

GROWING NEW FARMERS



# POLICY TOOL KIT

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THE GROWING NEW FARMERS PROJECT

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## **Section 1 - Background**

### **1A. About the Growing New Farmers (GNF) Project and this Policy Tool Kit**

#### **The Growing New Farmers Project**

The future of the Northeast agriculture and food system depends on future generations of farmers. Despite formidable barriers, there are people of all ages and backgrounds who want to farm or have started to farm in our region. These new farmers need a responsive service community to help them acquire the skills and resources they need to succeed. The Growing New Farmers Project is a four-year initiative to develop an effective support infrastructure for new farmers. The GNF Service Provider Consortium of over 170 organizations is committed to offering and improving services for the Northeast<sup>1</sup> region's new farmer community.

In addition to services for new farmers, they need supportive public policies that foster farming opportunities, remove obstacles to farm entry, and encourage farm development. By and large, new farmers fall below policymakers' radar screens. Public servants who work on agriculture issues are focused on the larger agricultural community and often not aware of the impacts on farm entry from certain policies or their absence in such far-ranging areas as land use, taxation, research and education, and financing. Policy dialogues that address the diversity of new farmers and the uniqueness of our region are critical to ensuring future generations of Northeast farmers.

For complete information on the GNF Project and its many components, see the Project's website at [www.northeastnewfarmer.org](http://www.northeastnewfarmer.org). If you are not already on the GNF list-serve or a regular visitor to the Growing New Farmers website, sign-up now.

As a grant-funded initiative, the Growing New Farmers Project will complete its objectives at the end of 2004. It is expected that several key activities will continue in some form, such as the website with its directory of programs and services, the Consortium, the on-line learning and professional development opportunities. Innovative "bells and whistles" on the website will continue to attract both new farmers and their service providers.

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<sup>1</sup> Connecticut, Delaware, Maine, Massachusetts, Maryland, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and West Virginia.

## **About this Tool Kit**

The purpose of this Tool Kit is to provide new farmer supporters and public policy educators with ways to discuss and promote new farmer policies in their own states. While the 12 Northeast states share some policy issues, each has unique ones, too. This Tool Kit allows the states to select the information that is most useful to them. The Tool Kit provides some very basic information about policymaking and about agriculture that readers may already know. This is not to insult anyone's knowledge but is to establish a starting place for all so that we are on the "same page". The Tool Kit also includes many examples of policies that impact new farmers, and some innovative ideas that supporters might want to introduce in their states.

## **Who will use this Tool Kit?**

**Educators** in public policy; **advocates** who will discuss broad public policy issues and promote ideas; **new farmers**; nuts and bolts **activists** eager to implement projects; other **interested parties**. For our purposes, we call our audience "**supporters**" and expect each state will define itself differently. Since our future agriculture will only be as strong as our community of new farmers, we hope this Tool Kit is useful to many people in many ways and will encourage people and groups to engage in policy dialogue together.

## **About this Tool Kit's Development**

Research for this project was done in the spring and summer of 2003. The work involved a thorough review of information available on each state's Websites to gather policy statements. These statements came from speeches, press releases, agency messages, programs, laws, public statements like State of the State Addresses, reports and studies, to name a few examples. Conversations were held with local people to better understand the relationship between the policies and reality.

The research was not exhaustive. The intent was not to inventory every program and law in every state.

***Disclaimer: The author makes many suggestions in this Tool Kit, which are based on her research and perspective. The opinions are hers alone and not those of GNF. In the course of the several months since the research was done, there may have been policy changes and new information that are not covered. Local people should review the Tool Kit's information carefully for current applicability and to do a reality check on the suggestions. They know their region's needs far better than someone from the outside.***

## **Section 1B. About New Farmers - Who They Are, What They Need<sup>2</sup>**

### **Why people should care about the future of agriculture**

- Agriculture is a substantial contributor to the region's economy; it is small business and it provides secondary and tertiary benefits that include many support services and markets.
- Agriculture is food and fiber production, offering a vast variety of products.
- Agriculture is local food, providing a fresher, healthier, and potentially safer product.
- Agriculture is our region's major land use; it is open space, it contributes many environmental and aesthetic benefits; it is a dam against sprawl. It is breathtaking vistas.
- Agriculture is our history, our culture, and one of the last remaining windows onto that experience.

### **Why people should care about new farmers**

- Between 1964 and 1997, the number of Northeast farms decreased by 46%.
- In the Northeast, it is more likely that farms were lost to non-farm uses, like development, than to consolidation into fewer and larger farms.<sup>3</sup>
- There are twice as many farmers over the age of 65 as under 35; only half as many people are entering farming as are exiting.
- In the US, 70% of farms will transition over the next 15 years, and without new farmers, our region is likely to lose those productive farms forever.
- Nationally, up to 400 million acres of farmland will change hands in the next 20 years. Who will farm?
- To maintain our food and fiber production and increase regional food self-reliance, we need a continuing supply of farmers.
- To protect the agriculture sector of our economy, we need energetic, well-trained agricultural entrepreneurs.
- To preserve and actively manage open land as working agricultural landscapes to maintain the beauty, wildlife habitat, areas for water recharge into our aquifers, and general environmental benefits.
- To preserve, sustain and enrich our rural heritage and farm history.

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<sup>2</sup> Based on information assembled and provided by the GNF Project.

<sup>3</sup> "Northeast Farms to Food, Understanding Our Region's Food System", Northeast Sustainable Agriculture Working Group, p.1.

## What Is a New Farmer?

**A new farmer is someone who is considering, starting, or developing a farming business, or has been farming for ten years or less.**

According to the "typology" developed by the GNF Project, a new farmer moves through four stages:

- Pre-entry (recruits, explorers, and planners)
- Start-up (3 years or less of farming)
- Re-strategizing (years 4-7)
- Establishing (years 8-10)

New farmers may come from farm families or from non-farm backgrounds. Many new farmers are next-generation farmers on the family farm. It's hard to say when they "started farming", and even harder to say when, exactly, they "became a farmer". Nonetheless, the junior generation on the farm moves through similar stages of responsibility, decision-making, and ownership as other new farmers.

**This Tool Kit focuses on policies that impact new farmers in one or more of these categories.**

There are several related terms that often confuse the discussion.

As defined by US Department of Agriculture (USDA), a beginning farmer is one who has operated a farm for ten years or less.

A young farmer, as defined by the Farm Credit System, is someone under the age of 35.

Sometimes the term next-generation farmer is used to describe specifically the next generation of a family to take over an established farm.

There is no single description of a new farmer. New farmers come from diverse backgrounds. In terms of policy, this is a critically important point. It is not as simple as asking, "What is the best new farmer policy or program?" or "What is the impact of that policy on new farmers?" Policy educators and supporters must consider *which* subsets of new farmers they are targeting, which subsets will be impacted, and in what ways. Keep this in mind when using this Tool Kit.

<b>Profiles of New Farmers... one size does <b>not</b> fit all</b>	
<b>Many new farmers...</b>	<b>But some ....</b>
Have less capital and low equity; are higher credit risks.	Are affluent middle-aged retirees or career-changers
Have less management experience; fewer skills in managing time, risks & labor.	May have applicable expertise from other careers.
Have fewer years of experience in production.	May have no experience but seek a life style change.
Start as part-time.	Work fulltime on farm or hire people fulltime.
Do not have access to land.	Have land.
May have land but no cash or experience.	Have land and cash but no production know-how.
Produce poorer quality and lower volumes of crops.	Produce high quality products.
Know nothing about markets.	Have relevant knowledge but no network to start.
Start on smaller acreages.	May own large farm from family or by purchase.
May not have had opportunities to learn the trade or consider it as a career.	May have grown up on the farm but never farmed.
Are likely to seek skills and knowledge from a wide variety of sources. May not know where to begin.	May rely on sources from previous careers. May make erroneous assumptions based on past experiences.
Make substantial changes in an existing enterprise.	May start from scratch.
Are likely to pursue non-traditional and diverse enterprises.	Or not.
Have diverse ethnic and cultural backgrounds.	
Pursue labor-intensive rather than input-intensive practices	Can afford input-intensive but do not have technical knowledge.

To learn how many “beginning farmers” your state has, visit <http://www.ssi.nrcs.usda.gov/customdata/index.htm>. This data comes from “The Limited Resource Farmer and Beginning Farmer Data Set” report recently released by the Social Sciences Institute of the USDA/NRCS. Familiarize yourself with the model and the variables used and then check your state. It appears from a quick sampling of states in the Northeast that about 20-30% of all farmers fall into the category of farming ten years or fewer -- *however, note that this data covers years on the current farm rather than total years farming.*

#### **What do new farmers need? <sup>4</sup>**

New farmers, regardless of where they fall in the typology, have needs in four major areas:

- Access to capital and credit
- Access to land
- Access to information and education
- Access to markets

In addition, new farmers often do not get adequate support from family, community, or farmer and service networks, which impacts everything else.

Northeast new farmers need the following, tailored to their stages of development:

- Programs and services that enable them to acquire information and resources in many different ways, i.e. workshops, online, materials, on-site technical assistance, etc.
- A responsive "service infrastructure", i.e. production and legal consultants, feed and seed dealers, lenders, trade organizations and publications.
- Policies that provide opportunities and remove barriers.
- Support, advice and encouragement.

<sup>4</sup> As determined by GNF research.

## **Programs for new farmers - and programming gaps**

The GNF Project completed a regional investigation of programs and services for Northeast new farmers. The investigators concluded that current programs and policies are inadequate to address the needs of new farmers. Gaps in services exist in several ways.

- *Targeted vs. relevant programming*

New farmers often need different programs than established ones do. GNF made a distinction between *targeted* and *relevant* programming.

- *Targeted programs* are specifically developed for and offered to new farmers. There are very few targeted new farmer programs in the Northeast.

Example: Workshops on farm start-up or finding land are targeted. Programs may target one stage of new farming or another.

- *Relevant programming* is for all farmers, not specifically new ones, but is useful (relevant) to new farmers. In Section 3C, we discuss how some programming is relevant to some, but not all, new farmers.

Example: A course on Integrated Pest Management is not targeted specifically to new farmers but can be relevant to them.

- *Program accessibility*

New farmers have learning needs and preferences that differ among types of new farmers and can be very different from those of established farmers.

- Outreach is critical. New farmers need to know what is available, but they are scattered and difficult to identify.
- Not all types of programs are available in all parts of the Northeast. Geographic accessibility is one important variable.
- New farmers vary greatly in their learning styles and preferences.
- The type of delivery is important, too, i.e., classroom-and-credit, or weekend workshop, or distance learning, or on-farm experience, or other.

Example: Many new farmers rank learning from other farmers as most helpful. However, some new farmers cannot attend field days or seasonal apprenticeships, because they work other jobs to support themselves while they develop their farm businesses.

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- *Program content*

The program content may miss the mark for new farmers. There are particular programming gaps in introductory programs on accessing land, gaining hands-on skills development, accessing financial services, and start-up business planning, to name a few.

- On-farm apprentice networks exist throughout the region, but the kinds and quality of training they provide vary.
- High school and college courses may be more or less useful to the prospective or beginning farmer. For more information, read “Gaps in New Farmer Programs and Services.” (Appendix 2).

## Section 2 - State Policymaking

**A policy is a plan of action or guiding principle designed to influence behavior. A policy can be reflected in formal or informal statements, for example:**

Agency visions and mission statements  
Legislation (laws)  
Regulations (how laws are administered)  
Program statements and design  
Program criteria  
Statements from office holders (e.g., in press releases)

**Within this Tool Kit, we use the terms *policy* and *program* interchangeably to include any of the above.**

### Section 2A. The Realities of Making Policies

#### How are policies developed in state governments?

Sometimes people assume that policies are different from laws and regulations, but those differences are not always distinct. If we visualize an umbrella, policy is the overarching fabric stretched across the ribs, which represent the specifics of programs, laws, criteria etc. The goal is to shield the particular constituency from the storms of the economy or other outside influences.

However, in the real world of politics and government, developing policies is not a neat and tidy top-down process. They may evolve and morph over time; they may even seem incidental. They can be initiated from inside or outside government, via many different routes, and can arise from virtually any level or constituency.

Policy work can be initiated in the trenches, not just at the top of state government. There is not just one process to create policy; but in all cases, in order for external influences to affect state policies, proponents must present a solid case to government officials. Sometimes proponents believe that their arguments are convincing, and they are shocked when policymakers ultimately do not support their interests. This may happen for reasons beyond the control of the proponents, or it may occur because **they did not make a case that met the needs and addressed the concerns of the policymakers.** Understanding the needs of policymakers and building the case, then, are the basis for everything. This Tool Kit is intended to help you craft a case that is appropriate for your particular goal.

### Meeting the needs of the policymakers

- 1) Policymakers' perspectives will always be different from those of people outside government, because the demands and expectations on the policymakers come from many directions.
- 2) Senior policymakers may legitimately assume that they were elected or appointed to their posts because of their espoused philosophies or opinions on policies. They may not seek input on those opinions.

Supporters must make their case in a way that meets the needs of the policymakers *and* represents the needs of new farmers. Remember that policymakers ultimately will have to be able to defend their decisions to more than the new farmer constituency. They will answer to established farmers, politicians, and taxpayers. Help them by bringing relevant arguments for those other groups.

Examine programs and their outcomes to identify what to pursue on behalf of new farmers, keeping the following in mind:

- Established farmers will have a relatively powerful and organized voice inside your state's Department of Agriculture. New farmers probably will not. If supporters suggest redirecting resources to new farmers, away from established farmers, they must also have a good rationale for established farmers.
- The state must always be able to define what the public purpose is for any publicly funded program. For example, preserving agricultural land for future farming is the public purpose of programs that buy development rights from individuals. The benefit (payment) to the individual is considered incidental to the greater public purpose.
- The department must operate within the mandate of existing laws and regulations and support the agendas of the Governor and any Executive Office within which it resides.<sup>5</sup>
- There are finite resources available.
- Policymakers may take offense at questions about *how* they develop policy. You can avoid putting them on the defensive by carefully wording your message and by providing solid evidence of need and suggestions on how those needs could be met without creating extraordinary stress on the department. Look for a win-win.

### When there are changes in administration

Governors and Secretaries/Commissioners come and go. If the change includes a switch from one political party to the other, the impact can be dramatic. Even when the Secretary

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<sup>5</sup> West Virginia is unique in the Northeast as its department is a constitutional office and totally independent; the Commissioner is elected on a statewide ballot.

or Commissioner is retained under a new administration, life may not be the same for the department or for the agriculture policies.

### **Government's calendar**

Another political reality is government's timeline. Departments are driven by budgets and spending deadlines. Campaign season generally slows the bureaucracy down as it waits to see election outcomes. Legislatures have different schedules by state and time of year, with the biggest crunch around the end of the fiscal year. Planning around these realities will make it easier for all concerned. Accept that it may take longer to get decisions or actions depending on where the state is in its internal cycles.

### **Understanding policymaking within state government's structure**

Consider the needs of the various layers of government and formulate proposals with those needs in mind. Understand who will be involved in decision-making, and what their needs are. The players will vary depending on the issue. Build relationships with the people so that when an issue falls in their domain, you have access. This does not ensure success, but it certainly helps, and you will get better information faster.

Keep in mind where the Department of Agriculture is within the structure of state government. The farther away it is from the Governor, the less impact it may have within the framework of government. Plan accordingly.

Here are several layers of people within state government with whom supporters may need to work.

#### Program person

Will your request take time from the person's other work? You should assume that everyone is working fulltime (or more) on existing projects, so more work will feel burdensome.

#### Division Head

Will your request require additional people? Will this initiative redirect people from other priorities? What might suffer?

#### Deputy or Assistant Commissioner

Will this individual personally advocate for the cause? Is s/he convinced of the need enough to lobby with the head of the agency or will s/he give token support? Has s/he examined what the staff has said and agreed or dismissed that?

#### Commissioner/Secretary

What are the political consequences from the legislature, the constituents? What are the financial implications and has staff addressed those thoroughly?

Is this request consistent with the Governor's agenda?

Is there a good working relationship between the governor and this department head?

Governor

How will the taxpayers view this? What positive or negative attention might arise? Will it play as well in the cities as in rural or suburban areas? Is this initiative consistent with existing agriculture policies? If not, why the departure? How will existing political supporters view this move? Will previous support erode?

The Legislature

Will the committee on agriculture be involved? Supportive or not? What are the budget implications? Will any constituency be hurt by this initiative? Are there any ways to mitigate that damage? What is the political will for/about agriculture right now?

