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Andrea Tursini from Intervale – “Farm Incubation”

Handouts:

The Farms Program

A Nationwide Farmer Incubator & Training Program

Introduction & Agenda Overview

The Intervale

Farm Introduction

Discussion

The Intervale

What we do

Food Hub

Success on Farms

Intervale Conservation Nursery

Farms Program

Consulting

Land – care and maintenance of 350 acres

Community Food System

Definition

The case for growing new farmers

Avg age of US farmers over 57

2x over 65 as under

70% of farmland will change hands in next 30 years

Popular surge in interest

History of incubation

Developed by Joe Mancuso in NY

Rented out industrial land to tenants

Since then has mostly been used for tech industry, but farm incubation is growing

Farm Incubation across North America

A lot of programs work with immigrants and refugees

A lot of energy in immigration/refugee work

The Farms Program

Trying to remove farmer barriers to farming

Access to training, land, capital, markets, equipment

Reduce farmer isolation

Produce food

Create a learning community – good for creating interest in an area

Promote new farmers

Program Structure – (Andrea will send fee schedule to interested people, a list was started)

All farms are independent businesses – incubator doesn't provide training, just a place to start and business planning, mentorship

Intention is to have an exit plan for leaving the incubator. Farmers need to have a plan as part of the application - need to identify how they will transition in order to help them develop a market.

Use a network of service providers to help work on avenues to help the farmers get access to land. Esp. work with VT land trust to help pair farmers with land that needs to stay in ag production.

Lots of land will be coming available in VT.

Years past would have accepted people w/o intention of leaving, but 5 years ago they really started to push for farmers who need to move on. Just entering this stage of graduation with a new class, but trying to implement policies to make mentor farm application very difficult

May have put in too many grandfathered farmer mentors – they need more land and infrastructure and are actively running out of room.

Want to bring in 2 new incubator farms per year. Need to explore avenues for a new land base, but may be time for a mentor (+14 total) to move on

Incubator – 1-3 years (fee schedule is in application packet)

20% cost share (rent on land, access to cooler, dry storage space, irrigation access and gallons used, land management fee)

Charge close to market rates – intention is to help farmers be able to pay for these things when they move on to their own land. Land rate is a bit higher than average, but center is located w/in Burlington and market center and brings a premium)

Land apx. 180\$ per acre/year

Enterprise – 4-5 years

Farmers pay full price

Intention is to be off the farm by year 5 (graduated)

Mentor Farms – 6+ years

Infrastructure needs more sophisticated

Act as mentors to newer farmers

Infrastructure:

Has been a thorny issue – have developed more structure around this issue.

Created the Intervale Farmers Equipment Company LLC to 'own' all the equipment/infrastructure. Intervale Center owns 30%, incubator farmers 'rent' equipment. IFEC managed by board of 2 Intervale Center and 4 farmers. No CEO.

Allow mentor farmers more control over equip. repair, use, etc.

Only one farm chose not to 'buy in' to the plan

Farmers 'rent' equipment and greenhouse space

All purchases are decided collaboratively

Business is supposed to 'break even'

At the end of the year they often have to spend \$\$

Rental rates cover maintenance, repair

Individual farms take management of particular equipment and share this info with other farmers

Intervale Center owns: cold storage, pallets, barns. Learning how to manage IFEC.

Complicated relationship

Loan note is held by Intervale Center

A farmer can bring their own equipment.

Most farmers who belong to farmers are mentors who still use equipment, but sharing becomes an issue as some farms become larger. They tend toward purchasing their own equipment.

16 year farmer (mentor) still maintains membership in IFEC but they have their own equipment. Occasionally use greenhouse space and implements but mostly like to appreciate the community.

? Why are farmers staying in a process that doesn't encourage them to build their own assets?

IFEC membership does create equity

Farmers can be 'bought out' of IFEC if they leave

Long term farms may have issues:

What happens when they want to sell business?

Leases aren't transferrable

Land is not an asset they can transfer

PASA – working on a program than builds equity without ownership. Esp. in SE PA, there is a lot of asset speculation and farmers need to be able to build equity without ownership.

