



The
BENEVOLENT INVESTOR'S GUIDE
To helping farmers own land

Prospectus
April, 2017

It matters who owns the land. The future of our soil, of our food, and of our rural economies depends on the next generation of farmers and ranchers. These producers, innovators, businesspeople, and environmental stewards link us all to the land in a fundamental relationship between humanity and ecology. If we are committed to the health of our people, our landscapes, and our democracy, we must strive to give farmers and ranchers a greater stake in the land.

The Benevolent Investor's Guide (BIG) is intended for private investors - high net worth individuals, family foundations, and others - who are interested in building community wealth, sustainable agriculture and resilient landscapes. It advocates a principled approach to investing across a spectrum of expectations for social and financial returns, with the goal of helping more farmers own their land.

The BIG offers a set of principles as a jumping off point, documents 'real world' case studies to learn from, and hopes to inspire investors to let generosity flow into our small-scale agrarian economies. Specifically, it:

- Describes approaches to investing in *farmer ownership* of land, where investors are connected directly with farmers.
- Illustrates these approaches with case studies of farmers and investors around the country.
- Explores common themes; identifying opportunities and risks when investing in farmer-owned land.
- Helps investors evaluate potential opportunities for investing in the future of family-owned farms.

Why is the BIG needed now? We are entering an unprecedented farm succession crisis. Seventy percent of the nation's agricultural land is expected to change hands in the next two decades, yet the incoming generation of family farmers can't seem to get a foothold. In fact,

obstacles to starting a successful farm have never been greater. Agriculture is being consolidated, and ownership of the means of production is becoming less equitable. Farmland has become unaffordable to most farmers.

Succession crisis

- American farmers and ranchers are older as a group than they've ever been-- a full third of them are now over 65.
- The number of beginning farmers *declined* by 20% in just 5 years.
- 70% of the nation's agricultural land is expected to change hands in the next 20 years. (*University of Vermont, Farm LASTS Report*).

Consolidation

- The total number of US farms is going down, but average farm size is going up. US farms that occupy 2,000 acres or more represent only 4% of total farms, but 55% of all US farmland.
- The quickest-growing farming sectors are not producing food for human consumption: Corn and soybeans now account for more than half of all US cropland harvested.

Unaffordable land

- Land values are bid up by the rural-residential real estate market, outside investors, and agricultural "bubble" commodities like ethanol crops, tree nuts, & wine grapes.
- The cost of the average acre of farmland increased 36% between 2007 - 2012.
- Revenues from diversified family farms are rarely sufficient for a farmer to qualify for conventional mortgage financing.

(Data from The USDA National Agricultural Statistics Service unless otherwise noted)

When family farms fall off the map, it's hard to get them back. Without younger farmers occupying our productive lands, we stand to lose social, economic and ecological resilience: Rural communities are vacated, rural businesses become untenable, rural lands are either consolidated or taken out of production, and we lose our human stewardship connection to the land.

How can we help? In a 2011 national survey by the National Young Farmers Coalition, beginning farmers themselves said **what they need most is better access to land and credit**. This guidebook is a response to both.

The challenges are immense for our next generation of farmers; but so is the opportunity for change. A social movement around food and agriculture is underway, and city-dwellers are hungry for more connection to place. Private investors with patient, flexible capital can play a vital role in the preservation of agricultural land and the ability of the next generation of farmers to sustain the land, their families and their communities.

Table of Contents:

1. Lay of the Land: An introduction to benevolent investing in farmer-owned land
2. Sowing Principles: Why helping farmers own land can support positive social and environmental change
3. Choosing a Path: Some investment models
 - a. Investor buys land and offers option for farmer to purchase later
 - b. Investor makes farmer-friendly loan for direct purchase by farmer
 - c. CSA community invests directly in its farmer's ability to own land
 - d. Investor provides low-interest capital through third-party entity such as a community lender
4. Tending the Deal: Starting on the right foot, leaning on the right folks, avoiding common pitfalls.
5. Growing Farmers: A worthwhile investment
6. References and Resources

Timeline:

- May 31 - Interviews, contributions sought and collected
- June 13 - "Preview" of findings for presentation at "Changing Hands, Changing Lands" conference, CO
- August 11 - Final draft ready for review by advisory team
- September 15 - Publication

Note: A great deal of the groundwork for the guidebook has already been completed. An excellent team of advisors has offered input, several case studies are underway, and some of the chapter text has been written.

