Cultivating young farmers: removing obstacles for new producers.

Oakley, E. and M. Appel. 2010. Cultivating young farmers: removing obstacles for new producers. Acres USA. Vol. 40, No 12.

With the average farmer approaching sixty and the increasing demand for locally-produced food, our country needs a spike in the number of young producers starting small-scale, full-time family farms. There are resources available to young farmers in various parts of the country. Several deal with business planning and marketing, some link new and established growers, and a few help aspiring farmers obtain land. These are all important assets, and yet they still do not entirely address the needs of new farmers.

Imagine you have no land, little money, and are worried about the risks, but you nevertheless have the passion, experience, and drive to be a farmer. What is your next step? That is a good question, and one young farmers regularly face. At a recent tour of our farm by college students in a sustainable agriculture class, we asked the future growers about barriers to farming. The students named access to good soil, capital, and being taken seriously as three major obstacles. Knowing their answers and our own recent experience as new farmers, we have wondered what more can be done to smooth the path towards building a new generation of American farmers.

<u>Our Farming Roots</u>:

Becoming farmers seems like an improbable career choice for young people these days. As kids, we never raised our hands in class to say we wanted to become farmers when we grew up. If we had been asked in high school if we would end up farming in Oklahoma, the answer would have been “no”. Yet by our mid-twenties, after studying agriculture in college and following some excellent farm internships, we decide to take the plunge. In fall of 2003, we moved to Emily’s home state of Oklahoma to start our own farm.

We expected to encounter, if not numerous at least significant, resources for helping beginning farmers. While institutional help provided us with valuable information on management, marketing strategies, and local agricultural conditions, we needed land, capital, and mentoring just as urgently. Luckily, we received support from a few individuals with a desire to help our farm get off ground. We spent our first three years leasing land and borrowing equipment from a generous family on the outskirts of Tulsa. Without the initial stress and strain of a mortgage, we were able to purchase our own farm at the end of our third season. We are now in our seventh year in Oklahoma, the fourth on our own farm.

We chose to farm organic vegetables in an unlikely place. Relatively few few organic vegetable farms exist in Oklahoma, and there are even fewer for whom organic agriculture comprises the family’s sole income source. We initially met with skepticism from those who considered the interest in local food dubious and who doubted our ability to farm for our livelihood, particularly using organic methods. Despite these misgivings, we found that it was in fact quite possible to grow organically, that the demand for local food in Oklahoma is high, and the prospects for young growers rich.

Given the often pioneering sentiment of being young farmers in Oklahoma, we have reflected on ways to make agriculture more accessible to emerging farmers here and around the country. We receive inquiries throughout the year from would-be growers, yet the number who move from interest to practice is comparatively small. Barriers to starting a small business are always plentiful, but agriculture poses unique challenges. Once a young farmer attains the necessary skills–through internships and other experiences–to forge out on their own, there remain three main challenges to entering the field of agriculture: access to 1) land, 2) money, and 3) security.

Land:

Unless you were born with a family farm, acquiring land is perhaps the most obvious hurdle facing new farmers. In much of the country, farmable land close to urban markets has become unaffordable for that purpose due to development pressure; these are not your grandparent's land prices! Many land trusts are working to make land accessible to new farmers through the purchase of development rights and agricultural conservation easements. The FarmLink and Landlink programs, connecting retiring farmers with prospective growers, sometimes acquire easements so that young growers can purchase land at its agricultural, not development, value. The International Farm Transition Network lists 20 states with similar programs. Some states have even legislated resources to nurture new farmers, such as the Iowa Beginning Farmer Center. These are laudable programs and are needed nationwide.

In addition to high prices, beginning farmers face other challenges in purchasing land. Achieving a down-payment can be problematic for young people who may still carry student loans. Obtaining a commercial loan to buy a farm is virtually impossible. Even government subsidized loans can be tough. Ironically, our local Farm Service Agency (FSA) office insisted on two years of business tax returns demonstrating a profitable enterprise before it would review our application for a "beginning farmer loan".

