

Success in Farm Startups in the Northeast¹

by

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Abstract

A variety of analysts of the food system have been concerned about the rising age of farm operators and declining farm numbers, as well as lack of innovativeness among farm operators for greater ecological sustainability and more food production for local markets. In much shorter supply than people with commitment to sustainability, more community-based food, enthusiasm, and energy are beginning farmers who can survive a farm startup process. A farm startup is a critical time in the family farm life cycle. In the current political and economic context most startup farmers face a variety of challenges and many do not survive this phase, even those with considerable promise. Survey data and in-depth interviews with current and former startup farmers in the Northeastern U.S. shed light on the social and other factors related to success in farm startups.

Introduction

As American agriculture turns down the path of the new century, we see that the independent, self-reliant farmer of the last century is rapidly disappearing from the rural landscape. Farmers, who were once the backbone of the rural economy, have been reduced to mere cogs in a well-oiled agribusiness machine. The real value in agriculture no longer rests in the commodities produced by farmers, but instead is captured by the corporately controlled and integrated sectors of the agri-food system that bracket producers with high-priced imports on one side and tightly managed production contracts and marketing schemes on the other side (Lyson 2004:99)

In the U.S., the context for contemporary farm startups is complex. Agriculture has been changing over time. In general, mainstream farming has been becoming less labor intensive and more capital intensive (Cochrane 1993, 2000; Harper 2001). Among the results are that contemporary farm numbers are less than one-third of those in the mid-1930s, with the bulk of commodities now coming from a relatively small percentage of the largest farms (Lyson 2004; Cochrane 2000). Community-building practices of shared labor have been in decline with increasing farm size and investments in machinery and other inputs (Harper 2001). Farm characteristics have tended historically to vary by region, due in part to patterns of continually emerging specializations rooted in climate, topography, markets, transportation systems, and other factors (see, e.g., Cochrane 1993). Agro-ecological conditions vary widely in the Northeast, but in parts less fertile soils, smaller fields, more rainfall, and closer proximity to major urban centers than in some other parts of the country have made conditions conducive to livestock and dairy farming, typically on a smaller scale than in western states (see, e.g., Gilbert and Akor 1988). Recently trends of divergence have continued, with the Midwest and Great Plains having farm losses due to consolidation of commercial farms and the Northeast and other areas that are "high in amenities" or in close proximity to large urban centers gaining farms, but, in small part due to changes in the Census definition of a farm, many of these are smaller, often part-time farms (dubbed "lifestyle" and "retirement" reflecting an interpretation of such farms relatively small net returns) (Gale 2000).

In recent years both declines in numbers of commercial farms and the increases in the average age of farm operators is connected to the patterns of farm exit and entry. Indeed, declining farm numbers may result more from decreasing rates of farm entry than from increasing rates of exit (Gale 1994). The general trends of mainstream agriculture are yielding what Lyson describes in the opening quote, providing a context that is not conducive to start-ups by would-be farmers of modest means. The farms characterizing such an agriculture tend to be large and capital intensive. Such an agriculture requires relatively few farmers, mainly not smaller-scale family farmers of the sort that was once common in many regions of the country since settlement (Cochrane 1993). Such an agriculture requires fewer replacement farmers with its increasing concentration of land and resources in the hands of a decreasing number of “producers.” The increasing average age of farmers reflects the trend of farming households not replacing themselves in agriculture. For the U.S. as a whole, the 2002 U.S. Census of Agriculture reports that the average age of farm operators had increased to older than 55 years, about 4 years older than 30 years ago.²

At the same time, openings for kinds of food and agricultural enterprises that differ from the mainstream are also emerging (Lyson 2004). Among the general population significant and growing numbers of customers are seeking foods that are fresh, local, unique, and, sometimes, produced without use of production practices that these customers deem environmentally unsound, risky, inhumane, etc. A wide variety of farmers and processors are making such foods available. Many of these alternative agricultural enterprises are on smaller scales than mainstream enterprises and serve more specialized and local markets, i.e., through farmers’ markets, community supported agriculture enterprises, farm stands, mail order, etc. Many of these produce using strategies and practices that differ from the mainstream, e.g., organic, grass-fed, and strive to differentiate their produce from that of the mainstream. Such kinds of agriculture can offer numerous opportunities for entry to new farmers, but typically present a raft of challenges to marketing and generating sufficient returns for household livelihoods. As a result, like large proportion of all farms, the households of many such farms rely heavily on non-farm income and benefits (USDA Economic Research Service 2005).

