for their financial support.

We would like to thank the representatives from beginning farmer organizations, Cooperative Extension, Farm Bureau, farmland protection programs, lending institutions, state departments of agriculture and state finance authorities across the country and to the U.S. Department of Agriculture for sharing their work along with their insights and contacts, and especially for their efforts to help the next generation of farmers and ranchers succeed.

Thank you to Elizabeth Egan and Deere & Company's *The Furrow* for allowing us to excerpt Martha Mintz's story and to use its photo of the Van Voast and Cederberg families. And thank you to Brian Williams for his profile and photos of Mark Trapp. Thank you, too, to Ann Bradley, Ed Cox, Poppy Davis, David Haight, Lilia McFarland, Tammy Nebola, Marcia Ostrom, Jeremy Peters, Mike Sands, G.W. Stevenson and Bob Wagner for their important ideas, input and review, and to Don Buckloh, Diane Held, Ben Kurtzman, Doris Mittasch, Kate Rossiter and Anelkis Royce, for their help researching, writing, editing and producing this report.

### About American Farmland Trust

**American Farmland Trust** (AFT) is the only national conservation organization that saves the land that sustains us by protecting farmland, promoting sound farming practices and keeping farmers on the land. As the vital link between farmers, conservationists and policymakers, AFT is focused on ensuring the availability and the viability of the land that provides healthy food, a clean environment and the foundation of the agricultural economy.

Since our founding in 1980 by a group of farmers and citizens concerned about the rapid loss of farmland to development, AFT has helped to permanently protect more than 5 million acres of farmland and led the way to reduce conversion and adopt conservation practices on millions more.



### About the Authors

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# Cultivating the Next Generation: Resources and Policies to Help Beginning Farmers Succeed in Agriculture

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## Executive Summary

**T**HE number of beginning farmers has reached a 30-year low. Just between 2007 and 2012, the number of beginners dropped 20 percent, and they now represent the smallest share of farmers reported by the Census of Agriculture since 1982.

Many reasons have been cited for the decline of beginning farmers and ranchers, most notably the high start-up costs and capitalization needed to enter agriculture and the difficulty of securing land to purchase or to rent. American Farmland Trust (AFT) investigated the challenges and opportunities facing beginning farmers to find out what it takes for them to enter and succeed in agriculture.

AFT is a private, nonprofit organization that works to protect farmland, promote sound farming practices and keep farmers on the land. This report is the result of a multi-step process that started with a literature search and ended with profiles of 12 exemplary beginning farmers. In addition to this report, AFT collected resources on its Farmland Information Center website ([www.farmlandinfo.org](http://www.farmlandinfo.org)) to support beginning farmers with links to literature, organizations and policies.

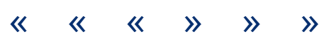
With the generous support of the Farm Credit System, AFT reviewed U.S. Department of Agriculture (USDA) programs and projects funded by USDA's Beginning Farmer and Rancher Development grants, identified 50 organizations that provide services to beginning farmers and interviewed representatives from 30. We then investigated state policies and programs through a Web search of all 50 state departments of agriculture, follow-up interviews with officials from 26 and additional interviews with 25 Farm Bureau Young Farmer & Rancher program coordinators. Most recently, we reviewed the new Agricultural Act of 2014 (2014 Farm Bill) and data from the 2012 Census of Agriculture to ensure the report is as current as possible.

Across the country and in various ways, a new generation of farmers has both been inspired by and taken advantage of the local food movement. Many got started with Community Supported Agriculture farms, farmers markets, selling directly to restaurants and other retail market opportunities. Others took advantage of consumer demand and are raising grass-fed beef and pastured poultry. Of course, we also found beginners entering in traditional ways, producing conventional commodities like corn and soybeans.

Our interviews and policy research pointed to the regional diversity of U.S. agriculture and of approaches to beginning farmer issues. We found that, whatever their starting point and no matter where they are, beginners face and must overcome similar challenges: securing access to land; qualifying for credit to develop farm infrastructure, acquire equipment, seeds and/or livestock; determining the right mix of products; and developing markets. Those we talked to were resourceful and tenacious, and generally took advantage of multiple public and private resources—including family and friends—to get started. Overall, we found the most pervasive and persistent challenge was finding, affording and negotiating appropriate farmland to lease or to own.

Many programs, policies and resources are available to help beginners learn farm production, business and marketing skills and to help obtain financing and credit. However, in many cases it required extensive research to find them. Furthermore, while many sources of credit are available, to qualify beginners need business planning knowledge and skills. We found there often is a disconnect between the types of operations they are interested in managing and the financial tools needed to demonstrate economic viability.

The most conspicuous gap was resources to help beginners gain access to land—especially to help them find contiguous acreage with sufficient farm infrastructure and housing to support a new operation. The Observations section of this report suggests ways to address this universal challenge.



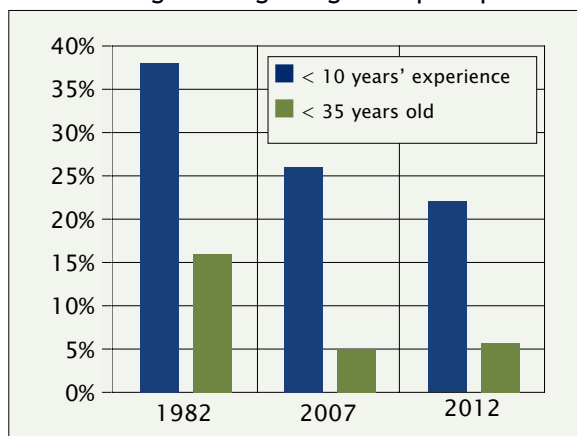
## Background



**T**HE decline of beginning farmers and ranchers<sup>1</sup> has been so sharp that in 2010 U.S. Secretary of Agriculture Tom Vilsack urged Congress to consider the addition of 100,000 new farmers as a policy goal.<sup>2</sup> Between 1982 and 2007, the percentage of principal operators with fewer than 10 years of experience dropped from 38 percent to 26 percent of all principals. The share of young farmers also fell during this time period; principals under age 35 decreased from 16 percent to 5 percent of all principal operators.<sup>3</sup>

Data from the 2012 Census of Agriculture suggest a continuation of the downward trend. Principal operators with fewer than 10 years of experience dropped 20 percent from 2007 and now account for 22 percent of the total. Although there was a slight uptick in the number of young farmers, they still represent less than 6 percent of all principal operators.

Fewer Young and Beginning Principal Operators

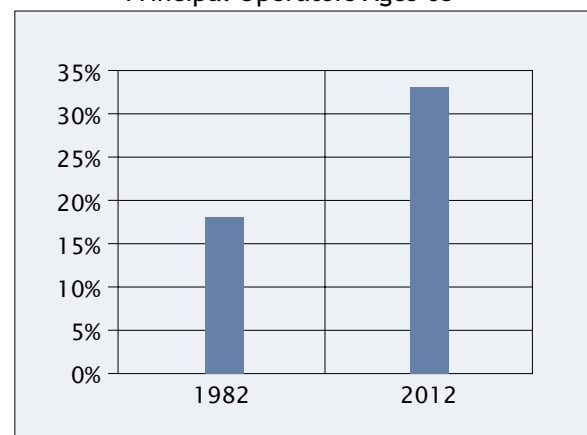


On the flip side, farmers 65 to 74 represent the fastest growing sector of the farming population. In 2012, the average age of principal farm operators was 58.3. Thirty-three percent were 65 and older, and 12 percent were 75 or older. Many of these “operators” may no longer actively farm but still meet the census’ minimum sales threshold.<sup>4</sup>

According to the 2012 census, there are more than twice as many farmers who are 75 and older as 34 and younger. This has serious implications not only for the future of the nation’s farm economy and food system, but also for America’s agricultural landscape.

Many reasons have been cited for the decline of beginning farmers, most notably the high start-up costs and capitalization needed to enter agriculture and the difficulty of securing land to purchase or to rent. Several very good studies, reports and surveys have documented the full range of challenges faced by beginning farmers and ranchers, which also includes basic production and business planning, finding appropriate markets and securing credit. A 2009 report from the USDA Economic Research Service (ERS) found

Principal Operators Ages 65+



beginners face two primary obstacles: high start-up costs and a lack of available land for purchase or rent. It also found that they earn less income from their farms, have more off-farm income and are less likely to rent farmland than established farmers.<sup>5</sup> The 2011 National Young Farmers Coalition (NYFC) report on beginning farmers, *Building a Future with Farmers*, had similar results: 78 percent of respondents rated lack of capital as the biggest obstacle to entering agriculture; 68 percent cited finding affordable land to purchase or landowners willing to make long-term lease agreements; and 40 percent reported access to credit, including small operating loans. Respondents found these barriers to be more challenging than business planning or marketing skills, finding good markets or education and training.<sup>6</sup>

One thing that caught AFT's attention was the ERS finding that beginners are less likely than established farmers to rent farmland but are just as likely to own all of the land they operate. The most common way they acquire land is to buy it from a nonrelative, rather than inherit it or receive it as a gift.<sup>7</sup> However, they own smaller acreage and are more likely to carry debt on their land.<sup>8</sup> Still, this was surprising because purchasing land is both a significant expenditure and commitment for a beginner with limited assets and experience. We were especially curious about the association between acquiring land and credit, and what resources were available to help beginners navigate these relationships.

Thanks to support from the Farm Credit System, AFT investigated the challenges and opportunities facing beginning farmers and ranchers, especially those wanting to enter local and regional food markets. The goal was to learn how they are overcoming barriers to illuminate what it takes for them to enter and ultimately to succeed in agriculture.

AFT conducted a literature search and researched policies, organizations and other resources available



to help beginners. We reviewed USDA programs and projects funded by USDA's Beginning Farmer and Rancher Development grants, identified 50 organizations dedicated to assisting beginning farmers in various capacities and interviewed representatives from 30 of them. Further, we investigated state policies and programs through a Web search of all 50 state departments of agriculture and follow-up phone interviews with officials from 26 and also interviewed 25 Farm Bureau Young Farmer & Rancher program coordinators. Thanks to the many people who were willing to speak with us, we identified a diverse group of beginning farmers and ranchers for profiles, and staff conducted extensive interviews in person and on the phone to learn more about how they addressed the challenges and what they perceived as their tickets to success.

This report summarizes what we found and uses case studies and farmer profiles to demonstrate the passion and enthusiasm of a new generation of farmers and ranchers who are committed to success.

In addition to this report, AFT posted resources to support beginning farmers on its Farmland Information Center website ([www.farmlandinfo.org](http://www.farmlandinfo.org)).





## Challenges



Historic Deerfield photo

**A**FT conducted a literature search, and staff interviewed representatives from a variety of beginning farmer organizations to better understand the challenges and opportunities faced by the next generation of farmers and ranchers. We developed and tested a survey and reached out to 50 organizations across the United States. These included Cooperative Extension and nonprofit programs that serve diverse constituencies from women to veterans, traditional farm families to farm workers and immigrants.

It is important to note that this background research and interviews were intended to help us understand what kinds of resources—public and private—are available to help beginners overcome challenges and especially which ones are well recognized and considered of particular value by the people who use them. It was not intended to be statistically definitive about either the characteristics of beginners or the challenges faced by beginners. Instead, we deliberately sought out groups based on regional diversity and different kinds of approaches and interests to get a better idea of what is going on across the country.

We were able to reach and interview representatives from 30 organizations that support a wide range of beginning farmers—from those growing for local food markets to those working with dairy and livestock and those producing traditional commodities.

- » 29 worked with farmers growing “specialty crops,” including hydroponic and greenhouse production. These were mostly fruit and vegetable producers but also included market gardeners, maple producers and agritainment.
- » 24 worked with poultry and livestock producers.
- » 14 worked with dairy farmers.
- » 13 worked with farmers growing field crops, including cash grains and tobacco.

Overall, these organizations worked with diverse populations not only in terms of race, gender and age but also those entering agriculture from both traditional and nontraditional backgrounds. For example, 25 organizations worked with farmers who were new to

Farmer Demographics Represented	Organizations Reporting
White	19
Young farmers (under age 35)	19
Women	19
Start-up farmers (1 to 3 years)	16
Latino	7
African American	4
Veterans	3
Asian	2
Burundi, Haitian and Somali	2
Native American	1
Plain Sect	1

agriculture and/or where farming was a second career, and 22 worked with beginners who had family ties to farming or previous experience farming. The table (above) reflects the types of beginning farmers represented by these organizations.

Given their diversity, there was no typical size of the beginners' operations—which ranged from fewer than 5 acres to 1,000 acres. However, 90 percent of these organizations reported that the beginning farmers they worked with sold direct to consumers: six to food hubs, seven to schools and institutions. Eleven reported that the growers they worked with sold wholesale, but only four said their growers sold to commodity markets and only five to brokers/distributors. These findings confirm that local food markets and retail agriculture are widely used and promising entry points for beginning farmers.

Our interviews pointed to the regionally diverse structure of U.S. agriculture. However, while many of the people we interviewed emphasized specific issues—such as the need for business planning or financial literacy—the one issue raised by virtually everyone was access to land. This was especially true for finding contiguous acreage with sufficient farm infrastructure and housing to support a new operation. These findings support those from other recent studies and reports.

Overall, these representatives confirmed that beginners face a series of challenges but pointed to many resources to help them with financing and credit, as well as farm production, business and marketing skills. However, although the most universal challenge is acquiring affordable farmland to purchase or lease, few resources exist to help beginners gain access to land.

This is a significant gap given recent trends in farmland ownership and management. In 2011, beginning farms and ranches represented 22 percent of the nation's 2 million family farms, but only about 10 percent of agricultural production value and 11 percent of acres operated.<sup>9</sup> According to the FarmLASTS Project report, only 3 percent of farmland buyers are new farmers. Socially disadvantaged populations face additional challenges, including cultural and language barriers, and fractionated heir property. FarmLASTS found that beginning farmers often find it hard to secure loans for real estate and that rental agreements—often verbal and mostly short term—are inherently less secure and discourage investment.<sup>10</sup>

Challenges to Beginning Farmers Seeking Land	Organizations Reporting
<b>Land unaffordable due to competition</b>	<b>26</b>
...from urbanization/development pressures	25
...from other farmers	18
<b>Land unavailable to purchase or lease</b>	<b>23</b>
<b>Difficulty locating appropriate land to farm</b>	<b>20</b>
<b>Difficulty negotiating lease/sale agreements</b>	<b>11</b>
...with non-family	10
...with family	4

Securing adequate land to grow crops and raise livestock was the top challenge identified in the 2013 and 2014 surveys of participants in the American Farm Bureau Federation's Young Farmers & Ranchers program. The 2011 GrowNYC *Farmers on the Edge* study also found financing and securing land to be major challenges and pointed to two other critically important needs: technical assistance to help navigate the wide menu of existing resources and loans for operating expenses and one-time capital purchases.

While not necessarily the primary—and certainly not the only—challenge, finding affordable land was mentioned in virtually every interview. What was of particular interest was that beyond price pressure from non-farm development, respondents pointed to competition for land from established farmers.

