

MICHIGAN NEW FARM DEVELOPMENT



Case Studies from the Southwest Michigan Emerging Farmers Initiative

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INTRODUCTION



Initiating a farm enterprise is often an extremely difficult undertaking, particularly for first generation farmers. Producers who wish to follow an unconventional path and operate a fairly small, diversified farm that markets directly to the surrounding community as opposed to managing a large, monoculture farm that contracts with corporate agribusinesses, face even greater challenges in accessing capital and proving themselves worthy to lenders. Identifying land that is suitable for farming, that is reasonably proximate to market opportunities and that is affordable for beginning farmers can feel nearly impossible. Thus, start-up costs are a major issue facing beginning farmers. Due to the lapse of time between planting and harvesting and the several years required to reach optimum farm capacity, patient capital is required for land acquisition and production-related expenses. Agricultural entrepreneurs must either make cautious, cost-efficient decisions and be willing to grow slowly, or take on huge debts during the first three years of start up.

Despite the obstacles, young producers in Michigan are taking advantage of all of the resources and support they can find and drawing on their own determination, perseverance and passion for farming to reach their goals. The following case studies present the stories of four young Michigan producers. These individuals have all recently completed a journey towards owning their own farm. Each beginning farmer enrolled in and completed the Southwest Michigan Emerging Farmers Initiative (EFI) Farmer 101 course offered through a partnership between the C.S. Mott Group for Sustainable Food Systems at MSU (Mott Group), Michigan State University (MSU) Extension of Van Buren County and local farmer Lee Arboreal.

EFI utilizes a holistic model of asset building that values the role of human capital, social capital and financial capital in strengthening entrepreneurial capacity, which is based on the work and research of the Aspen Institute.¹ The initiative consists of a one-year program that integrates farm production and management classes, a peer-to-peer network of farmers, and a matched savings program. It also offers training in business plan development and identifying markets and encourages agricultural entrepreneurs to build relationships with one another as a means of support. Upon completion of the course, participants receive an Agriculture Individual Development Account (IDA), which, by leveraging their individual contributions to a savings account with a 2:1 match up to an account total of \$3,000, enables producers to focus on launching or strengthening their business. The four farmers whose stories are chronicled here, completed this program three years ago and thus their case studies highlight the role that this program, along with other experiences, played in enabling them to build their farm enterprise.

Mott Group member Susan Cocciarelli conducted a phone interview with each of these four producers in the spring of 2009. The interview, which typically lasted about an hour, offered insights into the nature of their farm operation, the process they went through to establish a farm, the resources they utilized in this process and the gaps in resource availability that they experienced. In telling their stories we highlight the ways in which three resource arenas – **access to start-up capital, learning opportunities** (including both formal and informal) **and social network supports** – contribute to the possibility of a vibrant farm enterprise. Each of these beginning farmers forged a path to success, facing different individual challenges along the way. Together, their stories show that these key resource arenas were fundamental to their success because they were interconnected and mutually reinforcing. And yet, the accessibility of these fundamental resources for beginning farmers in Michigan is piecemeal at best.

¹FIELD Microenterprise Fund for Innovation, Effectiveness, Learning, and Dissemination. Aspen Institute. <http://fieldus.org/index.html>

AMY LIPTON CASE STUDY



Amy, a native of West Michigan, knew since college that she wanted to farm. Whenever she could, she used her summers to work on farms. Now Amy and her business partner Elizabeth are moving into their fourth season of running their own Community Supported Agriculture (CSA) farm on land that, after leasing for three years, they were just recently able to purchase. Amy and Elizabeth grow approximately 35 crops on 5 acres that will become certified organic in 2009. They use a 16 ft x 48 ft heated hoop house to grow their own vegetable starts and employ three part-time seasonal employees. In addition to marketing through their CSA, which serves 100 people, they also sell at several farmers markets.

Because Amy and Elizabeth had been told by other farmers that they should not expect to support themselves solely through farm income for at least the first three years of operation, they relied on their winter income in the early going. As they expand their CSA, they plan to increase their net income by \$4,000 each year up until they are each receiving \$18,000 a year. During the second year of production they each netted \$2,000 but in the 2009 growing season they expect to net \$10,000 each. By 2010 Amy expects

that the farm will provide her sole source of income.