Intervale Center is a non member non profit 501c3. Board is self-perpetuating. There are no mentor farmers on the BOC. They used to be, but >5 years ago this was decided that it was a conflict of interest – there are presently NO farmers on the board.

? How was a 5 year program length decided?

When timeline was created, no rational (just a guess)

Now it seems that the last 2 years show a real development with incubator farms

Seems to allow farms to actually come to a point where all their bills were paid

Longer time period may make farms more inclined to stay

Many other programs use 5 years, but may be based on Intervale's system

If other timelines are working, Intervale Center is open to hearing about it. IC is not inclined to change at the moment.

IC does want more people engaged in the program, a balance of mentors on site and growing new farmers. Land is really great ag soil, farmers want to be there.

? Is there an applicant pool?

Recruitment

Farmers usually come word of mouth

Some recruitment

30+ interested a year, 10+ applications

Work with staff to create a business plan as part of the application process. Heavy support (or as little as they want). Once staff says plan is ok, then it goes to a community of farmers

Farmer panel picks apart the business plan – less a discussion of competition as it is a discussion of availability/marketability in the Burlington area.

? Wouldn't it be more efficient if these conversations happened earlier?

Staff will provide direction and guidance

Farmers will reaffirm guidance, find some things the staff missed

Farmers also look at how the farmer will contribute to the community

Participation in work days

How will they fit into our community?

Once farmers say ok,

Sometimes incubator applicant declines

Sometimes farmers say no

Then goes on to IC staff – look at incubator needs

Land availability

Determines how many farmers they can take on – right now they have very little land available

2 deadlines – one in May, one in December

Have different benefits

May – if it is approved, can get on land in the fall for a spring opening

December – easier for farmers to do evaluation but harder to get farmers together

If the business plan is good but not for Intervale, staff will try to direct farmer elsewhere.

Successful applicant for this year worked on an Intervale Farm for 3-4 years

Many applicants come from within (former farm workers)

? What happens to unsuccessful applicants?

Try to connect with other resources – Mandy Davis directs to other programs

Very common for applicants to have been part of the community

Farmers who apply

Must have at least 3 years of experience (have worked on a farm)

Must not own land

Can have worked in any capacity AS LONG AS their plan is good

? Is having farmer leave de-stabilizing to their business?

Farmers aren't tracked that closely – not so good at follow up eval

Lately, have tried to ID everyone who went through program and what has happened to them

Participation History

43 Total Farms

25/43 still farming

4/43 current incubators

8/43 are mentor farms

4/43 known failures (failed while on Intervale)

3/43 sold to new owners

11/43 unknown

Most farmers stay in VT

Program Management

Recruitment and Enrollment

Business Planning Support

Lease – negotiation and oversight (surprisingly time consuming, leases now not all at same time, trying to coordinate)

Billing and budget management (don't bill farmers until June so they can get a chance to bring in income)

Fundraising (grants, fees, etc... mainly to support management & programming, not farmers – second 2 stages are not subsidized)

Programmatic (service delivery to farmers) separated from maintenance of land and infrastructure)

Land maintenance is considerable – untillable land has a lot of vandalism, drug use, hunting

Lawn mowing, fencing – IC's responsibility

Program work – 1 person less than half time

Land Management/Asset Management – 1 staff for management (16h), 1 staff manager (40% of time of director)

Regulatory compliance (operate in floodplain/way, need to work w/FEMA)

Strategic planning (thinking ahead, planning for development)

Evaluation Process

Review yearly w/farmers to see how actual \$ compares with expected, how did management work out?

A lot of evaluation of business plans is ongoing – support and feedback

Relationship with the city

Work with the City Council to try to make working with FEMA easier

Floodplain issues

Issues with hunting (discharge of firearms w/in city limits)

If Intervale violates FEMA, city could lose insurance, so Intervale works with Fema and council to manage floodplain issues

? Does Intervale own their land?