It is not surprising that land availability and affordability have become such pernicious problems for beginning farmers. In recent years, farm real estate values increased dramatically. The National Agricultural Statistics Service (NASS) reported a 79 percent increase from 2002 to 2008! Nationally, the average



iStock, Michael Westhoff photo

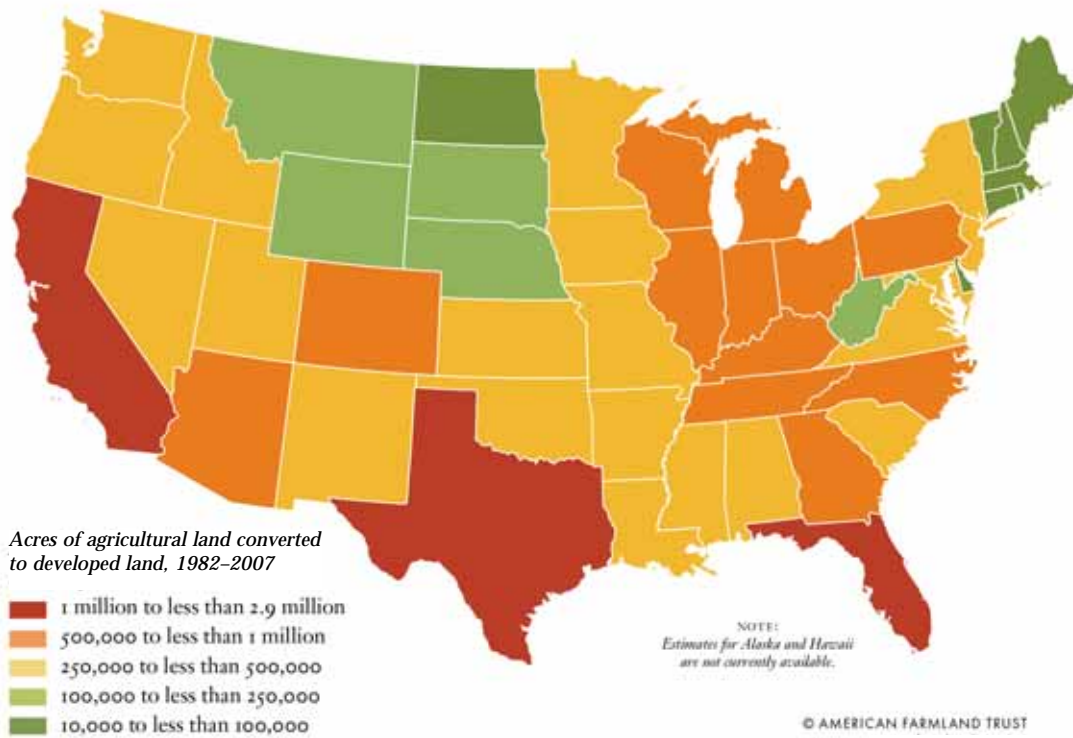


Ben Bowell photo



Alamy, Ellen McKnight photo

## Every state lost agricultural land.



cost of an acre of farmland was \$2,900 in 2013, but with considerable variation across country. For example, in the Cornbelt values averaged \$6,400 per acre versus \$1,020 in the Mountain states or \$4,840 per acre in the Northeast.<sup>11</sup>

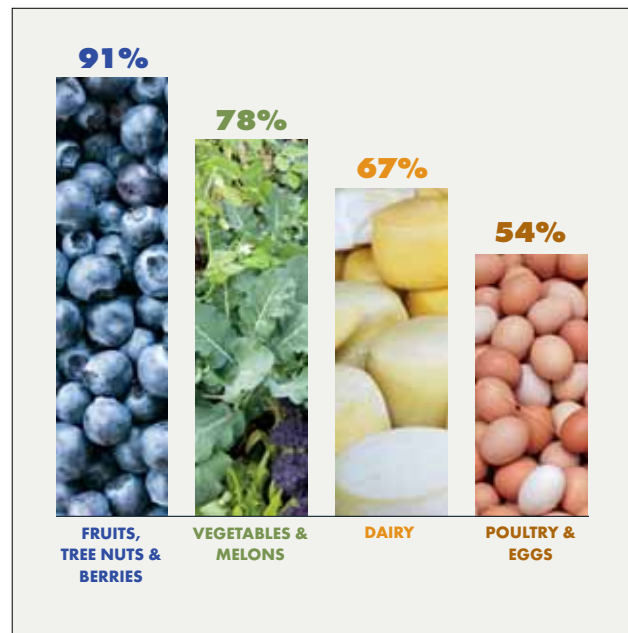
While demands on agriculture continue to increase, the amount of farm and ranch land available for production has steadily decreased. Between 1982 and 2007, more than 23 million acres of agricultural land were developed to non-farm uses including roads, shopping malls and subdivisions. For perspective, this represents a land area equal to the state of Indiana. Overall development of rural lands for urban and transportation uses increased steadily throughout the period with more than 1 out of every 3 acres of developed land developed between 1982 and 2007.<sup>12</sup>

Much of that conversion has occurred in urban-influenced areas that also produce most of the food we eat: 91 percent of fruits, 78 percent of vegetables and melons, 67 percent of dairy and 54 percent of poultry and eggs.<sup>13</sup> These also are the areas where there is strong interest from a new generation of aspiring farmers to enter agriculture and take advantage of retail opportunities in lucrative regional food markets.

These rapidly expanding markets are being driven by strong consumer demand for local food as evidenced

by expanding offerings of local and organic food in supermarkets, the rapid rise of farmers markets, Community Supported Agriculture (CSA) farms and farm-to-school programs. According to USDA, local food sales reached \$4.8 billion in 2008 and were predicted to hit \$7 billion in 2012.<sup>14</sup>

### Food in the Path of Development







Alamy, Terra Images photo

As further evidence of the growth in retail market opportunities, the number of farmers markets has increased every year since 1994 with USDA reporting 8,144 in its National Farmers Market Directory, up from about 5,000 in 2008.<sup>15</sup> NASS reported that 12,617 farms were marketing products through CSAs in 2012,<sup>16</sup> and 38,629 schools reported in 2013 participating in farm-to-school programs operating in all 50 states.<sup>17</sup> Gary Matteson and Alan Hunt note that “many young and beginning farmers find that these markets require relatively low start-up capital needs, have low overhead, and need a relatively small land base... [and are] attracted to a very entrepreneurial, high margin form of agricultural marketing and production.”<sup>18</sup>

We found that securing credit and financing were other leading challenges and were interested to learn how beginners identify and acquire needed start-up capital for their operations. Borrowing from family members topped the list, followed by Farm Credit lenders and the USDA Farm Service Agency (FSA).

Respondents were not always specific; for example, none mentioned FSA guarantees although most pointed out the importance of FSA and especially its Microloan Program. Often beginners used credit cards, and some used nontraditional sources, such as crowd funding and members of their CSAs. In a few cases, we learned that second career farmers were able to use home equity loans or personal savings. In addition, the Carrot Project and Slow Money were mentioned as nontraditional resources. Overall, we found many approaches to financing, and beginning farmers appear very resourceful at securing start-up capital from a wide variety of sources both traditional and non-traditional.

In sum, we found many organizations serving beginning farmers and ranchers in many ways—from farm incubators, to offering training and assistance in production, business and marketing skills, to serving specific populations such as immigrants, veterans or young farmers. The people we spoke with were both highly skilled and committed—overall an inspired group. However, their organizations tended to be strapped for resources, serve specific challenges and interests, and operate in specific places. Even within the Cooperative Extension system we could not find a central repository of programs or resources that serve the primary needs of beginners in all 50 states. We also identified a gap in knowledge about public policies—especially state level policies—that have been created to support next generation farmers and can leverage the reach and impact of private programs and individual efforts. The following section summarizes what we found from research on policies to help beginning farmers.

How Beginning Farmers Secure Credit	Organizations Reporting
Family	19
Farm Credit	18
Farm Service Agency	18
Credit card	17
Local bank	14
Nonprofit microloan or credit builder loan	13
Crowd funding	8
State loan programs	4



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## Public Programs that Support Beginning Farmers



**A**FT conducted research on both state and federal programs and policies to assess public sector capacity and commitment to cultivate the next generation of farmers. We concentrated on entities implementing programs that are an outgrowth of deliberate public policy (i.e., federal or state laws) and limited our research to programs administered by federal and state agencies (or quasi-public entities).

Some federal and state programs strictly limit eligibility to beginning farmers and ranchers, while others serve additional groups of farmers. We included a program if at least one of its purposes was to help beginners. For instance, we included public farm link programs, which assist agricultural asset owners and those interested in acquiring farm and ranch land, including but not limited to beginners. On the other hand, we did not include the two state-level farmland protection programs that include an option to purchase at agricultural value (OPAV). While the goal of OPAV is to keep land affordable for farmers, a recent report by Land for Good found that established farmers tend to out-compete beginners.<sup>19</sup> Since no specific preference is given to beginning farmers, we did not include OPAV in this study.

At the federal level, AFT staff researched programs administered by USDA and visited each of its 17 agency websites and 18 office Web pages, reviewing programs and services offered. We also contacted USDA's Office of Advocacy and Outreach to help identify programs and initiatives for beginners. Created in the 2008 Farm Bill, the office is designed to improve access to USDA programs and to improve the viability of small, beginning and socially disadvantaged farmers.

At the state level, we reviewed all 50 state departments of agriculture websites. We looked at divisions within the departments and reviewed programs offered for beginning farmers. In addition, we contacted the 47 Farm Bureau Young Farmers & Ranchers program coordinators to confirm what we had found online and to identify additional state policies and programs. Of the 25 coordinators we spoke to, most were unfamiliar with state programs for beginning farmers. Six were aware of financing programs offered by FSA and/or Farm Credit lenders, but only two pointed us to additional resources. Next, we called 26 state departments

of agriculture and spoke directly with staff to fill gaps in states with no programs identified on their websites.

We also used information compiled by the National Council of State Agricultural Finance Programs (NCOSAFP) and the National Association of State Treasurers (NAST). The NCOSAFP 2010 index of state agricultural finance programs identifies states with Aggie Bond Beginning Farmer Loan Programs and other loan programs designed for beginners. NAST's 2012 survey of state treasurers includes current information about linked deposit programs. We also reviewed state finance authority and treasury websites and used Google searches to confirm that programs identified by the NCOSAFP and the NAST survey still exist. We found that some programs, particularly linked deposit programs, had been discontinued. But we also identified new programs and some pending legislation.

More detailed descriptions of public policies and programs follow, organized by the barriers they address. See page 17 for a complete inventory of state programs.

## ACCESS TO CAPITAL

We found a robust framework built on long-standing public policies to help beginners gain access to capital. In 1916 Congress enacted a law to establish the Farm Credit System (FCS) to provide a reliable source of financing for farmers. FCS is a nationwide network of borrower-owned lending institutions and specialized service organizations that provide loans and other related services to agricultural producers, rural homeowners, aquatic producers, timber harvesters, agri-businesses, and agricultural and rural utility cooperatives.<sup>20</sup> According to the federal Farm Credit Administration—which regulates and examines FCS—FCS is the largest agricultural lender in the United States.<sup>21</sup>

In 1980, Congress amended the Farm Credit Act to require FCS to develop programs that serve the needs of young, beginning and small farmers and ranchers. Each of the 79 Farm Credit Associations has created its own programs to serve the needs of beginners in its respective service areas. For example, MidAtlantic Farm Credit's StartRight Program helps young, beginning, small and minority farmers with a support system that provides access to credit, mentoring and education.<sup>22</sup> Farm Credit Mid-America has a special Underwriting Program for young and beginning farmers, offers FSA Loan Guarantee Reimbursements and has a Continuing Education Program that reimburses beginners up to \$500 when they attend business, production, financial management or agricultural leadership development programs.<sup>23</sup> According to a recent report to the Farm Credit Administration, loan programs for beginners tend to offer reduced interest rates and fees and may provide more flexible eligibility criteria.<sup>24</sup> Farm Credit's 2013 Annual Information Statement reports that FCS made 73,902 loans to beginning farmers in 2013 totaling \$11.1 billion.

In the 1930s FSA began offering loans, which evolved into the direct and guaranteed operating and farm ownership assistance programs offered today. The Agricultural Credit Improvement Act of 1992 first authorized the targeting of funds to beginning farmers.<sup>25</sup> Subsequent federal laws, including provisions in the 2008 Farm Bill, have increased the share of loan program funds for beginners. FSA actively promotes three programs for beginning farmers: the Down Payment Program, Loan Contract Guarantees and its new Microloan Program.<sup>26</sup>

The Down Payment Program assists beginners in purchasing a farm. To qualify, farmers must make a cash down payment of at least 5 percent. The maximum loan amount is 45 percent of the purchase price.



Loans are now limited to appraised value or \$667,000, whichever is greater.<sup>27</sup> The FSA loan term is 20 years with an interest rate that is 4 percent lower than the regular FSA direct ownership loan rate but no less than 1.5 percent.<sup>28</sup>

FSA also guarantees loans made by commercial lenders and FCS to beginners purchasing farmland. The lender may request either a prompt payment guarantee—up to the amount of three annual installments plus the cost of related real estate taxes and insurance—or a standard guarantee of 90 percent of the outstanding principal balance.

The 2014 Farm Bill made permanent FSA's relatively new Microloan Program, which provides operating loans for start-up costs, annual expenses, and marketing and distribution expenses.<sup>29</sup> In addition, the maximum loan amount offered was increased to \$50,000. This program was highly praised by several representatives we interviewed from beginning farmer organizations.

The 2014 Farm Bill also reauthorized FSA to administer the Beginning Farmer and Rancher Individual Development Accounts (BFRIDA) Pilot Program to provide matching grants of up to \$250,000 to establish pilot individual development account (IDA) programs for beginning farmers with limited resources. Eligible local programs must include financial training and matched savings accounts to help beginners save toward the purchase of farm assets. However, Congress failed to appropriate funds under the initial authorization so it is unclear whether this program will get off the ground. The Beginning Farmer and Rancher Development Program (BFRDP) funded a California FarmLink-linked (see page 13) effort to strengthen agricultural IDA programs nationwide.

An exception in federal tax law<sup>30</sup> allows revenue from private activity bonds to be used by beginning farmers to acquire agricultural land and other property. This

policy encouraged the creation of state-level Aggie Bond Beginning Farmer Loan Programs, the most common state programs that provide access to capital to beginning farmers, currently offered in 16 states (see below).

We found 22 states that offer at least 33 programs providing access to capital. Beyond Aggie Bonds, NCOSAFP reports 22 states that provide direct loans to farmers but only three focus on beginners—Hawaii, North Dakota and Utah. The Bank of North Dakota offers both real estate and chattel loan programs specifically for new farmers. Of the 12 states NCOSAFP identified as offering loan guarantee programs, at least three target beginners. In addition, NCOSAFP reports that nine states offer loan participation programs, and we found that at least four of these serve beginners.