In her journey towards owning a financially viable farm, Amy spent four summers working for different farmers and enrolled in two separate business related programs. The first was Grand Rapids Opportunities for Women (GROW), a micro-enterprise and financing program that offers business planning to limited resource female entrepreneurs. The second was the Emerging Farmer program. Amy has been able to draw on this experience and the financial, educational, and social network resources available in the southwest Michigan region to reach a point where she is able to both live out her goals and to fully support herself from farm income. Her story demonstrates the importance of all of these components in enabling beginning farmers to succeed.

ACCESS TO CAPITAL

Amy's choice to enroll in two micro-enterprise programs offering micro-finance enabled her to take advantage of multiple matched savings account programs available to low-resource beginning entrepreneurs. Her agriculture IDA, offered through the Emerging Farmer program, enabled Amy to save for a couple of years, which gave her time to consider whether the land she was leasing was really land she wanted to purchase. Additionally, having the IDA forced her to be conscious about using the money in a way that would make the most long-term sense for the farm. In the end, she did use the money to purchase the property she was farming.

For Amy, it was really important to build up the capacity of their farm without taking on large debts. A farmer mentor for whom she worked once told her to "never cut corners," but to make cost effective decisions based on the stage of farm development. Amy took this wisdom to heart and realized that it was not necessary to immediately buy the farm equipment that she had at first thought she would need. Instead, she dedicated a

On this farm:

- 1st generation farmer
- 35 crops on 5 acres
- Female owned and operated
- 100-member CSA
- 4th year of operation
- Organic certification in process



lot of hard labor with minimal equipment to keep costs low. By the second season of operation, she and her farm partner were able to afford key equipment, including a used tractor, without risking the financial viability of the farm.

LEARNING OPPORTUNITIES

Amy took advantage of the various farmer-related educational offerings in West and Southwest Michigan. Though a critical component of starting her farm, the business planning course taken at the GROW program in Grand Rapids was distinctly inadequate in providing realistic input and output information. Amy stresses that a farm business plan is not a generic business plan. The most important thing she learned from the GROW class was not just how to create a business plan and use a spreadsheet but also the value of a business plan. The receipt of the IDA was the motivation to attend the class but once she attended she realized how creating a business plan could be beneficial.

Later Amy found that having gone through the exercise of developing a business plan helped her to evaluate her decisions in pursuing her own farm more carefully and to consider elements like the proximity of the property to potential markets. These classes also furthered her understanding of other marketing aspects of farming and helped her to extend her networks with other farmers through farm visits.

Much of what she needed to know for farming Amy learned through on-farm experience. One of the most valuable things she gained from her farm experience was the confidence that making an income by farming was possible, even when from a business plan standpoint it looked doubtful. Farm experience also gave her insight into the equipment and processes that make financial viability achievable for small growers. As she says, “Had I never been on a farm I might have wondered ‘Maybe I can’t make any money doing this.’ So having seen that this is something that works and the exact methods that different farmers use, whether a vegetable wash station or

“**Had I never been on a farm I might have wondered, ‘Maybe I can’t make any money doing this.’**”

a tractor implement is a simple thing, but made such a difference in buying the tools we needed.”

Experience on farms was also key in enabling her to both understand how important it is to build up farm capital slowly, not taking on too much debt too quickly, and understand the cost-saving practices that still allow for growth of farm operations. Amy describes how she applied this experience to her business plan by saying: “I think if I hadn’t worked on farms, the first thing I would have thought that we needed was a tractor, that’s number one. Whereas in reality the thing that you work with more than the tractor is good harvest knives, and you need a garden cart and you need to hire some help. I think that we wouldn’t have realized where to allocate the money without these plans, and then we wouldn’t have realized without the spreadsheet what we couldn’t afford.”

Because she was mobile and debt-free coming out of college, she had the ability to live in a tent during the summers and work for low pay. This made it possible for her to gain so much on-farm experience before acquiring her own land.