### **The hoops of government**

Government develops criteria and program requirements to implement laws and broad policy. These requirements reduce the pool of users to those who meet the mission of the program. These are the “hoops” that government creates. There can be layers of hoops that gradually and more thoroughly narrow the universe of potential applicants.

Even with many hoops, the demands for programs often exceed available resources. Therefore, government may also create competition where applications are reviewed and ranked, and awards are based on some scoring system. No matter how hard policymakers try to make processes neutral, the review processes are at least to some degree subjective.

### **Partnering with government**

It's obvious that government cannot afford to do everything, therefore, as supporters explore options, keep in mind ways to build partnerships with non-profit organizations and for-profit entities. State officials expect to see support coming from elsewhere besides state tax dollars. Non-profits and businesses can bring resources not otherwise available.

## Section 2B - Look at Policies Beyond Agricultural Programs

In researching state policies, do not limit your review to those of the Department of Agriculture. In fact, rules, laws, and programs affecting agriculture are embedded in the environmental, public health, and even public safety, agencies, to name a few obvious ones. Explore building restrictions, sanitation regulations, watershed protections, and laws guiding access to water, which are just a few of the places where government agencies intersect with agriculture.

Keep in mind that priorities in one agency may be in conflict with those of another agency, unintentionally. One of the most productive things that supporters can do is to *gently* point out conflicts that hurt or hinder future farmers. Government may be able to modify or ameliorate the negative impacts without nullifying the intent of a set of regulations. On the other hand, supporters may need to wage a major and long-term effort to get changes.

For example, some drought protections instituted to preserve water may limit access to water for new farmers exploring land opportunities. If the Administration declares that it wants to preserve farming into the future, perhaps state officials can be persuaded to revisit the regulations so as to allow some growth in farming.

### **Agriculture as economic development**

It is the rare state in the Northeast, however, that treats agriculture as economic development and supports it accordingly (see box below). Environmental efforts are more likely to attract government funding for agriculture than economic development programs are. While state departments of agriculture promote agriculture as an industry, other non-agriculture business leaders and lenders often do not.

Several states' economic development Websites fail to mention agriculture at all, even in places where agriculture is either the largest or one of the larger industries in a state. By not mentioning agriculture, new farmers who are exploring their options may assume that agriculture is of no importance, that none of the programs will be available to them, and/or that agriculture somehow isn't really viewed as business. This may dissuade a new farmer. New farmer supporters should discuss ways to integrate agriculture into existing state business and economic development Websites and programs.

#### **Agriculture Is Economic Development.**

In a unique arrangement, Agriculture Development is a part of the Delaware Economic Development Office, not the Department of Agriculture. Its focus is on the business of farming, its future, and the need for it to be profitable by maximizing added value.

### Section 3 – Tools for Policy Work in Your State

In this Section, we suggest steps to review your state’s policies for their impacts on new farmers. Supporters will need to decide what they hope to accomplish. There is no formula to this process, but the goal is to research and discuss state agriculture policies to identify ways to meet new farmers’ needs.

#### 3A. Setting the Stage

<b>Who</b> - The decision about whom to include will depend upon expertise and perspective and will be a judgment call depending on what you hope to accomplish with the particular discussion.
Local Extension.
Staff from existing new farmer programs or services.
Staff of state and federal agricultural agencies and non-profit organizations, like USDA, Farm Bureau, state departments of agriculture.
Some new farmers.
Some established farmers. While this latter group may not be supportive of all your suggestions, your group will learn what the naysayers think about any proposals you consider. This will help you to build a constructive agenda and assemble your arguments.
Economic development organizations, state and federal, like SBA.
Commercial lenders.
Political figures who take an interest in agriculture.
If you are pursuing federal issues, include elected and staff officials at a federal level, like Congressmen and representatives of USDA.
<b>What</b> - Assemble the people who are involved or might be interested in new farmers. You will want them to help analyze the policy landscape and craft a strategy for approaching policymakers. The broader the group, the better the chances that you will create a comprehensive approach with well-prepared answers to the questions that policymakers will ask.
Discuss the issues.
Establish some priorities.
Evaluate resources that are available.
Assess the opposition.
Plan a strategy.
Test the strategy.
Define the tactics.
Identify outcomes and measures.
Assign tasks.

#### What do you want to accomplish?

Supporters need a few goals and specific outcomes that interest them. As we next review the “big” policy issues and then individual criteria, keep those goals in mind. To the best of your ability, define your “bottom line” in each kind of policy or criteria. Why? Because

when you discuss income limits or other requirements, you need to be conscious of where you are willing to compromise. You won't get everything, so what will you settle for?

Research existing programs and policies to become familiar with the requirements and policy statements within them. **You are looking for “disconnects” between what the policymakers declare in general information (we want future farmers) and how the programs work in reality, (criteria that new farmers cannot meet).** This Kit and the materials in the Appendix provide some examples and models, but this information is not exhaustive of all the examples and models in operation in the 12 states. Supporters in each state will need to review the information presented here and compare it to what they know to be the case locally.

Whether supporters want to pursue a change in an existing program or adopt a new one, they should develop criteria to help them compare one course of action with another. The criteria is most helpful if they include measurable values. To develop the criteria, ask what's most important? Below are some possible criteria and measures.

- Number of new farmers likely to be affected and the impact on other farmers.
- Ease with which the change could be executed, i.e., how many layers and hoops must you go through. How long will it take?
- Magnitude of the expected impact, even just big vs. small.
- Cost, perhaps a rough measure like less than \$5,000.
- Prospects for success on a scale of 1-5.
- Track record elsewhere. Number of tries vs. number of successes.

If supporters set criteria to compare one priority to another, the decisions are more defensible to others and to yourselves.

### **Program evaluation**

If supporters want to create a formal organization and initiate programs, they will need to consider developing evaluation tools to capture information about future improvements in services to new farmers. Data would make it easier to make the case for additional resources in the future. The GNF Website has information about evaluation tools and how to utilize them.

Most programs *require* performance measures. Historically, these were sometimes seen as exercises to satisfy political demands, which did not produce ancillary benefits for a program. That does not mean that evaluations are useless. Some policymakers may really support such processes while others may not. Just be aware.

To help develop criteria, start at the end. What is it that you want to accomplish with this policy? What can you actually measure? How will you know success? What would success look like?

### **Section 3B. Brainstorming the big policy issues**

Below are several issues that have over-arching effects on any discussion of policies regarding new farmers. Supporters can brainstorm about these issues before they begin review of individual state policies. These issues will evoke discussion and some controversy. By arriving at some conclusions around them, you will probably avoid repeated debates as you grapple with the details of criteria and programs.

► What is a **new farmer**? Do you accept the GNF definition (as described in Section 1B) or want to create a different one? Should policies differentiate among different kinds of new farmers; for example, those who inherit a family farm vs. those who have no land and/or no agricultural experience? How?

#### **The role of the public sector**

► What is the role of the public sector in supporting and assisting new farmers? Is it limited to training or technical assistance? Should it provide financial support through loans and grants? Under what circumstances is the latter appropriate? When should government provide direct services and when are partnerships with the private sector (both for-profit and non-profit) appropriate or preferred? What are the advantages and disadvantages of working with the private sector?

► The state must always justify that its efforts are for a public purpose. Land preservation programs generally declare that their public purpose is to preserve land for farming. Should the state also ensure that preserved land is actually farmed? Is the public purpose the open land or the act of farming? Should the state encourage new farmers to settle on preserved lands by giving incentives? Or should they rely on established farmers who have a track record? Or should they not be involved in who farms the preserved land?

► In what ways do or should state policies limit, shape, promote opportunities for new farmers? By creating programs, providing bonus points in competitive programs, or offering other incentives, a state can encourage applicants to move in a certain direction. For example, Farm Viability programs sprung into being in the past 10 years. They were intended to help farmers redesign themselves as direct marketers. At the beginning, this was a bold concept. It is an example of how a state can use public funds to steer private sector changes. How much, if any, should the state attempt to steer markets? From CT comes the related question, “Who should decide on what agriculture is going to look like in the future and how farmers will be able to do business? We need to train producers to become more involved.” Do you agree?

#### **To what degree should state revenues support new farmers?**

► Looking at the industry in your state as a whole, should public funds be used to support and attract new farmers into agriculture, considering all the benefits of agriculture (local food supply, jobs, open space, history, habitats, scenic views, etc.). Public funds are used to encourage business to come to underserved areas, why not agriculture? Millions of

dollars are offered to large corporations to lure them to a state or community. Should funds be directed to encourage agricultural development? Would politicians find such support politically defensible?

▶ Is food production a policy concern in your state? Is food "more important" than turf or nursery crops? Do you want to create incentives for new farmers in food production but not in other areas of farming? Should efforts be targeted to one kind of food production, say specialty crop vs. dairy or vice versa? What about raising crops or livestock for therapeutics, pharmaceuticals, and other medical applications, e.g. raising pigs for their heart valves? Is the latter agriculture? Should the state use government funds to support all new farmers regardless of what they produce?

▶ Not all new farmers are short on money. Will you support all new farmers regardless of whether or not they have financial resources? Will you recommend different approaches for different kinds of services, for example, all new farmers can take courses, but farmers with adequate financial resources will not be able to access funding programs? How will you handle new farmers that are perceived as "hobby farmers"? [GNF draws the distinction here between farmers who have *commercial intent* and those who do not.]

▶ Should the state provide funding to guarantee loans made by commercial banks to new farmers and/or all farmers and protect the banks from potential losses thereby enabling them to reduce interest rates? Why? Does the state offer this support to other industries?

### **To what degree should new farmers being given preferential treatment?**

▶ Should government provide special consideration to new farmers as compared to established farmers? What is the intent of that special consideration? How far should the state go? By providing tax advantages or special consideration in competition for state funds or assistance, the state may be subsidizing new farmers. Will established farmers resent and oppose such efforts? Remember they probably have an organized constituency from which to work. By supporting new farmers, are supporters fostering competition between new and established farmers? Policymakers might encounter these questions among their constituents so be ready to address them.

▶ Should heirs to existing farm operations be given special consideration in an effort to protect the land from development? Or should an heir who has worked on the farm part-time over the years be given the same or more consideration in comparison to a new farmer with a non-farm background and a college degree in agriculture? Should the policymakers compare the prospects of success, and if so, how?

▶ New farmers are likely to start at a smaller scale and some will grow their enterprises over time. But, not all new farmers are small farmers, and not all small farmers want to get bigger. Is there a policy position about farm-entry strategies such as contract agriculture or farming on public land? Should start-up farmers be regarded the same way as non-farm business start-ups? Should they be able to access at least the same kinds of financial assistance and business support that other new businesses do, e.g. getting business plans done through Small Business Development Centers?

### **The industry itself**

► In making a decision about going into agriculture, a new farmer might investigate the condition of the industry in your state. What might s/he find? What kind of risk assessment might s/he do? Evaluate the risks. Consider development pressures, access to capital and land, the cost of labor, lower federal subsidies than those of other regions, among others. Is agriculture seen as an environmental risk? What is its reputation? Are there changes in state policies that might ameliorate any of these risks? Is the industry viable?

### Section 3C. A Policy Checklist

How can you assess the impact of an existing or proposed public policy on your state's new farmers? What do you consider a "good" policy? How can an existing policy be amended to achieve the outcomes you seek for beginning farmers? Answering these questions takes a bit of investigation.

To reiterate (from Section 2) a **policy is a plan of action or guiding principle designed to influence behavior. Policies can be reflected in any formal or informal statements**, for example:

- Agency visions and mission statements
- Legislation (laws)
- Regulations (how laws are administered)
- Program statements and design
- Program criteria
- Statements from office holders (e.g., in press releases)

Within this Tool Kit, we use the terms policy and program interchangeably to include any of the above.

**Please note:** policies are often embedded in the fine print of regulation and/or program implementation. Look for “**disconnects**” between what the policymakers declare in general information (we want future farmers) and how the program works in reality (criteria that new farmers often cannot meet).

#### What you are looking for...

\_\_\_ “Positive” policies mention new farmers specifically and/or purposefully help new farmers.

For example, a seminar on exploring farming as a career, or a loan program targeted to beginning farmers is a positive policy.

\_\_\_ “Negative policies intentionally exclude or have negative consequences for some or all new farmers. These often occur when requirements are based on how long someone has farmed. Since the new farmer is defined as someone in operation for less than ten years, any mention of years in operation will affect him or her.

For example, a property tax abatement program that requires a two-year tenure before relief is granted precludes early-stage new farmers and is therefore a negative policy.

\_\_\_ “Neutral” policies neither favor nor exclude new farmers. Most policies fall into this gray area. Requirements like “must own land” (new farmers often do not) or “matching funds required” (new farmers may be cash poor) may negatively affect new farmers, but not intentionally. Most of your discussions will probably take place around these "neutral" policies. They are also where most opportunities lie.

Within a neutral policy: Is the affected universe of farmers disproportionately comprised of new farmers? Does the policy pose a barrier because it affects something that is common among new farmers? What is the barrier, e.g. lack of knowledge of where to access to information? Is the policy justified anyway?

### **Analysis of examples of issues and criteria in agriculture programs**

Following are some common criteria that are used in programs and may create disadvantages for new farmers. We raise some questions and talking points for your consideration. Use these questions to brainstorm among yourselves to develop consensus before you approach policymakers. In your investigations, you may discover other criteria that impact new farmers.

In Section 6 of this Tool Kit are some policy statements from each state. These is not all-inclusive but are a place to start. Once you assemble relevant program materials, read the overviews and sections that declare the goals. These are generally the overarching statements. Are they about new farmers at all? Are there opportunities for new farmers? Are the statements consistent with what was said in the very broad policies captured in Section 6? Keep all of this in mind as you then work with the specifics and details.

### **Acreage and land ownership requirements**

Often, property tax abatement laws as well as land preservation and viability programs require that a farmer has a minimum amount of land and/or that he own the land on which he operates. However, sometimes new farmers will start their operations on just a few acres until they can generate some revenue to invest in more land and expand the operation.

\_\_\_ Is the program available only to farmers who own the land on which they operate? This is a serious impediment for new farmers in the Northeast where land is expensive.

\_\_\_ Will the state accept a rental or lease situation? How long?

\_\_\_ Will the state allow a landowner to participate in an agriculture preservation or farm viability program even though the owner is not farming and the lessee is a new farmer?

\_\_\_ Does the state require a business plan or other proof of experience from a new farmer who is trying to buy a protected farm? What criteria does the state use? How were they developed?

\_\_\_ Are there public policies that enable new farmers to farm on land they don't own, including public land? (Longer-term leases have many substantial advantages to the new farmer, but many states have laws that prohibit them.)

### **Bonus points, incentives, and special consideration**

States will sometimes give special consideration or advantage to a particular sector, for example, agriculture land preservation programs are a special advantage to people who are willing to restrict their land for agricultural use in perpetuity. In doing so, state government declares that preserving agricultural land is a priority and backs this up with money. Sometimes the special advantage is modest, such as a bonus point for a certain kind of activity or a targeted program for some subset of a larger population.

\_\_\_ Does the special consideration make it more difficult for new farmers to access? Or is it *for* new farmers?

\_\_\_ Do land preservation policies make reference to, reward, or encourage new farmers at all? If not, is the net result negative for them?

\_\_\_ Do you want to ask the state to consider providing incentives to people considering farming or already in the start-up phase? What kind of incentives? At which stage?

### **Financial requirements**

These are common requirements in programs where someone wants to acquire land, equipment, operating capital, or other assets. Typically, loans and grants are available only to established farmers to undertake on-farm projects for established operations. Is that true in your state? What is the reasoning?

\_\_\_ Does the policy require equity, collateral or matching funds? A new farmer may have little or none.

\_\_\_ In lieu of cash, can sweat equity or in-kind contributions be considered? Can those contributions come from other people in the family, for example, a spouse who provides legal services?

### **Income and sales levels**

Some programs link eligibility to the level of income or sales.

\_\_\_ What are the implications for various categories of new farmers?

\_\_\_ Is the program targeted to support low-to-moderate-income farmers? Should it be? Are you interested in all new farmers no matter what their financial standing, or in all lower-income farmers no matter what their stage of farming?

\_\_\_ In the Northeast, many new farmers are financially well-established, mid-life "career-changers" from other industries that are turning to farming. Where do these new farmers fit into your strategy? Could the state provide assistance without exposing itself to criticism for spending tax money on people who do not need it?