We also identified linked deposit programs for agricultural producers in 10 states. Three more states had

statutory authority but no active program as of 2013. State linked deposit programs encourage financial institutions to offer loans and lines of credit at lower interest rates by depositing state funds with the lender and agreeing to a lower rate of return on this investment. We found two linked deposit programs specifically for new farmers.

Lastly, Texas and Maryland offer small grants to beginning farmers and ranchers. The Texas program provides matching grants from \$5,000 to \$10,000 to young producers for materials and direct operating expenses. The Maryland Urban Agriculture Commercial Lending Incentive Grant Program encourages beginning urban farmers to seek commercial lender financing for projects to enhance their operations by matching a portion of financing secured from a commercial bank, FCS or FSA.

## STATE AGGIE BOND BEGINNING FARMER LOAN PROGRAMS

Aggie Bond programs are special loan programs that help beginning farmers buy land, pay for improvements and purchase depreciable agricultural property like livestock or equipment. They enable lenders (e.g., commercial banks) or contract sellers (i.e., agricultural landowners willing to finance the transaction) to receive tax-exempt interest on loans made to beginners. The tax savings encourage lenders and sellers to offer lower interest rates, typically 25 percent below market rates.

### How They Work

Aggie Bond programs are authorized by federal tax law related to state and local financing arrangements (i.e., private activity bonds). The bond issuer, typically a state finance authority, sells a tax-exempt private activity bond to the lender or contract seller in the amount of the loan. The proceeds are loaned to the eligible beginning farmer. The loan agreement between the beginning farmer and the bond issuer is then assigned to the lender or seller as security for the bond. The farmer repays the lender/seller according to terms set forth in a loan agreement. Interest paid by the beginning farmer is exempt from federal and, in some cases, state income taxes. In Iowa, for instance, interest received on contract sales is exempt from state income taxes.

Eligible farmers must meet federal requirements and applicable state criteria. Federal law stipulates that eligible individuals must be “first time farmers,” defined as individuals who have not owned parcels larger than 30 percent of the median farm size in the county where the land is located. Federal law also establishes a maximum bond/loan amount of \$450,000, which is adjusted for inflation each calendar year. Under this cap, there also are federal limits on the amount that can be used for improvements and to buy new and used depreciable agricultural property. States typically establish a maximum net worth to determine beginning farmer eligibility.

## ACCESS TO LAND/INFRASTRUCTURE

Although beginning farmers have reported that access to land is one of their biggest hurdles, few federal or state programs explicitly address this issue. At the federal level, the Food, Conservation and Energy Act (the 2008 Farm Bill) authorized the Transition Incentives Program (TIP), which encourages landowners with expiring Conservation Reserve Program (CRP) contracts to sell or lease their land to beginning or socially disadvantaged farmers (see page 12). The 2014 Farm Bill provides an additional \$33 million to continue the program and extends program eligibility to veteran farmers. Current CRP enrollees are offered up to two additional annual rental payments. In exchange, the new landowners or tenants return the land to production using sustainable grazing or farming methods.

TIP provides retiring landowners and operators with an incentive to return land to production in a way that maintains established conservation practices. It also provides an opportunity for beginning and socially disadvantaged farmers and ranchers both to purchase and to rent land. As of December 2013, FSA reported execution of 1,719 contracts covering 275,608 acres in 26 states. The agency is not able to break down acres transferred to beginners versus socially disadvantaged farmers.

The 2008 Farm Bill also required FSA to give priority to beginning and socially disadvantaged farmers in the disposal of inventory property—real estate and chattel owned by FSA, which formerly was used to secure an FSA loan.<sup>31</sup> A provision requires FSA to advertise inventory property to beginning and socially disadvantaged farmers before making it available for sale to the general public. FSA advertises available property within 15 days of obtaining title. If more than one qualified beginning farmer applies to purchase the property, the successful buyer is chosen randomly. Beginners may use FSA financing to acquire the land. If no direct farm ownership loan funds or “credit sale” funds are available, FSA may lease or contract to sell the property to the beginning farmer for up to 18 months or whenever funds do become available, whichever comes first. If no beginning farmer buys or leases the property within 135 days, FSA must sell the property at a public auction within the next 30 days.<sup>32</sup> Prioritization for beginners is likely to continue, but the small number of inventory properties (as of December 2013, there were 90),



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limits the usefulness of this program. Also, it is better for agriculture to have a low number of inventory properties since these become available due to foreclosure.

Nine states offer programs to address land access for beginners. Farm Link programs are the most common, with six state departments of agriculture in Connecticut, Nebraska, New Jersey, South Dakota, Virginia and Wisconsin managing programs. Farm Link (also known as Land Link) programs connect farmers seeking land with agricultural landowners who want to see their land stay in agricultural production. The first Farm Link program was pioneered by the Center for Rural Affairs in Nebraska in 1991.<sup>33</sup> In addition to helping beginners acquire land (and sometimes infrastructure and equipment), these programs can pair beginners with experienced mentors. New Jersey and Virginia have received BFRDP grants to enhance their linking efforts.

All of the state-administered Farm Link programs maintain lists of farm seekers, and four states also list agricultural landowners. Of these, only three make their directories readily available. South Dakota and Virginia require users to register online to gain access to their databases. In Wisconsin, farm seekers must submit an application to receive assistance from program staff. None of the programs report acres transferred. In addition to the six state-administered Farm Link programs, we identified at least 25 private programs. A few of the private programs provide direct technical assistance to facilitate matches and offer additional programs to support beginners.

State Administered Farm Link Programs				
State	# of Owners (December 2013)	# of Seekers (December 2013)	Provide Online Access to Directories	Actively Match Owners and Seekers
Connecticut	53	179	Yes	No
Nebraska	Not Applicable	18	Yes	No
New Jersey	56	43	Yes	No
South Dakota	2	21	No	No
Virginia	14	24	No	No
Wisconsin	Not Available	Not Available	No	Yes



## CONSERVATION RESERVE PROGRAM – TRANSITION INCENTIVES PROGRAM

There was no shotgun start or race to stake a claim, but when Conservation Reserve Program (CRP) contracts started expiring, a good old-fashioned land rush kicked off in Blaine County, Montana.

“Ten years ago there wasn’t any land to buy,” says newly minted Turner, Montana, farmer Michael Van Voast. “Expiring CRP contracts changed that, creating new opportunities for guys like me that want to come back to the area and give my kids the same opportunities and experiences I had.”

In the past six years, 9.7 million acres of CRP contracts across the United States expired and were not renewed. Thirty-year-old Van Voast and his wife, Carmen, snapped up 2,200 of the 1.47 million acres of well-rested land that came available.

Land coming out of CRP isn’t necessarily easy to grab up. Many acres are simply folded back into still-operating farms. However, a continuous stream of income tempts many who have retired or inherited land to keep up CRP contracts. It’s those acres that often come on the market when contracts expire. But a young family trying to get into farming by purchasing land still has to compete with established farmers with capital and credit.

Working as an ag loan officer at First Bank of Montana in Chinook allowed Van Voast to use his experience loaning money to other young farmers and connections in the community to get the inside track on some CRP acres headed for market. To position himself as a more desirable buyer..., Van Voast tapped into government programs, such as the Transition Incentives Program (TIP). “With TIP, a landowner selling CRP acres to a first-time farmer gets two additional years of CRP payments,” Van Voast explains. “That’s a great incentive for the owner to sell to me.” Van Voast had the capital, so he secured a \$300,000 beginning farmer loan from FSA. His bank made up for the rest of the money with an FSA guaranteed loan.

Van Voast isn’t alone. Other young couples have jumped at the chance to return to the area and farm. Colter and Kelly Cederberg were living in the large city of Billings, Montana, working as a diesel mechanic and a teacher, respectively, when they got the call to come home to Turner. “My uncle, Max Cederberg, called and asked if I wanted to come home and go farming,” Colter recalls. Max had picked up 1,400 leased acres of expiring CRP ground. “Those leases meant he could continue to support himself and have extra income to bring us back to the farm.”

Colter and Max have secured even more CRP acres that will come available over the next three years, allowing for gradual expansion. Prior to the large influx of available CRP acres, Blaine County was aging, but not retiring. “These guys don’t believe in retirement,” Colter says. “They want to keep going, and that keeps young families from being able to come in.”

Many former CRP acres are now being farmed by young families, returning life to towns that were fading. “When my neighbor started farming, he said there were 30 other farmers his age in the county,” Van Voast says. “We’re lucky if there are five other couples our age, but expiring CRP acres are bringing more young people back to the community.”

« »

*Excerpted with permission from Deere & Company’s November 2013 The Furrow, “Modern Day Land Grab: Expiring CRP contracts create opportunity,” by Martha Mintz.*



Michael, Cali and Carmen Van Voast & Kelly, Tyson and Colter Cederberg

California FarmLink offers a good example of an organization that is addressing both issues of land and credit. Its mission is to link independent farmers and ranchers to the land and financing they need for a sustainable future. It is somewhat unusual in farm—or

land—linking programs because among other services, it offers farm business support and training. Representatives from beginning farmer organizations in California pointed especially to its innovative Farm Opportunities Loan Program.

## CALIFORNIA FARMLINK

Since 1991, California FarmLink has helped beginning farmers access land and capital through land linking, loans and farm business support and training. Regional coordinators and lending staff provide one-on-one coaching, workshops, small group trainings, technical assistance and resources directly to farmers. To date, the program has provided business support to more than 3,000 farm businesses in 32 counties.

In 2010, California FarmLink became a certified independent lender with the Department of Corporations, filling a critical niche by serving small, direct-market, limited resource, organic and beginning farmers. In 2011, it gained “Guaranteed Lender” status with FSA and in 2012 made 23 direct loans to small-scale farmers to purchase plants and seed, buy tractors and fix a cooler.

Its Farm Opportunities Loan Program uses a combination of direct lending, referrals and connections with alternative financing sources to provide farmers flexibly structured loans for operating and equipment/infrastructure. Its flexible credit criteria make it possible to support farmers who have little or no credit or who have been farming for only a few seasons and have limited collateral. It also serves farmers who only need a small loan or who experience language barriers as well

as those with alternative marketing and business models, such as diversified and direct marketing businesses, which traditional lenders may not fully understand. The average loan size is \$24,000, but loans are available from \$5,000 to \$250,000 and can be used for production (one-year seasonal operating loans) or for equipment and infrastructure (multi-year loans).



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Staff also help farmers find other sources of financing suited to the scale and type of their farming businesses. Working closely with FSA, banks, credit unions

and other lenders, staff refer farmers to additional sources of financing, including loans to purchase land. As a Kiva Zip trustee, California FarmLink may endorse farmers that already have a relationship with California FarmLink for 0 percent loans up to \$5,000 and can connect farmers with local Slow Money groups and counsel farmers on how to structure customer-supported financing through the online service Kickstarter.

California FarmLink also created the first Individual Development Account (IDA) program specifically for farmers. Its Matched Savings Program helped beginning and low-resource farmers build business equity. Farmers deposited about \$100 a month into savings account, which were matched at a ratio of up to 3:1 over a two-year period. Participants also received financial literacy, business planning and credit management training. At the end of the period, each participant could use IDA funds totalling as much as \$10,000 to buy an important asset for the farm.<sup>34</sup>

The most direct state-level approaches to helping beginners gain access to land are state beginning farmer tax credit programs in Iowa and Nebraska, and Delaware's Young Farmers Farmland Purchase and Preservation Loan Program. Iowa and Nebraska offer agricultural asset owners a state income tax credit if they lease land, equipment, livestock and/or buildings to beginners.<sup>35</sup> Iowa requires lease terms of two to five years and provides a non-refundable 5 percent credit on cash rent received and 15 percent on cash equivalent of the share rent received. Nebraska requires a three-year agreement and offers a refundable 10 percent credit on cash rent and a 15 percent credit on share rent. To help beginners acquire infrastructure, Nebraska also exempts personal property used in production agriculture by a beginning farmer or rancher, valued up to \$100,000 from state tax. The exemption may be received for three consecutive years.

The Delaware program addresses two key challenges by providing no-interest loans for land acquisition. In exchange, the state's farmland protection program acquires a permanent agricultural conservation easement on the property. Conservation easements are deed restrictions landowners voluntarily place on their property to protect resources such as water quality, wildlife habitat, historic sites or scenic views. They are flexible documents tailored to each property and the need of individual landowners. Agricultural conservation easements are specifically intended to keep land available for agriculture.<sup>36</sup>

Lastly, we found that the state of Maryland is poised to implement a program to help farmers gain access to land. In 2005 the state authorized a Critical Farms Program, modeled on established programs in Frederick and Carroll counties (see page 15). The legislature has not yet funded the program, which would be administered by the Maryland Agricultural and Resource-Based Industry Development Corporation. But this approach—allowing farmers to use proceeds from the sale of an easement on land under contract—could be a useful policy model to help beginners purchase land in states with established farmland protection programs.

## AGRICULTURAL PRODUCTION, BUSINESS PLANNING AND MARKETING ASSISTANCE

We identified just four state training programs related to agricultural production, business planning and marketing assistance, one in Maine, two in Massachusetts and one in Pennsylvania. This is likely because land grant institutions<sup>37</sup> and the network of affiliated Cooperative Extension<sup>38</sup> agents have led in these

### DELAWARE YOUNG FARMERS FARMLAND PURCHASE AND PRESERVATION LOAN PROGRAM

Created in 2011, the Delaware loan program helps young farmers acquire farmland while advancing the state's farmland protection goals. The program makes zero-interest loans available to eligible beginning farmers to purchase land. In exchange, the state's Agricultural Lands Preservation Foundation receives an agricultural conservation easement on the land to be acquired.

#### How It Works

Delaware farmers between the ages of 18 and 40 with at least three years of farming experience and a net worth of less than \$300,000 are eligible to participate in the program. Applicants are required to provide evidence of an executed Agreement of Sale or Option to Purchase land. The land must be located in Delaware and contain at least 15 tillable acres zoned for agricultural use.

The Foundation's zero-interest loans may not exceed 70 percent of the appraised value of the agricultural conservation easement up to \$500,000. Applicants line up additional financing, if needed, to complete the purchase. Participating farmers can pay off the commercial loan in full before making payments to the Foundation, which may be stretched out over 30 years. By the end of 2013, the program had loaned \$6.3 million to 20 farmers.

endeavors. The Massachusetts MEGA program stands out because it offers implementation grants (see page 16).

Federal policy related to beginning farmer education acknowledges and supports the land grant/Extension framework. The USDA National Institute of Food and Agriculture (NIFA) is the federal partner in the Cooperative Extension System. NIFA helps fund research and education at the state and local levels, provides financial assistance to land-grant universities and competitive grants to researchers and fulfills its leadership function by helping states "identify and meet research, extension and education priorities in areas of public concern that affect agricultural producers, small business owners, youth and families, and others."