Much of the previous research on farm entry appears to have been done in the Midwest and particularly in Wisconsin, with a focus on dairy farming (Agricultural Technology and Family Farm Institute 1995; Barham et al. 2001b; Barham et al. 2001a; Buttel et al. 1999; Center for Integrated Agricultural Systems 2001; Jackson-Smith 1994; Program on Agricultural Technology Studies 2001). These studies (see especially Buttel et al. 1999; Jackson-Smith 1994; Barham et al. 2001b) suggest that a wide variety of dairy farm startup strategies can be successful for new farmers of different kinds of backgrounds, that family succession is not the only route, and that modest scale entry can work. They suggest the need for good matches between the characteristics and skills of the operating household and the scales and types of enterprises. They also suggest the need for a variety of policies that increase returns to farming, make affordable credit available, and promote programs that assist startup farm enterprises. Another study in

²For comparison, if a typical farmer began farming at age 25 and retired at age 65, the mean age of farmers would be expected to be around 45. Intergenerational partnerships and similar arrangements would tend to drive up the average age under the Census of Agriculture practice of requiring someone to be identified as the principal farm operator.

Michigan concluded that with innovative management techniques to reduce operating costs, startup dairy farming was feasible (Schwarzweiler and Viera 1996).

Other studies of farm startups have looked more broadly than dairy farming. In the late 1990s, the Northeast New Farmer Network (NENFN) project examined startup farmers in the Northeastern states with the goal of developing the infrastructure needed to support farm startups (Johnson et al. 2001). Based on a series of focus groups, they developed a typology of new and prospective farmers. To assist in planning programs for new farmers they also analyzed a variety of attributes of such farmers, their social contexts, their farming and financial goals, and their learning and assistance preferences. Their recommendations include tailoring programs to meet the needs of different types of prospective and startup farmers, broadening the range of topics considered and covered in programming (e.g., family goals, social support system). Work from this same group led to a set of policy option recommendations around important issues of farm startup: "access to capital and credit;" "access to land;" "access to information, training and technical assistance;" and "access to markets." In the context of Iowa, Paul Lasley (2005) examined the social context of Iowa agriculture with an emphasis on farm succession and how this context both discourages young people from entering agriculture and creates barriers to doing so. He also offers some recommendations for policies that would assist beginning family farmers by improving the profitability of their farms and lowering their risks and by improving the services provided by land grant universities and their Cooperative Extension arms.

In this varied and changing context, we undertook a study to better understand what led to continuation and exit in farm startups in the Northeast.

Methods

This study is based on a survey of a broad range of continuing and exited farmers who had begun farming in the Northeastern U.S. in the previous ten years and in-depth qualitative interviews with a subset of these farm operators. Farming was defined as agricultural activities with commercial intent. Since no lists of such farmers were known to exist, participants were recruited at a range of events that beginning farmers were expected to attend. Also, Extension staff, non-governmental organizations, and other farm service providers who potentially worked with such farmers were asked to invite their clients to participate. Through these means, a broad range of beginning farmers were given opportunities to participate in the study. Some respondents received and completed questionnaires at meetings and others received them at meetings and returned them by mail to the NESFI office. Others received questionnaires from farm service providers and mailed the completed questionnaires. A total of 99 beginning farmers from the 10 northeastern states responded with completed questionnaires (see Figure 1). One of the items on the questionnaire asked if the respondents would be willing to be interviewed in person. Most indicated affirmatively, but not all of these were returned in time to be considered for the in-depth interviews. A total of 62 questionnaires were selected and

<u>State</u>	<u>Survey Respondents</u>
CT	2
DE	1
MA	11
MD	7
ME	15
NH	10
NJ	5
NY	13
PA	20
RI	1

Figure 1

<u>Category</u>	<u>Cases</u>
Interviewed	36
Willing, not interviewed	2
Not chosen	12
Not eligible	1
Not able to locate	8
No response/refused	3
Not selected	27
Total	99

Figure 2

This depended in part on how many participants were recruited for the survey and when. Some of the later respondents to the survey returned their questionnaires too late to be considered for the interviews. The second consideration was to interview a broad range of the types of enterprises operated by beginning farmers. Keeping in mind that many farms were not neatly classifiable, Figure 4 indicates some of the range (not counting what was produced primarily for household consumption). Since cow dairy farming represents one of the more specialized and common full-time enterprises in the region seven such cases, with herd sizes ranging from about 70 cows to 500, were chosen for interviewing.