Here are some policy options to address these concerns:

- The state can charge a sliding fee for services to those who can afford to pay and not charge who cannot. The funds received *might*<sup>6</sup> be able to go into a new farmer fund.
- Interest rates on loans can be higher for those with higher incomes. Sometimes this is done so that the state can offer lower-income people an advantage but still have a reasonable revenue stream from the government portfolio.
- The state can provide (directly or through service contracts) training on a fee-for-service basis but not allow people with money to apply to loan or grant programs.

\_\_\_ If there are income requirements, how is income determined; from income tax reports or via self-declaration, both of which are common approaches in state and federal programs? Or some other approach? Is the paperwork burdensome?

\_\_\_ What comprises income, i.e., the income of the individual or the family as a whole? Does that include just farm-related income or off-farm income, too?

\_\_\_ Are other assets beyond income considered?

### **Percentage of time farming**

Sometimes states do not want to support "non-commercial/hobby" farms. This may unintentionally hurt new farmers, many of whom hold other jobs while they launch and stabilize their farm enterprise. Many new farmers, like more than half of all U.S. farmers, will *always* have off-farm employment. Does the program contain requirements about how much time is spent farming, i.e., full-time vs. part-time? Do the requirements hurt new farmers?

Also, courses and seminars are often offered during the day in winter when farmers have a slower season. This may hurt the new farmer, because s/he may work a fulltime job and is attempting to launch the farm in evenings and weekends and can't leave the day job for a course.

\_\_\_ If a program is offered during the day in growing season, this may be a hardship the new farmer. S/he may be the only person working the farm and being pulled off during work hours may be impossible.

\_\_\_ Are the programs offered in a variety of geographic locations so that a new farmer can access them? How often are they offered? How is outreach done about them, is the information getting into the hands of new farmers?

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<sup>6</sup> Often funds must go into the "general fund" and cannot be earmarked or designated unless certain steps are taken. These steps vary widely in their complexity.

### **Requirement for documents**

Many programs require financial statements and/or business plans, and/or historic tax reports.

\_\_\_ A new farmer may not have a clue where to begin. Are there courses on writing agriculture business plans targeted to start-up and early-stage operations? Is technical assistance offered on how to write such a plan? Is the TA accessible to new farmers? How difficult is it for a new farmer to learn of this assistance?

\_\_\_ Same for developing financial papers. Are there any free or inexpensive services targeted to agriculture, particularly for new farmers? If there are programs offering these services for other businesses, why not agriculture, for example at the Small Business Development Centers?

\_\_\_ For funding programs that require a business plan, should an established farmer (more than 10 years operating a farm) with a business plan compete head-to-head with a new farmer with a business plan? Why or why not? Is the playing field level and should it be?

\_\_\_ Does the policy hurt new farmers in particular or in an unexpected way? Sometimes government discourages or encourages certain products or kinds of farming by limiting or offering support. A state might choose not to support dairy farms in highly developed areas, for example. What if a new farmer wanted to specifically launch a small, organic dairy operation? Is s/he precluded?

\_\_\_ Does the policy target certain kinds of production or give certain incentives to one over another, such as specialty crops over livestock? These are examples of the state steering markets (perhaps for very legitimate reasons); supporters just need to be aware of them and their impacts on new farmers.

\_\_\_ Is the state giving extra benefit to farmers who undertake bigger risks, say dairy vs. pick-your-own blueberries? Or vice versa, do they favor those who are less risky?

### **Years of experience or years of operation.**

New farmers who are in the early stages may not have long enough track records to even get into the game.

\_\_\_ For example, some business planning courses require that the farmer be in operation for three years. This produces a catch-22. A farmer should have a plan right from the beginning of operation. If s/he can't get a plan via the business course, where does the new farmer turn? Are there other options available? Does the agency provide direction, advice?

\_\_\_ Typically, to receive funding from a state-sponsored business assistance program (e.g., a farm viability program), the farmer must prove s/he has been in operation for three years

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or more. Does the state have any flexibility? Would it give any consideration to a farmer in the first three years of operation? For example, if the new farmer has interned or worked *for* an established farmer for three years, and *if* the landowner is willing to sign the covenant, will the state accept an application?

\_\_\_ Is it reasonable for the state to require *some* experience? How much? How do they decide? Are there any exceptions? How is "experience" defined? This is especially germane when the applicant is the junior partner in a family operation. For example, what if the farmer hired a business manager who had 20 years of experience? Or what if the new farmer had graduated from a four-year college of agriculture? Or from a 12-week NxLevel Agriculture Business Training course? What's enough?

### Section 3D. Getting New Farmers on the Radar Screen

Promoting agriculture is a common problem for all the states. Even more challenging is promoting agriculture as a possible profession for a new generation. Does your state promote all farmers or some farmers? New or established? Certain sectors and not others?

One relatively “easy” way in which to promote the cause of new farmers is by increasing their visibility as a group. What kinds of policies will foster awareness of new farmer issues? Are there ways for states, with limited resources, to promote the cause of new farmers?



#### **A “New Farmer Page” on Every State Ag Department's Website**

##### **GNF suggests a goal for all states in the Northeast -**

Get a New Farmer Page on the websites of each state’s Department of Agriculture, which would provide new farmer information and have links to the GNF website and others.

In the Appendix are directions on how to develop a New Farmer Page. Use the request for a New Farmer Page to generate broad, but concrete, discussions about policies relating to new farmers. In focusing on the web page, you have a tangible request that is a good place to start building the relationships with people at the Department. (See p. 74.)

*Congratulations to the MD Department of Agriculture for already having a new farmer page on its Website!*

Be aware, that the decision about such a page may rest with the Commissioner/Secretary/Director of the department. By choosing to have a web page for New Farmers, some may perceive that the state views new farmers as different and distinct from general farmers.

##### **Other ideas**

- 1) Request that a survey tool be included on web page asking for new farmers to volunteer their names and addresses and to sign-up for any newsletters and market reports that the department routinely sends.
- 2) Pursue a link from state business and economic development websites to GNF, thereby introducing the idea that farming is business and new farmers are important to that business. Seek new farmer web pages inside Extension, Farm Bureaus, and grower-groups, too.
- 3) A new farmer may not know how to find land to farm, particularly if s/he is trying to relocate to a new state. On the state Department of Agriculture website, officials could include helpful suggestions information to begin the process. For example, list everyone

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you know in the area and ask friends to provide names, too. Locate any organizations with which you have been affiliated elsewhere – Elks, garden clubs, Lions, Kiwanis etc. Connect with them. Subscribe to the local paper (particularly a weekly where community news is included).

**4)** Try to get a periodic new farmer column into newsletters produced by the state's Department of Agriculture. Utilize trade shows for the various commodities to get info to and from new farmers. Inventory the possibilities and target the best.

**5)** Build relationships with FFA, 4-H, agricultural schools and colleges, and any other organizations where there are young people who might be future constituents.

**6)** Graduates of a course like NxLevel are often the ones who encourage a new farmer to take a course. Work with administrators of those courses to add names of graduates to mailing lists (perhaps via the GNF website) to keep them involved and aware of what is going on in the new farmer world.

**7)** At a community level sometimes, new businesses are required to register with the Town Clerk. In some areas of some states, perhaps business information for new farmers could be made available to the clerks or other local points of entry.

## Section 4 - Meeting the Needs of New Farmers

### Policy issues, models and ideas from the Northeast

This section is divided into the four areas of need for new farmers:

- 4A - Access to Credit and Capital
- 4B - Access to Land
- 4C - Access to Information and Education
- 4D - Access to Markets

In each section, we highlight some successful models and ideas collected from around the Northeast region. We continue to raise policy issues for supporters to consider and offer editorial comments to guide or suggest approaches. The ideas mentioned here are a sample of the thoughtful and innovative policies and programs that exist for new farmers throughout the Northeast.

For a model on creating a vision for agriculture in your state, researching existing issues, and evaluating policies, look at Connecticut's "New Directions for Agricultural Policy in Connecticut", May 2003. Contact the CT Food Policy Council at the Department of Agriculture.

### For more models and ideas

See Section 6 – State Profiles for a short section specific to each state.

See Appendix 3 for "Agricultural Policy in the Northeast States: Inventory and Innovation."

See the GNF website for its Resource Directory, list of publications, and calendar of events. There are many, many ideas and models represented there. Be sure to visit [www.northeastnewfarmer.org](http://www.northeastnewfarmer.org).

### Section 4A. Access to Capital and Credit

Many new businesses, not just farms, find it difficult to access capital. Generally, funding for business start-ups comes from family, the entrepreneur's savings and/or debt financing, most often through credit cards, personal loans, and home equity loans. Government and private banks are reluctant to loan to any start-up business that has no track record, unless there is sufficient collateral or other protection to comfortably secure them against losses.

There is intense policy debate in some circles about whether and to what extent new farmers deserve special consideration in the area of financing. If you have not read and reviewed the policy questions in Section 3B, we suggest you do so. Supporters must answer the basic questions about whether new farmers deserve special consideration, whether the state should bear the cost and risk for that consideration, and what services and support will be available to new farmers regardless of their financial condition. Only then are supporters prepared for discussions with policymakers.

by **Don Hering**

**Many beginning farmers use debt to meet their financial needs.**

Although there are minor differences of opinions, respondents to a GNF-sponsored survey of service providers regarding access to financing felt that, generally speaking, adequate access to credit for a beginning farmer is not a significant barrier<sup>7</sup>. However, qualifying for credit, especially for limited resource new farmers, start-up operations without financial history, and new, less traditional enterprises is a barrier. It is important to define credit as the mechanism that provides funds over a period of time for expected market rate return (reward) for the risk. In the Northeast, some commercial lenders, leasing and trade credit programs, as well as the Farm Credit System, and the USDA Farm Service Agency have lending programs for “beginning” farmers.<sup>8</sup> However, when considering the recent low interest rate environment along with the fact that the definition of a beginning farmer includes many well-capitalized borrowers, it stands to reason that lenders can find potential farmers as a viable market for loans.

**Debt comes at a cost.**

The current agriculture economy is challenged to produce profits even with the low cost of credit. The obstacles for farm profits come from surplus foods, out of balance global trade, and the high cost of certain inputs and resources such as labor, machinery and real estate. Therefore, entry into farming is challenged even more so for a beginning farmer. Many well-capitalized individuals that enter into farming for the lifestyle are not necessarily dependent on profit, which further compounds the over- supply of products and also competes for farm capital (land, equipment, etc.) and farm inputs (labor, supplies, etc.). The same supply and demand forces will also affect the availability of credit as the supply of money tightens<sup>9</sup>. As the supply of money tightens, not only will the interest rates increase, the lenders will typically increase the standards that affect the quality of credit factors for a loan. Therefore, the cost of credit is not a significant concern in today’s times, but there is no guarantee that this environment will be sustaining.

**The size of a credit request does matter.**

In some ways, the challenges to access small funds for a start-up farm operation are as great or greater than seeking significant capital. Small loans have no set limit but generally are considered below \$25,000 to \$50,000. The time needed for a lender to properly analyze and process a request is not necessarily proportional to the loan size; therefore, lenders cannot always justify the cost of delivering small loans using conventional methods and terms. Many lenders use credit scoring which is driven totally on objective data and does not consider any “human factor.” If not using a credit scoring approach, many lenders suggest home equity loans or credit card type of programs that

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<sup>7</sup> This survey was completed during a 40 year historical low interest rate environment. A significant factor of the cost of credit is the demand for credit. Said another way, the recent economy indicates the supply of money is greater than the demand. As a result lending standards tend to allow for more risk. This scenario will change when the demand for credit significantly increases.

<sup>8</sup> A beginning farmer is defined by USDA as having 10 years or less of actual farm experience.

<sup>9</sup> The factors that affect the cost of credit include a wide array of factors, that may not have any bearing on a specific industry such as agriculture.

may not be conducive to the needs of a beginning farmer. So, some lenders will more easily loan large sums of money to a qualifying applicant than process a small loan. Many new farmers will not qualify for a large loan, and are in fact seeking small operating loans or lines of credit.

**Debt financing may exclude some beginning farmers.**

The previous points are made to illustrate that debt financing is not a barrier for a significant number of beginning farmers. However, there are many opinions that suggest a need for beginning farmers with limited resources to have better access to other financial resources such as grants or made available at rates significantly below the cost of delivery along with finding alternative mechanisms to acquire ownership or control of the farm's land base. Various governmental and not-for-profit programs have small and micro-loan programs that make funds available to small businesses (some specific to farmers); however, many of these programs have limited resources or are not well known. Furthermore, many of these programs are not designed specifically for "beginning" farms and/or are limited to geographical areas (state, county, etc.)

**Are the existing funding gaps for a small group of beginning farmers significant?**

To increase the availability of for beginning farmers brings up many economic and political issues. The need for favorable credit terms or grants may be justified for farmers with limited resources or a need for some research and development type of funding. However, the delivery of these types of funds is not attractive to organizations that expect a market rate of return on their investment such as commercial banks and the Farm Credit System. Thus any funding program will most likely need to be sponsored and subsidized by some governmental or not-for-profit organization.

**The challenges for beginning farmer funding programs.**

Before any funding program is initiated, a clear set of objectives and outcomes will need to be developed. Many times, building consensus for the various policy issues can be extremely difficult. The following questions are an example of the various issues that will need to be considered when outlining a funding program for beginning farmers. Most of the questions will not have a definitive or quantifiable answer; any responses will need to be defensible based on logic and social priorities.

- 1) Many beginning farmers have the financial capacity to start a farm operation; therefore, should funding be made available just to beginning farmers with limited resources?
- 2) Providing advantageous funds to limited resource farmers may alter existing farm economics by competing for markets and prices; therefore, what is the purpose of a beginning farmer loan program?
- 3) If credit is made available to limited resource farmers, who should bear the credit risk and how should the program be funded?

- 4) Are there existing but under utilized loan programs available to meet the on-going credit demands in current and/or are they properly positioned to meet the needs during high interest rate environments?
- 5) Should beginning farmer financing programs be segregated from other start-up business funding programs?
- 6) Even if there is a gap in funding certain beginning farmers, is this barrier a high priority for a beginning farmer and worthy of political attention?
- 7) How will success be measured?

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### **Model Programs and Ideas**

*These are EXAMPLES of programs. This is not a complete list of all related programs in the Northeast. Other states may have similar programs but not be listed. This was not a comprehensive and exhaustive research project to compare all states' programs.*

#### **Using bonus points to support new farmers**

The MA Agriculture Environmental Enhancement Program provides small grants to farmers to undertake an environmental practice that will both improve the farm's operation and eliminate an environmental concern. The Department offers a bonus point to new farmers competing for funding.

#### **Loans for the next generation of farmers**

PA's Next Generation Farm Loan Program is sponsored by joint efforts of the departments of agriculture and community/economic development. Federal tax-exempt mortgage financing is used to reduce a farmer's interest rate for cash purposes. Loans are up to \$250,000 for operation funds and \$60,000 for new or used machinery. The loan may be used between borrower and lender to make a direct purchase of a farm or agricultural machinery or between a buyer and seller for a contract purchase. The loan can also be an arms-length transaction between buyer and seller without a bank. The Program exempts the loan interest from federal, state and county taxes.

#### **Loans for capital improvements**

Maine offers the Agricultural Marketing Loan Fund. For loans over \$100,000, the fund provides 75% funding at 5%. For loans under \$100,000, they will do up to 90% also at 5% interest. These are available to new farmers, assuming they qualify.

#### **Farm Services Agency**

From VT: "FSA does the best job of providing capital at lower rates, with easier equity requirements and for working capital. Let FSA deal with new farmers with their direct, local, loan programs; send less direct aid to established farmers and use guarantees in those cases." *This is a policy suggestion that Northeast states might want to consider, drawing a distinction in support between new farmers and established farmers.*

*One concern raised about FSA is that, sometimes, new farmers run up their credit cards and then pursue a loan thinking they can fold the first debt into the second. This does not work with FSA (and possibly other lenders). Is there a way to help here? Is this an issue to address at a federal level?*

### **Bond Program for new farmers**

NY had a bill in its 2003-2004 session to finance the beginning farmer program through bonds issued by the Environmental Facilities Corporation. It was reported and committed to Rules. *What happened here? New farmer supporters from other states might investigate the discussion held in NY. What were the concerns of legislative leaders? Can supporters address those concerns?*

### **Incentives**

Maine's Coastal Enterprises, Inc. offers small loans to organic farmers or to those transitioning to organics, for example, restrategizers. While this is not a state-funded program, it is a model of targeting a particular niche.