NIFA administers the BFRDP. Authorized by the 2008 Farm Bill,<sup>39</sup> \$75 million was appropriated for fiscal years 2009 to 2012 to develop and offer education, training, outreach and mentoring programs to enhance the sustainability of the next generation of farmers.<sup>40</sup> BFRDP's goal is to "...provide U.S. beginning farmer and rancher producers and their families, as appropriate, with the knowledge, skills and tools needed to make informed decisions for their operations, with the goal of enhancing success of beginning farmers and ranchers." To date, the program has funded 114 projects to serve beginners nationwide.<sup>41</sup> Many of the beginning farmer organizations contacted for this project were BFRDP grant recipients. The 2014 Farm Bill expands the program to \$100 million in mandatory funding for fiscal years 2014 through 2018.

Educational and other materials produced by BFRDP grant recipients are housed on the Start2Farm website.<sup>42</sup>

The site includes a database of programs and resources for beginning farmers and ranchers in the United States. Start2Farm was authorized by the 2008 Farm Bill, which directed the Secretary of Agriculture to create an online information clearinghouse for beginning farmers.<sup>43</sup> The National Agricultural Library manages the website and organizes a national conference with help from the American Farm Bureau Federation.

A more direct form of USDA farm business assistance is the Rural Development Value-Added Producer Grants program. It provides grants to farmers to scale up their businesses and add value to their products. Provisions in the Rural Development title of the 2008 Farm Bill<sup>44</sup> reserved 10 percent of program funds for projects that benefit beginners and socially disadvantaged producers. The 2014 Farm Bill requires USDA to also give priority to veterans and increased mandatory funding from \$15 million to \$63 million.

## CRITICAL FARMS PROGRAM, FREDERICK COUNTY, MARYLAND

In 1995 Frederick County launched a Critical Farms Program to protect prime farmland and help farmers, including beginners, buy farmland. The program enables the county to purchase options on conservation easements from farmers who are under contract to purchase qualified farmland. In exchange, the farmers are required to apply to one of the state's two programs that purchase agricultural conservation easements, the Maryland Agricultural Land Preservation Foundation (MALPF) or the Rural Legacy program.

### How It Works

Applicants must be farmers and earn more than half of their income from farming. No less than 75 percent of the acreage of the farm they wish to purchase must be zoned as Agricultural or Conservation under the county's Zoning Ordinance. Eligible farms must meet MALPF requirements and receive a favorable recommendation from the Frederick County Agricultural Preservation Advisory Board. Lastly, the eligible farm must be under contract for purchase by the applicant.

For farmers who have received preliminary approval, the county conducts two appraisals to determine the value of the conservation easement. Through 2011, the county paid participants 75 percent of the easement value but in 2012 instated a bidding process to stretch public dollars. The payment for the county option occurs immediately following the closing of the property so that the county funds can be used to buy land. The process usually takes five months between submitting the application and receiving the settlement.

The farmer has seven years to sell an easement to either the MALPF or Rural Legacy program. If successful, the farmer repays the county the full amount of the option price. If not, the county executes a conservation easement on the property unless the farmer opts to repay the option amount, plus interest, within 60 days.

The Critical Farms Program receives \$250,000 per year through general county revenue. This covers the cost of appraisals and personnel. When conservation easements are sold to the state, reimbursements from MALPF or Rural Legacy go back to the County's Critical Farms Program. As of December 2013, the program has helped 30 farmers, including several beginners.



## MASSACHUSETTS MATCHING ENTERPRISE GRANTS FOR AGRICULTURE PROGRAM

The Massachusetts Department of Agricultural Resources Matching Enterprise Grants for Agriculture Program (MEGA) provides technical and business planning assistance to new and beginning farmers. The program has operated since 2011.

### How It Works

A review team evaluates each application. Applications typically are due in June and applicants accepted are notified in September. Eligibility is limited to farmers who have operated commercial farms for one to five years. Priority is given to those with agricultural experience and the potential to expand their operations.

Farmers are not required to own land but renters must demonstrate that they have secured access to the land they are farming for the duration of time necessary to complete the program and show a return on the public investment. There are no acreage requirements, but applicants with small parcels are encouraged to demonstrate that the size of their farm will not be an obstacle to viability.

Participating farmers meet with program consultants to evaluate farm production and marketing and work with experts to create plans and specific strategies for farm growth and viability. Once the planning phase is completed, they are eligible for matching one-to-one grants of up to \$10,000 for equipment, infrastructure or other capital improvements that improve farm viability as identified through the business planning process. However, grant and matching funds may not be used to purchase land or livestock, pay off debts or for operating or overhead expenses. Applicants do not need to have matching funds secured until after the technical assistance and business planning phases of the program are complete. However, farmers must identify potential sources for matching funds in the program application. Ten to 12 farms per year have received MEGA funds since the program's inception.

## RESOURCE MANAGEMENT

Programs for beginners related to resource management are limited to the federal level. Federal law authorizes the Secretary of Agriculture to set aside 5 percent of Environmental Quality Incentives Program (EQIP) funds for beginners and socially disadvantaged farmers.<sup>45</sup> The 2014 Farm Bill extends the set aside to veteran farmers. Participating beginners are entitled to increased payments—up to 90 percent of costs associated with conservation planning and implementation—and now are able to receive advance payments up to 50 percent of the total.<sup>46</sup> In addition, 5 percent of available Conservation Stewardship Program (CSP) acres are set aside for beginners.<sup>47</sup> The USDA Natural Resources Conservation Service (NRCS), the agency that implements these conservation programs, “reools” unused funds or enrollment acres to make them available to all applicants. Funds also can be shifted among states to meet demand and ensure that overall spending targets are met.

The 2014 Farm Bill increases the loan guarantee rate to 90 percent for beginners and other underserved farmers through the Conservation Loan Program. The program, administered by FSA, provides loans and loan guarantees to producers to implement conservation measures approved by the NRCS.<sup>48</sup> Upping the loan guarantee rate encourages lenders to make loans for practices that improve the environmental sustainability of beginners' operations.



USDA NRCS photo

## State Programs that Support Beginning Farmers and Ranchers

State	Access to Capital						Access to Capital and Land	Access to Land and/or Infrastructure			Ag Production and Business Planning
	Aggie Bonds	Direct Loans	Guaranteed Loans	Linked Deposit	Loan Participation Programs	Grants		Farm Link Programs	Tax Credits	Tax Exemptions	
Alabama											
Alaska											
Arizona											
Arkansas	✓										
California											
Colorado	✓										
Connecticut								✓			
Delaware							✓				
Florida											
Georgia											
Hawaii		✓									
Idaho											
Illinois	✓		✓								
Indiana	✓										
Iowa	✓				✓				✓		
Kansas	✓										
Kentucky					✓						
Louisiana											
Maine											
Maryland	✓					✓					
Massachusetts											✓✓
Michigan											
Minnesota	✓				✓✓						
Mississippi											
Missouri	✓			✓							
Montana	✓										
Nebraska	✓							✓	✓	✓	
Nevada											
New Hampshire											
New Jersey								✓			
New Mexico											
New York											
North Carolina	✓										
North Dakota	✓	✓✓									
Ohio											
Oklahoma	✓										
Oregon											
Pennsylvania	✓										✓
Rhode Island											
South Carolina											
South Dakota	✓		✓					✓			
Tennessee											
Texas				✓	✓	✓					
Utah		✓									
Vermont											
Virginia											
Washington	✓							✓			
West Virginia											
Wisconsin			✓					✓			
Wyoming											

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## Succeeding in the Face of Challenges



Fort Hill Farm photo

**D**ESPITE the challenges, beginners are finding resources and opportunities to enter agriculture. While some of them are young, 36 percent were 55 years or older in 2012,<sup>49</sup> which suggests a rising number of entrants who are early retirees and/or looking for a second career. Breaking with agricultural tradition, an increasing number come from urban and suburban backgrounds rather than being raised on a farm, and while the majority continue to be white, they are more likely than established farmers to be female, non-White or Hispanic.<sup>50</sup> Data from the 2012 Census of Agriculture shows that women operators represent more than 17 percent of beginning farmers but less than 14 percent of all principal operators. Spanish, Hispanic or Latino producers account for nearly 5 percent of beginners but only 3 percent of all operators.

According to the 2009 ERS *Beginning Farmers and Ranchers* report, beginning farmers operate farms of all sizes but typically theirs are smaller than established farms. They are just as likely as established farms to be in metro counties and produce a variety of commodities. Of all commodities, poultry production seems to offer the greatest opportunities for entry, with beginners representing 20 percent of the U.S. total. Animal agriculture, including cattle and dairy, represents more than half of beginners' production value.

Beginners earn more off-farm income than established operators and are somewhat more likely to have a four-year college degree. However, they are less likely to participate in government programs such as commodity payment and conservation assistance programs. This can be an additional barrier because many USDA programs are geared toward commodity production.<sup>51</sup>

These young and beginning farmers are taking advantage of public and private resources and participating in coalitions. Farm incubator programs have sprouted up all over the country to help beginners gain access to equipment, farm infrastructure, training and land to start farming. Organizations like the NYFC are mobilizing and engaging young farmers, and the Farmer Veteran Coalition is cultivating a new generation of

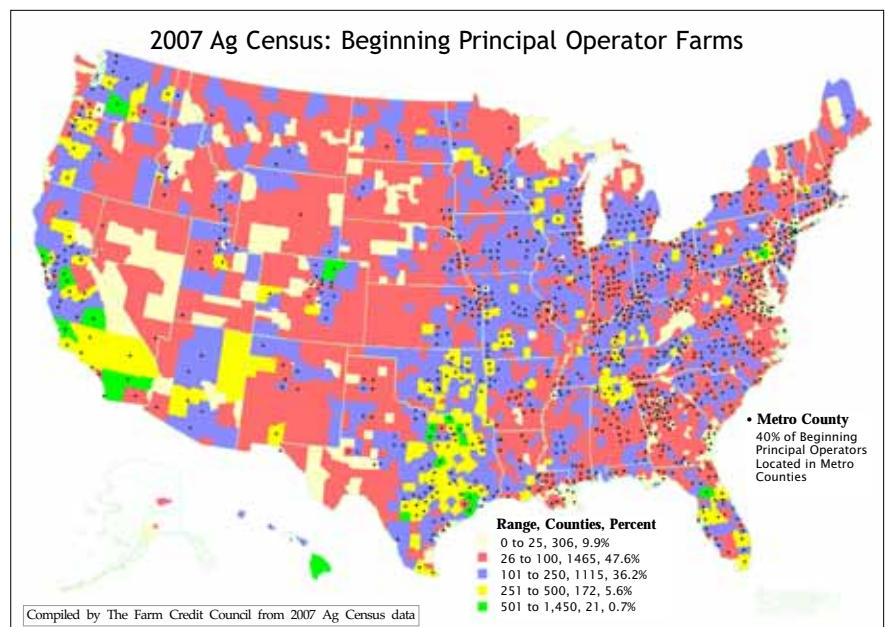
farmers and food leaders to develop viable employment and meaningful careers through the collaboration of the farming and military communities.

Likely due to the rapid expansion of organic agriculture and the local food movement, many of the organizations we found that support beginning farmers are helping them get established through direct marketing and other "retail agriculture" strategies. Matteson and Hunt found that "Retail Agriculture is a product of increasingly heterogeneous and sophisticated consumer tastes," and they point to a 2011 consumer survey ranking locally grown foods as the highest priority for grocery store improvements.<sup>52</sup> Retail markets are appealing to new farmers because they are generally more intensive, thus need less land than conventional operations, require less start-up investment and have lower overhead. Selling retail can provide greater reward for small, entrepreneurial, market-focused farmers, as it tends to yield higher profit margins than conventional marketing and production strategies, although in time, farmers who succeed in retail agriculture often expand to satisfy larger and more conventional markets.

The beginning farmer organizations we spoke with deliver a wide range of services. Many offer education

and training on business planning, production methods and marketing, and some on natural resource conservation. The training comes in many forms—hands-on experience through workshops, internships and incubator programs, as well as classroom education. Some organizations assist with credit applications, direct loans and legal issues; others are engaged with policy and advocacy work. A few help beginning farmers gain access to land through linking programs and by assisting with leasing and land transfer.

We are grateful to the staff of these organizations for introducing us to some amazing young and beginning farmers and ranchers from all across the United States. Beyond learning how to farm and to survive unexpected weather, market fluctuations and so on, beginners must develop a sound business plan, secure credit and find land to launch their operations. What impressed us most went far beyond their ability to navigate a complex and often piecemeal system of available resources. Most striking were their fortitude, resiliency and personal commitment to making it despite the odds.



The following beginning farmer and rancher profiles demonstrate what it takes both personally and professionally to enter and succeed in agriculture today. They are ordered in approximate chronology in terms of farming experience and/or operation.

## GETTING STARTED (NEW FARMERS IN THEIR FIRST TO THIRD YEARS)

### Gina Perez, Fiddle Farms John's Island, South Carolina

For Gina Perez, Fiddle Farms is an outgrowth of her passion for home gardening. After working as a fisheries biologist for the South Carolina Department of Natural Resources, then playing fiddle at venues in the evenings and bookkeeping and gardening by day, Gina learned of a farm apprenticeship program that could help her elevate her sales at local farmers markets.

In March 2012, Gina became an apprentice in the Growing New Farmers Program of Lowcountry Local First, a South Carolina nonprofit dedicated to building the local economy through support of local farmers and businesses. The program consists of three phases: apprenticeship, farm business incubation and land matching. By October of 2012, Gina entered phase two and became one of five inaugural farmers at Lowcountry Local First's Dirt Works, a 10-acre incubator farm on John's Island, South Carolina.

Concern over the aging farmer population, combined with the need for hands-on training and business

incubation of new farmers in a low-risk, affordable setting, led to the formation of Dirt Works. For a \$2,000 per year lease, Gina farms full time on an acre of land with access to water, shares use of a packing facility with refrigeration and other farm equipment, and is part of a community of new farmers learning from each other and a farm mentor.

Gina grows organic squash, spinach, okra, green peppers, cauliflower and zucchini in season, and arugula and carrots year round. She markets through wholesale outlets as well as at farmers markets, restaurants and through a local CSA. After planting flowers as a pollinator plot, she recognized the heavy demand for flowers in Charleston—"a wedding town"—and began to sell them directly. During the busy season, she has wedding customers every week. "To make an income (in farming) you have to be clever about what you grow. In this town, that's flowers. Flowers make people happy and people will buy what makes them happy." In the three years that she can lease from Dirt Works, Gina will continue to hone her marketing skills. She identified growing vegetables



and flowers as the “easy” part and marketing as the “hardest” part of farming.

In a couple of years, after her lease with Dirt Works expires, Gina will enter the final phase of the program—finding land to purchase or lease with assistance from the Growing New Farmers Program. Historically, John’s Island was one of the largest tomato producing areas in the country. But market loss in the 1970s led to farmland conversion and residential growth. About one-third of John’s Island is within the city limits of Charleston, and the entire island has been affected by a sprawling population. From 2000 to 2010, the island’s population increased by 50 percent. Nearby Kiawah Island, home to the 2012 PGA Championship, has many transient landowners. Land values on John’s Island have increased rapidly in the past decade, and land for homes currently sells for \$40,000 to \$50,000 per acre. Gina does own a home on the island and hopes that when she is ready to purchase farmland, the sale of that home will help to finance her farm.