<u>Main Category</u>	<u>Cases</u>
Cow dairy	7
Goat or mixed dairy	3
Beef	2
Sheep or deer	2
Mixed livestock/poultry	4
Vegetables/herbs	3
Berries/fruit/cranberries	3
Flowers/ornamentals	2
Mixed vegetables/berries/etc.	4
Mixed crops & poultry/livestock	6

Figure 4

We did not get detailed income information in the interviews, but judging from the living circumstances, kind of farming enterprises, age, occupational history, and family employment information, fewer than half of the farm households interviewed would be expected to get the bulk of their household income from their farming enterprises. Many had substantial resources from off-farm to invest in their farming enterprises. At the same time, some with

considered for interviewing the start up farm households (Figure 2). Thirty-six of these were interviewed from mid-April of 2003 to late April of 2004.

Three considerations drove the selection of these cases from the pool of survey respondents: the intent to gain a wide representation from the different states in the Northeast, the intent to include cases representing a wide variety of farm types and circumstances, and continuation in farming. The distribution of interviewees by state (shown in Figure 3) was affected by how many questionnaires were received from farmers in each of the states.

<u>State</u>	<u>Interviews</u>
MA	5
MD	2
ME	5
NH	3
NJ	2
NY	5
PA	5
RI	1
VT	7
WV	1
Total	36

Figure 3

Goat dairies tended to be smaller. Many of the farms of those interviewed were quite diversified within their category. Other than the dairy farmers, most of the farmers marketed their products directly to consumers with a few marketing both ways, often by direct wholesaling to restaurants rather than mainstream commodity markets (see Figure 5). Several operated CSA enterprises. Beyond cleaning and packaging typical of preparing vegetables and other products for direct sale, at least three of the farm households did substantial on-farm processing of milk or herbs to add value to their products. Livestock producers who marketed their meat and other products directly to consumers typically used other firms for processing.

<u>Main Market</u>	<u>Cases</u>
Retail	21
Mixed	6
Wholesale	9

Figure 5.

very few resources going into farming were able to make things work for them. The third criterion for interviewee selection was to get a balance between farmers who were still farming and those who had exited. Unfortunately, six of the 26 cases that were considered, but not interviewed presumably were no longer in farming during the interview period. They had bad addresses and phone numbers and Internet searches did not yield information for contacting them. As a result, only three of the interviewees were currently exited farmers, though one of these was a partner in another, currently ongoing farm started initially by her spouse.

Farm households selected for interviewing were mailed a letter acknowledging their participation in the survey, describing the reasons for asking them to be interviewed and the interview process, laying out the benefits and risks of being interviewed, and indicating that they would be contacted. These letters were mailed in small batches a month or so ahead of anticipated interview dates. Included with the letter was a copy of the interview consent form and, following the advice of the farmers in the advisory committee, a short biographical sketch and photo of the interviewer (Gillespie). Arrangements were made by telephone and e-mail. When time permitted written confirmation was mailed ahead of the interview and usually the interviewees were telephoned the day before.

Most of the interviews took place on the interviewees' farms, either in their homes or suitable places elsewhere on their farms. The exceptions were the three cases who had left farming, two cases who did not live on their farm sites and were interviewed during the winter. One of the exited farmers when had moved to another part of the country was interviewed by phone. All interviews were tape recorded, though the information from one was limited due to tape recorder failure. Farms were generally observed casually upon arrival and departure and some offers of farm tours were accepted when bio-security did not seem to be a serious risk.

About 15 of the interviews involved more than one interviewee. Since previous studies suggested that joint interviews of household partners provided richer data than interviews with only one household member, the recruitment letter also requested that any other adults "who have been directly involved in managing your farm enterprise" be present. Some of those who were interviewed by themselves had no current domestic or farming partners. Some had domestic partners with little or no interest in the farming enterprises. Some had farming or domestic partners who were involved, but were not present for a variety of reasons, including interviewee choice, difficulty in scheduling around off farm work, partner choice to not be interviewed, and unanticipated demands to haul children around.