### **Tax Benefits**

NJ exempts sales tax on tangible and personal property as well as production and conservation services for farmers when used directly and primarily in the production of agricultural or horticultural products, with some exceptions. NY has a program as well. *This is a big savings for a start-up operation that needs a lot of equipment to begin.*

NY offers a farmers' school tax credit for the amount paid on land, structures and buildings that are used or occupied for agricultural production. The credit comes from the state income tax that the farmer pays. *When a certain people in a community are granted tax relief, the burden typically moves to others in that community. NY very nicely eliminated that by moving the burden to the state income tax where the economic impact is nearly imperceptible. And, if a farmer's taxable income is not enough to offset the credit, the state sends a check!*

Farmers in CT who are required to file estimated income tax payments are required to make only one payment instead of four.

### **Seed Money**

Several years ago, the MA Department of Agriculture and the Executive Office of Communities and Development teamed up to buy seed and basic equipment for clam farmers on the Cape and to help fund the leases of small areas of clam flats for them. *Not all states have oceanfront and even among those who do, not all label this as agriculture, but it is a model that met with great success. Thinking creatively, perhaps there are pieces of this that could work for other kinds of agriculture; for example, could the state lease land it owns for blueberries and assist with starter plants?*

### **Small Business Financing**

PA's Small Business First Program did not accommodate farmers until supporters made the case for changes. Last year, the program was amended to allow farmers to borrow up to \$200,000 at 3.5% interest.

**Grants for agri-businesses**

NY offers the Grow NY Enterprise Program, which is a three-way partnership among the Governor's Office for Small Cities, Empire State Development Corporation and the Department of Agriculture and Markets (a model in and of itself). This program uses CDBG funds, in part, to support local agriculture, processing and marketing of NY products. *All the Northeast states have a "buy local" kind of campaign. NY goes the extra mile by providing funding using creative financing with state and federal funds. While this program does not focus on new farmers, it demonstrates a willingness to be flexible and creative. Supporters should review the program requirements to see if they are friendly to new farmers who are in their later stages of development.*

## Section 4B. Access to Land

Land in much of the Northeast is at a premium. Farmers who are located near “hot” markets have people to buy their products, but the cost of land in those markets is often well beyond the means of new farmers. Land in more remote areas might be less expensive, but access to markets becomes the challenge.

There are several ways to help. Most Northeast states have a preservation program for agricultural land. Making sure that those programs are regularly funded is one way to help. Another is to work on succession issues with established farmers who are aging, whether or not they have family heirs to take over the farm.

### Model Programs and Ideas

*These are EXAMPLES of programs. This is not a complete list of all related programs in the Northeast. Other states may have similar programs but not be listed. This was not a comprehensive and exhaustive research project to compare all states' programs.*

#### **Keeping restricted land affordable**

MA's Agriculture Preservation Restriction program (APR), took steps in recent years to ensure that the sale price of restricted farmland remains affordable (at agricultural value). The Department took these steps because land, even with the agriculture restriction, was rising in cost to levels that were prohibitive for most beginning farmers. *Supporters might explore MA's experience and use that to compare and evaluate their local programs.*

NY offers three different programs within its Farmland Protection Program. The County Farmland Protection Planning Grants cover up to 50% of the costs to develop county farmland protection plans. The Purchase of Development Rights Grants provide municipalities up to 75% for the purchase of a PDR on viable farmland. And Conservation Easements permanently restrict the future development of an agricultural property.

#### **Succession plans**

New farmer advocates in PA were successful in getting a new provision in the state's Farmland Protection Program, which is designed to “foster next-generation farming on farmland where the state has acquired development rights.”<sup>10</sup> The farm applications now ask if the owners have any succession plan in place to ensure future operation of the farm by a new generation.

#### **Helping the next generation of new farmers**

*Access to land, estate planning, estate taxes, succession, and next generation needs are all part of the most basic problem for established farm families - family dynamics. There are*

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<sup>10</sup> GNF email to list, 5/9/03

*no statistics on how many farms might have been saved from development if families had received support and guidance in navigating among the many interests and emotional landmines. However, anyone who has worked with farm families has probably encountered a situation where family members went to battle over whether to preserve the farm or go for the big money. States that want to take a pro-active role in such matters might pursue funding to provide mediation services and training for the farm families. Mediation is a voluntary process but is often successful and avoids big legal bills. If there were an interdisciplinary approach, some land could be saved for the next generation.*

NY FarmLink (partially funded by NY Dept. of Ag and Markets) offers a conference entitled "Bringing the Generations Together in a Family Business" designed to improve communication between agricultural students who plan to return to their family farms and their parents.

PA is investigating a Nebraska program that provides tax incentives to people who rent to new farmers. There are also incentives to the senior generation to transfer to the next. Without incentives, it seems, farmers opt not to transfer the farm until they die. In the meantime, the farm-owner lets the condition of the farm deteriorate and does not or cannot reinvest in the farm. The incentive would have to be generous enough to offset the capital gains and income tax costs.

### **Land Linking Programs**

ME, NJ, NY, New England, PA, VT (and perhaps others) have programs to connect beginning and relocating farmers with land and farming opportunities by linking farm-seekers and farm-owners, providing education through publications and workshops on farm start-up and succession issues, and referring farmers and landowners to service providers (lawyers, accountants, etc.) and agricultural organizations. A few linking programs are state-supported or partially state-supported (e.g., New York); others rely on private and other sources of funding. In any case, public policy can support Land Link Programs wherever they are located.

***Farm Link Program clients** often benefit from some neutral party who can facilitate the conversation and negotiation between the parties. Established farmers are sometimes skeptical of the program. A mediator can reassure the parties and explain the process, facilitate and coordinate the activities and negotiations. Could your state name a staff person as a liaison to a linking program or assign someone to assist with coordination? Supporters might explore the possibilities with the state and non-profits, too.*

*Agriculture departments can help by including Land Link options in seminars they hold on planning for farm transitions.*

In NY, NY FarmLink offers two step-by-step farm transfer workbooks one for each of the senior and junior generations when they are confronted with transferring a farm. NY also holds workshops to assist. The NY FarmLink database offers options on apprenticeships, management opportunities and other information of value to beginners.

### **Land conversions and taxes**

According to American Farmland Trust, estate taxes are the number one reason for conversions. Others vigorously disagree and believe that taxes are not to blame. *Any supporters that decide to get involved in state or federal tax policies related to agriculture should contact AFT for documentation. Some states do not seem to have problems with federal estate taxes, but do with state estate taxes. Also, some people seem to feel that other issues, like cost of land, far outweigh tax issues for new farmers.*

### **Section 4C. Access to Information and Education**

New farmers are scattered throughout our region. There are few organized vehicles to reach them or ways for them to find the information they need. The Growing New Farmers Website, with its searchable directory, is the best resource for new farmers, and the only one of its kind in the country. However, states can play a more responsive and proactive role in supporting and assisting the new farmers in their states.

What is the role of public policy in educating new farmers?

Is there a policy that targets new farmers in *any* educational programming within state government? How about within the land grant institution/Extension? What about through community colleges, vocational high schools, or other public institutions?

Does Extension offer on-farm assistance? Could a new farmer access this? How? And how does s/he learn about the availability?

### **Model Programs and Ideas**

*These are EXAMPLES of programs. This is not a complete list of all related programs in the Northeast. Other states may have similar programs but not be listed. This was not a comprehensive and exhaustive research project to compare all states' programs.*

To spread their resources more broadly, public entities sometimes partner with non-profits and for-profits. Some of the models and ideas discussed here are examples of partnerships. Some include the state merely as an advisor or participant at the table of discussions. But even then, the state's policies may be having some influence and effect. Later in the life of an initiative, the state may provide targeted funding or other assistance.

### **Courses and Workshops for Beginning Farmers**

Seven years ago, the Massachusetts Department of Agricultural Resources launched the Agriculture Business Training Program using the NxLevel course entitled "Tilling the Soil of Opportunity". That course is targeted to existing farmers with three years' experience and has been very popular. Today, local non-profits - the Hilltown and Franklin Counties'

CDCs and the New England Small Farm Institute - have partnered to offer a series starting with an "Explorer" course for those who have not started to farm but are considering it, and a new "middle school" series (pre-entry) for those beginning farmers with firmer ideas and access to land. *From a Maine farmer: There is a NxLevel course there, but new farmers really need a one or ½ day workshop to start thinking or to introduce the why of farming and then funnel participants to NxLevel. Perhaps new farmer supporters can explore MA's efforts. The NxLevel course in PA is targeted to beginners and does not have a three-year business requirement. They find their courses have a good blend of those in business and those exploring the business.*

**" Exploring the Small Farm Dream"** is a course offered by the New England Small Farm Institute. Step by step, participants evaluate their own prospects for farming. For those who cannot access the course itself, there is a self-guided workbook.

### **New immigrants, new farmers**

The New Entry Sustainable Farming Project sponsored by Tufts University provides technical assistance to disadvantaged Hmong farmers who emigrated from Cambodia. The goals are to increase success for farmers, develop their self-reliance, and expand the availability of ethnic foods. Translation is provided. This program involves Extension, FSA and the state's Department of Agricultural Resources.

### **Extension programming**

University of Maryland Extension offers "Operating A Profitable Small Farm" to start-ups and re-strategizers as defined by GNF. The series covers farm basics, record- keeping and financial management as well as evaluation of markets, including non-traditional possibilities. There are also seminars on farm planning and succession.

NJ Extension officials may develop a certification program for new farmers modeled after the state's Master Gardener Program. One part of the program would require attendance at a training event, perhaps to be held as part of the three-state Small Farm Expo that PA, NY and NJ hold in the fall. *Could a certification program work as a larger regional effort with Extensions across the Northeast? Could a Certified New Farmer then have easier access to loans or better rates? Could s/he get special advantage in leasing state-owned farmland or such?*

Cornell Extension (Tompkins County) is improving their "Farming Alternatives" workbooks with two new volumes targeted at start-ups. They will be released mid-2004. Also Extension offices in four counties partnered with local libraries and created a series of workshops for the new and small farmer covering introductions to planning, horticulture, marketing, livestock, to name a few topics.

The University of VT's Center for Sustainable Agriculture developed "Growing Places: Exploring Opportunities and Realities of Owning an Agricultural Business" targeted to recruits, explorers and planners. This is an 18-hour, six-session class designed to guide participants through the process of clarifying goals, developing a decision-making model, finding resources, and determining an appropriate scope and scale for their agricultural business.

**Department of Agriculture materials:**

"Maine: Food and Farm Resource Guide" is produced, by the Maine Department of Agriculture has sections on getting started in agriculture, business planning, laws and regulations, taxes, management and sources of capital to name a few. It also provides 300 pages of resources available to the industry. The handbook is available on CD as well. *This handbook is a compendium of information that is extraordinary in its scope.*

"Is Your Town Farm-Friendly?" is a checklist developed by the NH Dept. of Agriculture and NH Coalition for Sustaining Agriculture for local officials to use to evaluate how their local rules and processes affect agriculture. While this is not specific to new farmers, it ultimately affects them in several ways. For one, frustrated farmers sell their land for development to get out from under local control, thereby reducing the available farms for new farmers. Also, a new farmer jumping in the middle of a controversy will have just one more obstacle to his success. *Supporters may decide that one way to help new farmers is to build better understanding between agriculture and local government, while educating officials on which local by-laws hinder new farmers in particular.*

**Academic Opportunities and Scholarships:**

Maine, through its state Department of Education, offers scholarships for people who study agriculture in college.

Vermont's "2+2" program offers a two-year tuition scholarship to UVM after a student has completed agricultural studies at VT Technical College. In return, the graduate commits to returning to the family farm.

From CT, the Ag Technology 2002 Annual Report recommended supporting agricultural education at all levels and developing a two-year Master's Degree for Applied Sciences. *Other states might discuss this idea with CT, whether the proposal ultimately passed or not. By learning from CT's experience, another state might be able to design a program that can meet its needs. Then perhaps a model could be broadly searched through GNF.*

MA approved a two-year Natural Resources Technician program at Mt. Wachusett Community College.

PA offers certain incentives to graduates of their state school who are willing to return to the farm after graduation, such as loan forgiveness and tuition reimbursement. *Each state offers some agricultural education through schools, colleges and land grant institutions. Supporters can consider opportunities to expand or refocus efforts on explorers before they start to farm.*



*States might want to explore ways to partner among state government, non-profits, trade and commodity associations, suppliers, and transportation companies to pool resources and make modest scholarships available to future farmers.*

**The Future Farmers of America Programs** in many states are smaller than they used to be but still have a presence. In Maine, the FFA Program is operated through the state Department of Education (DOE) and continues to provide proficiency training and exposure to competition. There are workshops for students in leadership, horticulture, forestry, etc. and competition among chapters in state and across the country. Teachers who are interested in being an advisor for a chapter of FFA contact the DOE.

### **Apprenticing and Mentoring Programs**

One farmer suggests that hands-on training is more important than school, and people can/should work on farms to get experience as paid or interned employee. *Are there links to such opportunities? Is there a way to list them at the state's Department of Agriculture Website?*

Maine's Sustainable Agriculture Society offers a mentoring program that "join[s] farmers with farmers passing along experience educating the future."

PA has an apprentice program certified through the US and PA Labor and Industry offices. It requires 2,000 hours of work experience, 144 classroom hours or related educational experience. Farmers must pay at least minimum wage.

NY offers a Farmer-to-Farmer Mentoring Program for start-ups (according to GNF typology). Farmers, including some farm couples, mentor for a 10-month period. Mentees (farmers-in-training) applied and teamed with farmers. The program had a part-time coordinator to support the participants and make sure things flowed smoothly. *The program built strong relationships between the mentors and mentees and gave new farmers a real-life introduction*

NY has the Agricultural Workforce Certification Program designed to provide hands-on training for farm employees. It helps with the recruitment, training and placing of agricultural employees. The goal is to train new workers or expand the skill base of existing workers and provide a stream of skilled workers who know the basics as well as how to use the technologies that drive so many practices on farms today. *This program is not designed for owner-operators and does not address business management issues but certainly is a model that could be expanded and adapted elsewhere.*

### **Creative Financing**

A non-government agency in the southern part of MD has a farmland viability grant program. Some of the money comes from the state tobacco money through the Department of Agriculture and can be used to encourage farmers to grow something else for ten years.



*Are there opportunities using tobacco settlement funds in other states? For example, could a small program be created from those funds specifically to do outreach to new farmers to support agriculture's shift from tobacco? Perhaps as part of the program, funds could be used to develop business plans for new farmers.*

### **New generation of co-ops**

New generation co-ops limit membership, tend to be value-added and have relatively steep entry fees. DE has considered an initiative to help new generation co-ops whose farmers pledge a certain level of productivity in exchange for cash up front. *Is this suggestion applicable elsewhere? What are the pros and cons to co-ops?*

Some states, including PA, have young farmer groups where adult members from the agriculture community serve as advisors and work with vocational-agricultural kids and departments in schools. *There is no equivalent of the Future Farmers of America for adults. Could there be?*

### **Coordinating agricultural efforts**

The Smart Growth Plan for Agriculture in New Jersey provides some great language and a model of coordination and team effort for agriculture in the state. The Resolution clearly states the goals of the initiative, and by implication, new farmers are integral to its long-term success. *This kind of policy commitment requires review to make sure that specific mention is made of new farmers, their needs, and any specific steps to take to ensure they are available for the future.*

MD's Chesapeake Fields Institute's mission is to strengthen the profitability of traditional agricultural markets for family farms while conserving the region's natural and cultural resources." *They have a Website. Supporters might investigate both the organizational structure and the vision of the Institute, because they seem relevant to new farmers.*

### **Beginning Farmer networks**

Beginning Farmers of New Hampshire is a farmer and service provider network designed to connect farmers to the community, share information, and access technical assistance on agriculture education. The NH Resource Conservation and Development Area Councils sponsor this program. Vermont has a similar statewide beginning farmer support network and PA has a Young Farmers Program. *States might consider assisting new farmers to join agricultural organizations and get involved in the industry to learn what resources are available. Would organizations reduce fees for new farmers for a period of time?*

#### Section 4 D. Access to Markets

New farmers, because they have less experience and fewer connections inside the network, often do not know how and where to break into markets. Part of the problem is that new farmers don't know where to get information, but there are other issues as well. This may be a challenging area to investigate, because the distinctions between the needs of new farmers and those of established farmers are blurred. Also, because so many large, external forces drive markets, there may seem to be little that state government can or should do in support of new farmers in particular. Here are some issues to explore.

