Farm Transitions Advisory Committee

Meeting notes, June 4, 2013

Present on call:

Jane Jewett
Cathy Svejkovsky
Hannah Lewis
Gary Hachfeld
Karen Stettler
Amanda Heyman
Brett Olson
Vicki Poier
Kent Solberg
John Mesko
Rich Myers
Dean Harrington
LouAnn Kling
Robert Maggiani
Terra Brockman

Discussion based on reviewer forms:

**Conservation Financing**

**Usefulness:**

Terra – This is further ahead than most of the folks she’s dealing with, but it does deal with questions they are seeing.

Karen – Solid.

**Completeness:**

Brett – At least 3 individuals wanted to put land into a learning center/ teaching farm.

Karen – No information available about educational options, but beginning farmers are interested, too.

Brett – At a Northfield workshop, someone wanted information on how to turn a farm into another Gale Woods Farm.

Terra – Bequest to a non-profit; it may fit under that. Some people inherit land with no infrastructure; then how do you start?

Karen – Maybe Valuing Sustainable Practices should have some info.

Kent – Midwest resources: identify SFA, NRCS as resource groups who can do land assessment. There’s a need and desire out there for farmers to have a legacy of education, but it requires a sizeable endowment to make it happen. Suggest a sidebar of something that has actually been done, so that a $ figure could be estimated?

Other gaps or holes: All links need to be live.

**Organization:**

Brett – Acknowledgements – it improves credibility to show who-all is reviewing, advising.

Gary – Anyone who touches the document in any way should be acknowledged.

Jane – Acknowledgements will be for the whole document, not piece-by-piece. Hannah and Robert, please send info re: people you worked with or asked to look at it.

Terra – Include a disclaimer that these are some of the tools; an overview; but not entirely exhaustive or definitive.

Gary – Also include disclaimer that these are not intended to be legal advice.

Amanda – When it’s not an attorney writing it, you don’t strictly need the disclaimer about its not being legal advice (but still a good idea to include the caveat).

Robert asked if there were the same concerns with Valuing Sustainable Practices; no, there were not.

**Bequest – Frantzen Farm example:**

Vicki Poier noted that there is the Southwest MN Initiative that serves as a land trust and could be included as a resource

Terra – There are a few smaller land trusts out there, but not at a level to be listed as a “resource.”

**Rent-setting options:**

Terra – Annual cash rent – shouldn’t say that it may not be affordable for sustainable farmers.

Dean – Agree. Leave out the comment.

Discussion – specialty crops may be lucrative – but probably on smaller acreage than cash grain. Change wording to note acreage differences, potential for high $ from specialty crops.

Dean – Keeps looking for the business case for small-scale acreage.

Kent – Organic producers struggle with annual rent; need to have a long-term lease. Annual rent restricts their ability to do organic ag. Similar for beginning farmers; hard to have just year-to-year rental. It also restricts their access to conservation practices that require long-term control of the land.

**Valuing Sustainable Practices**

Kent – Good to encourage the idea of legacy, get that “bug” planted in peoples’ minds.

Karen – Legacy is implied, but use the word “legacy” more often.

Robert noted that the word is used in the last sentence. Should be moved up to the front of the document.

**Usefulness:**

Dean – Useful, especially for a conventional – to – sustainable transition. He thinks that bankers could lift this piece out of the document and use it for changes in lending practices; could push change in banking toward more support for diversified ag.

**Completeness:**

Kent – In the resources for cover crops, add the Mandan ARS lab’s cover crop chart; also Burleigh Co. (ND) Soil Health web page.

Dean – Risk as a cost is a concept that is important here. Diversity reduces risks and risks become costs. Not a lot of specific acknowledgement of that. Actuarial numbers? (maybe not). Try to draw that out more in terms of general concepts.

Brett – Is aquaculture a whole ‘nuther kettle of fish?

**Content/Credibility:**

Dean – Really likes the tables; likes the Value Judgement column. People can put their own numbers in and that’s a good tactic.

**Organization:**

Dean – Level of specificity is good.

Kent – Typo in title of Wildlife Habitat Management. Decide whether this is focused on managing for non-game or game species of wildlife.

Robert noted that hunting is really important to Texas landowners; major source of income. Kent noted that wildlife is a public resource in the Midwest; not so much a privately-held resource. ND and SD, leasing property for hunting is an important and growing source of income.

Terra – Net return of $2000/acre/ yr for specialty crops could be much higher after a number of years, once farmer is established.

Robert & Jane noted that they used the Iowa State Univ. Extension figures. Will look at these again.

**Reading Quality:**

Dean – Readable and useable. Liked the “slow water” graphic.

**Comments on the “flow chart” graphic (not really a flow chart):**

Dean – Good statement; likes that you can start at any point, doesn’t have to be linear.

Intro piece set a good tone. Maybe add something about finding a Farm Transitions advisor/coach.

Jane asked: are there enough coaches out there to handle the demand if we start telling people to go to one?

Karen – Have 2 people through LSP acting as coaches; so far that’s been okay.

Kent – Some cases are time-consuming; hard to say if we have enough trained people.

Karen – The Portal can be adjusted to add more listings of coaches; the flow chart is good for now.

Brett – Not a lot of people with this skill set. Getting more people up to speed is a good goal; would be good to advertise availability of listings on the Portal and see who’s out there doing farm transitions coaching.

Jane asked: Okay to list specific individuals, or not?

Karen – New England Farm Transfer Network does; calls it an un-vetted list.

Brett – Be clear that this is a self-identified list, not vetted.

Amanda – FLAG has a database of attorneys and they give out names if people ask.

Karen – Whether or not we give out names, we should include a text box that gives suggestions for what people should ask when they go to talk to a professional; how to do your own vetting.

Brett, Karen, and Amanda will work on that. Amanda noted there’s at least one text box in FLAG’s Guide to Organic Contracts with similar info.

Discussion of Goal from flow chart:

Dean – Practical questions at the bottom of the chart are good. Determining goals – the $ value is normally the only goal that people think of. Suggests rephrasing to “Provide for the needs of the retiring farmers and heirs” instead of the max. $ goal.

Discussion about the need to acknowledge the reality of heirs’ desire for $; often there’s at least one heir who has max $ as a primary goal. How to capture other types of goals? Dean noted there are “soft benefits” or “non-price benefits,” such as the ability of a retired farmer to stay connected to the land he/she farmed. How much is it worth to be able to still visit the farm? How to present that kind of intangible benefit?

Kent & Dean suggestion – take testimony from farmers who have been through a farm transition – offer quotes about how they feel about their retirement choices.

Note that the “Educate” section of the flow chart will be broken up into toolkit sections: Valuing Sustainable Practices, Conservation Financing.