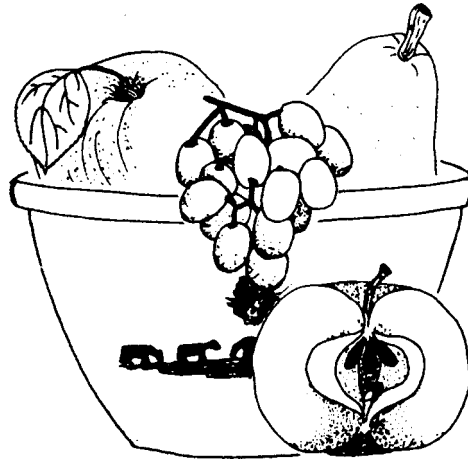


# **Finding the Niche: Case Studies of Beginning Small-Scale Farmers**

**With Recommendations for  
Programs for Beginning Farmers**



Wisconsin Rural Development Center  
1406 Business Highway 18-151 East  
Mount Horeb, WI 53572



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# Contents

Page

3	<b>Introduction</b>
4	<b>Ann Topham and Judy Boree</b> Goats and goat cheese
7	<b>Dick and Gretchen Regnery</b> Cherries, sheep, an art gallery, and a Bed & Breakfast
10	<b>Kathy and Jim Foster</b> A small fiber farm
12	<b>Jack and Debi Markin</b> Sheep
15	<b>Judy Baker and Roy Marsden</b> Trying to start an organic, subscription farming system
17	<b>Mary Baker</b> Up-scale specialty vegetables
20	<b>Jim Elleson</b> Trying to start an organic vegetable operation
22	<b>Mary Jackson</b> Managing a sheep farm
26	<b>Stuart Smith and Roger Eischens</b> Vegetables and small grains
29	<b>Susan Waterman</b> Angora goats, Shetland and long wool sheep
32	<b>Conclusions -- Helping Beginning Farmers Get Started</b>  Overview  Finding Land and Facilities  Financing  Production  Business Planning  Marketing

## Introduction

A typical conversation at the Wisconsin Rural Development Center on the topic of beginning farmers usually goes something like this:

“Gee, we ought to do something to help beginning farmers.”

“What? It seems like they all need something different. And how do we find them? Who are they? What do they need? Is it something we could provide?”

The present study started off as a modest attempt to answer those questions for ourselves.

It soon became obvious however, in the course of conducting interviews with beginning farmers, that this was a study with a broader audience. The stories were too interesting, too inspiring -- and perhaps too sobering -- to go no further than our next Board meeting. So we decided to share them. And we decided to broaden the scope of the project a little to serve two different goals.

The first goal is to help organizations like ours -- dedicated to small and medium sized family farms, environmental protection, and rural communities -- get a sense of the realities that beginning, non-traditional farmers face. We wanted to focus on non-traditional farmers for several reasons. First, while we won't claim that going into farming is easy for anyone, there are substantial resources devoted to the needs of beginning conventional producers. There is a great deal of information available on traditional enterprises, and there are special credit and assistance programs that target this group. Farmers producing non-traditional items or conventional products in unconventional ways, on the other hand, face a dearth of helpful information and institutional support. We wanted to provide some analysis and suggestions on the most promising forms of assistance, and help groups think through an appropriate helping strategy.

The second goal of the study is to help aspiring farmers learn about some of the right questions to ask, and the experiences of others in a similar boat. For individuals just starting to think about going into farming, the present study may serve as set of cautionary tales, creative ideas, and some good, down-home advice. These are stories born of inspiration and nourished by perspiration. Lots of it.

\* \* \*

Our contact with the group of farmers interviewed for this study has convinced us that the new generation of small farm entrepreneurs is a critical resource for rural communities, urban consumers, and the farm community. We believe in their dynamism and creativity, and the value of the alternative vision of agriculture that they are pioneering. This study shows them to be often poorly understood, under-served by existing farm programs, and frequently written off as too small, too “exotic” and too far outside the mainstream to be worthy of attention. But as we see it, it's not always possible to tell the difference between “marginal” and “cutting edge.” The success of some of these farmers suggests that they are indeed “cutting edge” -- and thus more, not less relevant to agriculture as a whole.

It has been said that good ideas are often born as heresies and die as platitudes. The farmers in this study have dared to try heretical ideas. They are inventing and keeping alive possibilities -- in production, in marketing, in lifestyles, and in values -- which may some day be the basis for far-reaching positive changes in agriculture. We hope so.

These farmers possess some rare talents, an amazing level of energy, and a lot of guts. There is much to be learned from their stories. It is our hope that the present study can convey some of the richness of their experience to readers, and lay a foundation for better-focused assistance programs.

**Ann Topham and Judy Borree**  
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**Ridgeway WI 53582**  
**(608) 924-1266**

### **The Dream**

“Our first dream was to have a place in the country that people could come to -- a kind of retreat from high stress jobs and lifestyles. Wherever we were, they seemed to come anyway. But neither of us really felt comfortable making a living off of other people that way -- we wanted to produce something and be independent.”

“As we were thinking about it, I went to visit my father, who had moved onto a farm when he retired, and was raising purebred Angus cattle. I wanted to find out what he was doing -- he wasn't real articulate about it, and I was curious. After six weeks of planting, calving, and learning about farming, I realized I could never go back to my office. Eventually, Judy took a sabbatical from work, and we went and worked for my Dad for a year and a half.”

“We loved working with the cows, but then he encouraged us to get a goat, and we really liked working with the goat. It was smaller and more fun to deal with. So our dream kept on evolving -- eventually towards a small farm producing goat's cheese.”

### **The Operation**

Ann and Judy have a 50 acre farm in Ridgeway, about 45 minutes west of Madison. The farm is one third pasture, one third alfalfa, and one third wooded. This year they are milking 21 goats. “It's been a struggle to stay small. We didn't want to spend our time just trimming hooves and cleaning the barn and milking -- we wanted to have the time to put into breeding and managing, making cheese, etc. But goats are prolific!”

They make a variety of soft cheeses, which they sell at the Madison Farmers' Market, and to restaurants and stores in Madison, Milwaukee, and Chicago.

The farm is currently their only source of income, and they are in the black for the second year.

### **Constraints and Opportunities**

**Land and Facilities:** “We felt pressed to find a place soon -- we wanted to get started. But we bought land at the end of the period of high prices and interest rates, back in 1982, so it wasn't cheap.” Because farms were so expensive, Judy and Ann decided to buy non-farm land. They found a small, hilly tract of land with a house but no barn -- they had to build one.

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***“After six weeks of planting, calving and learning about farming, I realized I could never go back to my office.”***

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They wanted to have a wooden barn, because they had learned that goats don't stay healthy in conditions of excessive moisture or condensation. However, building a new wooden barn would have been very expensive. So they went back to Iowa and disassembled the 40 X 40 foot barn belonging to Ann's father; the roof had blown off in a tornado, and he was no longer using it. They trucked the 5000 pounds of siding lumber back to Wisconsin themselves, and hired a local company to put up new poles and a roof. The barn has worked well for them.

“One problem with our land is that there isn't a flat place on it. We have to fight with water all the time, and bulldoze every place we put buildings. We didn't know about that when we bought it -- we learned the hard way.” They also had to learn about building their own facilities the hard way -- there was no one to learn from. “Judy does most of the building, and she does it book in hand, from pictures.”

The hardest part about buying the land and getting started was money. They wanted to avoid debt, but the landowner demanded a high down payment (\$30,000). They ended up forming a partnership

with friends and family to purchase the land (see below, under “financing”).

**Technical Expertise:** Ann and Judy both had advanced degrees -- but not in anything related to raising goats. Ann had a PhD in the history of education, and Judy had one in social work. The main benefit of their formal training was that they weren’t afraid to do library research.

“We read every book we could get -- even ones in French, since those were the only ones that talked about how to make cheese. When we started there were only two people in the U.S. making goat cheese, so it was hard to get information. We also found a lot of resources on goats at the Vet School. They’ve been fantastic for us -- we have a good working relationship with a woman there who really knows goats and likes them.” Judy and Ann also took the Short Course at the UW-Madison College of Agriculture, after which they went to work on Ann’s father’s farm. This experience was crucial. “We learned everything except how to plow and put up hay. We learned how to build fences and drive a tractor and work with animals. And being with my Dad, we were part of a community, and we had a kind of credibility. People would talk to us because of my family, and we weren’t afraid to ask questions. We learned a lot by asking questions.”