Sometimes new farmers have lower quality food products for many reasons. This may limit their markets, particularly among the upscale restaurants and produce purveyors who are likely to pay higher prices. What can or should state government do?

Can new farmers access cooperatives and contract farming arrangements? They need information and access to these networks. How do public policies influence entry into contract farming and cooperatives? Does the Department of Agriculture or Extension offer appropriate training? Some established farmers might feel threatened by this – perceiving that increasing the number of suppliers may decrease their profits. How could or should the state deal with that perception? State and federal policies directly affect the contracts, and therefore the marketing options for new farmers.

Are there ways to encourage new farmers into new product lines? Are there niches that are just coming on line? If the department has that kind of market information, do they share it?

What policies shape a new farmer's market options?

Are there public policies that deliberately or inadvertently limit access to any markets?

Are there public policies that make certain market channels more onerous for new farmers and in what way?

Explore opportunities for new farmers to pool products, so that smaller volumes can enter the market.

Sometimes new farmers find it difficult to get premium crop and volumes required by state programs that supply food for retail or emergency food services. Is there a way for the state to foster "more forgiving" markets for new farmer products, e.g. could they supply food that will be processed before it is distributed? Could new farmers' products be given some preference in those areas?

Should the state provide information regarding market structure?

Should the state provide technical assistance around market entry and market assessment? Would that be done through state economic development entities or through a partnership with the Department of Agriculture?

Can new farmers be included in market information provided by the state Department of Agriculture and economic development agencies?

### **Model Programs and Ideas**

*There are very few examples of models in this area of need. Perhaps that should be a message to all. Here are a couple of examples. There may be other programs and GNF would be happy to receive emails with information about them. This was not a comprehensive and exhaustive research project to compare all states' programs, but the area of markets was conspicuously lean in its offerings.*

The Collaborative Marketing initiative, of the Beginning Farmers of New Hampshire, assesses available products of the beginning farmer members and explores outlets for collective marketing.

Most states provide workshops and occasional training on marketing and related information. *If your state Department of Agriculture agrees to have a Web page for new farmers on its Website, ask for a link to any educational offerings from the department that would be useful for new farmers.*

The Connecticut Creative Store is a retail unit located at the DOA selling gourmet foods and crafts that have been produced by CT companies using CT products. *This is a great example of follow-through. The policy is to buy local. What more could anyone ask than DOA to sell the products? We assume that new farmers would be eligible to sell their wares.*

## Section 5 - Linking State and Federal Programs

### 5A. Federal Agricultural Programs

#### **Federal conservation programs**

The state USDA offices have the authority to design and implement certain federal programs as long as the programs fit within broad requirements. USDA offers states the flexibility to offer a cost-share rate of up to 90% for beginning farmers, rather than the standard 75% cost-share cap. For example, Vermont and Massachusetts have adopted the 90% cost-share provision for new farmers in their EQIP conservation programs; other states may follow.

In May 2003, USDA acknowledged the needs of new farmers by putting language into the federal Farm and Ranch Lands Protection Program (FRPP), which links land protection to farm succession and next-generation farmers. The definitions and ranking criteria, as printed in the Final Rule, include the first-ever definition of succession plans. FRPP provides federal matching funds for state purchase of development programs. *New farmer supporters should become familiar with this new language and introduce it appropriately into policy discussions. Provisions of the rule are generally "advisory" to NRCS state conservationists and Technical Committees, but PA approved the language as a state rule, not subject to discretion, as NRCS implemented FRPP in their state.*

*Other states' supporters might want to follow-up in their states to ensure language is used.*

- *Could there be a place on the GNF Website with all 12 states listed and a checkbox to mark off when language is added in that state?*
- *Or perhaps it could be a "progress report" chart listing the steps and where each state is in its process.*

*This discussion in and of itself advances the importance of new farmers. Supporters can capitalize on it and use it as part of the dialogue with state officials about new farmers in general.*

#### **Federal Financing Programs**

There are several direct and guarantee federal loan programs targeted to beginning farmers. Each state's Farm Service Agency (FSA) has a designated amount of money to loan to beginning farmers, and a mandate to do outreach to these customers. FSA is also required to provide training to borrowers that is often implemented through partnerships with state agencies, Extension, or public educational institutions.

Another federal-state partnership opportunity is the "Aggie Bond" loan program. PA is the only state in the Northeast with such a program, which relies on state bond money. NY attempted to pass legislation to establish an Aggie Bond program, but it failed.

Farm Credit, which is a private, co-op lender, operates under government oversight, and offers a Young, Beginning and Small Farmer Program.

The USDA Agriculture Credit Mediation Program is not specific to new farmers but is available to them. If a new farmer applies to USDA for credit and is turned down, the applicant can apply for mediation. *MA has an Agriculture Mediation Program funded by USDA. If a farmer has a loan from USDA and encounters financial problems in paying the loan, the Mass Office of Dispute Resolution (MODR) will provide a mediator for a very nominal fee. Supporters might discuss how to make this service known to new farmers who may have loans.*

### **5B. Non-agricultural federal programs**

There are non-agriculture federal programs that new farmer supporters can also explore, like the Community Development Block Grant (CDBG), and programs from the Small Business Administration (SBA) and Economic Development Administration. These programs are commonly targeted to new and start-up businesses and areas/industries in economic distress, but their criteria or lending practices often preclude agriculture in general and new farmers in particular. Making these programs accessible to all of agriculture would be an improvement; making them new farmer-friendly would be ideal.

Become familiar with the programs and services offered to small businesses in your state, region and/or community through public sources, federal, state, regional, and local. Because public funders of economic development programs may unintentionally overlook agriculture as being economic development, they do not generally review their terms through the eye of the agriculture community. You will need to do this for them and provide documentation on how the industry contributes to the economy of your state or region. If farmers are not treated similarly to other small, start-up businesses, then supporters will want to identify what terms are available to non-farmers and should be available to new farmers. Use examples where possible and define what changes you seek in those terms. Be very specific.

Sometimes policymakers, especially in departments of economic or community development, will say there is no demand for new farmer programs. How do they determine this? Have they done outreach specifically to new farmers to understand the demand? How do they do outreach to other sectors, say retail or high-tech? Is the outreach comparable? Have they worked with the Department of Agriculture to explore the needs? What about services they offer? Are these services that might be useful to new farmers, e.g. business planning? Are there other services new farmers would need that these entities might deliver?

In order for agriculture to maximize its opportunities, investigate these programs as possible sources of grants and/or loans to farmers. Review Websites for the state's departments of:

- 1) Business and/or Economic Development
- 2) Community Development
- 3) Environment or Natural Resources
- 4) Also check the U.S. Small Business Administration site and that of the Economic Development Administration at U.S. Department of Commerce.

SBA, like USDA, has staffs in each state. In the case of CDBG, Housing and Urban Development (HUD) hands the funds over to state government for implementation.

Become familiar with their processes, attend presentations, and provide comments as appropriate. Review the criteria to evaluate what it would take to make the program available to new farmers and discuss these with the governing agency.

If the program does not work with farmers, is that because there is a specific policy that prohibits it? Why was the policy created, by whom, when? Are circumstances different today?

Are the requirements the same for all new, small businesses or would the requirements be more stringent for new farmers?

#### Community Development Block Grant (CDBG)

For CDBG, skip the visit to Housing and Urban Development and just go to your state department of community development. Look for the Small Cities Program.

Each state develops its own programs within the criteria established by HUD. Every five years, the states develop a Consolidated Plan and annually adopt a One-Year Action Plan on how they will utilize their federal funds. Constituents have opportunities in those processes to make comments, seek some adjustments, or even suggest other ways in which the funds might be used (as long as they meet basic program requirements).

The basic goals of the program are to benefit low and moderate-income persons and/or to eliminate slums and blight (generally in urban areas). Within the income limits, which are based on census tract data, there is vast opportunity, and farmers often meet those income standards. There is a third program goal called Critical Community Need. *These needs are typically natural disasters or unexpected crises that leave a community with a critical need. There are certain circumstances in which these funds might work for agriculture, though this would not be an easy sell.*

Communities with populations under 50,000 apply for grants to operate a program that meets their needs and is tailored to their priorities. Generally the programs are implemented by regional or local non-profits. All states use some of the funding for housing rehabilitation programs. Assuming they meet income qualifications, farmers would be eligible to get work done on their farmsteads. Some states do not get large grants under Small Cities and limit their activities to housing rehabilitation. Those who get larger grants generally do some economic development programs, too.

While these economic development programs are not generally targeted to new farmers, they offer examples of regional loan funds, micro-loan programs, incubators, training projects and more that could be used for agriculture. *Supporters should explore possibilities that could be targeted, perhaps combining resources with a land preservation program to provide training, loans, or loan guarantees to new farmers buying preserved land.*

MA, in a partnership between the Department of Agriculture and the Department of Housing and Community Development (DHCD), used CDBG funds to launch new clam farmers on the Cape providing them with seed and basic equipment. Also, DHCD funded a few regional loans funds, particularly for small and/or micro-loans, which were managed by local Community Development Corporations. Small businesses (usually one or two people) would apply to them for loans. These were generally character loans, i.e., based on the lender's faith in the character of the borrower. *This approach might work well for new farmers for modest help in early stages.*

Also look to Maine's Economic Development Programs offered under CDBG funding. The Business Assistance Program enables communities, again with management help from non-profits, to create loan and grant programs for businesses that will create or retain low/mod jobs. The Development Fund Program provides loans to business for operating expenses or to purchase inventory. *Supporters should investigate whether the program is available to farmers, and in particular new farmers. If not, what would it take to make it so?*

The CDBG 108 loan guarantee is another vehicle within the program that might be of use to new farmers. For purposes here, suffice it to say that these funds are used to guarantee private lenders against losses of bad loans. In the University of Maryland's report on the "Economic Prospects of Agriculture" (p.65), the authors mention loan guarantee programs and what other states do for processors. It suggests opportunities for MD agriculture through such guarantee programs. VT used a CDBG 108 guarantee in an arrangement on behalf of Cabot Farms. *While it is not easy to do, or a "quick sell" to policymakers, CDBG 108 funds could be explored as guarantees. If a state wants to create a loan fund targeted to new farmers, or amend an existing program to include them, this is worth investigation.*

NY has created the Governor's Office of Small Cities that administers its CDBG funding. *This means fewer layers in bureaucracy to effect changes, however, it may also make the processes more political. This is an interesting organizational approach.*

### **Economic Development Administration (EDA)**

Website is [www.eda.gov](http://www.eda.gov). In its mission, EDA declares that it helps distressed communities grappling with long-term economic problems or crises resulting from "natural disasters...changing trade patterns and the depletion of natural resources." Perhaps there is opportunity in this language for some region(s) or communities to help new farmers.

It is not enough, however, to pick up the phone and ask whether funding would be available to agriculture in general or new farmers in particular. Instead, supporters must read, research, and talk to many people who have worked for and with the various programs. Learn about the details and nuances. Read the kinds of funding that have been awarded. Decide the questions you need answered. Develop creative proposals of possible options. The worst that can happen is they say no.

### Small Business Administration (SBA)

Look at the SBA's federal Website at [www.sba.gov](http://www.sba.gov). There are also state sites to investigate, which you can access through the federal site. Regional offices in the 12 northeast states administer the SBA programs. Some work with agriculture, others do not.

One of the problems in areas that are not heavily agricultural is that not all loan officers know how to review and perform due diligence on farming requests. Often the standards used for other industries are not relevant to agriculture. Supporters may need to be creative in suggesting ways that the local organization could access the appropriate skills.

Could supporters convene parties to discuss developing appropriate standards and ways in which expertise could be shared?

Are there models through Extension or FSA that could be used by an SBA office?

Are there experts elsewhere (FSA for example) that could consult with the SBA or other state lender on a case-by-case basis when an agricultural loan came along until the organization could determine a real need?

*The state might create an open contract with loan officers or accountants that do due diligence for agriculture. If a case appears at a regional SBA office or other loan outlet, these contractors could be brought in to provide support to the lender. The cost for this service could be subsidized in whole or in part by all of the partners, i.e. government, commercial or federal lender, and individual. For example: A group of lenders and experts could assemble at the request of the state to develop industry standards for lenders. Or, experienced agricultural lenders might be willing to help a commercial lender with underwriting.*

### **Worker Training**

Both federal and state monies generally fund worker training programs. Investigate these for training and educational support of agriculture. What are the existing business training programs? Are there skills-training opportunities like computer literacy? Examine the opportunities with new farmers in mind. Programs may be operated through 1) State economic department offices; 2) State employment training departments; 3) Quasi-public entities like finance or economic development authorities; or even 4) Special non-profit organizations like Community Development Corporations.

### **Tax laws**

There are also federal policies and tax laws that discourage the transfer of farms from one generation to another. These are beyond the scope of this Kit, but we would be remiss not to suggest that supporters be aware of the impact of federal tax policies on new farmers.

## Section 6 - State Profiles

In this section are state-by-state reports of some program and policy information from research in the 12 states. This review was not exhaustive and information here should be verified before any action is taken. Also, please consult the Policy Inventory (Appendix 3) for additional information about policies in your state.

The policy statements listed here were taken from mission statements, speeches, State of the State Addresses, press releases, agency messages, programs, laws, and other related public comments from the Governor and/or state departments. Some states have far more information available on the Web than others; therefore, some states are discussed more thoroughly in this section.

*Comments in italics are the suggestions and opinions of the author and not of the GNF Project as a whole. These comments are a place to start discussion and that is all.*

\* \* \*

### CONNECTICUT

#### **General findings and comments**

The state of Connecticut has identified several clusters of industries that it considers essential to the state's economy. The Clusters include the industries and their related business infrastructure like suppliers, trade associations, as well as the primary, secondary, and tertiary markets they serve.

The state has declared Agriculture one of its key industries and designated its Agriculture Cluster as part of its economic development efforts. Agriculture also operates as a steward of the land and protects the natural resources. The plan is to fund a marketing director to keep the sector thriving, to be paid jointly by the Department of Economic and Community Development and the agriculture cluster. *Supporters should contact this person about marketing issues for new farmers. The Agriculture Cluster seems like an immense opportunity for new farmers. The state's commitment and public policy are something to build on so that the maximum support can be made available to new farmers. Obviously, the Cluster will evaporate if new people do not go into farming. The policy is in place; is the funding? Are there other resources?*

At the time of researching this Kit, there was discussion of merging Agriculture with Consumer Protection. *This seems to be inconsistent with creating a business cluster for agriculture. Whether this move actually happened or not, supporters should become familiar with the reasoning behind the discussion (besides money) to help prepare their case for new farmer initiatives.*

*Here are some opportunities for new farmers.*

The state's CDBG program has an Economic Development component, but it is not agriculture related. *Consider approaching policymakers to include and promote agriculture as an eligible industry. (See Section 5.) After all, the state has identified agriculture as a priority; shouldn't that priority be acknowledged in the state's economic development programs?*

*If the state's Department of Agriculture designates a New Farmer Page on its Website (as suggested in Section 3D), consider including the Farm Bureau's Auction site as a link. This is a place where new farmers may find some equipment, farm products, and supplies at lower prices.*

The Bureau for Agriculture Development provides technical assistance to people entering farming. *If the department develops a New Farmer Page on its Website, include the contact names in the Bureau and/or an email link to reach the contact person.*

The Ag Technology 2002 Annual Report recommended supporting agricultural education at all levels and developing a two-year Master's Degree for Applied Sciences and. *Education is glaring need for new farmers. Supporters would do well to acknowledge these efforts and consider how they can offer appropriate support. Did the Master's in Applied Science program move forward? Why or why not? It sounds like a great idea.*

As part of the Commissioner's duties in the law regarding capital projects (those funded with state bonds, typically the agriculture land preservation programs), the Commissioner must approve any conversion of prime farmland in excess of 25 acres. *This provision may not be actively employed and supporters might want to investigate further for usefulness. Is there any way to use this language and create an opportunity to preserve some land for new farmers?*

CT does not offer the NxLevel course, "Tilling the Soil", an agriculture business training program. Eight of the 12 northeastern states do. *CT supporters might want to check with other states about the results they have had with the program in their states.*

\* \* \*

### **Policy statements**

*Compare these policies to program criteria, as described in Section 3C, to determine if they are consistent.*

The state preservation program calls for making wise, long-term investments in productive CT farms - ensure a land base for future farmers.