The interviews consisted of nine general questions: (1) "How did you get into farming?"; (2) What were the three most important decisions or steps taken since the time of active exploration of farm startup?; (3) Where have you been most successful in your farming experience so far?; (4) Where have you been least successful?; (5) "What were your greatest challenges in farming?"; (6) "As you were first getting started, what were the most important thing is that you thought you needed, but did not yet have?"; (7) "After you had started up and had been in business for little while, what were the most important things that you found you needed, but did not yet have?"; (8) What information and assistance did you receive or could have received that would have been the most helpful and from whom?; and (9) "What do you think is the most important advice that you could give to someone who wants to start a farm?" The conversations elicited by those questions and their associated probing questions were typically a little longer than an hour.

As we were starting the interviews for this part of the research project Gillespie formulated a set of working hypotheses based on what he knew about farming from the literature and my previous research work. He then shared these hypotheses with people involved in this study and some other people. Sue Ellen Johnson, Richard Brzozowski, Seth Kroeck, and Duncan Hilchey are among those who provided helpful comments [but should be presumed innocent of responsibility for the final content]. The list was reviewed frequently as the interviews progressed and Gillespie asked himself whether each "hypothesis" seemed to fit what he had been hearing. As the study progressed, hypotheses were modified and new ones added.

Findings

Factors Relating to Continuation and Exit in Farm Startups

Although the term "success" appears in the title, the choice of the terms "continuation" and "exit" rather than "success" and "failure" used here to describe the outcomes of a farm startup attempt is deliberate. Farm startups (and established farms continuing beyond that) are complex events that unfold in changing ecological, social, economic, and operator contexts. Some farmers may have the resources to continue chronically unprofitable farm enterprises, while other farmers with well-run and profitable enterprises may not be able to continue because of short-term cash flow or health reasons. This unfolding of farm enterprises is guided to a significant degree by people who are learning and changing both their farming strategies and their vision for their farms in the process. In guiding the unfolding, every farmer makes choices that prove to solve problems and those which create problems or make them worse. In the abstract, it is clearly possible that farmers who produce the best products or take the best care of their soil or livestock may not survive financially and those who survive financially may not excel in these categories. The four categories of factors discussed below are social context, personal characteristics, business characteristics, and luck.

Conducive Social Context

Agriculture does not take place in a vacuum, but rather it is part and parcel of the larger society. While typical materials for farm management emphasize important economic and individual operator factors, farming is also embedded in contexts of social institutions and social relationships that frame the possibilities for success and failure. Therefore, continuation in farming will be more likely with a conducive social context. Modern societies encompass much beyond agriculture and typically contain many contradictory elements regarding it. For example, small farms tend to be equated with the American dream at the same time that manual labor and operators of small farms tend to be denigrated (Berry 2002). Focus groups for another project indicated that many people seem to want the cheap food that tends to be possible only from large-scale, highly specialized agricultural enterprises at the same time that they want to see a landscape of small family farms. The complex and sometimes contradictory social world both enables and constrains agricultural enterprises and varies across time and geographic space, yielding niches that are wonderful for some kinds of farming enterprises and ones that tend to be prohibitive for other kinds. In general, a conducive social context for farm startups would be one that includes:

- access to land, equipment, livestock, facilities, operating capital, etc. that are adequate and appropriate for the kind of farm enterprise and that are on “reasonable” terms given contemporary product market conditions;
- practical availability of "good" markets for products (defined roughly as access to conventional mass, established specialty niche, self-created niche, or other markets on terms which allow adequate net profits--e.g., have willing buyers, low transaction costs, and high selling prices);
- supportive family members and significant others who value farming and who accept the associated work hours, constraints, risks, and inconveniences and, preferably, are willing and able to contribute labor and other resources as needed;
- a supportive agricultural “community” with shared commitments and trust that enable both reciprocity in sharing knowledge, equipment, and labor and transactions among members, including bartering (sources of “community” identity can be shared history, religion, or particular farming approaches, like organic);
- neighbors who support the particular kind of farm, or at least accept it;
- uses of surrounding land that are compatible with the particular agricultural enterprise (e.g., in areas with considerable urban sprawl, not producing substantial noise or offensive odor);
- taxation of farm income, sales, and property as well as permit and regulatory fees and associated costs that, taken together, are reasonable relative to the opportunities for farm income;
- practically-available farm input suppliers, information providers, and service providers (defined roughly as having veterinarians, agricultural chemical applicators, consultants, etc. who are both willing to serve and located close enough to make using their services economically reasonable) and, preferably, be committed to helping a starting farm operator;
- suitable policies (i.e., laws and regulations) pertaining to farming and agricultural product marketing that manage land uses and ensure public safety without strangling farm enterprises;
- access to “adequate” health care and other benefits, either through a government program, organizational membership, or attached to a farm household’s off-farm employment.