The experience in Iowa made it easier to rely on friends and other farmers for hands-on information and advice, although when they started there were very few people with specialized experience they could tap.

**Financing:** This was a real obstacle for Ann and Judy. They ultimately solved the land purchase problem by forming a partnership with friends and family who put up capital for land purchase. “It wasn’t exactly a business proposition for them -- they weren’t really getting anything out of it, but in those days interest and depreciation were tax deductible, so they weren’t losing either.” This arrangement has worked well. Mortgage payments are lower than they would have been if the down payment had been smaller, and their friends aren’t in a big hurry to be paid back. “A bank would never have given us a loan. There was no precedent for what we were trying to do, and it was certainly

a risky proposition. But we were willing to take the risk.” For the first couple of years, Judy kept teaching at the University to keep some income coming in; she also worked for Lutheran Social Services for a time. They have also received some - - though not a great deal -- of help from Ann’s parents.

They have avoided taking on debt to purchase machinery -- they buy what they need used, and avoid large investments in items they use only rarely. They are looking for ways to rent certain pieces of machinery, or share them with other producers. A major goal is not expanding their herd beyond its present size, which is a pleasure to manage. They point to the example of other producers who have made big investments and then had to increase the size of their operation to pay the loans back.

**Marketing:** “We figured with the Farmers’ Market in Madison, and a lot of people who had traveled and eaten goat cheese in other countries, we would have a market for our cheese. But as it turned out, for the first couple of years we had to bludgeon people into trying it.” They built their markets up from scratch, educating themselves and consumers as they went along. They were certified to sell in 1984, and now sell in Madison, Milwaukee and Chicago. For a time they were selling to a customer in New York, but they found maintaining the connection over that distance too difficult.

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***“We thought...we would have a market for our cheese. But as it turned out, for the first couple of years we had to bludgeon people into trying it.”***

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They have displayed at the annual food fair on Navy Pier in Chicago, and found this to be a valuable source of contacts. “This year our cheese was taken all the way to Hong Kong!” They have also been written up in several major publications, such as the New Yorker. Currently, they get about one third of

their income from the Madison Farmers' Market, a fluctuating 10-20% from Chicago, and the rest from stores and restaurants in Madison and Milwaukee. They are getting ready to expand their sales, which they plan to do through a mail order system.

Ann says the biggest marketing constraint is time. They've had many excellent marketing opportunities they simply haven't had time to respond to. "Most days, we're going from 5:00 am. to 8:30 or 9:00 pm. -- there just isn't enough time to pursue everything." It is noteworthy that the market they have developed is promising enough that there is now a larger goat cheese operation getting underway in Wisconsin, started by a French investor.

### **How It All Looks From Here**

"When I look back on it, I'm amazed that we did it. There were so many obstacles, and so many things we didn't know how to do. But we make good cheese! It's amazing!"

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***"One of the best things is what the animals give back. ... they let us be in their lives, and tap into the most elemental things in the world -- life and death. What other way is there to clear your horizon and remember what's really important?"***

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"We know it'll work now -- we can make a living at this. We haven't really known that for long, and it's very satisfying. For a while we were afraid we'd have to get big to make it, but our cheese is good enough that we can charge enough and stay small. The cost of this is the energy deficit. We can't keep up this pace forever. We need to find ways to save labor."

"One of the best things is what the animals give back. It's hard to convey... they let us be in their

lives, and tap into the most elemental things in the world -- life and death. What other way is there to clear your horizon and remember what's really important? It's a real nurturing that goes on, and I don't know how other people get by without it."

### **Lessons**

Most of what Ann and Judy would have found helpful (or still would) falls under the "networking" heading. They would like to have a way to find other farmers working at the cutting edge, experimenting with new techniques, etc. They would like to find other people with farm experience willing to trade labor and join work days, as they currently do with some neighbors. They find the group effort educational, fun, and labor-saving. They would also like to find people in their area willing to do relief milking; it is difficult to find people with experience with goats.

They feel, like many other small and beginning farmers, that the input distribution infrastructure serves them poorly. They need relatively small quantities of somewhat unusual items, and purchasing them individually implies higher costs and a greater effort in searching out sources. They would like to find a way to purchase inputs with others to get better deals, and save on research time.

Finally, they would like to find a way of renting or borrowing equipment for short periods of time. For example, they cannot afford to purchase a fence auger, but would greatly benefit by occasional access to one. This is an item which can be used for much of the year (not just for a few peak days or weeks); it should thus be possible to develop some such arrangement with other farmers who are also not in a position to purchase their own.

One of the lessons from Ann and Judy's experience is the importance of support from family and friends. A network of people willing to commit money to the effort allowed them to get started, and a family contact in farming allowed them access to the expertise of an established farm community -- as well as experience with the mechanics of farming. For many beginning farmers, building or strengthening such ties may be a good first step toward getting started.

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**3831 Clark Lake Rd.**  
**Sturgeon Bay, WI 54235**  
**(414) 743-1560**

### The Dream

Dick and Gretchen wanted to live in a rural area -- as they both had as children -- and they wanted a diversified operation that would provide an adequate income year round without off-farm employment. They wanted to work with small livestock, and also felt that the lifestyle of running a Bed & Breakfast would suit them. Finally, they had family in Door County, and hoped to locate in that area.

### The Operation

Dick and Gretchen have an 80 acre farm adjacent to a state park in Door County. They have an orchard of 3.50 cherry trees which started major production this year, and a flock of 30 Corriedale sheep. They plan to increase their flock to 50 breeding ewes. In addition, they have an art gallery in the farm's old granary, and a Bed and Breakfast which opened for the first time this year. This is the first year they are relying on no outside income, either to live on or to capitalize the farm.

### Constraints and Opportunities

**Land and Facilities:** The couple looked for a farm for five years before finding a suitable property. Important criteria were: ease of access for tourists; proximity to other tourist attractions; scenic beauty; a house large enough to be converted into a B&B; adequate land for a livestock operation.

They finally found an 80 acre farm that met these criteria, as well as offering opportunities they had not considered. The cherry trees had been newly planted by the previous owners, and the granary already housed an antique shop and art gallery.

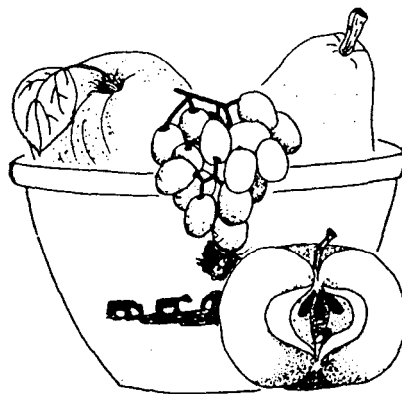
The farm is adjacent to a state park, which assures a steady flow of visitors.

The granary had no heating. Rather than installing an expensive heating system, they decided to run the gallery seasonally.

The house was not in a condition to be used as a B&B -- Gretchen and Dick spent eight years remodeling and fixing it up. An unexpected "set back" occurred when the couple went to the zoning board for permission to convert the house, and were told that it was 10 feet too near the road and would have to be moved back to be legal. This was a large and unanticipated additional expense which delayed the opening of the B&B.

**Financing:** They did not want to take on debt, although they would have had no difficulty in obtaining a loan. They both continued to work in Milwaukee during the week, and spent weekends on the farm getting it into shape for the various enterprises they planned. They capitalized the farm with earnings from their other jobs. Gretchen worked as a nursing and home care administrator, Dick for the Social Service Administration.

**Technical Expertise:** They had little knowledge of their enterprises when they started. The cherry trees had been planted just before they bought the farm -- this was an opportunity they had not originally considered, but decided to exploit. They decided to do a combination Pick-Your-Own and ready picked operation in order to exploit two different markets. They found ready sources of information on growing cherries locally. The County Extension agent, a plant pathologist, specialized in fruit crops, and sent out a newsletter with spraying dates and other information about cherries. Extension also held an annual "cherry school" which they attended, and the University of Wisconsin also operates an experimental station in the county, with emphasis on cherry and apple production. They subscribe to the Great Lakes Fruit Growers Newsletter, and as with all their enterprises, they have done other research and





reading in preparation.