The Viability Program is to preserve the agriculture base and improve farm production to insure viability of agriculture in the state. *Again recognizes that agriculture is part of the economy.*

Keep fresh foods and crops available for CT residents. *This can't happen without new generations of farmers.*

There are several statements in the agriculture cluster language about raising the level of competitiveness and increasing profitability of individual agriculture businesses while protecting natural resources. There is mention of workforce training, supporting growth of the industry, zoning, environmental regulations, and sprawl. *Each of these areas should be evaluated for ways in which they limit new farmers and for possible sources of funding.*

CT developed a report, "New Directions for Agricultural Policy in Connecticut" in which its vision, goals and recommendations are presented. The authors do not attempt to set priorities in any order but raise relevant actions in three areas: economic viability, market development and promotion, and farmland preservation, land use and conservation.

\* \* \*

## DELAWARE

### **General findings and comments**

In a unique arrangement, Agriculture Development is a part DE's Economic Development Office and is separated from the rest of the Department of Agriculture. There is also a staff person who focuses on international trade in agriculture at the Economic Development office, while the domestic marketing work remains at the Department of Agriculture. The Agriculture Development Director's focus is on the business of farming. Some concerns of the department are the need to change federal tax policies that could benefit all farmers, the fact that business lessons are not shared, even among the aggie schools, and agricultural education does not teach the general management basics like time/value ratio, i.e., when evaluating the cost of land and its potential income must also include factors like risk and cost of retirement.

*This is obviously the universe of new farmers and supporters might do well to discuss with Agriculture Development what those lessons are and how they can be shared. The fact that the state has supported agriculture as a part of the economy suggests that policymakers may be open to promoting the needs of new farmers to preserve the industry and not just the open land.*

*Be aware that the fact that marketing went to Economic Development may be politically sensitive, but this should not deter supporters from pursuing relationships and opportunities within this structure.*

Farm Bureau is just launching an Agri-Tourism Committee. *This is a topic that might be important to a new farmer that is re-strategizing and/or diversifying. Can supporters provide names of such farmers to FB to reach out to? If the Department of Agriculture agrees to create a New Farmer Page on its Website (as suggested in Section 3D), can there be a link to the FB for this information?*

*The Delaware CDBG program is very small, only \$2 million, and focuses exclusively on housing. It would be a long shot to try to tap it for economic development funding. However, new farmers should note that they might be eligible for housing rehabilitation assistance if they meet the low/mod income qualifications and if their community or region has such a program.*

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### **Policy statements**

*Compare these policies to program criteria, as described in Section 3C, to determine if they are consistent.*

Governor's goal is to continue to preserve agricultural lands and open space. The message seems to be in the context of "quality of life" and not agriculture as business, though the Governor does declare agriculture is one of state's leading industries.

She also wants the state to help small and minority businesses develop and grow. There was no specific mention of agriculture, but supporters could explore possibilities in existing programs. *What would it take for those programs to embrace new farmers? What kinds of outreach are being done in general, and how can the supporters help reach the new farmer?*

The Governor focused on adult learning and training. *Is there anything available specifically for new farmers? Could something be added to an existing program to accommodate them?*

DE does not offer the NxLevel course, "Tilling the Soil", an agriculture business training program. Eight of the 12 northeastern states do. *DE supporters might want to check with them about the benefit and success they have had with the program in their states.*

The Governor's strategy is called Livable Delaware Agenda, and it mentions agriculture in a few places. *Since the locals make the land-use decisions, supporters might want to include targeted groups like planning boards and associations, preservation groups, and land trusts in their outreach.*

The mission of the DE Department of Agriculture is to secure future livability of DE and its agricultural heritage through sound planning, advocacy, land preservation, education and information.

Its goals include preserving valuable farmland for future generations, i.e., a critical mass of cropland, forestland and open space to sustain DE's #1 industry and quality of life. Claims preservation efforts keep land at \$1039 per acre, "a wise investment for generations to come." *Preserving the land is critical, but does the state need to do anything further to help new farmers in order to have agriculture remain #1?*

Another goal is to protect the land and other resources that support agriculture and related businesses on a permanent basis. *How and would any of this involve encouraging new farmers?*

Delaware has a history of land-use planning that sets it apart from other Northeast states. On the Website for the Department of Agriculture, there are guidelines for land-use planning in support of agriculture. *Explore opportunities for promoting the needs of new farmers within the policies suggested in this information.*

For example, the following idea appears in the County Land Comprehensive Planning Guidelines, found on the DDA Website: “Assess impact fees on new, non-agricultural construction in agricultural areas.” *Has any county adopted this idea? What could the fees be used for? Could some of the funds be specifically targeted to outreach and/or education or other support for new farmers to ensure the future of agriculture?*

The site also mentions that each county is a part of a “Greater Regional Agricultural Community” and offers a link where supporters can further research.

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## MAINE

The Governor stated in a March 24, 2003 press release that he wanted to fully fund the Business Equipment Tax Refund Program. This tax is on machinery and equipment that is likely a significant burden to new farmers. *What is the status?* He further mentioned a fall 2003 Conference on Maine’s Natural Resource Based Industries. *New farmer supporters could be crucial in giving voice to the generation of farmers by developing relationships with people involved in this Conference. The Governor also pledged support for the Community College system, which might be a vehicle for some of the new farmer business training.*

The state Department of Agriculture offers “Farms for the Future” – a farm viability program. A couple of new farmers who had land available (through lease) accessed the program though new farmers do not typically qualify, because they do not own the land to put into covenant. The program’s goal is to save land threatened by development and/or generational changes.

The legislature recently reduced the term of the covenant from 10 years to 5. *Some might label this move a mistake and “weakening” of the program from a public policy perspective, but it is probably more politically popular with the farmers who don’t want their land tied up too long. Supporters need to examine two things: 1) Are the terms of the program clear that if a new farmer has agreement with the landowner and the landowner is willing to sign the covenant, then new farmers may be eligible? And 2) Is there any scuttlebutt that by reducing the term*

*of the covenant, the program is becoming a give-away to farmers who will cash-in five years hence and become instant millionaires? This kind of perception can erode public confidence in a program and new farmer supporters might do well to monitor.*

Western Maine Farm Fund –This is not a public program but one offered by a non-profit. It is a guarantee program that offers commercial lenders protection against bad loans. One other problem for commercial lenders dealing with farmers is that the requisite paperwork is often incomplete and limited in scope. This program is developing materials and processes that may be models for teaching and guiding farmers to prepare loan documents for banks. *Supporters might want to investigate further and see if there are ways to share any materials this group develops.*

Coastal Enterprise Inc. (CEI) offers people variable interest rate loans up to \$8,000 to transition into or starting-up organic farms. *Are the criteria amenable to new farmers?*

Department of Agriculture underwrites cost of FASTTRAC and offers almost 50% funding for the NxLevel agriculture business-planning course. *Materials about the Agriculture Business Training Program appear to be conflicted. In one place it says, “for purchase of land necessary for the start-up of a new agriculture enterprise.” But it also says eligible applicants must be “engaged” in agriculture. These are not mutually exclusive requirements but should be checked.*

Maine’s Office of Community Development is housed within the Department of Economic and Community Development. Several economic development programs exist for minorities, women-owned businesses, and general small businesses including some funded by CDBG funds (See Section 5). *These should be explored for their usefulness to new farmers.*

The Development Fund Program (CDBG-funded economic development through the state Office of Community Development) targets certain industries. *Is agriculture one? This fund makes money available for non-real improvements and inventory or operating money for low to moderate-income persons.*

*Explore the Regional Assistance Fund (also CDBG-funded) to see if supporters could pursue USDA or other federal funding for matches to create or expand a loan program targeted to new farmers.*

Review the CDBG micro-loan program.

Start-ups in agriculture seem to be eligible for the state’s Small Business Assistance Program. *Supporters might review the criteria to see if they are in fact workable for new farmers in some stage of development. Also investigate if the program is marketed in places where new farmers will see the info. The SBA New England Products Trade Show might be a place to do so.*

Maine (and West Virginia, Minnesota and Missouri) participated in the “Rural Entrepreneurship Initiative” through the Rural Development Council. The goal was to develop strategies to assist new entrepreneurs and to develop new efforts to support and enhance existing small businesses. *Agriculture was part of this initiative and supporters should discuss this with participants. Gather any facts and/or reports that provide information relevant to new farmers.*

The Agricultural Marketing Loan Fund, operated by the Department of Agriculture, provides funding for equipment, buildings, or land for the start-up of a new agriculture enterprise. For loans greater than \$100,000, the Fund provides up to 75% of cost, currently at 5% interest. For loans less than \$100,000, Fund does up to 90% at 5%. It sounds as if the program is available to new farmers, but under the eligibility criteria it says that the “agricultural enterprise...engaged in the commercial growing or harvesting...” *This could be interpreted to mean that the farm must be in operation but may just be a matter of language. Certainly new farmers beyond the exploring stages might qualify, but this should be clarified.* Borrowers do need collateral, and must meet some basic minimums and definitions; but they are allowed to contribute in-kind services as their part of the injection of equity. Business planning grants are available if seeking funds through the loan program. The maximum size of loans was recently increased through the legislature, *which is another positive gesture about the significance of agriculture in the state political system. Supporters might engage in discussion with the department on ways that the program could be made more accessible to new farmers.*

The Governor makes specific plans to establish through the Financial Authority of ME (FAME), loan programs to grow and support women-owned businesses. *Supporters might explore whether women going into agriculture would be included, and if they might receive any kind of priority since they also preserve a natural resource.*

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### **Policy statements**

*Compare these policies to program criteria, as described in Section 3C, to determine if they are consistent.*

Governor’s vision calls agriculture a “key component of our economy and rural communities.” He says that commodity farmers will get larger and fewer, and “we must assure they stay competitive.” He declares the state has an opportunity “to grow a local agriculture where Maine farms supply nutritious food to local and regional consumers and are closely integrated with their local communities. This agriculture offers increasing opportunities for those who want to continue our proud tradition of Maine farming.”

*This language seems to acknowledge the need for new farmers. It also places some responsibility for agriculture at the community level. This can be a useful argument in an application for Community Development Block Grant funds (See Sections 5 on CDBG) or in talking with state policymakers about making agriculture more visible in the CDBG and economic development programs.*

In the “Building Maine Agriculture” section of the Governor’s Vision, he expands on the idea of local partnerships (again suitable language for CDBG discussions). The Governor makes specific mention of the state’s responsibility to: 1) Help farmers access markets by helping with national and international links; 2) Maintain a strong processing capacity; 3) Assure access to latest technologies for commodities; 4) Have the University system play an important role in helping Maine farmers remain competitive; 5) Focus more attention on local agriculture; 6) Support adding value to local products through technical assistance and adequate capital availability; 7) Link local producers and consumers; 8) Assist all farmers with access to water by helping them to secure capital, assisting with paperwork and coordinating regulations; 9) Work with local communities to achieve a fair property tax system that does not drive farmers off the land and work with others to help farmers “realize the value of their land without having to sell it for development”; and 10) Help connect farmers to workers without undue regulatory burden and ensure that workers are treated fairly.

*There is a lot of potential for new farmer supporters in these statements. Admittedly some of these steps are beyond what government might be able to do with its limited resources, but supporters can consider the needs of new farmers as defined in Section 1B and compare those to all the components of the Governor’s vision. Compare your new farmer priorities with the statements from the Governor. Are there obvious possibilities or gaps between what is being said and done? For example, the Governor promised to pursue changes in the local property taxes. What has happened? If tax relief is a priority, then these statements may help in dealing with the policymakers.*

*The Department of Agriculture has a long list of Core Values that supporters should review. In the section on Resource Stewardship, they pledge to provide support and technical assistance to new farmers. How?*

*They maintain a commitment to support Agriculture in the Classroom, 4-H, and Future Farmers of America. These are all important to new farmers as exploration in the industry may begin very early in life if opportunity is presented.*

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## MARYLAND

### **General findings and comments**

The Governor actively courted agriculture by promising a seat at the table during his campaign. He is on record as being committed to a “viable agriculture industry.” Forty percent of the state’s land is in agriculture, but those numbers are declining at an alarming rate. In a study entitled “Economic Situation and Prospects for MD Agriculture”<sup>11</sup>, prepared by the University of MD Center for Agricultural and Natural Resource Policy in 2001, authors raised concerns about declining land, increasing age of existing farmers,

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<sup>11</sup> Available on the Website of the Department of Agriculture.

need for a “flow of new replacement farmers,” and a shift toward the public seeing agriculture as a threat to the environment. The study emphasizes, “Agriculture is under-appreciated by the non-farm population, including the predominant tenor of local and state government.”

These concerns and the fact that agriculture is the state’s largest industry do not seem to translate to the Eastern Shore Economic Development Task Force plan and report in which agriculture was incidental. *Supporters might begin by analyzing any “disconnects” between the Governor’s stated interest in viable agriculture and the statements and/or programs made by those in places where agriculture should play a more prominent role, whether at the department or elsewhere. While these other organizations may not be under the jurisdiction of the Governor, perhaps they can be persuaded to bring some tools to the table about ways in which to promote and support new farmers.*

*The economic importance of agriculture and the Governor’s philosophy hold promise for new farmers. Supporters need to evaluate whether current policies of the department are consistent with those of the governor and whether the programs are supporting agriculture as economic development. Having said that, however, according to the Department, they would need “real” documentation of the need for new farmer initiatives.*

Some counties have an office of agricultural development that may be able to build linkages among programs.

New farmers can get training on regulatory issues from the Department. Also, there is some collaboration between Extension and the Department in helping minority farmers access grants and helping new producers in aquaculture and viniculture. Extension also offers very basic pre-farming workshops. The state funds the courses and Extension (or other experts) teach.

In a study on agriculture done by the University, writers suggest that scholarships be offered to schools to support people willing to study vet science in animals for food production. There is a shortage.

The Department has an area on its Website called “Starting an Agribusiness”, which offers services and information to new farmers. *The department might readily agree to adding a link to GNF or to other enhancements of their existing new farmer page.*

Explore Governor's Office of Business Advocacy and Small Business Assistance (GOBA) *to see if agriculture can be “added” to the kinds of businesses it assists if that is not already the case.* Nothing in the information found indicated that agriculture was included.

GOBA exists to help Maryland businesses navigate the processes and regulations of local, state and federal governments. Reporting directly to the Secretary, GOBA provides personalized attention to business clients, acting as liaison, information provider, ombudsman, and problem solver to meet and resolve business concerns

quickly and efficiently. GOBA is also active in small business development initiatives and collaborates with other State departments and agencies on matters that affect businesses and the environment, workplace safety and health, taxation, transportation, permitting and licensing and federal issues. Companies in Maryland's manufacturing, services, real estate, transportation and distribution industries have been assisted by GOBA. *There may be some opportunities here.*

*Ask that agriculture at least be mentioned in the business Website and in commentary about the quality of life in MD. The fact that there is no mention that agriculture employs 350,000 and is the state's largest commercial industry is a gap. New farmers who explore the business Website may come away with the idea that agriculture is of no importance, that none of the programs will be available to them, and/or that agriculture somehow isn't really viewed as business.*

*Chesapeake Fields is an interesting model for other states to explore. The mission of the Chesapeake Fields Institute is to "strengthen the profitability of traditional agricultural markets for family farms, while conserving the region's natural and cultural resources." This seems like an opportunity for new farmer efforts.*

Explore possibilities within the Division of Tourism. *Nothing indicates any agri-tourism. Is there none? Could there/should there be?*

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### **Policy statements**

*Compare these policies to program criteria, as described in Section 3C, to determine if they are consistent.*

*"The Vision of the Department (of Agriculture) is to achieve excellence in programs and in services that preserve and protect agricultural resources and the environment, promote profitable agriculture and consumer confidence, and enhance the quality of life for all Marylanders."*

*"Mission is to provide leadership and support to agriculture and the citizens of Maryland by conducting regulatory, service and educational activities that assure consumer confidence, protect the environment and promote agriculture."*

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## **MASSACHUSETTS**

Re: the Agriculture Preservation Restriction Program (APR), supporters might want to investigate the state's recent efforts to ensure the affordability of farmland. What is the status of court cases and/or actions?