Appropriate Personal Characteristics

Like in any small business, the operator or operating team of a farm enterprise is central to the way it operates. For farm enterprises of smaller scale, few things happen without the operator's or operating team's initiative and attention. Therefore, the match between the attributes of the operator(s) and the characteristics of the particular enterprise are critical. An enterprise like a dairy farm that requires for effective operation early morning labor 365 days per year would not be a good fit for a person who cannot function before 11:00am. Therefore, continuation in farming will be more likely if the farmer(s) has appropriate personal characteristics for the farm enterprise undertaken, including in general:

- willingness to work hard;

- appropriate managerial knowledge and skills for producing, harvesting, storing, delivering, marketing, etc. for the products produced, including the ability to “work smart,” to "multi-task," and, if needed, to manage others effectively;
- flexibility and innovativeness in the face of challenges;
- ability and motivation to gain needed information from a wide variety of sources and astute personal observations that enable avoiding mistakes as well learning from them;
- aptitudes for the skills needed for producing any products in a farm's portfolio;
- appropriate technical knowledge and skills for producing, harvesting, storing, delivering, and marketing farm produce of acceptable quality and well-timed;
- willingness and capacity to curb personal consumption in favor of current operating expenses and capital accumulation;
- wisdom to avoid too rapid growth, undertaking too many new things at once, and other sources of over-stretching management and resources;
- ability to take outside perspectives--such as those of urban customers in the case of direct marketing--in evaluating products and identifying marketing opportunities;
- skill in communicating and negotiating combined with the cultural knowledge needed for initiating, being open to, and maintaining effective, working relationships with important others who provide needed and timely labor, services, information, equipment, materials, and markets (reciprocity and community);
- strong entrepreneurial motivation to do what is needed to produce successfully and efficiently and market effectively;
- persistence and perseverance.

Suitable Business Characteristics

Farms can be configured in many different ways. Some require the full-time, year around labor and management of their operators, while others are very part-time or seasonal, or both. Some produce high value products in relatively small quantities, others produce low value commodities in relatively large quantities. Some use new equipment, others depend mainly on used equipment. Some have considerable debt, others have no debt. Therefore, a farm's business characteristics need to be internally consistent and continuation in farming will be more likely if its business characteristics of the farm are suitable, including:

- adequate resources from accumulated capital, current farm income, current non-farm income, lenders, or other investors for cash flow;
- a sound, rational farm vision and business strategy that may be manifested either (a) in regularly-revised business plans that incorporate realistic scenarios, include fall-back plans, balance diversification and specialization, rationally set rates of expansion/contraction, and match production and marketing opportunities or (b) in slow, incremental business development kept well within the means and abilities of the operators;
- good match among production scale, production technologies, and available labor for each sub-enterprise.

Good Luck

Continuation in farming will be more likely if the farmer(s) is lucky. This topic has been somewhat controversial within the research team with the central issue being whether "good" business management eliminates luck as a factor. Certainly sound management, appropriate information gathering efforts, astute observation, and other things within the control of a farm operator will reduce the vulnerability to many kinds of events and conditions. At the same time, the first author contends that in our imperfect world every farm will experience problems and that most farms will vary over time in their vulnerability to going out of business because both farming inherently involves risks, few operators are perfect managers, and things that are outside of their operators' control happen singly and coincidentally. E.g., if a farmer has a disease or breeding problem during a time of high output prices, this would seem to be less likely to threaten the continuation of the enterprise than if the same thing happened at a time when output prices were very low. Some common kinds of bad luck/unfortunate things that happen on farms and that new farmers need to consider include:

- bad weather;
- low market prices;
- loss of market due to a variety of potential causes, including business decisions or failure of a buyer, changing consumer tastes, or regulatory changes;
- serious production problems in livestock or crops caused by equipment, facilities, diseases, pests, or other causes;
- incomplete, wrong, poor, or misinterpreted information from authors, advisors, consultants, or lenders;
- loss of a key support business or person
- lack of needed contacts or information sources;
- management decisions that in retrospect proved to be unsatisfactory;
- effective labor shortages due to employee non-availability, issues, or incompetence
- operator or family member unavailability due to health problems from accident or illness;
- family or partnership dissension or dissolution.