Regarding the B&B, although they had no experience running such an enterprise, they had enjoyed staying at other B&B establishments and felt they understood the market. They felt that with their good location, scenic attractions and functioning farm, they could provide the kind of experience tourists wanted.

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***“We learned to set a realistic budget, and then increase it by about 50%. Things are always more expensive than you think, and they take longer, too. You have to count on unforeseen problems.”***

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Finally, regarding livestock, Gretchen had an uncle with a dairy farm where she spent much time as a child. In preparation for the move into a livestock operation, Dick spent a year working as a farmhand on a local dairy farm. This experience was an invaluable source of information on animal husbandry, forage management, and farm management. In addition, it was an entrance into the local farming community.

They had some but not enough knowledge of sheep; Dick had raised them for a 4-H project as a boy. His experience gave them a degree of confidence that aided their decision to go into this activity.

They did extensive research to determine the proper breed for their purposes. Given the very poor market for ordinary wool, they looked into specialty wools. It turned out that Corriedale wool was highly prized by hand spinners, of which there were several locally. This looked like a market opportunity. In order to produce the highest possible quality wool, they decided to put “jackets” on the sheep between shearings to protect the wool from dirt, seeds, and burrs. An additional consideration in breed selection was that Corriedales have a body type which is attractive for meat purposes, so that there would be a fairly ready

market for slaughtered male lambs.

Their research on sheep took them to many trade shows, the annual Wisconsin Sheep Breeders Conference, the library, trade journals, and other farmers, whom they found to be generally helpful and willing to share advice. They emphasize the importance of extensive background research in selecting the proper breed and understanding both the production and marketing ends of the business.

They plan in the future on milking their sheep. Their intention is to sell milk to specialty cheese producers. Brie, for example, is traditionally produced with sheep’s milk (though in the States it is often made with cow’s milk). One important advantage of sheep’s milk is that it may be frozen for up to six months without suffering harm for cheese making. This means that they can save on transportation costs by shipping it less frequently. This flexibility is especially important for a small producer. Another advantage of sheep is that they need to be milked 130 days of the year, and then they all dry off at the same time. There will be several months before lambing during which Gretchen and Dick can take a break from milking.

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***“The situation has met our expectations. We did a lot of research so our expectations were realistic... and we’re used to lots of hard work, which this has been. We didn’t expect to be wealthy, and we’re not.”***

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**Marketing:** All of the Regnetys’ operations were developed with markets in mind. Market research was an integral part of the decision-making process. In addition, Gretchen and Dick had life experiences that gave them a good understanding of the markets they were trying to reach. They had grown up in rural areas but had also lived as adults in urban areas. They knew what was attractive to city dwellers, and had a good feel for the aesthetic and

other preferences of B&B clientele, hand spinners and gallery-goers. This is their first year of running a Pick-Your-Own operation, and they are pleased with their clientele so far. They feel that the nature of their operation has attracted pickers who are generally careful not to damage the trees. The awareness and understanding of their markets has been critical to the success of their enterprises.

### **How It All Looks From Here**

“The situation has met our expectations,” says Gretchen. “We did a lot of research, so our expectations were realistic... and we’re used to lots of hard work, which this has been. We didn’t expect to be wealthy, and we’re not.”

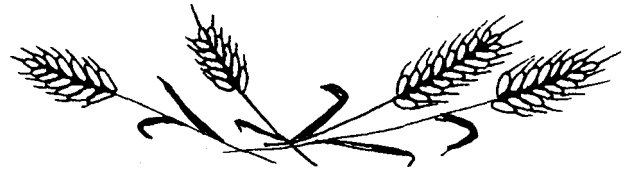
They enjoy the considerable amount of time they spend dealing with people in the course of running the Bed & Breakfast, the gallery, and the Pick-Your-Own cherry operation. Their gallery is one of the largest in Door County, and they are particularly pleased at the early success of the B&B. They feel that it will be a major, year-round source of income.

### **Lessons**

A major lesson from Dick and Gretchen is that as long as a beginning farmers are aware of what they

don’t know, and are accustomed to doing research to find out, the technical obstacles are not insurmountable. The Regnerys selected enterprises in which they possessed some advantages, they did their homework, and they allowed themselves a generous time frame for learning. Their selection of enterprises was based on a careful assessment of their resources and strengths, as well as a realistic evaluation of the market opportunities. They were also careful to take only limited financial risks, preferring to go slowly, avoid debt, and do the work of building up the farm and B&B themselves. As Gretchen put it, “We learned to set a realistic budget, and then increase it by about 50%. Things are always more expensive than you think, and they take longer, too. You have to count on unforeseen problems.”

The main thing that Dick and Gretchen would have liked along the way was a clearinghouse of people they could go to for advice and technical assistance. This would certainly not have made the difference between success and failure, but would have made their research easier.



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**(414) 594-2980**

### **The Dream**

Kathy always dreamed of having a small farm and living in the country. She was also a spinner and weaver, and wanted to raise animals that produced exotic fibers. "I thought having a small fiber farm would be fresh air and fun," she says. "It is, but it's been a real learning experience, too."

### **The Operation**

Kathy and Jim are renting a five-acre farm (three acres are in pasture) with a small barn southwest of Milwaukee, near Whitewater. They have a few angora rabbits and llamas, are getting into sheep, and are considering angora goats. The enterprise is primarily Kathy's: "Jim lifts anything heavy -- I do the rest."

### **Constraints and Opportunities**

**Lund and Facilities:** The Fosters have a small farm in Eau Claire, but for various reasons decided not to develop their operation there. Currently, they are trying to sell that property, and are renting the current small farm on a yearly lease. It took them a year to find a property appropriate and affordable as a small livestock operation. They are starting small both because they don't have the money to make a major investment, and because they are learning as they go along and need time to gain experience before plunging in with a full-scale operation.

**Financing:** This has been a major constraint for Kathy. When she started, she was unaware that commercial banks typically did not make agricultural loans, or that there were specialized farm credit services. With her lack of experience, and the fact that she wanted to go into an activity (raising llamas) of which bankers had little knowledge, the reception she received ranged from cool to derisive. "They laughed me out of their

offices the first twenty or so banks I went to," she says. Since then, she hasn't pushed hard for a livestock loan, preferring instead to maintain a cordial relationship with the bankers so that she can eventually apply for a real estate loan. In the meantime, she has purchased a few animals on a credit card or with cash.

As she puts it, she's had to "beg, borrow, steal, and work part time" to get started. Her part time job, as an interpreter at Old World Wisconsin, does not pay enough to generate substantial savings, but does pay vet and feed bills and permits the slow acquisition of animals.

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***"when I started, I didn't even know what hay was! I needed a course in Farming 101 For City People."***

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One problem is that wool prices are currently extremely low, so investing in ordinary sheep is difficult to justify economically. Some specialty fibers are still attractive, but the animals are expensive. Female llamas currently sell for \$8-10 thousand dollars apiece. Angora goats would be a good compromise in some respects, but they require elaborate fencing, which also implies a large investment. The only solution for the Fosters at this point is to start small and grow slowly, getting capital from outside income.

**Technical Expertise:** As Kathy puts it, "When I started, I didn't even know what hay was! I needed a course in Farming 101 For City People." Perhaps Kathy's worst problem was not knowing what she didn't know. She looks back on several costly mistakes they made. One was building permanent fencing in rocky ground without knowing the fencing requirements of different animals. Movable electric fencing would have been much easier and cheaper, and would have worked for the animals they now have. Another was in not knowing enough at the beginning how to select the appropriate animals for her needs and finances. She feels that despite low wool prices, she should have started with sheep, since they are cheaper, and better known to

bankers, vets, and others who could have helped her get started and learn about raising livestock. Finally, she knew, she admits, almost nothing about bloodlines, animal husbandry, culling, pastures, feeding, housing requirements, livestock handling, selecting a vet, and normal animal behavior. She also didn't know how the banking system worked, what services were available for farmers, what the requirements were, or how to present her plans to a loan officer.

