

Land Stewardship Project Farm Transition Profile: Teeming with Team Members

By Alex Baumhardt

Caleb and Lauren Langworthy approached their farm dream like racecar drivers. They assembled a pit crew of people that could help them get moving and who were invested in seeing them succeed. They spent years honing their farming skills and months developing the financial chops and networks that resulted in them owning their own land. The process was multifaceted and, at times, almost haltingly difficult, but Blue Ox Organics now has two experienced, ambitious and able-bodied farmers at the wheel.

Finances & Farm Beginnings

In 2010, Langworthys, native Minnesotans, made their return to the state after gaining extensive experience in sustainable farming in Washington. Caleb had studied sustainable agriculture at Evergreen State College in Olympia and had, among other things, worked on the most diversified farm in that state. Lauren was an AmeriCorps volunteer who was involved with

Master Gardener and 4-H

programs in Olympia. She worked with low-income neighborhoods and youth, as well as at senior centers teaching people in the community



about the origin and economics of their food and how to grow it in their own backyards.

Between the two of them, they were building a solid knowledge of low-input, sustainable agriculture and community outreach, but neither had developed a keen sense of the financial responsibilities that came with running a farm. “I did five internships while I was getting into sustainable agriculture,” Caleb, 28, explains, “and the finances were the one thing that was often left out. I knew that was going to be the weak spot.”

In Rochester, Minn., Caleb was teaching an urban gardening program to at-risk youths when he heard of the Land Stewardship Project’s Farm Beginnings course. He and Lauren saw it as a now-or-never opportunity to start their own enterprise.

“It was sort of right on the cusp of the internships and everything when we were kind of stepping into farming and starting to wonder if we should have our own business,” Lauren, 27, says.

The couple received a Farm Beginnings scholarship for the course and found some land to rent on a year-to-year basis just south of Eau Claire, Wis. All of a sudden, they were farmers, farming. “We had a place and some financial education and we had connected with a [Farm Business Management Instructor] through Farm Beginnings and then it was like, well, now we’ve got kind of a mentor and our finances and we’re doing it,” says Lauren.

They started vegetable production in 2012 on their rented land and connected with some local markets, but several months into production, they knew they weren’t going to be able to do a year-to-year lease again. “We had to get off the rented land,” Lauren says. Caleb and Lauren had long-term goals for their farm that required production methods that would require two to three years to show results, something they couldn’t rely on with a year-to-year lease.

The Land Search

The Langworthys started looking into different ways to secure land tenure in the Eau Claire and Menomonie, Wis., area, where they had developed great relationships with buyers at the markets they sold to. They considered long-term leases, lease-to-purchase and contract-for-deed arrangements. They were intimidated by land prices and were focused on rental options that would give them some longevity so they could build the soil they would grow on. What they found were many absentee landowners who couldn’t give them that long-term security or many that had their own ideas about what the young farmers should be doing on the land.

“Many of [the landowners] really wanted to be a part of the farm, and that’s great in some ways, but when it’s your business, you need the flexibility to be making your own decisions,” Lauren says.

The Langworthys resolved to buy land with the hope that they could secure a USDA Farm Service Agency (FSA) beginning farmer loan. For three months, the couple would look through listings and network within the community, as well as talk to friends at church, at the co-ops and at farmers’ markets. Then, once a week, they would take a day to look at six to 10 properties in an area. Over a period of three months, they looked at over 100 farms. Most in their budget were bare ground, fallow or old hunting properties. Some had poor soil from years of monocultural soybean and corn production, no infrastructure or deteriorating structures that could almost be pushed over with one hand. Other new farmers they talked to told them to avoid the, “I can just build on it” mentality. One of their beginning farmer friends was going on year three of their operation and they had just then installed insulation in the home they had been renovating on their property.

“After awhile we were almost like, is this even worth doing or should I go back to my job teaching?” Caleb recalls.

The Investors

While the Langworthys were busy looking for land and trying to sell their produce, one of their buyers was busy selling the farming couple. At one of the co-ops in Eau Claire, they

had a worker-owner who delighted in talking about them and the quality of their produce. He was their biggest advocate and he would stop people in the community to introduce Lauren and Caleb and to see if anyone had some leads on land.

“He was huge with helping us connect to a network of people who could help us find long-term access to land,” Caleb says. All of his pitching paid off when a couple who were longtime customers of the co-op told him that they were looking to invest some money in an organic farm and that they would like to meet with the Langworthys.

The two couples sat down to talk long-term farming ventures and to sort through their skepticism. The Langworthys were curious about this type of socially-minded investment and what kind of control the investors would want to have on the farm. The private investors were curious about how the young couple would pull off a farm business and how risky their investment would be.

The Langworthys’ ability to talk both farming and business and the financial knowledge they’d picked up in the Farm Beginnings course impressed the private investors and made them feel more secure in investing in the pair. “If we had only been able to speak in terms of farming, I don’t know that it would have worked out very well,” Lauren says.

The two parties held these discussions on the Langworthys’ business proposal for a month or so before they all started looking at land together. Then they spent three months looking for land, going through business plans and negotiating one another’s desires. The investors had owned several businesses and knew what it would take to get a new enterprise to a profitable place.