Although Gina’s long term goal is to own approximately 5 acres of farmland where she can expand her vegetable and flower farm, purchasing land right



Fiddle Farms photo

away was not an option for her. She needed to gain production, financial and marketing skills before taking such a step. And she will need the program’s support in locating, evaluating, negotiating and affording farmland on John’s Island, where her extended family lives and she hopes to continue raising her young daughter. She already knows what land she would like to buy—near the river.



### Jess Thompson Scott County, Kentucky

A former truck driver, Jess Thompson worked with Kentucky State University to launch a pasture poultry operation on 38 acres of vacant family land. While he had some production experience raising cattle and selling firewood, Jess says his biggest challenge “was getting to know the birds” (Rhode Island Reds and Cornish Rocks) but after that “everything else was like clockwork.”

To get started, he borrowed money from four local investors who he described as friends and people in

the community who supported what he was doing. For now he pays them back in chickens, as so far he has reinvested everything into growing his fledgling operation.

Because feed prices are high and his operation is small, he went in with a larger farmer to buy feed in bulk, which significantly lowered his costs. He says his chickens also love foraging, especially for clover and grasshoppers. He built several mobile enclosures, which he pulls 9 feet at a time across small pastures created using flexible electric fencing, so his chickens can move freely and graze while staying safe from predators.

Jess contracts with Marksbury Farm Market, a small, locally owned processing facility, butcher shop and retail market that partners with local growers who share its “commitment to sustainable, humane and natural production methods.” In addition to its own farm market, Marksbury sells to farmers markets, restaurants, Whole Foods and other outlets in the region. Jess also became certified to use the university’s mobile processing unit so he can prepare his own chickens, vacuum pack them in freezer bags and sell retail at farmers markets and CSAs. He says his chicken is different—smoother, with lots of breast meat, more like turkey. “Not like supermarket chicken,” he says with pride.



Edwin Chavous photo

Jess Thompson (right) with his son Tim.

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## GETTING STARTED (CONTINUED)

### Clay Nash Monticello, Arkansas

Clay Nash says he's "been around the cattle industry for years" but always "has been a boy without a farm." Since graduating from Louisiana Tech with a degree in Ag Business and a minor in Animal Science, he has been involved with the cattle industry in various ways, working for feedstock companies, working for seed-stock ranches, managing ranches, doing artificial insemination work and currently working as a carcass ultrasound technician. He is one of the founding members on the Grassfed Exchange and says he knew and understood the cattle business before starting to ranch himself.

Through his ultrasound work Clay found buyers looking for people to raise grass-fed beef and about three years ago decided to start ranching for himself. Now 44, he says he "got in on the ground floor with a branded beef company" that specializes in niche marketing of grass based beef. Since then, the market has "come by leaps and bounds." He usually buys his cattle at about 900 pounds and finishes them on grass and forage to about 1,200 pounds so does not own them very long. He rents land from a nearby neighbor who, because of longstanding family relationships, was willing to lease about 500 acres to Clay and his father-in-law, who recently retired and also wanted to do something with cattle.

Clay says "we don't own the farm but can do pretty much whatever we want." They raise "grass with some power to it" as well as the beef and put up stored forages. They use a lot of electric fence, which is easy to put up and take down and also less of a capital expenditure.

Financing was his greatest challenge. Clay says, "Money, getting the money to buy the cattle was the main thing—you can get some government loans but it's hard to get loans without land for collateral." Luckily his father-in-law had some money to put down out of retirement savings, which they used to buy cattle, a used pickup truck and a trailer. While Clay did not have the collateral to get a loan, he says "My pa-in-law just went to the bank," and they were in business.

Clay emphasizes, "We don't have a brand new pickup truck or brand new equipment. Instead we rent the land, have people plant for us, buy cows and get them delivered." In short, their business model relies more on people than making a big investment in land or equipment.

Clay says that it helped that his father-in-law has lived in the community for his whole life and was well known by the local bank. It also helped to have a business plan. Clay was able to show the loan officer a spreadsheet that detailed their bottom line: what

they paid for the cattle, feed and equipment; rent for their land; along with the sale price of the cattle and their net profit. "We do pretty good with the niche marketing, starting out small with a guaranteed price, so we know what we're going to get."

He has some advice for beginners, starting with "ease into it," "plan for the unexpected," and "keep your production low-input." He also advises against "buying the biggest ranch or that brand new pickup." In the end, he says "know what you want to do and stay in that box; don't tie up your money going in different directions."



Clay Nash photo

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## MAKING IT WORK (FARMERS IN THEIR FOURTH TO SEVENTH YEARS)

### Mark Trapp, Trapp Family Farm Peninsula, Ohio

Mark Trapp has a farmer temperament, but not a farmer pedigree. Raised in suburbia and trained as a mechanical engineer, however, he might be a representative face of the food farmer of the future.

With a Millennial's pessimism towards the status quo and optimism about better ways to do things, he turned 30 last year on a 28-acre farm with a 60-year lease in the Cuyahoga Valley National Park between Cleveland and Akron.

He started with a few advantages that many beginning farmers don't have: a savings account from a short engineering career and a practically lifetime lease at a reasonable rate: a sliding share of his on-farm gross income that caps at 10 percent after 10 years, plus market-rate rental on the farmhouse.

"I got into farming because of fear for the world I'd bring children into," he said. "But now it's love of the land that keeps me here—and that's a more positive motivation."

There's one other thing that separates Mark from many of his contemporaries starting out in the world of food farming: horses.

"When we got started, we probably would've had to invest in two bad tractors. Instead," he said, "we invested in a good team of horses." The cost is similar, and the time in the fields is greater, but Mark said the slow pace and proximity to the ground "forces me to think about the soil. It gives me a better sense of what the land means. The challenge is getting this land to be productive again and doing it with horses."

The tall Percherons, Dock and Dan, came from Amish country, two counties to the south, where an Amish farmer schooled Mark in horse-drawn equipment and animal care.

Mark lives on the farm with his partner, Emily Stefanak, who works as a nurse. He does not have health insurance. Mark is healthy but knows the risks of farming and knows he should be insured. He said insurance costs are one of the biggest challenges facing new farmers and that he hopes to find the right policy through the insurance exchanges of the Affordable Care Act.



Brian Williams photo

Mark worked as an engineer in Cincinnati and Cleveland when he began reading books on modern agriculture and the source of our food. That led him to read more about agricultural practices. For three years, he was a part-time farmer on 2 acres of a 70-acre plot in Brooklyn Heights, a suburb of Cleveland. But he dreamed of having his own farm in the country.

Darwin Kelsey is the founder and director of the Countryside Conservancy, a unique program to restore the diversified agricultural heritage of the Cuyahoga Valley. It was founded in 1999—25 years after the 33,000-acre valley became a National Recreation Area and one year before it was designated a National Park. It works closely with the National Park Service to develop the farms and select qualified and committed new farmers to make the land productive.

Mark had heard about the Countryside program and submitted a proposal in October 2011. He was selected after a panel interview with the conservancy and the park service, and moved to the farm, just east of the Summit County village of Peninsula, eight months after applying. He used a borrowed tractor until he bought his horses in July. In October 2012, he turned 30 on the farm and completed the transition from engineer to farmer.

That first year he arrived too late for an early planting of spring greens. But this year he's added broilers and



## MAKING IT WORK (CONTINUED)



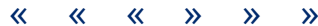
Brian Williams photo

layers to his flocks, doubled his litters of pigs to two and has mapped out how he will incorporate their grazing patterns on the fields he will leave fallow every other year as he rotates cash crops with cover crops.

"I think he's working out very well," Kelsey said. "He's one of our stars. They work their butts off. They got

in on Memorial Day last year, and by end of the year they'd done more than most have after two or three years. What they're doing is typical—moving in, producing high-quality vegetables and meat. But their marketing models are different than what most are offering."

Trapp Family Farm has a modified CSA model that Mark calls a "food guild," with members paying \$1,400 to \$1,500 for about 30 weeks of meat, poultry, eggs and produce. Members pick up their food at the farm each week and can take as much as they want. CSA income is supplemented through a twice-weekly market stand at the farmhouse on busy state Route 303. The guild is small, with eight people in four families, but Mark hopes to serve about 20 customers next year. It's aimed at people who do their own canning and preserving—"people who eat the way we do," he said.



### Rigoberto Bucio, ALBA Farmer Monterey, California

Rigoberto Bucio has come a long way in a very short time due to his own hard work and support from the Agriculture and Land-Based Training Association (ALBA), which provides educational and business opportunities for farm workers and aspiring farmers. Formerly a field hand, Rigoberto was living pay check to pay check until he decided to pursue his dreams and joined ALBA, which gives beginning farmers an opportunity to grow and sell crops on two organic farms in Monterey County, California. He started farming on his own on 1 acre and slowly expanded. At 25, today he produces fruits and vegetables on 15 acres—5 acres in the ALBA Farms and an additional 10 acres he rents outside ALBA.

Rigoberto faced many challenges to get to this point. He says the biggest barrier was lack of capital to purchase land and/or increase planting on rental land. He hopes someday to own his own farmland as he believes this would give him more security and stability. But he also says this has not prevented him from following his dream. He has expanded his rental land by slowly adding acres from year to year by investing all of his profits from the previous year into the next. He says accessing capital was also a struggle, but

thanks to California FarmLink, which works with Spanish-speaking farmers, he secured a loan to help him plant strawberries.

Marketing has been less of a challenge, as he sells most of his produce to ALBA Organics, a wholesale distributor that delivers to schools, universities and retailers. Thanks to his production skills, assistance from ALBA and a reliable market, he has reached the point where he says that "due to the success of the production, I can work full time on my land and provide for my family. My brother and I were also able to bring my mother to California from Mexico to live with us."



ALBA photo



Alison Parker and Alex Needham  
Radical Root Farm  
Libertyville, Illinois

Alison Parker and Alex Needham come from a long line of non-farmers. The notion of becoming a farmer first sprouted in Alison's mind in 2005 when she and Alex were living outside Chicago. Alison was a freelance writer and became inspired by the local foods movement. The idea continued to take root during her year-long stint with Envirocorps in 2006 and 2007 where she picked an urban farming project in Austin, Texas, to explore her new interest in agriculture. "That is where I really fell in love with growing food," says Alison. By the end of the project, she was hooked.

Following her Envirocorps experience, Alison talked to Alex more seriously about the possibility of a future as farmers. They knew they wanted to live in the Chicago-metro area and that they needed more on-farm experience. Alison found an internship on a CSA farm in Wisconsin using the National Sustainable Agriculture Information Service's directory of internships and apprenticeships.

The next year, Alison and Alex launched Radical Root Organic Farm, a small CSA that started with 18 members. The couple cultivated 1 acre loaned to them by a non-profit in Marseilles, Illinois. After their first season, they were eager to expand. Their biggest challenge was finding land. Prices were high in the places they wanted to farm—areas just outside Chicago that are close to people and markets. So, they focused on incubator programs, which they had learned about from the Collaborative Regional Alliance for Farmer Training (CRAFT) program in the Upper Midwest led by Angelic Organics.<sup>53</sup> They searched for nearby opportunities and rediscovered the Farm Business Development Center (FBDC) at Prairie Crossing Farm,<sup>54</sup> which Alison and Alex had visited during a CRAFT field day.

The FBDC, a program of the Liberty Prairie Foundation, is situated on a 100-acre farm in Grayslake, Illinois. "It was a great location," says Alison, noting that the farm is less than an hour to downtown Chicago. Alison and Alex received a little coaching throughout the FBDC's application process from Mike Sands, the center's founding Director. The center's application process requires a business plan, which the couple had not



Radical Root Farm photo

developed yet. But numerous conversations with center staff demonstrated that they were in it for the long haul and they were ultimately accepted into the program.

The FBDC provides access to land; key infrastructure such as packing sheds, greenhouses and coolers; the use of equipment including tractors, tillers and hand tools; and mentor capacity in the form of the farmers at Sandhill Organics, the keystone, permanent farm on the Prairie Crossing site. During their first year, Radical Root farm leased 2 acres, a tractor and tools. Along the way, Alison says they also benefited from the Midwest Organic and Sustainable Education Service Conference, workshops offered by various nonprofits, and area farmers.

At the end of their fifth season, Radical Root Farm produced certified organic vegetables, eggs and honey for 110 CSA members and two large farmers markets. The CSA covers their rent and has paid for some farm equipment. Alison and Alex have "graduated" and moved off the farm at Prairie Crossing.

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## MAKING IT WORK (CONTINUED)

Alison confesses, “I was really kind of panicking. We knew we couldn’t afford anything unless we moved farther away from the city.” At the recommendation of the FBDC, the couple was approached by Conserve Lake County, a local land trust, about the possibility of reviving agriculture on the 150-year old Casey Farm in nearby Libertyville, Illinois. The farm had been purchased by the land trust in partnership with Libertyville Township Open Space District and the Lake County Forest Preserve District in 2007 to prevent it from being developed.

At first it was tricky finding common ground. Alison and Alex were worried about the limits the conservation groups might impose on the farm business. “They were concerned about how things look,” says Alison. She also notes that “...it’s hard for people unfamiliar with farming to really understand what we need.” Conserve Land County and the forest preserve district had questions about scope and potential

environmental impacts of some proposed activities, like raising chickens. But after visiting the farm, they understood what was being proposed and became comfortable with the idea of raising livestock on conservation land.

The Liberty Prairie Foundation/FBDC ultimately stepped in to facilitate the new land tenure arrangement. Liberty Prairie will lease 12 tillable acres from Conserve Lake County and the forest district and then sublease the land to Radical Root Farm. This agreement helps bridge the gap until they learn more about each other’s needs. Alison is optimistic because, “We feel we are conservationists, too.”

With their biggest hurdle behind them, Alison and Alex can now focus on getting equipment and infrastructure in place. They received a small grant from Rodale Institute, plan on applying for an FSA microloan to purchase a wash-pack facility and cooler, and are using crowdfunding to help pay for a new greenhouse.



### Adam Burke, Veterans Farm Jacksonville, Florida

While he was growing up, Adam Burke’s parents operated a blueberry farm in the small town of Webster, Florida. By the time Adam graduated from high school, he had decided that farming was not for him so he enlisted in the Army, seizing the opportunity to serve his country and travel the world. He served in Iraq from 2003–2004 and, just weeks before he was to return home, he was injured by a mortar bomb while trying to help a soldier who had been shot by a sniper.

Coming home with a traumatic head injury and PTSD, Adam was no longer able to serve in the Army. Reluctantly, he accepted an offer to work an empty plot of land back on his parents’ farm. He planted some blueberry bushes and found the pace of the work and the quiet surroundings both calming and therapeutic. So in 2009, with the help of a small seed grant from the Farmer Veteran Coalition and in-kind donations from the community, Adam and his wife, Michele, started a blueberry farm on 2.5 acres of his family’s land.