Also in APR, if a farm is to be sold, the Department's policy is to investigate the prospective farmer's experience and prospects for success. They ask for plans and designs and some

documentation of experience. Their concern is that without a business plan, experience and/or a manager with the same, the farm's future productivity is at stake. *These concerns may be legitimate for the public entity but may also be a serious limitation on new farmers. Supporters need to research and explore this issue with policymakers. The state does not want to see land lie fallow because it erodes political support for future funding.*

The Farm Viability Enhancement Program will provide business-planning grants to APR farms, but it does not fund investments in projects on the farm like building a farm stand. In the FVEP, the landowner must put the farm under a 10-year covenant not to develop it. Since an APR farm is already under a permanent covenant with the state, there is no additional public benefit to the state for any investment through FVEP. *There is a lot of discussion about how this works against successive generations thus creating a deterrent to them to continue to farm the APR. Some argue that it's OK because there are plenty of farmers looking for land as tenants. Others say that's only true in certain areas of the state. Heirs of APR farms are stymied on where to get funds to improve the farm.*

MA Agriculture (now called the Department of Agricultural Resources) this year, under a new Administration, inherited another administrative layer between Agriculture and the Governor with the creation of the Office of State Development. However, the new State Development Office seems very supportive of farming and includes some very articulate agriculture proponents. *Supporters could approach DAR to see if together they might explore new farmer issues with the leadership of State Development.*

The state's Community Development Block Grant program has included agriculture in the past and helped new farmers. *Supporters would do well to research whether agriculture is still eligible for the economic development programs funded with CDBG.*

In Franklin and Hampshire Counties, the state's most agrarian and fertile area, the Regional Employment Board cited agriculture and natural resources as a critical and key local industry. Likewise agriculture is featured in the Pioneer Valley Strategic Plan, which covers one additional county, Hampden. *Supporters from other areas of the state may find useful language and other ideas by investigating these two plans further.*

MA is currently taking steps to change the definition of manufacturing as relates to its state funded loan programs. The current definition precludes agriculture from even applying for the programs offered through the state's economic development entities. *When the law was passed many years ago, no one gave thought to its implications for agriculture. Those implications have been significant. Such basic changes may be worth the effort to change since they open the door for many possibilities. Investigate if basic definitions in state law are interfering with new farmers accessing programs.*

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### **Policy statements**

*Compare these policies to program criteria, as described in Section 3C, to determine if they are consistent.*

The Commissioner states that maintaining a viable source for locally grown produced food and fiber is important to ensuring the quality of life for MA residents in these times of bio-security risks.

“Agriculture’s Hold on the Commonwealth” was a study done by the Donohue Institute at UMass Boston. The study paints a picture of great opportunity in existing markets and great challenges in preserving land and agricultural infrastructure. *Supporters should review this study through the lens of new farmers to identify areas where there are gaps or harm being done to the future generations by policies or actions described.*

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## NEW HAMPSHIRE

The Office of State Planning manages the state’s Community Development Block Grant program (CDBG), which has an economic development component. Communities may apply for funds to initiate small and micro-loan fund programs for businesses that will retain and/or create jobs for low/moderate-income people. The Regional Development Corporations actually implement the loan funds for the communities. (See Section 5 on CDBG.)

The programs in each region may be different, *therefore supporters should check with each regional office to see if any of them provide assistance to new farmers. Even if they say yes, the requirements, e.g. the borrower must create one job for every \$20,000 received (Grafton County RDC) may be nearly impossible for a new farmer. However, explore the possibilities.*

The RDC’s also provide technical assistance (TA), though again, nothing specific to new farmers. *Explore this assistance at the same time. Perhaps supporters can suggest retired farmers or Extension personnel who might be available to provide TA to new farmers. Even if the RDC could not provide capital to new farmers, they might be willing to take a small part of their grant funds to fund such TA. Remember, too, that RDC’s apply annually or biennially, and they have the opportunity to rewrite their program’s design at that time. Even if they can’t make changes now, lay the foundation for the future. While talking with the RDC’s, investigate other programs they operate, which are not funded by CDBG, to see if there are opportunities for new farmers.*

NH does not offer the NxLevel course, “Tilling the Soil”, an agricultural business training program. Eight of the 12 northeastern states do. *NH new farmer supporters might want to check about the benefit and success they have had with the program in their states.*

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### **Policy statements**

*Compare these policies to program criteria, as described in Section 3C, to determine if they are consistent.*

“The mission of the New Hampshire Department of Agriculture, Markets & Food is to promote agriculture in the public interest and to serve farmers and consumers in the marketplace. The Department assures safe and healthy food supplies, provides accurate information on prices and availability of farm commodities and crops, and develops markets for the state's farmers.”

Governor Benson supported Senate Bill 58, which repealed a Department of Revenue Administration (DRA) rule that required businesses who suffer cyclical profit cycles to carry losses back to previous tax years. *This sounds as if it would be a beneficial change for all farmers. Supporters may want to investigate and weigh-in on the usefulness of it for new farmers.*

In reviewing press releases from the Governor, one named Steve Bracy as the Governor's Small Business Advocate. *Bracy's background has nothing to do with farming, but supporters might pursue a meeting with him to discuss the needs of new farmers establishing themselves in NH. Ideally the Agriculture Commissioner, or his designee, would participate in such a meeting. The goal would be to have Bracy recognize new farmers as an important small business in the state.*

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### **NEW JERSEY**

At the Department of Agriculture's Website, there is a list of objectives of the project called “Reinventing Agricultural Education for the Year 2020”. The National Council for Agricultural Education funded it in 1996 with funds from the Kellogg Foundation project. *While new farmers are not specifically mentioned in this list, certainly education can help increase awareness about the industry and attract new farmers to it. What did the final report say and does it acknowledge new farmers at all? Does the report define actions to be taken? What has happened as a result of the three-year visioning project?*

In 2002, the Agriculture Smart Growth Plan was drafted to become part of the Governor's state Smart Growth Plan. It discusses land, economic development, sustainability of the agriculture industry, and land planning, trying to pull together all the existing programs.

Some of the language of the resolution is below in the Policy Statement section. *This language is very helpful in making the case for new farmers. Strategic marketing in farmland preservation is intended to identify and set priorities on which farmland to acquire, gaining approval from three layers of government. Are new farmers considered in this Plan? If supporters want to expand and/or amend mention of new farmers in the plan, they should start by investigating what the process would be and who the stakeholders are. Once the farmland is preserved, will there be any priorities for new farmers, e.g.*

*instead of selling or leasing to an existing farmer who needs more acreage, could special consideration be given to a new farmer?*

One project is under discussion among Extension County agents about new farmers. Unfortunately, not all 12 states continue to have agents so this idea may not translate well everywhere. In a visioning session, the consensus was that there is a steady trickle of new farmers, but there is no methodology for reaching them and maintaining relationships with them. NJ Extension provides info on requests and does one-on-one support but has no means to build an ongoing relationship with this audience. This makes it impossible to track the effectiveness of the services they provide, which is a problem when politicians ask Extension to document the demands and measure how effective Extension is in meeting them.

Because NJ has a very successful Master Gardening Program, they have years of experience with that universe and know how to track results and build the constituency. Using that model, discussions are underway to launch a similar program for new farmers. It seems impossible to consider doing classes for them, because there won't be enough in any one location, and because the expense would be prohibitive; but it is possible that a curriculum could be developed and provided via the Web. Extension would build into the program the requirement for users/graduates to "give back" to the program by volunteering their services to help new farmers later down the line. Each person would also have to participate in some local education session before getting certified thus building those local connections that the new farmers will need to succeed and building a network of support for new farmers and Extension in the communities. These could be farmer-to-farmer forums and discussions to share information. The program would need educational evaluation built in because there must be a link to Extension, or else the institution will not build the loyal constituency it needs to keep the program going. The certification process must be rigorous enough to gain respect without daunting participants.

*This is an intriguing idea for a Northeast program, not one exclusive to NJ. Perhaps by combining talents and modest resources, the state Extension programs can create a new farmer program. Furthermore, NJ, NY and PA jointly held a Small Farm Expo this year. That event, and other regional ones like it, could become the local events where the training(s) could be presented. In New England, perhaps training could be held at the Big E.*

*Awareness in NJ about agriculture seems to be changing. Also, people seem to understand that a broader cross section of skills must be a part of a person's life. There is an agricultural school at the Rutgers, and there are a number of courses on real agriculture production; but most of the students don't really go into agriculture – they go into small animal veterinary science, environmental, or natural resources careers. The less agriculture there is, the more precious it seems to become. Agriculture is a niche that needs to be protected in Extension. There are Boards for Agriculture by county, which are partnerships of the college, FB and state Department of Agriculture. There is discussion*

*about replicating that model with environmental partners and possibly creating environmental agents. Farmers have made changes in their practices, and there is less hostility between the two groups these days...a middle ground has been reached. This should make it easier to advance the cause of new farmers.*

NJ was the first state to house the Future Farmers of America association in the Department of Agriculture. *Is this a commitment to new farmers?*

The food and agriculture complex is the third largest industry in NJ, and it will require new farmers to survive. Agriculture is also the largest single source of scenic vistas in the state.

NJ Department of Agriculture does not have a loan program for purchasing farm real estate or providing farm-operating capital but does act as a resource to finding those services.

Apparently, there is a steady request for new farmer assistance but no system to capture the info and then provide ongoing support other than referrals to FSA, NJ Economic Development Authority (NJEDA) and commercial lenders. *Perhaps the Department of Agriculture could offer some links through their Website to these entities and allow for "voluntary" sign-up by the new farmers visiting their site.*

In dealing with the NJEDA, farmers should not ask for agricultural loans but "small business" loans. NJEDA actually targets the food and ag industry but uses the vernacular of small business. *Their programs are not targeted to new farmers, however, so it is likely that the requirements might be inhospitable to that universe. A few branches of some of the banks will do agricultural loans, but those are case by case, region by region. Supporters could approach EDA and related agencies to encourage a better understanding about agricultural loans and offer some concrete suggestions on ways to make the programs more user-friendly to farmers. Likewise, advocates might ask for information about what the lenders need from farmers and discuss ways in which other entities might provide assistance in helping the new farmers put together the appropriate paperwork. Supporters could investigate further what the NJEDA has to offer new farmers and see about Web links and support for them.*

The state has a fee simple land preservation program where the State Agriculture Development Committee (SADC) buys a farm at fair market value and then auctions it off to a private owner with an agricultural deed restriction in place to preserve it permanently. This program has been used by new farmers a few times. This provides other farmers an opportunity to buy land at prices that are at agricultural value rather than development value. *Other states have run into problems over the years where the value of the land does not end up being "affordable" for new farmers. SADC has a working group on the subject.*

The Risk Management Program offers education to anyone including new farmers. There is a grant program designed to reach the underserved, such as women and minorities. Its objective is to do outreach on all the government programs and services through a Resource Guide.

Salem County Cooperative Extension offers the Garden State Re-engineering Initiative. There is a “Farm Financial Management Component” to their offerings. The programs are available to new farmers though are not specifically targeted to them.

There is an economic development person at the Department of Agriculture who focuses on developing strategies for diversification and on other opportunities for the future of agriculture. *This is someone that the supporters need to talk with. He has been evaluating the economics of value-added products and hopes to develop a strategy that might be useful to farmers exploring the possibilities of changing their production mix or considering new products. This sounds like a good fit for re-strategizing new farmers.*

In his research, he identified 47 strategies and eventually had to hone those down to nine or 10 that cover demand, identifying buyers, moving from commodities to niche markets. *To date he has not addressed any generational shifts or things specifically targeted to new farmers, but then he may not be thinking of them in the same definition that GNF does. Supporters can provide information to him and help build bridges to his efforts, which do have relevance to new farmers.*

Through a research project in Extension, there is a program called FIRE (Food, Innovation, Research and Extension) among whose goals is developing a processing plant as an incubator. They also will provide business plans, assist with employment strategies, and link farmers to business and legal expertise. *Some new farmers, perhaps re-strategizers, might be interested in this operation, and the supporters might also want to explore the funding used for this project. The money came from the NJ Experiment Station Empowerment Zone.*

The NJ Department of Agriculture has proposed creating an economic development strategy that focuses on new farmers and intergenerational and farm transfer situations. *Supporters might want to get involved.*

NJ does not offer the NxLevel course, “Tilling the Soil”, an ag business training program. Eight of the 12 northeastern states do. *NJ supporters might want to check with them about the results they have had with the program in their states.*

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### **Policy statements**

*Compare these policies to program criteria, as described in Section 3C, to determine if they are consistent.*

In the 2002 Annual Report for the Department of Agriculture, the Governor states, “As we plan for smart growth in NJ, efforts to preserve our farms and maintain a strong

agricultural industry are critical to ensuring livable communities and a high quality of life here in the Garden State.”

The Governor’s charge to the Secretary of Agriculture is, “To preserve our farms, fight for our farmers, and ensure that our agriculture industry is profitable and strong, innovative and poised for a bright future.”

In Secretary Kuperus’s statement in the Annual Report, “...[W]e must ensure that we keep farmers on the land...work to expand the marketplace where farmers can sell their products, and to encourage and equip tomorrow’s farmers.” *This statement is as specific as anyone can hope for in terms of an overarching policy. The test is to review the existing programs to see if they really do benefit the new farmers so that this policy is reality.*

“Farmland Preservation is just half the battle;...must also ensure that we keep farmers on land...encourage and equip tomorrow’s farmers who will be the new stewards of the NJ ag legacy.” (Secretary) *This is a solid commitment to new farmers. Do the programs of the Department support this statement?*

“The purpose of the Department of Agriculture's Smart Growth Plan is to chart the course for the future of agriculture in New Jersey. The plan will serve as a statewide roadmap as the Department moves forward with its farmland preservation efforts, natural resources conservation priorities and economic development activities.”

“The Department's plan addresses five major areas: Farmland Preservation (preserving 20,000 acres of farmland per year), Innovative Conservation Planning, Economic Development, Agriculture Industry Sustainability, Natural Resource Conservation. The Plan targets the work to be done at the regional and local levels where they can undertake farmland preservation plans, coordinate activities within the agricultural community and promote ag as an industry.” (Quoted from Plan.)

The Farmland Preservation section states, “Create additional incentives and tools that will...facilitate farmland transfers to beginning and expanding farmers.” In the Agriculture Industry Sustainability part, “Educational programs in agriculture must be offered as an optional and viable opportunity for the youths and adults of NJ who...have an interest in changing to or initially pursuing a career in agriculture.” Later in this section, the Plan states an objective as “Equip the next generation to lead and manage the industry.” *Is this Smart Growth Plan an integral part of the Governor’s entire initiative? Are the resources available to support it?*

*The Resolution and Overview of the Plan offer a thorough explanation of what needs to be done with and for agriculture in the state, but they do not address new farmers in particular. The above statements appear later in the document, and there may be others. Supporters will need to decide if any amendment is necessary and be prepared to suggest specifics that would improve the Plan for new farmers. The Department might consider putting in a section specifically to outline the needs of new farmers and how the Plan will assist in helping to meet those needs.*

*The Department has several different economic development strategies for produce, horticulture, dairy, etc. NJDA is considering another strategy that would address the needs of new farmers and intergenerational and other transfer situations. Supporters can learn more about this initiative and support it.*

A bill called the Millenium Agricultural Viability program (S473) was filed in 2002. The bill was in part to fund new use agriculture, municipal assistance in agricultural issues, production agriculture, and policy research on agriculture viability. The bill ends with the statement, “This bill, and the programs funded by it, will help stop that decline [in agriculture] by improving the economic gealth of New Jersey farms as business enterprises, which will in turn benefit the general public in numerous ways.” *What happened with the bill? Are there proponents of the bill that could be helpful in advancing the cause of new farmers?*

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## NEW YORK

### **General findings and comments**

New York has a vast array of programs and services for agriculture including many for new farmers. *Other states would do well to cruise the state’s Website.*

Access to capital is still a major hurdle in New York according to locals, though there are some options. The Grown New York’s Enterprise Program is a partnership among the Small Cities office, the economic development agency and the Department of Agriculture. It uses CDBG funds (See Section 5), in part, to support agriculture development and expansion. *Very creative model.*

The NY State Department of Agriculture lists all current funding opportunities on its Website. These include programs funded by DOA and those funded by other entities. *If any of these is available specifically to new farmers, perhaps that could be noted. Also, if the department agrees to create a Web page for new farmers, a link to this annotated list of funding opportunities would be helpful.*

### **Policy statements**

Agriculture has an alphabetical advantage as the lead item on the state’s Economic Development website, but even without that advantage, the very fact that agriculture is represented on this website is notable. By doing so, NYS recognizes the industry as business and promotes its importance to all who seek information about economic opportunities. *By integrating agriculture into the fabric of the Economic Development website, the message is driven home – agriculture is business in NY.*

The Governor cut school property taxes to farmers up to 100% and reduced worker compensation rates for farmers more than 25%. (Both are described as models in Section 4A.) *These are clear policy statements. Do the requirements work for new farmers as well as those who have operated more than 10 years?*

“We work diligently to promote viable agriculture, foster agricultural environmental stewardship and safeguard our food supply.” This is from the Home Page of the Department of Agriculture and Markets. *Is it just coincidence that the statement leads with viability? Do the programs substantiate this commitment?*

The Secretary’s message “...attracting new agri-businesses and helping existing agri-businesses expand and grow, creating jobs.” *This is economic development language on the agriculture page.*

“Since taking office, Governor Pataki has established an extremely favorable business climate for farming...” from a press release.