Obviously, not every beginning farm operator or operating team will possess all of the social context, personal, and business attributes listed and not every attribute will be equally important to all kinds of farming enterprises. Clearly, being inconsistent with one or even many of the items does not mean that a farmer will necessarily exit. Moreover, moderation and balance are crucial in dealing with those items which incompatible, e.g., persistence and perseverance versus flexibility and innovativeness in the face of challenges. Similarly, not every enterprise will experience or be subject to each of the unfortunate things that can happen.

Conclusions and Recommendations

The situations of the startup farm households that were interviewed varied widely and so did their needs. Therefore we do not see any simple recipe for serving the needs of such farmers. Nor can we see a simple recipe for sorting out which of these farms "should" survive and, therefore, get special attention and resources. All of the people interviewed have been quite rational and strategic. They have thought through what they wanted and how to do it. However,

some survey comments indicate that a few assumed a best-case scenario in the business plans, which proved to be overly optimistic. Although we interviewed only three startup farmers who had exited farming, it is not clear that we could have predicted ahead of time which ones have ended up leaving. In fact, the operators of the farm that looked like it was in very difficult financial straights at the time of the interview and things seemed only to get worse in the next year, have apparently managed to restructure and stay in business. Having written the foregoing about the particular cases that were interviewed, we recognize that some people who attempt farm startups may be poorly suited to farming or be poorly prepared for a startup and, therefore, be excepted from the conclusions.

While, arguably those interviewed were relatively typical of the highly varied survey respondents (but not proportionally), they are not necessarily typical of all farm startups. Though we lack data on overall farm startups, two categories of beginning farmers would seem likely to be under-represented: those taking over on-going family farms and those less apt to seek pertinent information from service providers and information sources like the farm media, libraries, the Internet, and farm-related meetings. Those in these categories could be less likely to attend meetings aimed at prospective and beginning farmers and to actively seek information in the venues we used to contact them.

Recommendations

In recent years many programs have been working with beginning farmers and many of these programs help these farmers greatly. However, not all beginning farmers participate in such programs and each program has its particular foci. The recommendations that follow are based on examining the interviews and asking what needs were not being met for some of these startup farmers.

Advising and Mentoring

Quite a few of the interviewees spoke of the great contributions of one or more advisers or mentors. We have discerned several characteristics of these valued advisers and mentors. (1) These persons understood things about the interviewees' startup farms that the interviewees themselves did not understand, i.e., had important information, could interpret things that were happening, could foresee problems, or could provide needed solutions to problems. (2) These persons communicated well with the startup farmers, i.e., they could explain things in ways that were understandable or did not make the recipients of their advice feel demeaned. (3) These persons went out of their way to be helpful, e.g., some were available nights and weekends or invested whatever time or energy was needed to solve a problem at hand, for example, a financial adviser who carefully went over a loan officer's adverse assessment of a loan application, found a way to make a positive cash flow projection, and went with the applicant to meet with the loan officer.

Quite a few interviewees also related instances of emerging problems on their farms that they realized were occurring only in retrospect and some of these felt that a mentor/advisor might have identified their problems these became apparent to themselves. Perhaps having such mentors/advisors would have enabled the farmers to avoid many of the adverse consequences they ended up having to deal with because of their lack of experience or foresight.

Interviewees also told stories of bad advice from service providers (e.g., nutritionists or loan officers). These are presumably people who should really know what they are doing and, in

many cases, startup farmers may not be able to discern immediately that the cause of a problem is really a provider's work. This problem is much worse when the person giving the bad advice has some power over the startup farmer, as in the case of a loan officer. Mentors could help new farmers to assess advice and formulate workable strategies.

What the first author has concluded from these interviews and his own experiences with agriculture in general is that every farm, startup or not, is going to have some problems with weather, diseases, and the like. We do not think that it is entirely reasonable to expect that every farmer will be on top of every emerging problem every time and startup farmers will no exception. Because of this, we have been struck by what seems to us to be the importance of startup farmers having advisers and mentors who have the key technical knowledge needed for a particular farm and who are sympathetic to the particular farmer's objectives and situation (e.g., advisers with expertise in conventional farming and who believe that organic certification is primarily a crass marketing tool may not be good matches for startup farmers committed to ecological farming practices and community supported agriculture). We might add that this would also seem to apply to farmers at any stage who are making significant changes in their operations, such as going from confinement dairy to grass-based dairy, from dairy to crops, or from conventional to organic production systems.