Adam researched organic blueberry production and planted 30 bushes in wheelchair-accessible containers. “We basically scrounged around at

nurseries that had closed to put it together,” he says. With money from his disability checks he bought an irrigation system. With so much work to do on the farm, over time more and more veterans came to help him out. They, too, found that the work calmed their nerves and cleared their minds. Adam realized that if he expanded his farm he would be able to help more veterans like them.

Adam officially started Veterans Farm in 2010 with the help of a fiscal sponsor, Work Vessels for Veterans, which provides tools to returning veterans seeking to



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start new careers. Through fundraising events and a concert they organized together, Work Vessels for Veterans purchased 8 acres of farmland near Jacksonville and leased it back to Veterans Farm for \$1 a year for 30 years. In 2013, it purchased 5 adjacent acres and leased that back to the Veterans Farm. Later that year, Veterans Farm leased 6 more acres from a private landowner 2 miles down the road. With roughly 20 acres to work with, Adam has expanded production beyond blueberries to include fruits, vegetables, tilapia, chickens and bees.

“Don't try to purchase the land yourself and go in debt, the ROI would take forever,” Adam advises. “There are thousands of acres in this country, sitting, not being used. Talk to local farmers, ranchers, especially those who did farm in the past but because of age are no longer able to. Talk to them about leasing or possible charity leases. What do farmers have to gain? Greenbelt tax exemption! Landowners can save thousands of dollars each year by having their land operational.”

In addition to providing disabled veterans with peaceful and meaningful work, Adam also helps veterans who want to farm on their own. He started a fellowship program in 2011 to help disabled veterans interested in farming gain experience in organic production and develop farm management skills. They receive a modest housing stipend while they are in the six-month training program, as well as some seed

money upon the program's completion. So far, the Veterans Farm training program has helped more than 30 veterans get started in agriculture and hundreds more with resources, equipment, training, knowledge and guidance.

Veterans Farm is an all-volunteer organization. No one, including Adam, receives a salary or compensation. All funding comes from the sale of crops grown on the farm and private/corporate donors or events. “Being a volunteer for five years at 40–50 hours a week is a tough sacrifice most people in this world can't make,” he says. “Being a farmer is a very difficult life. Add being a farmer, CEO, marketing, PR, sales, events coordinator and trainer to people with mental disabilities. Well, on paper it almost seems impossible, but we've made it happen. Of course I only sleep about 3–4 hours at night so I stay pretty busy.” In addition to Veterans Farm, Adam owns a small business as a way to earn money.

Adam may not have appreciated it as a teenager, but now he realizes that he was fortunate to grow up on a farm and gain first-hand knowledge of what it takes to build and manage a successful operation. He says while many beginning farmers did not have this opportunity, many programs are designed to provide new farmers with some of the basic information and skills to start their own farm. “Join the Veterans Farm or a similar program,” Adam says. “Education is the most important thing.”

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## FINDING SUCCESS (FARMERS FOR MORE THAN SEVEN YEARS)

### Lindsey Lusher Shute Hearty Roots Community Farm Clermont, New York

Lindsey Lusher Shute met Ben Shute through their work with community gardens in New York City. Today they are married with young children, and their mutual interest in gardening led them on a path to agriculture. They now own Hearty Roots Community Farm, a CSA operation in Clermont, New York, where they grow vegetables and raise laying hens.

According to Lindsey, after several years of leasing land to get their farm off the ground, it became apparent that to survive they needed to find more and higher quality farmland, as well as a more secure land tenure situation. She says she was quickly frustrated by the high cost of farmland in the lower Hudson Valley where an active second home market drove up land prices beyond agricultural value. Even land protected with a traditional conservation easement was out of their price range.

Around this time, a friend purchased farmland from a local landowner who had managed to outbid a developer for a large parcel in Columbia County. With assistance from a private land trust called Scenic Hudson, the landowner had protected the land with a conservation easement and sold it to their friend at its agricultural value. When Ben and Lindsey met the landowner, their mutual interest led to a similar deal, and in 2012 they bought 70 acres of protected farmland for \$3,500 per acre—an amount they could afford with their established CSA.

Key to the deal was the commitment of the private landowner to make the land available at its agricultural value rather than at its value for second home or other development—protected by a conservation easement. According to Lindsey, “we were able to afford farmland because of an interested landowner.” Today, Ben and Lindsey are working with Scenic Hudson and Equity Trust to add an “option to purchase at agricultural value” to the easement so that the land will remain affordable for future generations.

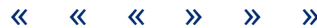


## FINDING SUCCESS (CONTINUED)

In 2009 when the Shutes' personal land access struggles were coming to a head, Lindsey met other young farmers in similar situations and posed the question of forming a young farmers' coalition to a group at a national conference. Thus was born the National Young Farmers Coalition, of which Lindsey is now Executive Director. Her policy background serves her well in this position as the NYFC advocates for young farmers in national agricultural policy as well as provides technical support and offers social and business networking. Lindsey's passion to effect policy change is apparent when she talks about young farmers' needs, "Long-term land access is a key challenge. We can lease to start but require help to find affordable land to build a business and a career."



Hearty Roots Community Farm photo



### Brandon King, BK Acres Inc. Boone, Iowa

Brandon King is the fourth generation of farmers to farm in his family. His father still owns and operates the family farm in Boone, Iowa, where Brandon grew up and where he "helped out the first chance he could, doing chores, cultivating corn, baling hay and 'walking beans' (weeding soybeans before they used Round Up)." In 2003, at the age of 23, Brandon started his own farm growing corn and soybeans, and raising hogs on 140 acres of rented land. A guaranteed line of credit through FSA helped him through those first years, but in 2007 when he wanted to expand his operation and build a barn to hold 2,500 hogs, he turned to the Iowa Development Authority Beginning Farmer Loan Program.

One of 16 State Aggie Bond programs (see page 10), the Iowa program was established in 1981. Its low interest rates and affordable down payment requirements both were a significant help to get Brandon started. He built his first hog barn and the following year wanted to build a second, but the lender he was working with at the time said he had "maxed out the program."

Brandon did not believe this was true and after asking around, sought out a different lender. He met Jayme Ungs from US Bank who had much greater knowledge of the program. "Working with Jayme has been a huge

asset," Brandon says, and Jayme's knowledge of the Beginning Farmer Loan Program helped Brandon use it "to its full extent." In 2008 Brandon built that second hog barn and in 2009 received another loan from the program to buy farmland. "And what the program didn't pick up, the bank financed," Brandon says. He now owns two hog barns to shelter 5,000 animals and 135 acres of farmland in addition to 615 acres that he rents.

The Iowa Beginning Farmer Loan Program was established to assist new farmers in acquiring agricultural property. According to the program contact, it is perhaps the most frequently used of the 16 state Aggie Bond Programs, serving between 75 and 100 farmers each year. Applicants often use the program in conjunction with FSA's Down Payment Program to acquire land. Beginning Farmer Loans are



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financed by participating lenders or agricultural landowners willing to finance the transaction with the issuance of federal tax-exempt bonds offered by the Iowa Agricultural Development Division (IADD). Interest received on contract sales is also exempt from state income taxes. The tax-exempt interest income earned by lenders and participating agricultural landowners enables them to charge the beginning farmers a lower interest rate. Beginning farmer loans typically carry interest rates from one to four percentage points below prevailing market rates.

In addition to operating the farm, Brandon and his wife, Amber, also run a precision planter dealership. Like the farm, this business has grown. What began as a side job that he did for two months of the year now fills his winter months, luckily coinciding with when there is less to do on the farm. "Farming is full time," Brandon laughs, "and the dealership is about half time."

In the future, Brandon would like to own more land but says "to grow faster it is better to rent." Though finding land to rent in Boone is challenging due to competition from other farmers. "You have to put the word out there as much as possible," he says, "talking to landowners and selling yourself." The land he owns

now was once land he had rented and then purchased through a private transaction. For the land he continues to rent, Brandon filled out the paperwork so the landowner can take advantage of Iowa's Beginning Farmer Tax Credit, allowing the landowner a 5 percent tax credit good for the term of the five-year lease Brandon signed.

Of the process for getting the beginning farmer loan Brandon is quick to say, "It's a lot of paperwork!" though he adds that the paperwork is easy "if you have all your financials and all the details ready." To ensure the application process is smooth, Brandon advises, "Make sure all your financials are up to date, including a cash flow statement, net worth statement, list of expenses and an up to date balance sheet." And again, Brandon thanks his loan officer for helping him know ahead of time what information would be needed for the application. But what Brandon really believes to be the key to a farmer's success using a beginning farmer program "is to work with a lender or financial institution that knows the ins and outs of the program.... I can't tell you how helpful Jayme has been."



### Alison and Luke Howard, Homestead Farms, Millington, Maryland

Luke and Alison Howard began farming in 2002. They bought 77 acres of deed-protected open space in Millington, Maryland, that had no infrastructure, not even a house. They started Homestead Farms from scratch, buying \$200 of seed their first season. According to Luke, an essential component to putting together the beginning farmer puzzle was keeping their off-farm jobs.

That first year they raised chickens, eggs and a "teeny plot" of vegetables. They sold greens and tomatoes

to restaurants and the rest of their bounty through farmers markets and a 10-person CSA. They thought they had hit on a fantastic niche market with salad greens but "were choking on \$6.50/dozen" for the eggs. After analyzing all of their inputs including their time (at \$10/hour) they said, "This is fun, but why are we doing it if we're losing money?"

Luke and Alison come from very different backgrounds but have a few things in common. They are both "extremely risk averse" and both had a strong desire to farm. Luke grew up on a conventional dairy farm, and Alison studied sustainable agriculture at the



Alamy, Jeff Greenberg photo



Ben Bowell photo



Ben Bowell photo

## FINDING SUCCESS (CONTINUED)



University of Maine. Alison wanted to grow vegetables organically; Luke—who calls himself “a conservative guy”—was interested in efficient dairy production. Although Luke still wanted to raise cows, after calculating the capital investment, they focused on selling greens to restaurants. When bagged lettuce hit the shelves and their profit margin plummeted, they tore everything up and refocused on the CSA, which has increased exponentially each season. Those early years were a struggle, but the farm is flourishing today.

Between their shared love of agriculture, strong work ethic and disciplined business practices, the Howards “grew their survival” from these humble beginnings to a successful operation with 50 acres of organic market vegetables and 350 acres of organic grains. Today, Homestead Farms, Inc., employs four full-time and between five and nine seasonal employees—all paid above minimum wage and receiving health insurance. They still have a robust CSA and continue to sell at farmers markets but now use a regional broker instead of selling directly to restaurants. In addition, they have found a good market selling organic grains to some large, local buyers. How did they get here and what can we learn from their success?

First, they say, “Farming is an art. It’s not a science. You need science to make it work. But it’s an art.”



### Paul Bucciaglia, Fort Hill Farm New Milford, Connecticut

“Like many small-scale, direct market farmers, I did not grow up on a farm,” says Paul Bucciaglia, owner of Fort Hill Farm, a 20-acre CSA in New Milford, Connecticut. In college, Paul studied agriculture and plant biology, and in the mid 1990s started working with a friend in the Midwest who had bought land and was developing what would become a very successful CSA farm. A few years later, he came home to New England and apprenticed at a CSA farm in

Beyond the art, they work very hard and hold themselves to a very high standard.

They say that “everything we do, we have an exit plan, too.” They have worked multiple off-farm jobs, avoid single-use infrastructure and only buy equipment with high resale value. Their newest farm equipment is from the 1980s. And they have looked for “creative ways to avoid being pigeon-holed into debt.” One of these included buying a three-bedroom house for \$10 from a woman who was going to tear it down. Moving it to the farm cost \$25,000 and made it possible to give up a rented apartment and move their family to the farm.

The Howards’ relationship with MidAtlantic Farm Credit is a case in point. When they got started, they took out a \$5,000 line of credit. Alison emphasizes that “Farm Credit has been very fair to us. But we don’t ask for a lot. It’s about building relationships over time. They knew us before we ever asked for a line of credit.” Luke adds, “We proved ourselves before we asked for a significant increase. And that was over 10 years.”

They borrow more money from Farm Credit now to spread out expenses for their grain operation. However, they have never borrowed money for the CSA. “Loans for a CSA are an oxymoron: the whole point is to get the money up front,” Luke says. “It also might be difficult to get a loan for a CSA.” Alison adds, “The CSA is the hardest thing we do.”

They agree that MidAtlantic Farm Credit has played an important role in the success of Homestead Farms, as does each of the separate enterprises in the farming system. Diversification, relationships and the ability to think out of the box are all important ingredients of the Howards’ success.

Massachusetts. There he learned the skills to run a profitable, mechanized, organic vegetable farm. The combination of biology-based agriculture, a sound business plan and a rapidly increasing demand for local, organic food, convinced him he could run his own farm. However, he was hesitant to start his own business.

Paul took on the manager position at Holcomb Farm CSA in Granby, Connecticut, and after two successful growing seasons he felt ready to strike out on his own. With about \$20,000 of start-up capital and some

very used farm equipment, the only thing missing was high-quality farmland. And then, as Paul describes it, “fate intervened.” He met Margaret McCauley, director of Sunny Valley Preserve, which is owned by The Nature Conservancy. She told Paul about a hayfield of flat, well-drained, stone-free, Class I sandy loam she wanted to rent to an organic farmer. The land also included a house. “It was an almost ideal situation,” Paul says. “So in the fall of 2002 I moved to New Milford, Connecticut, and plowed the first 4 acres of what would become Fort Hill Farm.” With his partner, Rebecca Batchie, Paul now grows certified organic vegetables, herbs, flowers and small fruit for 300 household members. They also sell in a farmers market in Westport and maintain a small number of wholesale accounts.

Starting a new farm business comes with big challenges: capital funding, setting up new markets, developing infrastructure, acquiring equipment, improving soils and managing people. But starting a farm on rented land incurs the additional problem of who owns the capital improvements. Paul found a helpful partner with Sunny Valley Preserve who was willing to pay for some improvements, such as a pole barn, hauling road gravel, repairs and upgrades to the house, while Paul paid for machinery and produce processing sheds, barn doors, concrete floors, road gravel, coolers and greenhouses.

Also key to the farm’s accelerated development were several grants from NRCS (irrigation wells, an underground pipeline and permanent deer fence) and from the Connecticut Department of Agriculture (field and greenhouse equipment), for which Paul is grateful. “These grants helped smooth over my lack of tenant ownership equity in capital improvements and put much needed resources into our hands.”

“Lease tenure is another concern confronting a tenant farmer,” Paul says. “I started in 2002 with a five-year lease. In year three of that first lease, it occurred to me that I only had a two-year lease, which made me very uncomfortable. If I was unable to retain the lease, I would have very little time to locate and improve new land for organic production or develop new market relationships, both of which take a long time.”