“... [w]hen farming is profitable, farmland acreage can actually increase... We will continue to advocate for policy that supports investments in land and that views agriculture as the preferred land use for our farmlands.” (Commissioner)

“At the state level, we will continue to press forward on policies that benefit producers from the economic development, environmental and food safety perspectives.” *Supporters can note that there is a consistent message about economic viability, stewardship, and food safety. In approaching officials, this is the logical framework to use.*

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## PENNSYLVANIA

PA government acknowledges that food and wood together are the #1 industry in the state. The Governor supports agriculture, as does his new Secretary who is a farmer. The Governor has repeatedly gone on record as viewing economic development as the crucial and critical concern for the future of PA, and he sees agriculture as part of the economy. There have been several plans and conferences since he went into office about how to improve the business climate. *Supporters need to develop a solid case on the need to support and encourage new farmers, if that #1 industry is to survive.*

There are programs through the state’s Department of Agriculture and the Department of Community and Economic Development that may be of interest to supporters. *While most of the latter are not targeted to agriculture, review them for some possible changes in operating policies.* There are also some programs at the Department of Environmental Protection to review. These are discussed below.

### Department of Agriculture

The Department declares that “The Future Looks Bright” for PA on its Website, but in describing the state’s future, it focuses on food warehousing, processing, and cutting-edge food research. Likewise the department acknowledges the forest products industry as a mainstay of PA agriculture. *These may or may not be areas of interest for new farmer*

*supporters. You will need to consider whether these areas will offer opportunities for new farmers and decide how to approach the department for support in any other areas.*

There may be interest in agriculture in the environmental department since they appreciate its land preservation aspect, but it is clear throughout the Governor's messages and here at PDA, that economic development is the focus of these times. *Advocates must very thoroughly document the need and opportunity for PA's new farmers to impact the economy.*

The Department lists three loan programs: the Next Generation Farmer Loan, Small Business First, and Machinery and Equipment Loan Fund. The first one is operated by the Bureau of Market Development (at PDA). The other two are operated through the DCED (see below).

*Supporters might review how the Next Generation Farm Loan Program is proceeding now that it has been moved to the Department of Agriculture for implementation. How is promotion handled? Is the information getting to new farmers? Are the rates and terms deliberately favorable to a new farmer? Should changes be made to the program or terms based on your review of the criteria?*

The Department of Agriculture offers other marketing grant programs that are not direct loans/grants to farmers. The Agricultural and Rural Youth Grant program does not offer direct support to farmers. *Could supporters pursue funding to research the educational or training needs of new farmers in the rural areas? Or perhaps seek a grant to do outreach to youth who might be interested in farming?*

#### Department of Community and Economic Development

At the DCED site, there does not appear to be mention of agriculture, in general and certainly not new farmers in particular. However, at the DCED site, supporters can get information about all kinds of "business financing programs". *Supporters will need to review criteria to see if these programs are accessible to new farmers.*

Agricultural processors are eligible for Small Business First loans, and according to a statement by Department of Agriculture, this program was expanded to include production agriculture last year. *Are new farmers eligible?*

The Machinery and Equipment Loan Fund is low-cost financing for the aforementioned. *Again, review for new farmers.*

*Environmental pollution/prevention projects are eligible, too, and perhaps there are opportunities for new farmers to get assistance with the clean-up of an environmental problem.*

*There is also a loan program for beginning or expanding export businesses, which may be of some use to new farmers, if they meet certain requirements.*

*Supporters might review existing programs' criteria carefully, identify the greatest potential, and meet with staff from the DCED to explore if agriculture could be "courted" more aggressively given its importance to the state's economy and quality of life. These staff people may need convincing that there is a need for support of new farmers in particular.*

In 2003, there was a conference that included the State's departments of transportation, community and economic development, and environmental protection. Presenters told of their experiences linking land-use with economic development. In the Summary of the Conference, there are several references to coordination of land-use and economic development; of promoting integrated and sustainable development and other such comments that have an agriculture component. The next steps, according to the Executive Summary, are to build private-public partnerships to create sustainable economic development. *How many acres are in private hands of small farms compared to those in the hands of commodity/large farms? What are the opportunities and barriers for new farmers in both arenas? Have leaders figured quality of life into the economic development equation and where does agriculture fit? Shouldn't agriculture be at the table since it crosses both environmental and economic issues.*

A related one-stop business Website is managed by the DCED, [www.open4business.state.pa.us](http://www.open4business.state.pa.us). There are innumerable resources represented here, but again, there is no mention of agriculture.

#### Department of Environmental Protection

This department has offerings for farmers and links to several related sites. One such is to "GreenWorks TV", which has films on "The Family Farm", "Saving Lancaster County Farms", and others. However, there does not seem to be much industry-specific support.

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#### **Policy statements**

Compare these policies to program criteria, as described in Section 3C, to determine if they are consistent.

According to the Website for the Bureau of Market Development at the PA Department of Agriculture, agriculture is the state's #1 industry. This includes all agriculture, food and wood products; sales surpassed more than \$1 billion in exports in 2000. *With that in mind, supporters need to examine the policies and actions of the Governor to understand his commitment to this industry, in general, before they can constructively pursue options for new farmers. What is his focus?*

In his inaugural address, the Governor mentioned a lot about economic development but did not mention agriculture. The only mention of agriculture in the budget address was in context of the horse racing industry and the fact that the exit of the gaming industry was hurting farmers who raise hay for the horses. He stated that his administration intends to

coordinate all state economic and community development programs to maximize the resources.

He committed \$40M to Farmland Preservation.

At ceremonies celebrating Future Farmers of America week in February 2003, the Governor declared, "PA agriculture has a very bright future. The young men and women in the blue and gold continue to lead the way in agriculture. For 75 years they have stood for progress, vision and change – always prepared to take on the challenge and embrace opportunities of agriculture." At the same event, the Secretary Wolff noted "FFA and agricultural education provide a strong foundation for the youth of America and the future of the food, fiber and natural resource systems." The Department of Agriculture actually houses the FFA administrative offices. *These are encouraging acknowledgments. Do the state's policies demonstrate this commitment? This is an example of where the policy might be disconnected from the reality.*

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## **RHODE ISLAND**

There is a sales tax exemption law on the books, but in order to qualify, one must first have sold \$2,500 in product. This might be a problem for new farmers; in buying new equipment or supplies, they'd be spending the money upfront in hopes of eventually generating some income. For those new farmers who have already started to earn some money from agriculture, this tax exemption would be available. *Given that all levels of government in the state are eager to preserve open space, supporters might pursue the possibilities of getting a special consideration for new farmers who are buying their first equipment and supplies.*

The Division of Agriculture has no specific programs for new farmers but a few of their offerings do provide assistance to new farmers as defined by GNF. The Division has seen an increase in requests from new farmers in the past 18 months. There is also a shift in public perception. Until recently, farmers were viewed negatively as a risk to the environment. The Division has worked to raise the positive profile of agriculture with some success and now, with farms becoming fewer and fewer, people are taking an interest in protecting the remaining ones to limit sprawl.

*Because RI is so small, there is potential for further consciousness-raising about farming in the state. New farmer supporters can tap into the improved perceptions. A new farmer Page on the Division's Website (Appendix 1) would be a great start. The Division already has a link to New England Small Farm Institute and to Land Link on their Website. That suggests that the Division would be willing to create a new farmer Website with relevant links. This is a great place to begin and put new farmers upfront.*

*Also, supporters might work with the Chief of the Division (Commissioner) to define areas that the department might help to highlight new farmers. Perhaps at their Agriculture*

*Day, they could introduce some “new farmers” perhaps, from one or more stages of development, to focus some attention on their needs.*

According to locals, Land Link is a useful program but requires someone constantly working and facilitating. The Division does not have the staff to do that. *Are there any commodity groups that might help? Volunteers from any agriculture related organization? How about volunteers from legal or mediation services who are committed to preserving open space??*

Last year, the state funded \$340,000 of farm viability grants to undertake a wide-range of activities. *There may be some opportunities to use some of that work for new farmers. For example, a two-year position of RI Agricultural Education Coordinator was created. To what end? Is this position exclusively about educating the public and/or students in schools about agriculture, or is there some part of it that could work with recruiting new farmers? Likewise is there any way to expand the agenda that funded agriculture education at South County Museum? Finally, a \$12,000 grant was awarded to develop a RI Certified Horticulturist program. Is this something that could be marketed to new farmers? And if future funding is available from this source, could a grant be sought to identify the ways to reach the prospective and new farmers in RI?*

The state of RI bought a farm and created Community Gardens, specifically for immigrant farmers. It is a CSA farm and the program provides help with clean-up and mentoring. State land is leased to Mung farmers who produce crops native to their culture. This niche market has become significant. *There might be an opportunity for certain new farmers. Is there state-owned land that can be farmed and leased by new farmers, perhaps building in a mentoring option there as well?*

*Supporters might pursue conversation with the RI Economic Policy Council. According to them, viable agriculture is a priority for both the Policy Council and the RI Economic Development Council, primarily because of how it contributes to the quality of life and open space. The RIEDC believes that creating local markets for RI agriculture products is key. Work with these organizations to build awareness of the importance of new farmers in particular.*

The RI Economic Development Corporation does not mention anything about agriculture in its Web page where it describes RI as a great place to work, play and live. It mentions rural tranquility, but again, as in the RI Policy Council, that rural nature is evaporating. Under its information about state industries it says, “Agricultural services, forestry, fisheries and farms produced less than one percent of Rhode Island's total personal income in 1996. In 1990, Rhode Island had 580 farms containing a total of 19,625 acres. The estimated wholesale value of production was \$141 million. A total of 60 percent of this value was in nursery and turf products. Total value of farm receipts was \$82.9 million in 1996. In 1997, fish and shellfish landings in Rhode Island totaled 135.6 million pounds and were valued at \$75.8 million. Much of this value is in lobsters and quahogs.” *Supporters’ argument here might be the 19,625 acres of open land and how much*

*converting that land to housing will cost taxpayers in services, to say nothing of lost vistas, tourist attractions, and quality of life. Making farming viable is critical, and that is especially true of new farmers who will struggle to gain a foothold.*

The CDBG in RI mentions economic development in the context of neighborhood revitalization strategies. The state's plan also emphasizes the urban interest of the program. This suggests that the more rural areas where the farms are located may not be competitive. The program only spends about 10% of its funds (that's about \$500,000 annually) on economic development (creating/retaining lo-mod income jobs); the majority is for housing rehab. These latter funds may be helpful to new farmers. The state intended to create a 108 Loan Guarantee program (Statewide Small Cities Capital Delivery System). *This needs investigation because if there is such a fund, could there be a piece made available to new farmers as an incentive? The program seems to offer technical assistance, too.*

\* \* \*

### **Policy statements**

*Compare these policies to program criteria, as described in Section 3C, to determine if they are consistent.*

Governor's vision makes no mention of agriculture but does discuss small business and economic development. *The task at hand is to engage the Governor in understanding that agriculture plays a role in the economy of the state. If agriculture is not a viable business, the land will be sold for development.*

\* \* \*

## **VERMONT**

The most significant policy action seems to be that the Governor elevated the Commissioner to a cabinet post last year. Also in his budget message, the Governor bundled several programs that he wanted to launch for farmers (mentioned below in Policy Statements).

The VT Economic Development Authority (VEDA) operates the VT Agriculture Credit Corporation providing low-cost financing for anything to do with agriculture. It does not exclude new farmers, but these are secured loans; therefore new farmers without some equity will have a problem. However, VEDA does get "creative" with co-signers such as parents. There are two programs, typically for crisis situations like drought or the milk crisis; one is a loan guarantee, and the other a farm-operating loan. According to VEDA, there does not "seem to be a need" for any loan program besides these and FSA's because their portfolio is 90% dairy and they cannot recommend anyone going into that kind of farming without equity. *This bears local discussion specifically related to new farmers. Where will the next generation of dairy farmers come from? Are the state/program people planning for succession or expecting the land to convert to other uses?*

In his Budget Message last year, Governor Douglas proposed to make low-interest loans available to entrepreneurs through the VEDA. *What is the status of this? Are new farmers considered entrepreneurs, particularly those who are trying to move from one product to another, like dairy to organic produce?* These funds are separate from the \$15 M made available through the VT Agriculture Credit Corporation. *Are farmers limited to the latter?*

*Supporters might investigate details about loans that were made to agriculture operations with CDBG funds. One was to Cabot of VT, which is a very large company; one or two other small ones were done through towns. In the state's CDBG overview, economic development loans are mentioned, as are grants to communities to undertake economic development planning. Towns that are concerned about losing their farmers might investigate planning grants to develop a local or regional plan on preservation. Since farmers often qualify as low-mod income, this could meet program requirements.*

The VT Community Loan Fund in Montpelier has a Business Lending Program that makes agriculture loans to new and existing farmers for anything farm-related, like land, capital, etc. This fund also manages the Agriculture Tourism Fund, which is financially supported by USDA/RD. The terms and conditions are flexible though the Lending Program requires collateral, credit history, financials, etc. Commercial lender must first deny the applicant.

*The Central VT Revolving Loan Fund should be reviewed. Is it new farmer friendly?*

### **Policy statements**

*Compare these policies to program criteria, as described in Section 3C, to determine if they are consistent.*

Ag is a “vital component of VT’s heritage and a critical industry that deserves greater focus, support and attention.” (Gov.Douglas)

“...[I]nvest in key industries, like agriculture...” (Gov.)

From Inaugural Address: “When we speak of economic progress, let us not forget the industry upon which VT was built and which, in a changing economy, we have too long neglected. Let us renew our commitment to the family farmers who have contributed so much to Vermont’s character and whose lives are dedicated to feeding others, but who now struggle to sustain themselves.” *This is a solid commitment to agriculture. Are the programs available to support future farmers now?*

Ensure quality standards, provide TA and marketing assistance, develop new markets. “...[R]enew our commitment to our family farms.”

Governor proposed to eliminate the statewide property tax on all agriculture, forest land, and buildings enrolled in the current-use program. *What is the status of this?*

Governor pledged to “bolster commitment to worker training with increased grants to the Department of Economic Development’s Workforce Training Program, Workforce Education and Training Fund, and the Apprenticeship Program.” *Are there opportunities in these programs for new farmers, particularly the latter? Apprenticeship is an ideal way for existing farmers to get help they need and prospective farmers get the hands-on training.*

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## WEST VIRGINIA

The most unique thing about WV is that its Department of Agriculture is a Constitutional Office, meaning that the Commissioner is elected on a state ballot just as the Governor and Attorney General are. This gives the Commissioner unilateral control and allows his agenda to be different from that of the Governor. The current Commissioner has been in service for 36 years and is also a beef farmer.

On the other hand, the Governor steers the economic development department. The State of the State Address last year spoke about economic development initiatives but none specifically mentioned agriculture. He created an Economic Development SWAT Team that works to preserve existing businesses that are suffering. *Would agriculture qualify?*

Recently, the WV Cultural Heritage Tourism Program presented a workshop on agri-tourism opportunities in the state. There was a broad coalition of sponsors that partnered in providing the event. There was a balance of economic development organizations, small business groups, historic preservation entities, and agriculture.

In 2002, WV passed a law to allow counties to impose property transfer taxes and direct the funds to the purchase of agricultural easements. *What is the outcome?*

Poultry, meat, livestock, and dairy are the dominant agriculture in this state. Clearly, these are also some of the most government-regulated segments of the industry, and with increasing concern about food safety, regulations are likely to expand not shrink. *Does this affect new farmers?*

West Virginia (and Maine, Minnesota and Missouri) participated in the “Rural Entrepreneurship Initiative” through the Rural Development Council. The goal was to develop strategies to assist new entrepreneurs and to develop new efforts to support and enhance existing small businesses. *Agriculture was part of this initiative and supporters should discuss this with participants. Gather any facts and/or reports that provide information relevant to new farmers.*

WV does not offer the NxLevel course, “Tilling the Soil”, an agriculture business training program. Eight of the 12 northeastern states do. *Supporters might want to check with other states about the results they have had with the program in their states.*