SOCIAL NETWORKS

The connections that Amy was able to forge with other farmers have proved to be extremely valuable all throughout the process of learning how to farm and continuing through beginning to farm her own property. Many of these connections were made when Amy spent her summers working on various farms. But she was also able to expand her network through farm visits as part of the Emerging Farmer program. As Amy developed personal relationships with

farmers by working for them, she found that they were often willing to share their knowledge in a level of depth that they typically would not do, which gave her greater insight into farm operating systems.

When she was ready to begin looking for her own land to farm, she learned of the property she is now operating on through another farmer, who in turn learned about it through a farmer acquaintance. Because in Amy's mind identifying land can be the most difficult obstacle for beginning farmers, having connections to social networks of farmers can be invaluable. Once she acquired land, Amy relied on her relationships with farmers for advice in regards to the pros and cons of different equipment pieces or tractor models. In fact, the on-farm mentoring that Amy received was so valuable to her that she would like to serve as a mentor herself for other aspiring farmers.

RESOURCE GAPS

Amy's story also shows that there are a number of gaps in the resources beginning farmers need. She found that there were several important skills that she and her business partner needed that they had not learned as part of either their on-farm or their classroom education. These included building with metal, building with wood, plumbing, and electrical wiring. She also felt that she lacked an understanding of what she should be paying for different tools and pieces of

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equipment. As a result of not having fully developed these skills prior to starting their own farm, she and her partner found erecting their hoop house to be more challenging than it should have been. Amy also learned the hard way that MSUE is not always adequately prepared to

address the needs of small farmers. In her experience they did have the information she needed about safety standards for the direct marketing of farm products, but she found that other farmers were usually her first resource for information.

SUMMARY

Looking at Amy's story of starting a farm, we see that for her the on-farm apprenticeships were the single most important piece that gave her the confidence to start her own farm and the knowledge base that she needed to succeed. The experience she gained provided relevant farm financial information for her business plan development offered through the Emerging Farmer Program. It was this experience that enabled her to understand the pace at which she should scale up her production and her farm capital. She learned what processes and equipment pieces are and are not essential, which enabled her to avoid taking on unnecessary debt. The matched savings program (IDAs), which initially was a carrot for enrolling in the Farmer 101 program, enabled her to connect with other farmers, learn more about the product and production methods suitable for her product, and gave her time to make cost effective decisions with the equity. Most importantly, the IDA enabled her to first lease and then purchase her land so that she could operate her own farm.

It was also other farmers who taught her that, even with wise decisions, the progress towards financial viability will take several years and thus she avoided the pitfall of unrealistic expectations. Amy was able to take full advantage of the financial resources through the matched savings of the IDA, the classroom education, the farmer network that linked her with other CSA farmers in the region, and farm business plan development support by putting these elements into the context of her on-farm experience. In other words, because of her on-farm experience she was able to understand how these resources would operate in the real world and to leverage these resources in the most effective way possible.

MONICA BROMLEY CASE STUDY



Five years ago Monica and her husband Derrick purchased an orchard. For Monica, environmental concerns and reservations regarding increased U.S. reliance on imported food aligned with her interest in outdoor, physical labor to lead her towards the decision to farm. While she and her husband rely on day jobs to supplement their farm income, eventually, after completing her degree in psychology, she would like to run a horticulture therapy institute from the farm. Now in their fifth year of operation, they lease land for raspberry production and market the raspberries through u-pick, direct farm sales and wholesale direct to customers. While they have a waiting list for their raspberries, they have lost at least one crop every year, which has several times meant the difference between a net profit and a net loss.

The finances of Monica's farm demonstrate the delicate balance of revenue and expenditures necessary to achieve profitability. "We have not made a profit, and we don't expect to make a profit for probably at least another two years. It all depends on how our spending habits change. We're getting close to being able to be propagating our own nursery stock rather than buying it, that's going to be huge. We're getting

close to having, feeling like the equipment we have is adequate and will last us for a while, and we have made some fairly major purchases in the past few years. So all that in mind, we do not intend to give up our day jobs until we've been turning a profit for about five years. So we're hopeful that in about seven years we'll be quitting our day job proverbially."