To address this, Sunny Valley created a rolling lease. Each year Paul gains a new five-year lease, but the ownership of farm improvements continues to be an issue. “It is more challenging to develop a farm business if there is no mechanism for the tenant to own improvements that he/she has funded,” Paul says. “This makes it hard or impossible to improve existing housing, build worker housing, build processing sheds, irrigation infrastructure, etc.” Paul recommends that beginning farmers “look for or develop leases that have some mechanism for ownership of improvements and for the transfer of capital improvements to a new lessee in a way that allows the renter to recoup value left in the improvements they paid for.” In addition, he cautions, “probably the biggest consequence of renting lies somewhere down the road, at retirement. Farmers have historically retired off the sale of their farm business or land. That option is not available to me. We try to manage it by budgeting ‘retirement’ as a cost into our farm’s accounting each year.”

“In southern New England, leasing land is the only viable option available to beginning farmers,” Paul says. “Developing mechanisms to manage the capital and lease tenure needs of a growing farm business will go a long way to ensure the success of these sorely needed new farms.”



Fort Hill Farm photo



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## FINDING SUCCESS (CONTINUED)

### Andrew Stout, Full Circle Farm Carnation, Washington

Most farmers who start a CSA on 5 acres of rented land could never imagine that 15 years later their company would do more than \$20 million in sales—but this was just the path for Andrew Stout and his wife, Wendy Munroe, co-founders of Full Circle Farm in Carnation, Washington. In 1996, after apprenticing on a CSA in the Midwest, Andrew, Wendy and their friend John wanted to start their own market garden relatively close to an urban area.

They settled 30 miles outside of Seattle on 5 acres with no infrastructure or equipment. Their original vision had been an organic CSA but they realized finances would be tight until they built up membership, so they started selling their produce at two Seattle farmers markets and delivering to restaurants. They had \$46,000 in total sales. Over the next few years, the CSA grew to 150 members and added three more parcels for a total of 20 acres. They continued selling at farmers markets and restaurants, and their sales continued to grow.

In 2000, using the Washington FarmLink program, Andrew and Wendy located 80 acres with a barn and a house. The farm was zoned “agricultural,” and the retiring dairy farmer wanted to lease it to a farmer through a five-year lease. Signing the lease forced the partners to analyze their business and figure out how much they were willing to invest in improvements on land they did not own.

They expanded their CSA to include year-round deliveries as a way to maintain a steady cash-flow and reduce member turnover. They partnered with other farms to offer a wider range of products throughout the year. To help finance this transition, they got a small security-backed line of credit based on their personal finances. The losses in the early years were covered by personal loans to the company. Once they

switched to year-round sales, the partners were able to meet their modest salary goals.

Over time, Andrew and Wendy were able to negotiate a 15-year lease with first right to buy. Having a longer lease and good relationship with their landowner gave them the confidence to expand their business and invest in infrastructure, including a cooler and a vegetable washing and packing facility. In 2003, they purchased 53 adjacent acres and later two additional farms, one of which was acquired in partnership with the PCC Farmland Trust. As they continued to expand, they leased an additional 100-acre parcel.

The farm continued to grow by leaps and bounds. Through a collaborative arrangement with Alaska Airlines, the partners began to deliver produce year-round to Anchorage, Alaska. In 2013, they split the operation into Full Circle Farm and a delivery division, Full Circle.

When the farming operation was at its peak in 2003 they farmed 430 acres, all of which was certified organic. At that time the farm division included the production, harvesting, packing and sale of produce, and employed 80 seasonal workers and 10 full-time equivalents, including farm managers, a packing shed manager, administrators and a sales team. But after dramatic reductions made in 2013 Andrew says they have greatly reduced their farm staff and expect to control 135 acres in 2014. The delivery division now employs 115 and delivers produce to about 16,500 customers in California and the Pacific Northwest.

Full Circle sources from certified organic land in Washington, Mexico and California and operates three distribution centers for local farmers in the Northwest, the San Francisco Bay region and Alaska. Andrew says preference is given to family-scale operations with strong stewardship practices and a unique story. Nearly 30 key partner farms supply products along with 50 to 75 other farms and artisan businesses. Between the farm and the delivery division, Andrew believes he is creating an efficient, lasting business model that allows producers and consumers with similar values to connect in the marketplace, ultimately expanding the volume of food that can be supplied through sustainable channels.

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*This profile includes information from Marcia Ostrom and G.W. Stevenson's Values-based Food Supply Chains: Full Circle, used with the authors' permission. (Madison, Wisconsin: Center for Integrated Agricultural Systems, 2013).*



istock.com, JestersCap photo



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## Observations



**T**HE farmer profiles exemplify what we found from other research. Beginning farmers and ranchers are an increasingly diverse group and enter agriculture with a wide range of motivations, backgrounds and experience. Whatever their starting point, beginners face and must overcome similar challenges:

- » Securing appropriate farm and ranch land;
- » Qualifying for financing and credit to develop farm infrastructure, acquire equipment, seeds and/or livestock;
- » Determining the right mix and marketing of their products; and
- » Developing sound business and risk management plans.

Beyond addressing these challenges, successful beginners are resourceful and determined, generally taking advantage of multiple public and private resources—including family and friends—to get started.

Across the country and in various ways, beginning farmers have both been inspired by and taken advantage of the local food movement. Many got started by selling retail through CSAs, farmers markets and directly to restaurants. As they became more sophisticated and their operations grew, they often scaled up to take advantage of wholesale and larger regional and institutional markets while preserving the values that first brought them to agriculture. Others are raising grass-fed beef, pasture pork and poultry, taking advantage of growing demand for sustainably grown meat. And of course, beginners still enter through conventional commodity systems, as well.

AFT identified many resources to support beginning farmers and ranchers, but it required extensive research to find them. However, when it came to access to land, the resources were far too few and far between to address the pervasive challenge of locating and affording appropriate land to purchase or to rent. We found

that, due to competition from established farmers as well as from non-farm development, other factors such as large parcel sizes and the estate market exacerbate the problem. Most important, while we found a well-developed infrastructure to assist beginners with production training, business planning and finance, this simply was not available to address access to land.

Many of the programs and resources address the needs of entering farmers and ranchers but not necessarily the middle or “hump” stage of getting established in agriculture. Yet this is often when beginners have the greatest need for support. To expand their operations and become commercially viable generally requires more land and financing. Many graduate from incubator and other programs after three or four years, often the point in a growing business when they need the most help. It would be good to know how many of them fail at this critical juncture.

AFT looked for positive examples to inspire the next generation, but research on why beginners fail also would be useful. The 2014 Farm Bill provides \$100 million for the BFRDP, increases access to capital and supports crop insurance and risk management tools,

including reducing crop insurance premiums during the first five years of farming. The Small Business Association collects data on failure rates for Main Street; given the 20 percent drop in beginning farmers since 2007, it would be valuable for USDA to examine whether additional supports or program changes are needed to more successfully support the next generation.

In addition to these general observations, AFT identified three big picture things that would help the next generation of farmers and ranchers find and take advantage of the resources they need not only to enter but to thrive in agriculture.

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### EXPAND BUSINESS TRAINING AND TECHNICAL ASSISTANCE TO HELP BEGINNERS OBTAIN FINANCING

While many people have pointed to credit and financing as significant issues, many kinds of financial resources are available and tailored to meet beginners' needs. FCS and FSA in particular have programs that prioritize beginning farmers and ranchers. However, it can be difficult for beginners to find them, and often there are barriers that make it difficult for beginners to use them.

According to many of the people we interviewed, beginners often do not have solid business plans and are not skilled at presenting themselves to lenders. Some—especially young farmers—don't have well established credit histories or collateral. At the same time, traditional lenders often are unfamiliar with CSAs and other local food markets and do not have a background in analyzing return on investment on retail and other untraditional farming operations. Put the two together and it can be very difficult for beginners to get financing. To bridge this gap, more resources and training are needed for lenders as well as for beginning farmers and ranchers. Supported by a 2011 BFRDP grant, in partnership with the Wallace Center of Winrock International, the Farm Credit Council reviewed and evaluated the effectiveness of training programs to help beginning farmers and ranchers develop successful financial skills education. These results could be used to advance financial literacy training across the country.

In addition, more financial analysis tools are needed to help beginners who have diversified operations with multiple crops and specialize in retail markets, such as farmers markets and CSAs. Beyond initial financing to get started, this is as much of a challenge as they grow their operations and need to analyze the profitability of specific crops and the pros and cons of expanding into institutional or wholesale markets.

Developing new financial resources to support retail agriculture would strengthen its economic viability as well as improve beginners' ability to obtain financing.

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### IMPROVE COMMUNICATION AND COORDINATION

Public programs often are dispersed among several agencies that do not communicate with each other or reach out to their beneficiaries. A multitude of small, mostly nonprofit organizations with limited resources, very specific missions and/or geographic reach work independently and are generally unaware of each other. So, even though there are many private organizations and public agencies offering assistance, it is difficult for beginners to find, compare and access those resources.

State-level policies and programs were especially hard to find. For example, Massachusetts and Maine both have production/business training programs, yet neither turned up in Web searches. We were able to identify them because AFT field staff knew the educators who provided the trainings. This was true of financing programs, as well. Very few state departments of agriculture websites point beginners to finance programs administered by state finance authorities or treasurers—and vice versa.

Even within established networks like FCS, communication could be improved between institutions. While the Farm Credit Act requires Farm Credit lenders to have programs to meet the needs of young, beginning and small farmers and ranchers, perhaps because they are independent cooperatives, staff often do not know about similar programming in sister institutions. More work is needed to compile, compare and coordinate these and other kinds of programs so beginning farmers can take advantage of them and lenders can learn from each other.

Overall, outreach and communication about beginning farmer policies, programs, organizations and resources must be greatly improved. To begin to fill this gap, AFT has started a next generation resource section on our Farmland Information Center website ([www.farmlandinfo.org/beginningfarmers](http://www.farmlandinfo.org/beginningfarmers)) to connect beginning farmers and their service providers with available resources. We also have an answer service with staff available to answer questions and share knowledge and information.

USDA has made a commitment to beginning farmers and can take significant steps to coordinate government support for the next generation. Two possible models it could adapt for this purpose include the Know Your Farmer Know Your Food (KYF2) initiative

and the Sustainable Agriculture, Research and Extension (SARE) program. KYF2 is carried out by a task force of USDA employees representing every agency within the Department and is intended to integrate programs and policies, break down bureaucratic silos and foster new partnerships. SARE requires each state and U.S. territory to develop a training program for USDA field employees and make sustainable agriculture information available to farmers and the public. State coordinators are responsible for professional development; coordination, promotion and networking. Using one of these models would help USDA share information with state departments of agriculture as well as the public and feed the Start2Farm website.

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## DEVELOP POLICIES AND PROGRAMS TO HELP BEGINNERS GAIN ACCESS TO LAND

Access to land was the most persistent and pervasive—although not always primary—challenge beginning farmers face. This is true, at least in part, because so few resources have been devoted to addressing it. Farm link programs are the most widely used approach but report only a small number of actual matches.<sup>55</sup>

Most farm link (or land link) programs list land offerings through an online database. The more sophisticated programs offer consulting services and examples of transfers, agreements and structures to facilitate transitions. While it appears they are more successful when they include active recruitment and counseling, more evaluation of these programs is needed.

State and federal government incentive programs are a promising opportunity. TIP and state income tax credits in Iowa and Nebraska successfully encourage agricultural landowners to sell or lease land to beginners. Modest changes to agricultural assessment laws could incentivize landowners to rent land to beginners. In New York, lawmakers relaxed eligibility criteria to allow start-ups, and landowners to rent to new farmers and still qualify for agricultural valuation.

Delaware's Young Farmers Farmland Purchase and Preservation Loan Program and the Critical Farms Program in Maryland are good examples of what is possible within the framework of a public farmland protection program. More farmland protection programs could adopt affordability provisions with eligibility requirements designed so beginners can participate. Some already are exploring affirmative use language to ensure protected farmland stays in active agricultural

use. Program administrators could take advantage of existing authority, and lawmakers could expand program authority to purchase land in fee and lease it to beginners.

Private land trusts could experiment with the same approaches. Like Conserve Lake County, they could lease land and expand services to beginning farmers and ranchers. More than 5 million acres of agricultural land have been permanently protected by public farmland protection programs and private land trusts. This offers great potential, but more work is needed to connect the dots to ensure these programs help beginning farmers gain access to land.

Federal agencies, such as the Department of Defense and the National Park Service, as well as state and local governments could create inventories of public properties, assess parcels suitable for agricultural production and establish lease programs for farmers. These programs might be restricted to beginners or require that a certain percentage of publicly owned acres are leased to beginners.

Since so many beginners rent land, more resources and technical assistance are needed to help navigate lease arrangements. Negotiating terms, such as the length of the lease and who invests in and owns capital improvements, is critically important. Furthermore, it can be hard to borrow money for equipment and livestock without owning land to serve as collateral. While organizations such as Land for Good and Drake University have started to collect valuable guidance documents, more efforts are needed to support beginners with rental agreements and terms.

Ultimately, more research, training and technical assistance are necessary on farmland transfer and access mechanisms to ensure that land stays in active agriculture and the next generation of farmers and ranchers can have a future on the land. Beyond additional resources, it is important to build the knowledge and skills of agricultural service providers to advise agricultural landowners on potential land transfer and leasing strategies and beginning farmers on land access opportunities—including nontraditional approaches such as working with nonfarming landowners. Beginners would benefit from a robust network of agricultural educators and service providers who have close ties to farmers and agricultural landowners and the knowledge and skills to help them gain access to land.