270 acres purchased from the city, remainder is rented

3 orgs co-hold an ag easement on the land

Farm Numbers

11 farms/120 acres cultivated

53 full/part time jobs

Everything in Intervale is organic due to city limitations – everything w/in 500 ft of waterway must be organic

Average size of farm is 10.9 acres

Individual farm sales \$8000 (small poultry) to \$325k (500 member csa)

Over 1million in combined sales

? Where are these farm business numbers from?

Just from farm businesses, not other Intervale work

? Are farms required to be in CSA?

No, a lot of farms participate but not required

Intervale farms aren't favored

? How does FoodHub pricing work?

Pricing developed at the beginning of the year

Based on Vermont wholesale, slightly over

Food Hub also serves restraints

CSA costs slightly higher than restaurant costs

? Do you require that farmers share schedule F?

Farmers fill in a questionnaire

All data is self-reported

Sales, expenses (some farmers include staffing, some don't)

? Has Intervale been audited by IRS? Have you dealt with private enurement issues?

Has not been audited by IRS

Pay for an internal audit for the BOD every year

Private enurement – is 501c3 profit being used as a shield to help farmers keep their profits?

2 earned income programs withing IC, but have a finance manager who worried about org's size and complexity

Keep other programs mission-related

Farmers are their own companies leasing land – profits go to them

? Is Intervale certified organic? Are farmers required?

NOFA VT individually certifies farms

Not all farms are certified

Have discussed trying to make equipment certified

Ordinance ensures that everything is organic but doesn't need to be officially organic unless it's over \$5000 and trying to put organic label

Ordinance is only around pesticides

Farmers are required to be organic practice by Intervale, but only have to be certified if that is part of their business structure

? Are there livestock producers other than poultry?

Need to have more livestock policies – there are no live-in farmers on site and there is a lot of vandalism

Developing policies – have birds and pigs, this may be the cap.

Sheep and goat producers would probably be kept out – worried about potential damage to other farmers crops as solid fencing is hard to install due to floodplain and archeology limitations (18" plow depth limit)

? How do you deal with vandalism issues?

Farmers are required to have liability insurance.

Don't know if liability covers vandalism – just a part of life at Intervale

Working hard to develop relationship with police.

Use land management (beauty) to try to keep vandalism low.

Most farms are hard to get to from the road, but people get through hedgerows and mud around in fields on occasion.

Being in the city can be a drawback.

? What perennial crops exist?

Grandfathered berry farmer (mentor farm)

Bare root tree program, but these are lifted/removed.

Trying not to get in perennial crops (obviously). If berry farmer applied now he would not be approved.

? Is there another model that could be developed?

Could the incubator move over time to allow farmers to establish on set property?

Only issue with this is that infrastructure needs to be built up each time – still need to graduate farmers off leased land.

Ex. Landowner lease, try to develop a relationship between a particular farmer and landowner. Org (and sister org – land trust) owns master lease and sublets to farmer tenants.

? Does anyone have experience trying to lease land from a state agency?

NY state leases have to go to bid for any cropland

MASS state land lease has to go through bids and all state agencies

Ex. The Seed Farm (Penn State/Lehigh County)

First year, next year incubator starts

On county owned property

Developing a separate 501c3 that will lease land/infrastructure from County

? Liability issues – does Intervale require a policy?

Intervale requires \$1m

Other farm programs make farmer sign an additional liability waiver

Intervale hasn't had (or heard) of an issue with this

? Do you have labor issues?

No issues known, but would surprise them if they existed

Lots of variety in farmer training, but Intervale really tries to be focused

? Applicants Issues?

Are applicants coming from outside the region knowing that it will be hard start up a farm in a saturated Burlington market?

For right now applicants are still ok for the market

? Stewardship issues?

Are there consequences if someone screws up?

Andrea is responsible for enforcing – not a lot of consequences

Try to select farms that will abide by the rules (still 1-2 offenders)

Consequences are peer-centered

Farmers know who did it

They tend to self-police

With equipment sharing, they need to have good relationships

Andrea will send application packet, presentation to those who signed up for it.

? Are written rules & regulations available for all farmers?