What Kathy knows now she has learned from experience, from Susie Waterman's (see *page 29*) seminar on Angora goats, from attending county and state fairs, and from talking to others and reading.

**Marketing:** Kathy has a rudimentary knowledge of the markets for different kinds of animal fibers. Most of her energy, however, has gone into learning the agronomic and husbandry aspects of producing animal fiber. She has experience as a desktop publisher, and is confident that this will help her in running effective advertisements in magazines. She made her first sale this year through a word-of-mouth contact, and is helping to organize a fiber show next September. She is, she admits, just getting started in marketing -- this is the first year she has had anything to sell.

### How It All Looks From Here

"I'll give it about five years," she says. "My husband still laughs when I say that someday I'll support him. And the banks still laugh, and none of my neighbors take me seriously -- they're all established dairy farmers. But I think I can make this work. It's harder than I thought -- there's so much I don't know. But I want to keep trying."

### Lessons

What Kathy wishes she had was more on-farm experience, but this was difficult to obtain. "I knew I'd be a real liability at the beginning," she admits.

"I'd have to be taught everything." (She looked in the farm want ads periodically, but always felt they were looking for someone with experience. She was not aware of any internship opportunities.) She also wishes there were a way to meet other beginning farmers in the same boat, and experienced farmers she could talk to and learn from. Finally, she thinks that a course like "Farming 101 for City People" could be helpful.

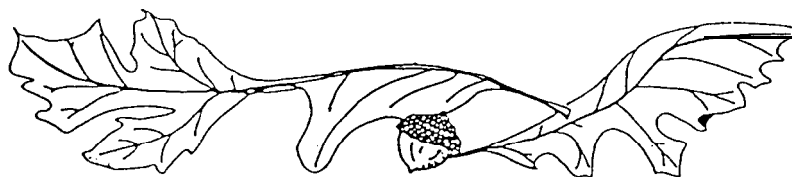
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***"Lots of people want to be farmers. It would be nice if someone would just take us little people seriously."***

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One of the lessons from Kathy's experience is that for complete beginners with no farm experience, getting an initial toehold is very difficult. She says that few people have taken her seriously, and this often gets in the way of obtaining information. Susie Waterman's Angora goat seminar stands out as the single most helpful source of critical information -- and one of the only times Kathy was not dismissed as hopelessly unrealistic. Susie, as a relative newcomer to farming, is probably unusually well-positioned to offer advice to beginning farmers who lack prior experience, knowing what kinds of information they are likely to need, and taking little for granted. Such seminars on other topics, geared for people who are just starting out, might be useful.

For people like Kathy, it seems that one of the single most useful things would be a directory of other successful beginning farmers who could provide nuts and bolts advice and expertise -- as well as moral support. As Kathy says, one of the things she has most needed sometimes is simply to be taken seriously. "Lots of people want to be farmers. It would be nice if someone would just take us little people seriously."



**Jack and Debi Markin**  
**1380 Highway 78 South**  
**Mount Horeb, WI 53572**  
**(608) 437-3289**

### **The Dream**

"I wanted to be a farmer ever since I was in college in the '70s," says Jack. "I dreamed of having my own place and making it work. I love making things grow, I love working outdoors, I love working with animals. I didn't know exactly what I wanted to grow, but I wanted to farm."

### **The Operation**

Jack and Debi have a 265 acre farm in Mount Horeb, on which they have a herd of sheep (currently about 300), and about 20 acres each of corn, oats and wheat. They sell the wheat, and feed the corn and oats to the sheep. They briefly tried a market garden this year, but found that it wasn't attractive economically. They sell wool, though this accounts for relatively little of their income even in a good year for wool. Their primary product is lamb, for which they are working to develop alternative marketing channels. This is their fourth summer on the farm.

### **Constraints and Opportunities**

**Lund and Facilities:** Primarily for lifestyle reasons, the Markins wanted to be within thirty miles of a university town. They wanted to have easy access to a city with its cultural attractions, and they wanted to raise their three children on a farm. They looked into a number of areas in Michigan, Wisconsin and Minnesota, and finally found the setting they were looking for in Mount Horeb, a small town about 20 miles from Madison. They were relatively flexible regarding the kind of farm they purchased, since they had not decided beforehand exactly what they wanted to do on it.

**Financing:** "Money is the big obstacle," says Jack. "I just don't know how most people get started. We were lucky -- we both had high paying jobs in Chicago that we worked at for five years with this goal in mind." Jack was a real estate developer, and

Debi was a systems analyst.

They did buy the farm from Farm Credit Services, but were uncomfortable both with debt in general and with ag lenders in particular. "I understand their position. Of course we'd like cheap money and we'd like to think that they're looking out for the interests of farmers. But they're also supposed to look out for the money; they have conflicting goals. Are they going to loan to farmers like us, or Uncle Sam? Uncle Sam has a printing press, we don't."

The Markins have concluded that in general a heavy debt load is unwise. With low profit margins, debt would be unsustainable. As a rule of thumb, Jack suggests that the maximum debt should be about 20% of equity, and that obtaining a fixed interest rate is critical. Although the current interest rate (7-8%) is sustainable, the 6% increase allowable over the life of a variable rate loan could sink a farmer.

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*... We'd like to think that [ag lenders] are looking out for the interests of farmers. But they're also supposed to look out for the money... Are they going to loan to farmers like us, or Uncle Sam? Uncle Sam has a printing press, we don't."*

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While Jack and Debi have avoided debt, they are contemplating taking out a \$10,000 loan for fencing for their rotational grazing system. A permanent fencing system will allow them to expand their herd to the point where they can begin to achieve their economic goals: supporting their family and saving \$5,000 a year.

Thus, while money was and is the primary obstacle, they don't regard credit as necessarily the solution. Jack and Debi have decided to work on the profit margin end of the problem rather than the credit end. They are working to reduce production costs,

add value, and sell directly to customers as much as possible. They have also contented themselves with starting small, and building their herd up each year. They started with only 80 ewes, the second year they had 180, this year they have 300, and next year they expect to have about 350.

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***“The market’s not working.  
The farmer’s getting less and  
the packer’s getting more.”***

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**Technical Expertise:** The Markins did not start out by doing a lot of research, and they admit that they made some mistakes as a result. However, they found that between the books they read and the farmers they bought sheep from, they were able to learn enough to master the technical aspects of raising sheep. Jack also had an M.S. in aquaculture, and had worked on a fish farm in Alabama for three years. Though in most respects fish farming bears little resemblance to sheep farming, it taught him about many of the important questions to ask, and gave him a degree of confidence about working on a farm.

One thorny production issue has been organic certification. The Markins will be certified as organic next year, but have found that although they can grow crops organically and do not use any antibiotics or hormones, the organic worming medicine (diatomaceous earth) does not work. They anticipate having a conflict with the certifiers over this, and having to work out a pasture rotation system that reduces the problem of worms. They also note that there do not really exist any state or federal regulations for organic meats, or well-developed markets for them.

Another difficult issue has been fencing. “We thought we could do permanent fencing on the perimeter of the pasture and use movable fencing for the enclosures, but it’s too difficult to manage with the size flock we need to have to make money. We’ve had four years to figure out our system though, and we’re pretty confident about putting up permanent fencing now.”

**Marketing:** This has been an obstacle for Jack and Debi. About 80% of the market in lamb is controlled by three packers, and they have little interest in doing slaughtering and packing for small, independent farmers. Although retail prices for lamb are very high compared to other meats, on-the-hoof prices to producers were at a forty year low last year. Jack claims that 6-8 years ago, farmers were getting \$.90/lb. on the hoof, and today they are getting \$.50-.60/lb. At the same time, retail prices are 15% higher today than they were when producers were getting paid a lot more. “The market’s not working,” he says. “The farmer’s getting less and the packer’s getting more.”

The Markins conclude that adding value on the farm is critical. They are working on developing new distribution networks and finding a smaller independent packer. In particular, they favor selling directly to customers, though they produce far more lambs than they can currently sell this way. Even if they sells a lamb for less than \$2/lb to consumers, they still get about \$25 more a head than they would if they sold it through a normal packer channel.