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Because their farm makes money every year but also has large expenses every year, reaching the point of profitability will require adjustments in expenditures. This will partly be dependent on their ability to maintain their farm equipment in order to maximize their investment and minimize the frequency of capital expenses. The fact that they have not yet been willing to put themselves in a position of relying solely on farm income demonstrates how difficult this is to achieve. At the same time, however, because Monica and Derrick are able to provide for many of their own needs from the farm, Monica feels that they are less vulnerable to fluctuations in the broader economy than many others.

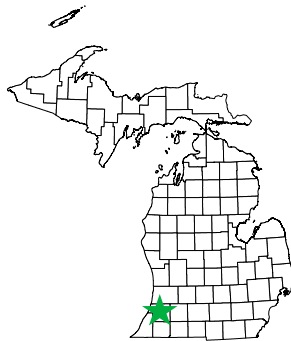
Monica had experience with sustenance growing and educational farms prior to purchasing the orchard, but she had no prior tree farm experience. She had, however, managed a business and worked in a number of different industries, which provided her with insight into the business aspect of farm operations.

ACCESS TO CAPITAL

Monica has experienced significant difficulties in accessing capital both because of lifestyle choices and because of the non-conventional nature of

On this farm:

- First generation farmers who maintain additional employment
- Diverse fruit production
- Direct marketing and u-pick sales
- 5th year of operation



their farm operation. “I don’t have collateral, I don’t have any credit, because I live in a cash world and my husband and I lived abroad for so long that we just don’t count. Even after 5 years of farming they’ll only give me \$2,000 line of credit on a credit card with decent interest.

“If I was putting in 10 acres of raspberries, I could get an FSA loan. But because we are a diverse fruit farm trying to offer a whole season’s worth of goods... There are no fruit CSAs in the Midwest except for us, and we don’t even do it anymore because it controls our schedule too much. If we wanted to take out a loan and use it to balance out or create our propagation houses so that we could really grow on our own... and it’s frustrating that you can’t even get low interest loans that can be applied to matching grants, because I would honestly try if that loan worked for me, and that I can’t get a matching grant because I don’t have any money to match it with.”

Essentially, Monica has found that you have to have capital in order to access capital. Furthermore, not only is it difficult to obtain a loan if a farmer is not operating under the predominant monoculture models, but the receipt of a loan can force farmers to make choices that Monica sees as being financially unsustainable in the long run. “I know so many people that are slaves to their FSA loans and having to make decisions that corrupt the stability of their business in order to make payouts, in order to get FSA loans. It’s a negative cycle for small producers, and we don’t want confinement ranches so how do we help people deal when they’re having a bad season and they’re trying to play by the rules?”

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In this context, it is not surprising that the prospect of receiving an IDA was the primary

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motivation for Monica’s participation in the Emerging Farmer program, as it was for the other farmers interviewed. This was all the more true for Monica given that her time is so limited from maintaining a day job in addition to farming. Given the difficulty in accessing capital as well as their desire not to be overly constrained in their farming decisions, Monica and her husband have chosen to grow their farm by taking advantage of resources like the IDA, by investing their own money (which she estimates has been about \$30,000) and by working off the farm. Recognizing the difficulty of living solely off of farm income without significant additional resources, she says, “So I think that we’re in a unique position in that we haven’t chosen to put ourselves on the line and throw it all in. Instead we’ve chosen to have other jobs. And the people that I know that have thrown themselves in have either had a lot of help, or are now having to go back and get day jobs.”

LEARNING OPPORTUNITIES

Monica went through an online business plan writing workshop and also completed the Emerging Farmer program. She feels, however, that learning how to develop a business plan would be easier and more relevant if it were woven through all of farmer training rather than taught as an isolated component. In her words, classes should be “thinking about [farming] as a business, integrating tools throughout the lesson plan so that when you talk about yields they’re thinking business plan. When you’re talking about risks and struggling against them, you think about business plan.”

Monica found that the experience she had in managing a business was what really enabled her to feel comfortable developing a business plan for her farm. She finds it odd that the business plan classes she has experienced have never encouraged people to volunteer or intern at a small business similar to the type they hope to run themselves since this is the kind of educational experience that was most important for her.