Moreover, it seems to us that teams of mentors/advisers could be very helpful to many startup farmers. Such teams would ideally have a wide range of technical expertises, e.g., financing, production practices, post harvest management, marketing, regulations, and employee management, that would be unlikely to reside in any single individual. Such a team should have at least one person who would champion the startup farmer in matters of getting and evaluating information, getting financing, etc. and who would provide moral support. Having teams of adviser/mentors would seem to be particularly critical where a startup farmer has little room for error, e.g., an operation of substantial size, low profit margins, little or no household income from off farm, and significant debt to service. This would be less important for farmers who have small operations, substantial off-farm income, and no debt and, therefore, have considerable latitude to learn by trial and error without risk of going out of business. Peers are another potentially valuable source of guidance based on experiences of such groups in financing small enterprises (such as the Grameen Bank) and in technical support (such as farmer learning and research groups in the Northeastern U.S. and other areas). We acknowledge that using teams of mentors/advisers would take a lot of resources. How justified investing such resources would be depends on how one views the social benefits of having new farmers. The social--e.g., improved local food security--and environmental benefits--e.g., providing green space and preventing sprawl--could be considerable, but difficult to measure. Similarly, studies showing the impacts of farms on their local economies (e.g., Dobbs and Cole 1992) suggest that purely economic benefits could also be significant, but also not easily measured.

Holistic Management as an Alternative to Ordinary Business Planning

In general, business plans are good things for farmers or other entrepreneurs to prepare, both to promote explicit thinking about the economic aspects of their businesses and to provide avenues for others to assist in making the plans realistic. However, farms and other "small" businesses are more than the sum of their economic aspects: most such operators have other goals, such as spending time with their families, and most startup farms are embedded in systems of social relations that involve spouses, relatives, friends, support businesspeople, and others.

Holistic Management provides a framework for incorporating the diverse and complex aspects and goals of a startup farm and provides a means of decision-making to achieve diverse goals (Henderson and North 2004).

Conceiving of Farms as Parts of a Larger Food System

Closely related to our points on Holistic Management and the need for attention to advising/mentoring is the idea that any farm needs to be understood as a particular part of the food system--analogous to a particular organism in an ecosystem. Not surprisingly many of interviewees seemed to focus largely on their own farms and attended less to the fit of their particular farms in the emerging food system. Many did this as one of their farm goals, but many did not seem to understand the national and global food systems. At the same time, many with successful marketing niches have at least an implicit understanding. Though some farm advisors give attention to this, we wonder how much those advising beginning farmers typically focus mainly on the farm and production levels. Based on our observations we urge advisers and mentors to look beyond the boundaries of farms in their work with prospective and beginning farmers. Where does a farm or potential farm fit into a particular product chain or particular product chains? What are the available input suppliers in the local food and agriculture system? On the particular farm, how do the resources (e.g., soils) and operator skills and preferences fit with that system? What are the existing markets or potential markets that could be created for particular products that are or would be produced? Rather than looking for relatively simple recipes for farm success assumed to be widely applicable (e.g., having a business plan), we should be looking at how farm operators find or create viable, local niches in the changing food system.

Playing to Strengths

A key role for advisers/mentors and farm startups would seem to be helping prospective and actual startup farmers to see the strengths and limits of themselves and their farms in the context of the broader food and agriculture system. We don't think it's reasonable to expect that a startup farmer will be perfect in all areas, e.g., overall management, production practices, bookkeeping and taxes, marketing, and dealing with employees. One step in the long-term success of a startup farm may be achieving understanding what is its operator's strong suite and what needs to be either allocated to others or compensated for. For example, some farmers have exceptional abilities for maintaining and repairing equipment and do very well with older and inexpensive equipment. However, other farmers lack that ability and when they try to use older equipment the result may well be disaster. The latter kind of farmer would likely be better served by investing in newer equipment, finding partners or employees who are strong in this area, or hiring custom operators. Often startup farmers recognize their limits, but should anyone be surprised the startup farmers may sometimes be the least capable of seeing that they need help in the very areas where they need help the most? Marketing may be an example. Of course, once such a need is recognized, there is the difficulty of locating, engaging, and paying for whatever equipment and services are needed. Without a doubt, the challenges of meeting such needs on a startup farm with very limited resources can be great.

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