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***“I love what I’m doing --  
being outdoors, working with  
the animals... It’s 80 hours a  
week on a farm and you don’t  
get rich at it, but I expected  
that.”***

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Currently, they sell most of their lambs to the Equity Livestock Cooperative. In the near term, they hope to find a nearby federally inspected plant (there are currently only two in Wisconsin); this would allow them to sell their meat in other states. They may also try selling to a plant in Chicago, though they note that it is more difficult to develop a good working relationship over such a distance.

### **How It All Looks From Here**

“I love what I’m doing -- being outdoors, working with the animals, living in Mount Horeb. It’s a

good place to raise a family. It's 80 hours a week on a farm, and you don't get rich at it, but I expected that. Still, you have to be able to support your family and save some, and we're not quite there yet."

### Lessons

They regard their off-farm earning potential as the only thing that allowed them to get started. As Jack points out, "By the time the banks regard you as credit worthy, you don't really need credit any more." Although Jack agrees that many loan officers are ignorant of sustainable agriculture, non-traditional enterprises, and the needs and potentials

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***"By the time the banks regard  
you as credit-worthy, you  
don't really need credit any  
more."***

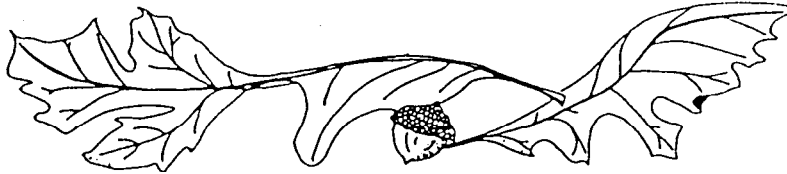
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of beginning farmers, he doesn't think that educating them will be a large part of the solution.

He doubts the wisdom of taking on debt in the first place, and thinks it would have strangled his enterprise.

Regarding technical expertise, he doubts that there's a great deal any single organization could do to help most beginning farmers. His most useful information came from other sheep farmers. Most likely, easier access to such farmers would have been helpful. A clearinghouse of information on established farmers in different enterprises could well be useful.

The marketing help that Debi and Jack need is both specialized and daunting. Finding a way to bypass the highly unfavorable relations with the large, established packers and developing the lamb market would both be appropriate responses. (Jack points out that Americans eat an average of 200 pounds of meat per year, and only about one pound of that is lamb.) Both responses would also require a major organizational commitment, and the participation of a number of smaller sheep producers. Developing creative marketing ideas (such as selling not just lambs, but "lamb roasts" for parties) could be an additional approach.



**Judy Baker and Roy Marsden**  
**1109 Vernon St.**  
**Stoughton WI 53589**  
**(608) 873-443 1**

### **The Dream**

“I want to farm in a way that our lives and work are integrated as a whole and centered on the land. I don’t want to have such a large operation that I wind up just managing people or machines. I want to be in touch with what is happening with the plants and soil in order to create a dynamic balance in the farm system. I also want to provide a decent middle income lifestyle from the farm and feel that farm work in general and sustainable farming in particular is undervalued in our society.”

Judy and Roy’s goal is to run a small subscription farm, close to Madison and a pool of potential customers to facilitate contact with urban consumers. In addition to providing wholesome food produced in an environmentally sound manner, an important part of their vision is helping urban residents gain a better understanding of the food system and strengthen their ties with the land and the farming community.

### **Trying to Get Started -- Constraints and Opportunities**

Judith and Roy are still looking for land, saving money, and learning all they can about community supported agriculture and organic production. They have been actively looking for a farm for two and a half years.

**Land and Facilities:** A small farm close to Madison is hard to come by, particularly at a price they can afford. They want to be close enough to the urban consumers that their customers will truly feel a link to the farm. Staying within 15 miles of Madison means that they must contend with high land prices which are based on the development, not agricultural, potential of the land. “We can afford a \$110,000 to \$120,000

property based on my present income. A 20-40 acre farm near Madison is generally priced at \$140,000 and up (way up). Housing quality is a major factor in the pricing since these are generally considered hobby farms and are sold to commuters with jobs in Madison.”

**Technical Expertise:** Roy has a degree in agriculture and experience in small grain and cattle production, but has never produced vegetables commercially. Judy has a strong interest in herbs and flowers, and both Judy and Roy are experienced gardeners. They are interested in researching better varieties and growing systems.

They find that there is a lot of information on biodynamic and organic agriculture -- there are many good sources of help on the technical aspects of production. Their main difficulty has been in finding help with the intricacies of financial and business planning, dealing with lending agencies, and setting up a subscription farming system (in which customers pay in advance for a weekly “basket” of produce).

They find that the University personnel have expertise mainly in conventional practices and crops, and that bankers have little or no knowledge of direct marketing techniques or community supported agriculture (CSA). They have also found that while there are many sources of information on CSA, the uniqueness of every farm makes it difficult to apply the numbers and data of one operation to another. Finally, there are few people in the area who they can “bounce ideas off” -- few individuals have sufficient experience to help them evaluate their plans and assess the viability of what they want to do.

**Financing:** Roy is currently a professional potter. He has found that banks are willing to give him a real estate loan based on his income from pottery, but not on income projections from farming. He views bankers as both ignorant of the type of enterprise he would like to have, and justifiably cautious about an inherently risky proposition.





They will probably take out a loan based on Roy's income as a potter, and will continue to rely on outside income for a time. "Since we feel that the organic production system as well as the marketing will need to evolve over time to their maximum potential, I plan to keep my job for 3-5 years and cut back gradually as the farm operations expand."

**Marketing:** Roy and Judy feel strongly that CSA is both appropriate and feasible. However, they have found no local experts that can help them work out the details for what they would like to do.

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***"We want to provide the social fabric to link urban and rural communities. City people need for a farm to become part of their lives."***

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### **How It All Looks From Here**

It's hard to get started. Land within 15 miles of Madison may simply be unattainable at a price they can afford. Land further away from Madison would prevent them, as they see it, from developing the ties with urban consumers that they would like to foster. As Roy puts it, "We want to provide the social fabric to link urban and rural communities. City people need for a farm to become part of their lives. If we're too far away, we'll lose the intimacy."

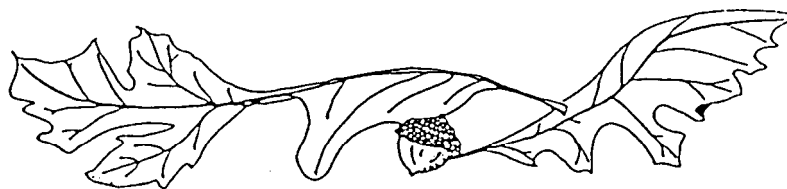
They have recently been working with the American Farmland Trust to find an avenue for selling land development rights to an agricultural trust, or obtaining a conservation easement in order to lower the cost of land to its agricultural value. They are also hopeful that the evolving Dane County Greenspace Plan may ultimately help them acquire affordable farmland.

Roy and Judy see several gaps in the services available to beginning farmers. While there is considerable technical information available, they need help in translating the experiences of other operations to their own situation, and producing a business plan acceptable to a banker.

### **Lessons**

They feel the single most useful thing for people in their position would be a directory of interested agricultural economists, financial consultants and business planners who could help them put together a sound plan, analyze cash flow and production, and prepare them to deal with bankers. They see the need for greater diversity of experience among the "experts", too few of whom can offer sound advice about non-traditional crops, direct marketing, or alternative agriculture in its various forms.

They feel that it is a mistake to deny the importance of a variety of small operations in rural communities and in the farming sector. They are convinced that operations such as the one they would like to have can be a valuable asset to the rural economy, a source of new ideas and dynamism, and a needed link with the urban population.



**Mary Baker**  
**Tapawingo Farm**  
**N2698 Ullom Rd.**  
**Monroe WI 53566**  
**(608) 325-9174**

### **The Dream**

“I wanted to have a small, manageable, sustainable farm. And I wanted to provide for as many of my needs as possible, and reduce my cash expenses and rely on the outside as little as I could. After four years, I’m not sure how practical it is, but it’s still my dream.”