Loan officers from traditional banking institutions were no better; they would not even schedule an appointment with us when they heard we wanted to buy farmland. Although lenders must understandably ascertain the risk of applicants, there should be other avenues for creating eligibility criteria that new farmers are liable to meet. Young farmers find themselves in an awkward position: in order to generate enough revenue to demonstrate a profitable business, they typically must farm full-time. Yet as self-employed people, they cannot meet conventional loan conditions.

That leaves aspiring farmers with limited financing options. They might explore long-term leasing or seek funding from friends and family. Parents able and willing to co-sponsor a loan, take out a home equity loan for their kids, or lend the money outright have given some new farmers the hand up they required to get started, but not everyone's parents are in a position to provide such powerful assistance. In contrast to other start-up business ventures, it is hard to find "investors" for a new farm.

One option is the creation of a revolving loan fund, with finance acquired by investments from established farmers. The fund would operate as do most lending institutions, taking the land as collateral. With a fixed interest rate of five or six percent, investing farmers would get a stable return on their investment while new farmers would have access to a low-interest loan. This system would be a win-win with new farmers obtaining credit and investing growers getting a socially-responsible investment opportunity.

Money:

After land, access to money is the next challenge facing new farmers. Unlike people who come to agriculture after retiring from a traditional job, young growers are just starting out in life and consequently have few financial assets at their disposal. The cost of the start-up phase (during which you spend most of your time getting the business up and running but are making no income) can be a real barrier; new growers must have substantial savings to begin the process. Lease opportunities can provide entrée without being saddled by a burdensome mortgage during the first few years of operation. Affordable leasing can allow growers to use their profits to acquire equipment and save for a down payment, better positioning long-term achievements.

Farms with interns genuine about becoming farmers could provide training in saving for a business and help interns project start-up costs at the same time they teach tractor operation, greenhouse management, and other production-related skills. Beginning farmers usually find it difficult to estimate amounts for equipment and supplies. Encouraging interns to think about these variables while still in training will better prepare them once they head out on their own.

Several states have programs to walk beginning growers through the details of business ownership, launching the careers of many new growers. They generally provide business incubation, assistance with goal-setting, market assessment, and business planning. Thriving models like Journeyperson program with Maine Organic Farmers and Gardeners Association and Growing Growers in Kansas are excellent examples of institutional support for beginning farmers.

As beginning farmers, we were awarded a small grant by our state department of agriculture which was indispensable for purchasing equipment to make our business more efficient and profitable. We propose small grants of $5,000 to $10,000, a substantial contribution to a young farmer's capital reserves. Grants could be awarded initially as a "loan" to the grower for a three to five year term. At the end of each year, a portion of the loan would be "forgiven". At the completion of the determined time period, the loan would be fully dissolved. This system promotes committed lendees in that only new growers who sincerely expect to farm would be likely to apply.

Security:

Security is the most vague and least discussed barrier to farming. A security deficit was a chief factor in the skepticism we initially met. Like the college students on our farm tour, we faced doubt from friends and family who thought we were wasting our energy by becoming farmers, that we would never be able to support ourselves. The perception of farming as a form of gambling contributes to the lack of respect the college students on our farm tour mentioned. And yet there are relatively simple steps the small farm community can take to alleviate some of that risk and convince the nay-sayers that agriculture can be a profitable enterprise.

Committed farmers do not enter the business because they think it is a get-rich-quick scheme. Most are satisfied with a decent living and a simple lifestyle. Nonetheless, a farmer's income should be comparable to that of other skilled professions. At times, the young people with whom we have spoken have shied away from farming as a serious career choice thinking they cannot make a viable income. In our experience, students of agriculture, people we assume would consider farming for their full-time jobs, are more likely to enter extension and other support services than to become farmers themselves simply because they perceive too many economic sacrifices. Farmers who demonstrate strong, practical economic models can counter the assumption that farming is a form of non-profit work.