SOCIAL NETWORKS

Despite the fact that the IDA was the motivation for the Farmer 101 class, Monica found that the most valuable component was the opportunity to brainstorm the development of a business plan with peers. “Honestly I can say that the biggest ‘aha’ moment probably came from the roundtables in between where we’re kind of trying to hold each other’s business plans, or at least saying ‘have you heard about this? How are you going to solve this?’ And encouraging each other to get into diverse operations, you know just that crop or diverse vegetables... it was the peer to peer questions and answers.”

While competition among growers has hindered the development of an active network emerging from the course in Monica’s perspective, she feels that the course helped to foster a higher level of camaraderie. Monica’s previous experience working for a business that worked with local farmers helped her to build connections to the producers in her community, which she has found to be very valuable as she has worked towards establishing her own farm.

RESOURCE GAPS

While the farmer education program she participated in was useful, particularly in so far as it encouraged her to use cooperative extension agents as a resource, through farming she has realized that there are other topics that would have been helpful to include in this course. In navigating her day job and the farm work, she has realized the importance of record keeping and of time management. She has also realized the necessity of understanding food safety laws as

they are relevant to farmers.

Monica also identified a number of policy needs from her standpoint as a small farmer. First of all, she thinks that there is an enormous need to make health care plans available to farmers, perhaps through a cooperative model, since many of the producers that she knows have no health insurance. Secondly, she thinks that if the state enabled farmers to accept food stamps at on-site farm stands, this would both expand potential markets for farmers and enable farmers to serve more of the people in their community. Finally,

“Honestly I can say that the biggest ‘aha’ moment probably came from the roundtables in between [Farmer 101 classes]... it was the peer to peer questions and answers.”

Monica feels that if farms were able to receive tax-deductible donations through an umbrella organization and to legally contract low-pay or no-pay internships, it would be easier for farms to achieve financial viability.

SUMMARY

In considering Monica’s story, what stands out are the difficulties in accessing capital she has experienced, which demonstrate that the model for lending practices is outdated and does not adequately serve small farmers who do not have prior collateral. If Monica and Derrick were able to secure a loan, they would be in a better position to expand their operations or to propagate their own nursery stock, which could translate into reduced expenditures and increased revenue. But Monica’s story also reveals that in the absence of ready access to capital, support networks and formal and informal learning opportunities are crucial for beginning farmers.

ALEX LUNDBERG CASE STUDY



Alex and his wife Marta recently moved to Northwest Michigan to take over the operation of a farm from a couple who, after farming for more than 15 years, had been looking to sell their property. Though Alex came to farming in a roundabout manner, he had never liked jobs with a rigid nine-to-five schedule and had always liked working outdoors. He learned numerous skills related to farming, such as carpentry, blacksmithing and wilderness survival, before realizing one day, while pulling giant weeds in a corn patch as a CSA member, that farming was his true calling. During a class field trip to what is now their farm, both Alex and Marta felt that the farm aligned perfectly with the vision they had for their own farm and subsequently began to make arrangements with the owners to purchase the property. The previous owners had run a 17 week CSA with an average of 15-20 members as well as sold produce to the chef at a nearby campground and flowers to a local restaurant.

Alex and Marta plan to begin their operation by selling at a farm stand and later work up to re-establishing the CSA distribution within the next 1-2 seasons. They may eventually expand the

acreage under cultivation beyond the ½ acre that is currently planted, but Alex would first like to work towards extending the length of the growing season by incorporating a hoop house. They are expecting to receive some income from the farm stand this year and will work towards drawing their full income from the farm within at least the next 5 years. In the meantime, however, their expenses are minimal because they live off the grid and have very few bills. While they have invested a substantial amount of their own money in educational programs, including learning about hoop houses, they have been fortunate in that the previous farm owners are willing to accept land payments based on how much revenue Alex and Marta are able to generate.

ACCESS TO CAPITAL

One of the most discouraging aspects of Alex and Marta's journey towards farm ownership was realizing how few opportunities there were for securing access to capital in order to implement the ideas they had. As Alex put it, "There were points when we said "well we know what we want but how the heck are we going to get a loan? How are we possibly going to get into a situation where we can possibly buy a piece of property?"