In the beginning, the Langworthys were interested in raising elderberries, starting a small vegetable Community Supported Agriculture operation and buying organic feeder calves to raise grass-fed beef. The investors were keen on all of these ideas except the grass-fed beef. They thought feed prices were too high and waiting two years for the finished product was too risky for a beginning farm. So they all agreed on sheep as an alternative. That way, the young farmers would have animals to help build the land’s fertility while producing cash flow with the wool and lamb.

“It was a pretty symbiotic relationship going back and forth with them,” Lauren says. “In the end, we found a plan that everyone was excited about.” “Communication was huge,” Caleb adds. “We went back and forth with business plans—two or three times a day we would be answering and asking a litany of questions.”

After a business plan was settled on, the investors were pretty hands-off. “They said they were ready to defer decisions to our best judgment and the judgment of our mentors,” Caleb says. “They’re not involved in running the farm.”

After a six-month search for land that covered over 100 farms, the farmers and the investors narrowed it down to eight possibilities and then to one: a 153-acre former dairy farm near

FSA Beginning Farmer Loans

While Caleb and Lauren Langworthy had to wait four months to get a USDA Farm Service Agency (FSA) loan, they were actually quite fortunate. FSA loans can take anywhere from four months to over a year to finalize, making it nearly impossible for beginning farmers to actually use them.

“We couldn’t have done FSA if the investors wouldn’t have come in and bought the land initially,” Caleb says. “There’s no way the sellers would have waited four months for our loan to come through.”

Their loan process was sped up in part because FSA was confident taking a chance on the Langworthys after other investors already had. The loan was also expedited because when the couple made Blue Ox Organics a Limited Liability Company (LLC) it was listed as a female-led farm. By making Lauren the majority owner, Blue Ox was a “socially disadvantaged” new farm, qualifying it for special beginning farmer program treatment.

“FSA is a big animal to maneuver,” Lauren says. “The structure of it is not easy on the people working there and it’s not easy on the people applying for loans. There’s got to be a way to streamline the process that doesn’t require a four-inch binder full of paperwork by the time it’s done.”

Wheeler, Wis., just outside of Menomonie. The investors closed on the property in December 2012.

Initially, the plan was to have the investors buy the land and then the Langworthys would either rent it from them or buy the land. The farmers were worried about how they would build equity on a farm if they didn’t own any of it. The investors agreed to sell the land to them and to provide them a mortgage on it. Then, the Langworthys approached the FSA about taking on half of that mortgage, so the private investors could spread the risk.

In the end, the investors used their purchasing power to buy the farm at a reasonable price per acre and get it off the market straight away while Caleb and Lauren began the four-month-long process of getting their FSA beginning farmer loan approved. This is a “split mortgage” with the FSA—the investors have the first lien on the property. (*See the “FSA Beginning Farmer Loans” sidebar for more information.*)

The private investors decided that, based on the Langworthys’ business plan, the farm would reasonably turn a profit in five years. They also decided that the couple would need an additional “incidentals loan” to cover fuel and other small costs. They generously allowed the young farmers to defer payments on both loans for the first five years while the farm is being established, meaning the Langworthys’ first mortgage payment to the investors will be in 2018. The interest accruing over those five years will be amortized— that means it is spread out over the life of the loan and the investors will eventually receive the interest due them over that period of time. The Langworthys only need to pay interest on the first year of their FSA loans, a bit of principle and interest during the following two years and then full mortgage payments by year four.

It Takes a Team

Today, the Langworthys are producing vegetables for their markets in Menomonie and Eau Claire, expanding their production to begin a Community Supported Agriculture operation and starting an elderberry enterprise. They recently launched a sheep operation with 50 ewes, with plans to grow to 100 breeding animals over the next four years. The Langworthys are also enrolled in the Land Stewardship Project's Journeyperson Course as a way to further their Farm Beginnings education and experience.

“We always tell people that it took a team to do this,” Lauren says. In taking the Farm Beginnings course they had the benefit of a Farm Business Management Instructor; and through the co-op and the FSA, they received outside, private investment, secure land tenure and start-up loans. Now, their team includes a retired organic farmer a few miles down the road who has taken them under his wing and is helping them to get established in the Wheeler community.

And that team includes the community itself. Having grown up in small towns themselves, the Langworthys know that the social dynamics of rural pockets like Wheeler can be touchy to navigate. They are hoping that their contribution to keeping the countryside alive, keeping a barn and a home up and farming ethically will get the community on board. As small-scale farmers in a climate of industrial agriculture, Caleb and Lauren are ready to prove that Blue Ox Organics is a necessary part of the local food economy.

“I think it's kind of up to us to prove that we're not just playing hobby here over the next 10 years,” Lauren says. “They're not just going to believe that we're a business—we have to show them.”

Alex Baumhardt served a Farm Beginnings journalism internship in 2013. To view a multi-media slideshow featuring the Langworthys talking about how they used the team approach to launch their farm, see www.landstewardshipproject.org.