Unlike most jobs, there is no public posting of hourly wages for farmers. Prospective farmers do not have average starting salaries they can reference when determining profit margins. Incomes obviously fluctuate by region, marketing outlets, crops grown, and years of experience, among other variables. Yet beginning farmers are forced to rely on academic budget projections to estimate their probable gross sales and need comparable real-world examples. Open representations of prosperous farm enterprises in each growing region are valuable, along with access to profit and loss information—how much do growers make and on which crops? Farmers have a right to personal financial privacy, but being willing to share some cash flow generalities can go a long way in helping a new farmer get a sense of what s/he can expect to earn.

A nationwide listing of established farmers willing to mentor beginning farmers, analogous to ATTRA's internship listing, would unite the information of experienced growers with the questions of new farmers. Similar concepts have already worked regionally, as with the Alabama Sustainable Agriculture Network's Farmer-to-Farmer program and Georgia Organics' Farmer Mentoring and Marketing program. As we know first-hand, there is a special call for mentors in places without a dense community of growers nearby to offer support and guidance. Mentors need not divulge intimate details but should be prepared to give new growers a sense of what they can earn off of proposed crop plans. Mentors could share information on pricing, variety selection, planting dates. These are some of the questions we are most frequently asked by new growers. Obviously, new growers will have to learn on their own through trial and error, and mentors should not turn over their entire farm records, but having access to reputable knowledge can save new farmers from making avoidable mistakes and lead them to higher returns at a faster rate. Mentors do not have to be from the same region, and should only service one new farm per season. Their own businesses should be well established so that they do not feel compromised by sharing their practices. Mentors are entitled to a modest stipend in appreciation of their time and expertise.

Similarly, a national listserv for new farmers would offer the chance to connect with others with related experiences. Farmers could be networked by geographic region and crops raised. Another security stumbling block is crop insurance. Meaningful crop insurance for diverse farms would help new growers withstand variable seasons. Farming is risky enough without the added burden of worrying about losing your crops to weather extremes. Finally, farmers deserve the same benefits that many other professions enjoy, like health insurance, life insurance, and retirement options. New farmers ought to be guided towards practical options for life planning and management.

Cultivating Tomorrow's Farmers:

Several new farmers have started up in our area in the past few years. Observing their experiences highlights the need for progressive assistance, especially if we hope to expand the number of sustainable family farms in underrepresented areas of the country. A consolidated national movement promoting steps that our government, universities, and non-profit agencies can take to encourage a new generation of farmers is essential. Our suggestions, such as a farmer-run revolving loan fund, forgivable loans in the form of grants, and farm mentoring are just some of the possibilities (see the table summarizing needs and resources).

Farming, especially organically, is both a career and cause. Any young person dedicated to becoming a farmer needs all of the support our communities can give. These are individuals who express a desire to live their dreams, are devoted to the lifestyle of agriculture, and are eager to take the leap into small business ownership. And yet energy and youth will take a person only so far.

Not enough young people leave high school or college with their sights set on farming. If we can address the larger issue of access to land, money, and security, more will consider agriculture an estimable career path. The best way to raise more farmers is showing professional viability and easing the path towards farm ownership.

NEED	CURRENT RESOURCE EXAMPLES	POTENTIAL FUTURE RESOURCES
Land	Land Trusts Linking retiring farmers with new growers: Ex: Farmlink and Landlink Ex: Iowa Beginning Farmer Center Long-term leases	Farmer-funded revolving loans
Money	Family and friends State Agriculture Department grants Personal savings Business guidance: Ex: MOFGA Journeyperson program Ex: Growing Growers (Kansas)	Training in saving Help in projecting start-up costs Forgivable loans in the form of grants
Security	Farmers as mentors: Ex: Alabama Sustainable Agricultural Network Farmer-to-Farmer program Ex: Georgia Organics' Farmer Mentoring and Marketing program	National list of farmers willing to mentor Increased access to others farmer's data: *Ex: Pricing* *Ex: Varieties* *Ex: Dates to plant* National listserve for new farmers Crop insurance Life and health insurance Retirement planning