### **The Operation**

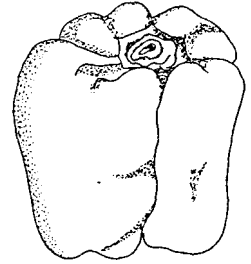
Mary has a 75-acre farm in Monroe. She currently cultivates about three acres -- the only tillable land on the property. Specialty lettuces, edible flowers, and a few other vegetables and some herbs are her main items. Her biggest seller this year has been bagged salad -- a prepared mix of lettuces and greens that she sells for \$13/lb. to restaurants in Chicago. This year she hired three employees for the growing season. This is her third year of serious commercial production, and her fourth year with the farm.

### **Constraints and Opportunities**

**Land and Facilities:** Mary purchased a hilly, rundown farm that was unpromising for most traditional enterprises, but which had adequate space for her market garden. The barn and house were in poor condition when she bought it -- and still are. This has been a financial drain. However, given the size of the operation, equipment needs are minimal. A 1940’s vintage tractor and a rototiller are the main pieces of equipment. The irrigation system and cold frames for extending the season are, she says, “primitive.” On the whole, finding adequate land and facilities has not been a problem for Mary, partly because she expects to “make do” and improvise.

**Technical Expertise:** Mary had considerable experience as a home gardener, which she loved and did with unusual success. “And I’m a magazine junkie,” she says. “I’ll read anything I can send away

for -- I’m swamped with trade magazines.” She has found traditional sources of agricultural information to be generally useless. Most of them have told her that she can’t do what she wants to do (organic production of specialty items for a niche market), and are unable to offer useful advice, contacts or information. Only recently has Mary discovered alternative sources of information other than magazines, and the existence of other producers with similar goals. “There was nobody to talk to when I started -- no source of advice or encouragement.” Recently she attended her first sustainable agriculture



event, a conference organized by CROPP (the Coulee Region Organic Produce Pool). She found it very helpful and interesting, partly for the hands-on information on crop production, and partly for the opportunity to meet like-minded people.

Mary says that one of her biggest technical difficulties has been organizing a management system. Her previous business experience didn’t provide much of a guide for an agricultural enterprise. “I need organization, computer records, a billing system. No more of these little slips of paper everywhere!”



Another challenge has been learning the ropes on input suppliers and who’s who and who does what in agriculture. “As a city person, my main source of information about gardening supplies was the Smith & Hawkin catalogue. That’s actually where I got my first tools -- I didn’t know any better. So I had very cute watering cans!”

**Financing:** Prior to farming, Mary was a real estate developer in Chicago, earning \$70-90 thousand a year. With savings from this job, she purchased the farm and made basic improvements. This is the first year she applied for a loan -- she needed it to meet payroll obligations, which began before any crops were harvested. With her background and her husband’s steady income, she

had no difficulty obtaining the loan, and doesn't expect to have difficulties in repaying it. However, she is wary of taking on much debt. "I see a lot of people who jump in too fast and spend too much, before they've really figured out their system or know what they're doing. I've seen several go out of business fast, or be unable to pay back loans. My hay-bale-and-storm-window cold frames may be primitive, but they work and they didn't cost me anything. We're not equipment-crazed here."

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***"I see a lot of people who jump in too fast and spend too much, before they've really figured out their system or know what they're doing."***

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She feels that capitalizing a new farm with outside income is the best way to go. "If I could do it again, maybe I would have stayed at my job a couple more years -- then there'd be no financial pressure on me now, and we would have gotten the physical plant in better shape. I also wouldn't be relying on my husband for some living expenses, and he would have more freedom to make the changes in his life that he wants to make."

Regarding income from the farm, Mary is pleased about the progress she has made, but is not satisfied yet. "If I can't be in the black by next year I can't justify this." She is also disappointed that for economic reasons she has had to reduce the number of different crops she grows. She has cut her number of crops by about one third in the last year, though she still raises dozens of different lettuces, herbs, flowers and vegetables.

**Marketing:** Marketing was probably Mary's strongest point. When she started the farm, she already had a number of contacts with chefs at upscale Chicago restaurants, and the confidence to approach them. She is able to supply them with a wide variety of greens, vegetables and herbs that they would ordinarily have difficulty obtaining -- with the added attraction that hers are organic and very fresh.

An important source of contacts, in addition to personal acquaintance, has been the American Institute for Food and Wine. Once a year they host a show at Navy Pier in Chicago, attended by about 10,000 people. Mary's displays there have led to other shows and a number of customers -- including the Four Seasons Restaurant in New York, which is interested in buying from her. She also reads trade magazines, and has a good understanding of the market she is producing for.

She faces several marketing difficulties, however. One is that the current recession has had a considerable impact on expensive restaurants. She is selling smaller quantities to more establishments this year to keep earnings up. She feels the need to get into a more recession-proof market, and is considering shipping lettuce to New York during the winter. She can compete favorably with California growers in the specialty market, and already has interested buyers, such as the Four Seasons Restaurant.

Another difficulty is that while she is a creative and successful marketer, she dislikes doing it. "That's why I left my other job. I was burned out on contact with the outside world, with selling. I do marketing only when I'm backed into a corner -- you have to beat me to get me to do it, and then I'm relieved when people don't answer the phone. Marketing is like performing, and I'm always so exhausted afterwards."

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***"Sometimes I feel like I'm working so hard to maintain my so-called idyllic lifestyle that I have no time to enjoy it."***

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As she sees it now, she'll probably have to capitalize on her strength in marketing to make a go of the farm, and discipline herself to maintain a balance between the production and marketing aspects of her work. She is considering doing marketing for other producers as well, both to boost her income, and to provide a service to growers who are less adept at selling what they produce. She thinks she could spend just a few hours a week marketing (not

counting delivery), and then be free to do the work she likes better.

### How It All Looks From Here

“Sometimes I feel like I’m working so hard to maintain my so-called idyllic lifestyle that I have no time to enjoy it. When I realize I haven’t ridden my horses in two weeks, I think to myself, ‘But that’s what I **came** here for!’ I wanted to get out of the cash economy as much as possible, but the fact is, cash is still the issue. This business has got to at least break even, and I’m not quite there yet.”

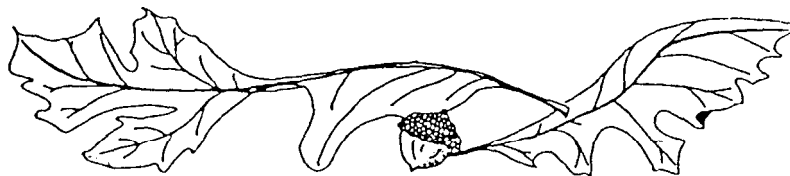
“My advice to other people like me is: act out your dream as much as you can with a weekend farm, and save as much money as you possibly can from another job. You’ll need it to get started. I wish I’d been able to hang on a little longer in my other job.”

“This is more labor intensive than I realized, and I don’t have the stamina to do everything I’d like to do. Still, it’s exciting, and we’ve come a long, long way.”

### Lessons

The single most useful thing for Mary when she was getting started would have been a ready source of alternative farmer contacts, hands-on advice, and basic information about the mechanics of scaling up to a commercial operation. Her neighbors have been wonderful, she says, but for a long time she was unaware of other farmers producing organically, and she had to learn a lot by trial and error. She would also have liked the support and camaraderie that would have come from closer contact with other farmers.

She also sees potential in some sort of internship program. She had an excellent experience with her three employees this year; she and they learned a great deal from each other. “I’d be happy to hire interns. They have a great attitude, they work hard, and they’re fun to work with. And it’s a good way for them to get started. The couple that worked for me this year is getting started on a vegetable operation at Kamm’s bakery now. They found out about the Kamms from the Wisconsin Rural Development Center newsletter. We need sources of information like that, and ways to hook up with each other.”



**Jim Elleson**  
**4671 Highway JJ**  
**Black Earth, WI 53515**  
**(608) 767-2466**

### **The Dream**

"I grew up in the city -- in Milwaukee. I had some uncles and cousins who farmed though, and I spent time with them as a kid and really liked it. I wanted to follow up on that experience, and decided after engineering school I'd try farming. My idea was to grow organic vegetables."