They went through a period of time in which they had very little faith in their ability to access land and, as such, felt that they were very fortunate to find the opportunity to take over an existing farm under flexible financial arrangements. Though Alex has not yet begun to invest in the IDA, he sees this as an opportunity to purchase a hoop house and grow the farm operation more quickly than he would otherwise be able to do. The IDA will help him to minimize the amount of debt he has to take on and enable the hoop house to pay for itself much more quickly.

He also received crucial support from the Telemon Corporation, which assists farm labors in transitioning to becoming farm owners, in the form of financial assistance for things like new

On this farm:

- 1st generation farmer
- Flexible land-purchase agreement in place
- Diverse production on ½ acre
- Startup year
- Direct sales via farm stand



work boots or tuition for the MSU Organic Farming Certificate program. He credits them with not only allowing him to overcome financial hurdles but also being a key source of encouragement.

LEARNING OPPORTUNITIES

Alex participated in both the Van Buren County Agricultural Emerging Farmer program and the MSU Organic Farming Certificate Program and Marta also attended a business planning class through the Lansing Enterprise Fund. It was through the IDA program that Alex began to realize that you cannot take the financial aspect of farming for granted and to see how crucial a business plan really is. As he says, “in southwest Michigan was where I really realized the importance of a business plan not just for getting a loan, but getting your ideas on paper. And just getting things really solidified takes a pipe dream and turns it into some kind of tangible, realistic idea. And it tells you how realistic your dreams are. You can sit there and say ‘this makes sense or it doesn’t.’ And so that was really great for us.”

Alex also found the MSU program to be a good opportunity to learn about the farming process more generally. He really valued the classroom learning, and the associated opportunities for discussions and asking questions, that is not typically possible through farm work experiences.

Alex finds the community enthusiasm for opportunities to purchase products from small farms to be a source of inspiration.

SOCIAL NETWORKS

Alex acknowledges that his connections with a couple of farmers who have acted as mentors have been absolutely critical for him in that they have not only demonstrated that it is possible to farm, but also have actively encouraged his aspirations. And it was connections with other

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farmers, established through the education programs, that enabled Alex and Marta to find their dream farm property. Beyond the support networks among farmers, Alex finds the community enthusiasm for opportunities to purchase products from small farms to be a source of inspiration. “Another organization that was really helpful was just the community so to speak. When you can go to a farmer’s market and see these people doing this, and go to a CSA distribution and see people not just involved, but excited. That really is encouraging and brings your motivation to a level that’s higher.”

RESOURCE GAPS

Beyond the challenges accessing capital, one of the difficulties that Alex and Marta encountered was simply identifying valuable learning opportunities. He felt that one of the biggest challenges that they faced in their journey towards farm ownership was finding mentorship support and people willing to teach them farming skills, as opposed to just seeing them as an opportunity for free labor. “Yeah, some of the barriers I think for us were probably not barriers for other people, a lot of it was coming into contact with somebody who, you know a family or an individual or a farm who were initially open to helping and then ‘what I really want is for you to just weed and I don’t want to show you anything.’ We got that a lot, and that was discouraging.”

On a policy level, Alex argues that government should offer tax incentives to small farmers as a

way to counterbalance the strong levels of institutional support for the mono-cropping farming system, which can be discouraging for those wishing to pursue a model of a small, diversified farm.

SUMMARY

Through Alex's story, we see that the educational programs were among the most crucial resources in opening the door to farm ownership. These programs helped him translate his goals into an achievable and financially attainable path to success and created the occasion for connections with other farmers that led to the opportunity to purchase an operational farm. Furthermore, the willingness of the previous farm owners to accommodate Marta and Alex's financial capacity to pay for the farm property made this opportunity much more feasible than it otherwise would have been. The IDA will also enable them to build their farm capacity more quickly and by taking on less debt than had that not been available to them. In short, the social support networks and the educational programs, along with the associated IDA, have helped propel Alex and Marta beyond the obstacles to accessing capital available through conventional channels and into ownership of Five Springs Farm.