Budget:

Research, writing & editing	\$14,880
Graphic design & layout	\$2,440
Printing production and distribution	\$3,000
Travel/conferences	\$1,500
Overhead and project management (15%)	\$3,273
TOTAL BUDGET	\$25,093

Partners:



- The mission of **Agrarian Trust** is to support land access for next generation farmers.
- Conceived of, and will be publishing, this guidebook.
- Fiscally-sponsored by Social and Environmental Entrepreneurs, a 501(c)3 Nonprofit Organization.



- The mission of **California FarmLink** is to link independent farmers and ranchers with the land and financing they need for a sustainable future.
- A 501(c)3 Nonprofit, and Community Development Financial Institution (CDFI).

Advisors:

A few of the individuals who have provided input so far:

- Anthony Chang, Kitchen Table Advisors
- Chris Larson, New Island Capital
- Ian McSweeney, Russell Foundation
- Jacob Israelow, Dirt Capital Partners
- Joseph McIntyre, Ag Innovations
- Kathy Ruhf, Land for Good
- Marian Moore, Play BIG
- Reggie Knox, California FarmLink
- Sallie Calhoun, Cienega Capital

Authors:

Kendra Johnson, Consultant - Farmland access, conservation and stewardship

Kendra got started in agriculture with a CSA and market garden in northern California, where she also worked in landscape design/restoration, urban agriculture, ag education, and floriculture. She is fluent in Spanish with a background in international agricultural development, a BA from Macalester College, and a MS in Community Development from UC Davis—where she researched agricultural conservation easements and farmland access. She coordinated CA FarmLink's Central Valley programs for 5 years, helping farmers/ranchers and landowners with tenure, succession, and farm business and finance needs. Since 2012 she has served on FarmLink's board, and has consulted with a variety of groups including land trusts, National Young Farmers Coalition, Agrarian Trust, *One Farm at a Time*, and others. Kendra now lives on the Russian River with her husband Jacob and their three children.

Lauren Dixon, Consultant - Impact investing and community/economic development

Lauren has worked in impact investing since 2008, measuring and evaluating the social impacts of investments for both private and institutional investors. For the last seven years, Lauren has run a policy analysis and program management and design consulting business. Her areas of expertise include impact investing, evaluation, analysis and strategic planning all to support community and economic development, quality jobs, land use and affordable housing. She has written a guide for private individuals looking for impact investing opportunities in affordable housing, a Federal Reserve working paper on small business financing, and run an organization that supported public parkland operators in the face of serious financial crisis and park closures. Lauren holds a BA from Washington University in St. Louis, and Master of Public Policy from the Goldman School at the University of California at Berkeley. Lauren lives in western Sonoma County with her husband Scott and their two budding farmers (daughters).

Tianna Kennedy - Farmer, writer, artist

Tianna has many interests including farming, writing, organizing, art, radio, cello, the life aquatic and education. She is interested in public spaces and the space of possibility. Her new projects are [Star Route Farm](#) , [the607csa](#) and - after all these years, her first farm - a collaboration with Walter and Susan Riesen and the Peachin family located in the Northern Catskills of New York. Outside the farm, she's most interested in projects that create points of access to increasingly privatized resources. Some projects she has managed in the past include: Dule Riley's Fly By Night, Vermont Sail Freight, SWOON's Swimming Cities of Serenissima, [CADE's](#) New Farmer Education Project and Land Access program, Empty Vessel Project (action, art, and design in the Gowanus Canal), and Wave Farm (defining the genre of transmission arts). She holds a Masters in Performance Studies from New York University. She can be found in the fields, on the water or in the desert.

Severine von Tscharnier Fleming - Agrarian Trust Founder and Board President

Severine is a farmer, activist, and organizer based in the Champlain Valley of New York. Severine founded The Greenhorns, a young farmer organization dedicated to gathering, bundling and broadcasting the voices and vision of young agrarians. The group is best known for its documentary "The Greenhorns" and the raucous young farmer mixers they've thrown in 37 states and 14 grange halls. Severine is also co-founder and board secretary of Farm Hack, an online, open-source platform for appropriate and affordable farm tools and technologies , as well as National Young Farmers Coalition which now boasts 23 state and regional coalitions. She serves on the board of the Schumacher Center for New Economics, which hosts Agrarian Trust, her latest startup, focused on land access for beginning farmers, and permanent protection of affordable organic farmland. Severine attended Pomona College and University of California at Berkeley, where she graduated with a B.S. in Conservation/ Agroecology.