### **The Operation**

Jim owns a 110 acre farm in Black Earth. About 24 acres are in the Conservation Reserve Program, about 20 acres are tillable, 40 acres woodland, and the rest is pasture and wetland. Jim works full time as an engineer and is unable to devote much time to the farm. It is currently largely unused, except for the 10 acres he rents out. He grew potatoes last year; however, he anticipates spending another year or two in his present job before getting into farming seriously. The operation is largely his. "My wife has different ambitions. She may help out somewhat, but it's really a one-person deal."

### **Constraints and Opportunities**

**Land and Facilities:** Jim had no difficulty in finding or buying land. He was living in Black Earth, and the farm across the highway went up for sale. He and a friend decided to purchase it together, dividing it so that each of them would have one of the two houses on the property. Jim's half ended up without any buildings other than the house, so he is building a workshop, and anticipates building a machine shed.

**Technical Expertise:** "My biggest problem is what I didn't learn growing up on a farm, sitting on my Dad's lap on the tractor. There's a lot of basic stuff I don't know. I read a lot to make up for my lack of experience -- New Farm magazine, Agriview, a couple of newsletters... I also talk to my neighbors. I guess information-wise, I know more at this point about alternative agriculture than conventional. But I'm still short on practical experience. So far, it

seems that there's a lot of information out there, but if I have a really specific question it's often hard to find the answer."

Jim finds that his formal engineering training wasn't "practical" in the sense that it gave him hands-on experience with equipment or farming operations. However, he has a good understanding of "how things work" generally, and is certainly not intimidated by the prospect of fixing up old machinery. This has been a help.

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***"My biggest problem is what I didn't learn growing up on a farm, sitting on my Dad's lap on the tractor. There's a lot of basic stuff I don't know. I read a lot to make up for my lack of experience... I also talk to my neighbors."***

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Talking to other farmers would be a big help, but it's hard to initiate contact and ask for advice as a rank beginner. "Though I've lived here for six years and had the farm for three, I'm still an outsider in the community. I'm really not comfortable going to the coop and asking for advice. Sometimes I wish there was someone to hold my hand and introduce me." One of Jim's goals is to spend more time in the community, getting to know people.

**Financing:** Jim works as a mechanical engineer -- a heating and air conditioning specialist. He relied on the income from this work to obtain a loan to purchase the farm. He plans to continue working as an engineer in some capacity, to diversify his earnings and reduce the pressure to make a lot of money farming. "The financial thing isn't a problem for me; I'm well enough paid. I don't know how other people manage though. I knew I couldn't pay off loans with the income from a farm, so I figured I'd have to pay for it and develop it with outside income. I'll be paying off the farm for another five or ten years. I won't wait that long to start farming though. My goal is to start farming in the next

couple of years, and continue doing engineering on the side, independently. It'll allow me to earn less from the farm."

Jim has made a point of purchasing used equipment, some of it quite old. While this has saved a lot of money, he has found that he spends as much time repairing equipment as he does using it. This has been a source of some frustration.

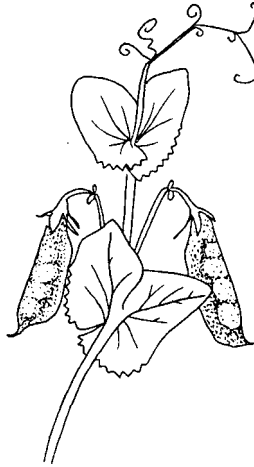
Jim's biggest problem has been the money/time trade-off he faces. If he works full time, he has money to put into the farm but no time. If he cuts back on his hours, he has time but not enough money to pay the mortgage off in a reasonable amount of time and make needed investments. Furthermore, he has found it difficult to work part time. "It isn't that kind of job."

**Marketing:** Jim has not yet invested a great deal in this issue. He feels that he is not yet ready to embark on formal marketing arrangements, as he can't guarantee delivery of food -- his production is not up to that point yet. He is interested in the approach taken by CROPP (the Coulee Region Organic Produce Pool), and thinks it is a particularly good model for small and beginning farmers. He is optimistic about ultimately setting up his own subscription farming system. Last year he bartered potatoes, and this year received a number of requests to do it again (though he did not grow any). He has also talked

to Stuart Smith and Roger Eischens about their marketing system (see case study), and feels it may well work for him.

### How It All Looks From Here

"Sometimes I have thoughts about whether I'd be better off making my money at something else and growing vegetables as a hobby. Still, there are a lot of things I want to do that I haven't tried yet. I'm working to build up the farm and the capital base, and I want to give this a try."



### Lessons

Jim, like other interviewees, feels that a clearinghouse of information on other farmers would be very helpful. It is important, however, that the contact people listed in the database be specifically willing to talk with beginning farmers. "I got a couple of names from the Wisconsin Rural Development Center when I was just starting out, and I called one or two of them. But I just didn't feel comfortable contacting people that I wasn't sure would be willing to talk to me. I didn't want to waste their time."

He also thinks that financing would be a big problem for people who don't have the option of highly paid off-farm employment. His feeling is that for most people, farm income would be insufficient to pay off a mortgage, and other arrangements would have to be made.

**Mary Jackson**  
**PO Box 405**  
**New Glarus, WI 53574**  
**(608) 527-5659**



## The Dream

"I've always wanted to farm. It suits my combination of interests and talents, and I like to be challenged with something new every day. I also like the rural setting, and I've always wanted to raise my kids on a farm. My goal is to be a sheep farmer and have that as my sole source of income. Now I'm not so sure that's realistic -- getting started on my own will be really hard." "

"I decided on sheep because livestock are essential to a low-chemical style of farming, and sheep are some of the most manageable animals. I like them better than goats. Also, I believe in pasture-based systems both practically and philosophically.

"I didn't want to do exotics -- I wanted to produce something that ordinary people used every day, something basic. I didn't want to cater to some

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***"I decided on sheep because livestock are essential to a low-chemical style of farming, and sheep are some of the most manageable animals... Also, I believe in pasture-based systems both practically and philosophically."***

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picky specialty group; I figured I could effect more change in agriculture if I did something the average farmer could relate to."

"And I guess I just love to work long hours for no money."

## The Operation

Mary manages a 280 acre farm, of which 160 are more or less tillable. Most of the land in use is in pasture or is being renovated or developed as pasture. In addition, there is some land in small grains and hay. The flock of sheep currently consists of 235 ewes (about half are very young) and

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***"I didn't want to do exotics -- I wanted to produce something that ordinary people used every day... I didn't want to cater to some picky specialty group."***

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130 market lambs. The goal is a flock of 400 breeding ewes, lambing at 250% (in other words, producing on average 2.5 lambs each), to allow marketing of 1000 lambs per year. "We use no ag chemicals on the land, and we are working on organic certification and marketing of a naturally raised product."

The operation belongs to a Chicago area couple that comes up on weekends. Their goal is to develop a sustainable, working sheep farm that they can enjoy spending time on and eventually get some earnings from, though they don't expect to get rich off it. They hope that the farm can become a training ground for beginning farmers, and a model for other absentee landowners who want to support sustainable agriculture.

Mary is paid a salary of \$18,000, including benefits, to manage all aspects of budgeting, accounting, field and sheep work, and developing long range plans.

## Constraints and Opportunities

**Land and Facilities:** The farm used to be a dairy operation. The cement and iron barn was relatively easy to convert for sheep. Wood for remodeling has come off the farm; a neighbor milled it for \$.30/board foot. The wood has been used primarily to build feeders and panels that are used for gates

and pens, held in place with baling twine. The key to early remodelling has been flexibility. Most structures are temporary and portable.

The fencing investment, on the other hand, has been **large**, both in terms of labor and cash outlays. The perimeter fence was originally designed with wooden posts -- aesthetically preferred by the owners, but considerably more work to erect. After Mary was seriously injured on the tractor-driven post-driver, they have altered the plan to use fewer wood posts and more steel. The movable fences are mostly high tensile electric or polywire on movable reels.

Fencing has been one of the most complicated and costly aspects of starting up the sheep operation. "When you're thinking about fencing, you don't think about what it's like to put posts in the ground and put the wire up. And you don't think about carrying the wire around to move the fence, either. It's hard to know ahead of time all the implications of the system you choose."