DANIEL TWINING CASE STUDY



Daniel discovered his love for gardening while he was pursuing his undergraduate degree. When he realized that he wanted a career that would not only provide an income but that would enable him to work for himself and to be as self-reliant as possible, he decided that farming was the path for him. In 2002 he and his spouse Kelly purchased a portion of a homestead that had organic certification but had not been cultivated. Of the 28 acres he acquired, roughly 12 acres is field and the rest is wooded. He now cultivates a wide variety of vegetable crops on 5-7 acres, using hoop houses to grow greens during the winter. He sells through farmers markets, CSAs (including a winter CSA), a local co-op and occasionally restaurants.

Since beginning operation, Daniel has been able to sell everything he grows and to steadily increase his income. He currently works during the winter in order to pay the bills but expects to transition to relying on the farm as his sole source of income once he has completed construction of his house. But because he has been able to build up his farm in incremental

steps without taking on any debt, he is less economically vulnerable than he otherwise would be. Daniel feels that he has essentially reached the greatest level of production possible without hiring additional labor. In fact, after his house is complete, he would like to scale back his production somewhat.

Daniel feels like financial resources, personal capacity and support networks are the most important components for beginning farmers.

Daniel feels like financial resources, personal capacity and support networks are the most important components for beginning farmers. As he put it, “it’s just money and capacity. And you think about money as capacity but just personal capacity. Before last year I never thought I could have worked that hard. I never thought I could get that much done. I would have never done that in years past. But I was able to do it. And I think there was a drive in me to get into a house, so personal capacity takes time to build... But you just gotta keep going. If I wouldn’t have loved what I was doing and loved being outside and being in a good spot, then I wouldn’t have stuck with this. But I really got to make it happen.”

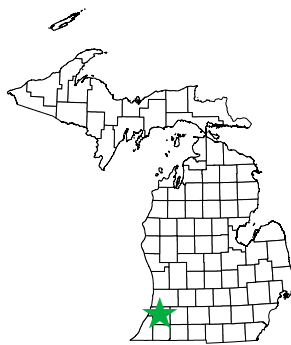
Even though the slow process of building up a farm and constructing his own house on the farm property have been discouraging at times, his enjoyment of the farm work has enabled him to push through these set backs.

ACCESS TO CAPITAL

Similarly to the other farmers interviewed, Daniel had little confidence in his ability to secure a loan and, furthermore, wanted to avoid taking on major debts. In acquiring his property he was able to work out a land contract with the previous owner. As Daniel put it, “Basically [the previous property owner] was willing to work out all the

On this farm:

- First generation farmers
- Land purchased in 2002
- Diverse vegetable production on 5-7 acres
- Sales through farmers markets, CSAs (including winter), co-op and occasional restaurants



terms with me and just a really low down payment, and so that's how I was able to do it. I was basically broke, I didn't really have any savings and the bank wouldn't have given me a loan to buy the property, so it was the perfect thing."

Both the IDA and the marketing model he has adopted have enabled him to build his operation without accruing large debts.

The IDA also played a large role in enabling Daniel to make forward progress in building up his farm operation. He describes it saying, "Well I think it came at a time when we, our savings wasn't very big— it was a lot of money is an easy way to say it. It really meant a lot at the time. I mean, it was only \$3,000, but it was enough to start our home project. I argued, you know, it was supposed to be money to get a farm project going and help the farm, but when it came down to it I thought that the money should be spent on the foundation of the house... So what we did with it was mostly money down on the money that it took to start the foundation of the house. Once that happened, I think in late spring, then in the fall we were able to put up the walls and the roof and everything. But anyway, I thought it was really important, it was a big thing at the time. It really made a big difference... and it really was able to lift us to a point where, well give us kind of a boost and then we were able to build on it in the fall with our winter CSA. We were able to put some money into the house with that. And then it just continued on. It really helped.

In running his farm, Daniel finds that using the CSA model, in which customers pay in advance for a share in the farm, makes covering his spring expenses, including seeds, organic certification fees, and property taxes, much more feasible. Thus, both the IDA and the marketing model he has adopted have enabled him to build his

operation without accruing large debts.

LEARNING OPPORTUNITIES

After graduating college, Daniel worked on a farm outside of Eugene, OR for a while and then later gained additional experience working on a Michigan farm. He completed a business plan writing course offered by MSU Extension and also went through the Farmer 101 course. At the time of the latter course, however, he had already been managing his farm for several years so he found much of the information to be overly basic. Nonetheless, he appreciated that the business planning aspect of this course was targeted specifically to growers and taught by someone who had growing experience, which made the information far more relevant. Still, while the educational programs he completed were useful in some ways, he wished that these programs had provided a list of where to find different kinds of information farmers need as well as a list of other growers in the area who are operating under similar models. These would be resources with lasting utility.