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## Endnotes

- <sup>1</sup> The U.S. Department of Agriculture (USDA) defines beginning farmers as those who have been farming for 10 years or less. Data about beginners are limited. The Census of Agriculture tracks “years on present farm” for operators and only publishes data for those with fewer than 10 years’ experience. This census item has been used to represent the number of beginners.
- <sup>2</sup> *Expanding Our Food and Fiber Supply through a Strong U.S. Farm Policy: Hearing before the Committee on Agriculture, Nutrition, and Forestry*, 111th Cong. 5–6 (2011) (statement of the Honorable Tom Vilsack, Secretary, USDA).
- <sup>3</sup> USDA Economic Research Service (ERS), *Beginning Farmers and Ranchers At A Glance: 2013 Edition*, Economic Brief Number 22 (Washington, D.C.: USDA ERS, 2013).
- <sup>4</sup> USDA National Agricultural Statistics Service (NASS), *2012 Census of Agriculture* (Washington, D.C.: USDA NASS, 2014).
- <sup>5</sup> Mary Ahearn and Doris Newton, *Beginning Farmers and Ranchers*, EIB–53 (Washington, D.C.: USDA ERS, 2009). Available at [www.farmlandinfo.org/sites/default/files/BF5\\_Ahearn\\_Beginning%20Farmers%20and%20Ranchers\\_2009.pdf](http://www.farmlandinfo.org/sites/default/files/BF5_Ahearn_Beginning%20Farmers%20and%20Ranchers_2009.pdf).
- <sup>6</sup> Lindsey Lusher Shute, *Building a Future with Farmers: Challenges Faced by Young American Farmers and a National Strategy to Help Them Succeed* (Tivoli, N.Y.: National Young Farmers Coalition, 2011).
- <sup>7</sup> Mary Ahearn and Doris Newton, *Beginning Farmers and Ranchers*.
- <sup>8</sup> Ibid.
- <sup>9</sup> USDA ERS, “Agricultural and Resource Management Survey (ARMS) Briefing Room” (Washington, D.C.: USDA ERS, 2012). Available at [www.ers.usda.gov/Data/ARMS/GlobalAbout.htm](http://www.ers.usda.gov/Data/ARMS/GlobalAbout.htm).
- <sup>10</sup> Robert Parsons, Kathy Ruhf and G.W. Stevenson, “The FarmLASTS Project: Executive Summary and Recommendations” (Burlington, Vt.: University of Vermont, 2010).
- <sup>11</sup> USDA NASS, *Land Values 2013 Summary* (Washington, D.C.: USDA NASS, 2013).
- <sup>12</sup> USDA Natural Resources Conservation Service (NRCS) and Center for Survey Statistics and Methodology, Iowa State University, *Summary Report: 2007 National Resources Inventory* (Washington, D.C., and Ames, Iowa: 2009). Available at [www.nrcs.usda.gov/technical/NRI/2007/2007\\_NRI\\_Summary.pdf](http://www.nrcs.usda.gov/technical/NRI/2007/2007_NRI_Summary.pdf).
- <sup>13</sup> Based on an analysis by American Farmland Trust’s Farmland Information Center using market value of agricultural products by commodity groups and county from the 2007 *Census of Agriculture*. For the purposes of this analysis, “urban-influenced counties” are those assigned a 2003 Urban Influence Code of 1, 2, 3, 4 or 5 by USDA ERS.
- <sup>14</sup> Sarah A. Low and Stephen Vogel, *Direct and Intermediated Marketing of Local Foods in the United States*, ERR–128 (Washington, D.C.: USDA ERS, November 2011). Available at [www.ers.usda.gov/publications/err-economic-research-report/err128.aspx#.U3Y75dJdXbw](http://www.ers.usda.gov/publications/err-economic-research-report/err128.aspx#.U3Y75dJdXbw).
- <sup>15</sup> USDA Agricultural Marketing Service, data posted at: [www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?template=TemplateS&navID=WholesaleandFarmersMarkets&leftNav=WholesaleandFarmersMarkets&page=WFMFarmersMarketGrowth&description=Farmers%20Market%20Growth&acct=frmrdirnkt](http://www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?template=TemplateS&navID=WholesaleandFarmersMarkets&leftNav=WholesaleandFarmersMarkets&page=WFMFarmersMarketGrowth&description=Farmers%20Market%20Growth&acct=frmrdirnkt)
- <sup>16</sup> USDA NASS, *2012 Census of Agriculture*.
- <sup>17</sup> USDA Food and Nutrition Service, *Farm to School Census, 2013*. Available at [www.fns.usda.gov/farmtoschool/census/#/](http://www.fns.usda.gov/farmtoschool/census/#/).
- <sup>18</sup> Gary Matteson and Alan R. Hunt, *The Emergence of Retail Agriculture: Its Outlook, Capital Needs, and Role in Supporting Young, Beginning, and Small Farmers* (Washington, D.C.: Farm Credit Council, 2012).
- <sup>19</sup> Bob Wagner and Kathy Ruhf, *Does the Option at Agricultural Value Protect Farmland for Beginning Farmers? A Policy Analysis* (Keene, N.H.: Land for Good, 2013).
- <sup>20</sup> About Farm Credit: [www.farmcreditnetwork.com/about](http://www.farmcreditnetwork.com/about); accessed November 23, 2013.
- <sup>21</sup> Farm Credit Administration in Brief: [www.fca.gov/about/fca\\_in\\_brief.html](http://www.fca.gov/about/fca_in_brief.html); accessed November 23, 2013.
- <sup>22</sup> MidAtlantic Farm Credit’s StartRight Program: [www.mafc.com/young-beginning-small-farmers.php](http://www.mafc.com/young-beginning-small-farmers.php).
- <sup>23</sup> Farm Credit Mid-America: [www.e-farmcredit.com/Benefits/YoungBeginningandSmallFarmers/tabid/109/Default.aspx](http://www.e-farmcredit.com/Benefits/YoungBeginningandSmallFarmers/tabid/109/Default.aspx).
- <sup>24</sup> *Farm Credit Association’s Annual Report on the Farm Credit System’s Young, Beginning, and Small Farmer Mission Performance: 2011 Results*. Available at: <http://fccouncil.com/wp-content/uploads/2012/06/YBSBoardPresentation2011.pdf>; accessed November 23, 2013.
- <sup>25</sup> Agricultural Credit Improvement Act of 1992, Pub. L. No. 102–554, 106 Stat. 4142 (1992).
- <sup>26</sup> USDA Farm Service Agency (FSA), *Beginning Farmers and Ranchers Loans*. Available at: [www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=bfl](http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=bfl); accessed November 4, 2013.
- <sup>27</sup> 7 U.S.C. § 1935.
- <sup>28</sup> USDA FSA, *Beginning Farmers and Ranchers Loans*.
- <sup>29</sup> USDA FSA, Microloan Web page: [ww.fsa.usda.gov/FSA/newsReleases?area=newsroom&subject=landing&topic=pfs&newstype=prfact-sheet&type=detail&item=pf\\_20130820\\_farln\\_en\\_microln.html](http://www.fsa.usda.gov/FSA/newsReleases?area=newsroom&subject=landing&topic=pfs&newstype=prfact-sheet&type=detail&item=pf_20130820_farln_en_microln.html); accessed November 11, 2013.
- <sup>30</sup> 26 U.S.C. § 147 (c)(2) (2013).

- <sup>31</sup> 7 U.S.C. § 1985 (c)(1)(B) (2013).
- <sup>32</sup> A list of inventory properties is available at [www.resales.usda.gov/resales/](http://www.resales.usda.gov/resales/).
- <sup>33</sup> In addition to administering the longest-standing farm link program, the Center for Rural Affairs advocates for programs and policies to strengthen rural economies. The Center was instrumental in the passage of the suite of programs in Nebraska that help beginners gain ground.
- <sup>34</sup> Note: Not currently accepting applicants.
- <sup>35</sup> Wisconsin had a tax credit program that expired January 1, 2014; it had been limited to depreciable assets (machinery, equipment, facilities, or livestock used in farming). Nebraska requires participating beginners to enroll in a financial management class. The cost is reimbursable through a state income tax credit up to \$500.
- <sup>36</sup> Farmland Information Center, [www.farmlandinfo.org/landowner-options/farm-and-ranch-land-protection](http://www.farmlandinfo.org/landowner-options/farm-and-ranch-land-protection).
- <sup>37</sup> Land grant institutions are colleges and universities established by the Morrill Land Grant Acts of 1862 and 1890 to offer agricultural courses among other educational programs.
- <sup>38</sup> The Cooperative Extension System is a nationwide, non-credit educational network. Each U.S. state and territory has a state office at its land grant university and a network of local or regional offices. Expert staff provide useful, practical and research-based information to agricultural producers, small business owners, youth, consumers and others in rural areas and communities of all sizes. A directory of offices is available online at [www.csrees.usda.gov/Extension/](http://www.csrees.usda.gov/Extension/).
- <sup>39</sup> 7 U.S.C. § 3319f (2013).
- <sup>40</sup> Beginning Farmers and Ranchers Development Program (BFRDP): [www.csrees.usda.gov/fo/beginningfarmersandranchers.cfm](http://www.csrees.usda.gov/fo/beginningfarmersandranchers.cfm).
- <sup>41</sup> USDA National Institute of Food and Agriculture (NIFA), *Beginning Farmer and Rancher Development Program Outcomes Report 2011* (Washington, D.C.: USDA NIFA, 2012). Available at [www.nifa.usda.gov/funding/bfrdp/pdfs/bfrdp\\_fy11\\_outcomes\\_web.pdf](http://www.nifa.usda.gov/funding/bfrdp/pdfs/bfrdp_fy11_outcomes_web.pdf).
- <sup>42</sup> About Start2Farm: [www.start2farm.gov/about-start2farm](http://www.start2farm.gov/about-start2farm); accessed on November 23, 2013.
- <sup>43</sup> 7 U.S.C. § 3319f(e) (2013).
- <sup>44</sup> Food, Conservation and Energy Act of 2008, Pub. L. No. 110-234, 122 Stat. 1161 to 1211.
- <sup>45</sup> 16 U.S.C. § 3841(g) (2013).
- <sup>46</sup> 16 U.S.C. § 3839aa-2 (2013).
- <sup>47</sup> 16 U.S.C. § 3841(g) (2013).
- <sup>48</sup> Conservation Loan Program Fact Sheet, March 2012, [www.fsa.usda.gov/Internet/FSA\\_File/consv\\_loan\\_pf\\_20120306.pdf](http://www.fsa.usda.gov/Internet/FSA_File/consv_loan_pf_20120306.pdf); accessed January 2013.
- <sup>49</sup> USDA NASS, *2012 Census of Agriculture*.
- <sup>50</sup> Mary Ahearn and Doris Newton, *Beginning Farmers and Ranchers*.
- <sup>51</sup> *Ibid.*
- <sup>52</sup> Gary Matteson and Alan R. Hunt, 22.
- <sup>53</sup> According to the CRAFT website, CRAFT is a farmer-led coalition organized by sustainable producers in a selected geographic region. Participating farmers provide their expertise to help train the next generation of farmers. CRAFT provides farmer-to-farmer learning and access to the social network and culture of local farmers. The first CRAFT program was founded in upstate New York in 1994. In 1997, 10 farmers from northern Illinois and southern Wisconsin founded a second CRAFT program in the Upper Midwest.
- <sup>54</sup> The Farm Business Development Center (FBDC) supports the development of successful family farm enterprises by focusing on the production and marketing of organic foods for local and regional food systems. The incubator program works by providing land, farm infrastructure, and a positive learning environment that helps beginning farmers develop the entrepreneurial skills, farming knowledge and market networks needed to become successful using a market-based fee structure where possible. Farmers are a part of the incubator for no more than five years, at which time they are expected to “graduate” to the next level of independence.
- <sup>55</sup> Janet Hammer, Ph.D., “Growing Opportunity: An Examination of Existing Farm Link Programs and Their Applicability to Oregon.” Available at [www.pdx.edu/sites/www.pdx.edu.cupa/files/media\\_assets/growreport.pdf](http://www.pdx.edu/sites/www.pdx.edu.cupa/files/media_assets/growreport.pdf); accessed on February 27, 2014.

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## Organizations Interviewed for This Report

ALBA (Agriculture and Land Based Training Association)  
[www.albafarmers.org](http://www.albafarmers.org)

Angelic Organic Learning Center  
[www.learn-grow-connect.org](http://www.learn-grow-connect.org) California Farmlink  
[www.californiafarmlink.org/](http://www.californiafarmlink.org/)

Begin Farming Ohio  
Ohio Ecological Food and Farm Association  
[www.beginfarmingohio.org](http://www.beginfarmingohio.org)  
[www.oeffa.org](http://www.oeffa.org)

California Farmlink  
[www.californiafarmlink.org](http://www.californiafarmlink.org)

Center for Land Base Learning  
[landbasedlearning.org/farm-academy.php](http://landbasedlearning.org/farm-academy.php)

Countryside Conservancy  
[www.cvconservancy.org](http://www.cvconservancy.org)

Cultivating Community  
[www.cultivatingcommunity.org](http://www.cultivatingcommunity.org)

Drake University/The Agricultural Law Center  
[www.law.drake.edu/academics/agLaw/](http://www.law.drake.edu/academics/agLaw/)

Farm Beginnings  
Land Stewardship Project  
[landstewardshipproject.org/morefarmers/](http://landstewardshipproject.org/morefarmers/)

Farm Credit East  
[www.farmcrediteast.com/](http://www.farmcrediteast.com/)

Farmer-Veteran Coalition  
[www.farmvetco.org](http://www.farmvetco.org)

Frontier Farm Credit  
[www.frontierfarmcredit.com](http://www.frontierfarmcredit.com)

Grow NYC, New Market Development Program  
[www.grownyc.org/greenmarket/nfdp](http://www.grownyc.org/greenmarket/nfdp)

Intervale Center  
Farms Program  
[www.intervale.org](http://www.intervale.org)

Iowa State (Beginning Farmer Center) AgLink Program  
[www.extension.iastate.edu/bfc/](http://www.extension.iastate.edu/bfc/)

Kentucky FarmStart  
[www.ca.uky.edu/kyfarmstart/](http://www.ca.uky.edu/kyfarmstart/)

Land for Good (New England)  
[www.landforgood.org/](http://www.landforgood.org/)

Liberty Prairie Foundation  
Farm Business Development Center  
[www.prairiecrossingfarms.com/](http://www.prairiecrossingfarms.com/)

National Young Farmers Coalition/Greenhorns  
[www.youngfarmers.org/](http://www.youngfarmers.org/)

New Entry Sustainable Farming Project  
[www.nesfp.org/](http://www.nesfp.org/)

Northeast Beginning Farmers Project  
Cornell Small Farms Program  
[nebeginningfarmers.org/map/](http://nebeginningfarmers.org/map/)

Oklahoma Beginning Farmer and Rancher Program  
The Kerr Center for Sustainable Agriculture  
[www.kerrcenter.com/beginning-farmer/](http://www.kerrcenter.com/beginning-farmer/)

Pennsylvania Association for Sustainable Agriculture (PASA)  
[www.pasafarming.org/](http://www.pasafarming.org/)

Pennsylvania Center for Farm Transitions  
[www.iplantofarm.com/](http://www.iplantofarm.com/)

Pennsylvania State University Extension – Start Farming  
[extension.psu.edu/business/start-farming](http://extension.psu.edu/business/start-farming)

South Carolina New & Beginning Farmer Program  
Clemson University, Low Country Local First,  
Carolina Farm Stewardship Association  
[www.scnewfarmer.org](http://www.scnewfarmer.org)

Southern University Agricultural Research  
& Extension Center  
[www.suagcenter.com](http://www.suagcenter.com)

Vermont Land Trust Farmland Access Program  
[www.vlt.org/initiatives/affordable-farmland](http://www.vlt.org/initiatives/affordable-farmland)

Virginia Beginning Farmer and Rancher Coalition Project  
[www.vabeginningfarmer.aee.vt.edu/](http://www.vabeginningfarmer.aee.vt.edu/)

Women Food and Agriculture Network  
[www.wfan.org](http://www.wfan.org)







American Farmland Trust  
SAVING THE LAND THAT SUSTAINS US

NATIONAL OFFICE  
(800) 886-5170  
[www.farmland.org](http://www.farmland.org)

FARMLAND INFORMATION CENTER  
(800) 370-4879  
[www.farmlandinfo.org](http://www.farmlandinfo.org)