SOCIAL NETWORKS

For Daniel, the most valuable part of the EFI Farmer 101 course was the peer network component. In his words, "I got busy and I couldn't make a lot of [the networking meetings], but it was good. And I still know the people, and I'm glad that I visited their farms. Yeah, I thought it was good. That was one of the most special parts of [the class], probably. Having in the area of other farms that you know of, and farmers and farms that are doing some of the same things... It helps you see your place in the community and stuff. I thought it was really good. It was one of the best parts. Really, the people out there with more seasons they don't matter. The people with faces really matter. They can help you if you want to do better, succeed, so that's a really important part of whatever you're doing."

It was also through a friend who was volunteering on a farm where Daniel was working that he learned about the farm property for sale. He found as well that connecting to networks of

consumers interested in local, organic produce opens up new market opportunities. For example, through selling to a co-op the word about his farm spread to other customers, both individuals and institutions.

SUMMARY

Daniel's story shows how alternative financial arrangements have enabled him to create a successful farm operation even when he had little start-up money of his own and had little interest in or the ability to access conventional loans or mortgages. Because he would not have been able to secure a loan to purchase the property, being able to negotiate a land contract was critical. The IDA also played a critical role in enabling him to make progress in constructing his home on the farm. Finally, the financial arrangements of the CSA enable him to continue his farm operations without taking on debts each spring.

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CONCLUSION



Together these four case studies demonstrate both commonalities in the experiences of beginning farmers and key elements necessary for a viable small-scale farm enterprise. First of all, it is apparent that to succeed as a beginning farmer personal interest in not only the daily tasks of farming but also the lifestyle that comes with it is imperative. These individuals are willing to live simply, to work long hours, to take on extra jobs if necessary, to meet many of their needs through their own labor, rather than through consumer purchases, and to move slowly and patiently towards financial security.

Secondly, the stories of these producers reveal that conventional means of determining loan eligibility for agricultural producers is grossly inadequate for small-scale, diversified, limited-resource farmers. In the context of this gap, the IDAs that these individuals were able to take advantage of were absolutely critical in enabling them to take important steps in building their farm enterprises. Similarly, alternative arrangements, such as land contracts and selling produce through CSAs, can be crucial in making a viable farm operation possible in the absence of available lines of credit from financial institutions.

Thirdly, these case studies show that the learning opportunities both through classroom education and farm apprenticeships provide key forms of support, encouragement and skill development to beginning farmers. Given that small farm viability is so dependent on wise use of resources, production models and marketing strategies, the educational and experiential opportunities help those endeavoring to start their own farm understand the steps they need to take to make it work and to avoid the pitfalls that could jeopardize their chances at success.

Fourthly, it is evident that the social networks established through the formal and informal learning experiences play a key role in supporting emerging farmers. These networks raise the learning curve, motivate people, and help to mitigate risk. In the absence of support from other producers using similar production models, beginning farmers are far more likely to give up or simply to fail in their efforts.

Lastly, and perhaps most significantly, when taken as a whole the stories of these four producers reveal that the integration of access to capital, of learning opportunities and of social networks is necessary to adequately support beginning farmers. All three major elements of the Emerging Farmer program work together to not simply make it possible for these beginning farmers to start a business but to build-up a viable and sustainable farm enterprise that is rooted in the local community and carries the potential to foster place-based economic development. The stories of Amy, Monica, Alex and Daniel demonstrate that the availability of human capital, social capital and financial capital will each be insufficient on their own in ensuring farm viability. Rather, given the challenges faced by beginning farmers, a network of each of these resource types is essential. The resource gaps experienced by these producers further show that even with a holistic program for emerging farmers, the path to a viable farm business is not easy. If we wish to encourage more people to go into farming and to support the growth of a small-scale, diversified, direct market agricultural sector therefore, it will be crucial to extend the availability and the integration of each of these resource arenas.