"We've had to compromise on the original design and will have to rely on an all-electrified fence. This makes our livestock guard dogs even more essential." Two Great Pyrenees run with the sheep to protect them from predators.

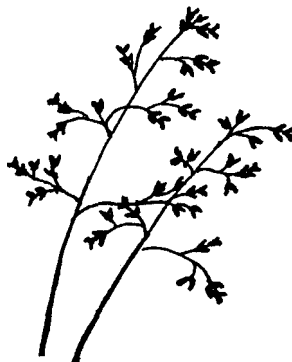
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***"... neighbors are essential.  
I'd go out of my mind without  
my neighbors."***

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Finding appropriate land for sheep is not particularly difficult, and except for the fencing, facilities are not complicated. "You just have to be creative in how you use the facilities that are there." However, cost is a problem. Mary would ultimately like to have her own farm, preferably in California, where she grew up and her family still lives. She admits that finding affordable, good land will probably be her biggest obstacle.

**Technical Expertise:** Mary grew up on a farm with fruit trees and vineyards. Although raising sheep is quite different, previous farm experience gave her a measure of confidence, and realistic expectations about the hard work and low income generally associated with farming.



Mary says that she got connected to other farmers through the Wisconsin Rural Development Center. She learned about sheep and goats from nearby farmers Peter and Hilary Wood and Susie Waterman (see *page 29*), for whom she "farm-sat" for a period of time. Before that, she worked on an Amish farm, and received an M.S. in environmental studies, with an emphasis on sustainable agriculture. All of these

experiences taught her how to talk to farmers, and kept her in touch with the realities of farming.

"My best sources of information have been **other** sheep producers, the local vet, and trial and error. Extension is sometimes helpful -- Randy Gottfredson, the sheep specialist, is pretty good."

Mary reads a lot, and is no stranger to academic research. However, she says "Better vet books would help a lot. The books there are very expensive, and either too general or so detailed I can't find what I need. And no treatment is ever suggested -- nothing about doses or anything. And in all the books I've read, I have never found one that even said what was a normal temperature for a sheep and what was a fever!"

"So much of what I've learned is from stories from other producers. We're on the phone a lot to each other -- we always share what we've learned and what works. And neighbors are essential. I'd go out of my mind without my neighbors. They've saved the farm a lot of money, too, through advice, help buying used equipment, and lending a hand with projects."

**Financing:** The operation Mary manages has been bankrolled by a couple with other sources of income. Their investment has been substantial, partly because they hire all the labor. Mary feels that purchasing and capitalizing a farm for her will



be very difficult -- she's not sure it's possible. If she is unable to acquire her own farm, she may return to school for veterinary training, since much of what she loves about farming is working with farm animals.

"I haven't dealt with FmHA. It's a big, scary thing for me. I have no idea what it'll be like to go into an office and ask for money. I know it'll help that I have this experience managing a farm, and that I know what I'm doing. This job has been very important that way."

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***"I'm really not into being a salesperson,.. I'm into raising sheep, and I'd rather not think about what happens next..."***

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The arrangement Mary would like is to work for someone and build up equity in a farm, eventually becoming a partner or owner. Her present arrangement has some advantages, but will not accomplish this goal. "The situation I have now is, I work for urban absentee landlords who are excited about sustainable agriculture and are willing to invest a lot in the place, but they don't know much about farming, or why things happen the way they do, or what I'm doing most of the time. Communication can be difficult. One of the hardest things is that everything takes so much longer than any of us expect."

"I was excited about this kind of arrangement before, but now I'd kind of hesitate to recommend it. I've benefitted from them footing the bill for me to gain experience, but it can be a hassle in other ways. It would help if they had experience in agriculture, or if they could take over running the place for a week or a month so I could get away and have a break now and then. But I'm not sure how much longer this arrangement will work for any of us."

"As an aspiring farmer, I need to know that my efforts now will result in something more tangible -- some equipment and/or a starter flock of sheep, for

instance."

**Marketing:** Mary anticipates this will be something of a problem. "I don't know what the hell I'll do about it," she says. "I'm really not into being a salesperson or doing direct marketing -- I have no interest or expertise in it. I'm into raising sheep, and I'd rather not think about what happens next. It's also hard to find the time to set up a more advanced marketing system."

The market for lamb is highly concentrated. There is currently a congressional investigation into possible violations of anti-trust laws; one firm (Conagra) reputedly controls 40% of the market. Furthermore, the system is structured so that lambs from Wisconsin go to Colorado, then to New York, and then back to Chicago before being marketed at the wholesale level. This adds greatly to the final cost to consumers, and helps to make lamb one of the most expensive and least-consumed meats in the country.

Circumventing this processing and marketing system is a major goal of many small lamb producers. Mary has had some success with limited direct marketing -- this year she expects to sell about 20 lambs this way. The model she looks to, however, is the Yankee Shepherd Cooperative in New

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***"..farming has definitely met my expectations. It's exciting, interesting, challenging, and I'm learning new skills all the time. I love it?"***

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England, which has its own processing plant, trucking system, and retail distribution network. The cooperative has successfully bypassed the big processors. One of the bases of their success is the freshness of their product, which they guarantee to be no more than a week old. There are some efforts afoot to develop such an alternative structure in Wisconsin; Randy Gottfredson of Cooperative Extension recently received a grant to look into independent marketing options.

Until such a system exists, producers will probably continue to receive extremely low prices for lamb.

Mary has also been working on selling some wool locally. A local wool processor, Ann Bosch (Mount Horeb), buys small quantities from local producers at \$0.65- 1.00/pound, well over the market price of \$0.10 - 0.15/pound. She is committed to working with local farmers, paying them what their wool is worth, and advising them on how to improve their quality.

### How It All Looks From Here

“Sheep farming has definitely met my expectations. It’s exciting, interesting, challenging, and I’m learning new skills all the time. I love it. It’s really rewarding to look out and see a flock of healthy sheep, a barn full of hay, and the birdsfoot trefoil growing in the fields.”

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***“... farming alone is hard. I believe farms are meant to be worked by families...for reasons that are practical, financial, emotional/spiritual. . .a second human being is invaluable when it comes to hanging on to the patience and positive attitude so essential to farming.”***

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“Everything has taken about five times as long as I expected though -- and I expected things would take a long time. It’s also way more dangerous than anyone thinks. People don’t talk about that, but they should. Practicing farm safety isn’t enough -- I’ve had two bad accidents, both of them just from slipping in the mud when I was working with equipment. And the whole insurance issue is so important -- having disability coverage as well as health care -- but it’s very expensive.”

“It’s encouraging to see that after about six years, this place will be economically viable. The good

news is that a family could make about \$36,000 from 400 ewes after land payments and taxes. If you can find a way to get started, you can make a living from it.”

### Lessons

“The major lesson I’ve learned from this experience is that it is extremely difficult to set up and run a farm **as an individual**. Even with the outside financing, farming alone is **hard**. I believe that farms are meant to be worked by families or partners, for reasons that are practical, financial, and emotional/spiritual. Many jobs take one-fourth as much time with two people as with one, and a second human being is invaluable when it comes to hanging on to the patience and positive attitude so essential to farming.”

Probably Mary’s biggest obstacle is/will be getting off the ground financially. Ideas for innovative land transfer, land purchase or sweat equity arrangements would be very helpful. Mary feels that another useful project would be to organize “work parties” to bring together beginning farmers and others to work on particularly labor-intensive projects. This would help ease labor bottlenecks and provide a valuable learning and social experience. Mary had a positive experience with one such work party that she organized.

She feels that adequate health and disability coverage is an issue that requires political advocacy as well as education of beginning farmers. She also emphasizes that beginning farmers need to be educated about the physical risks of farming, and the necessity and value of getting to know neighbors “even if at first it’s weird or intimidating or scary.”

She also suggests that a mentoring program would be helpful. A list of people willing to hire someone with no experience would be good -- although she notes that in many areas, farm help is scarce enough that farm owners have no choice but to hire inexperienced people and train them. Finally, she suggests in particular that a university student internship program could be valuable. She cites New Zealand’s college/farm network, “Willing Workers On Organic Farms” (WWOOF) as a particularly good example.



**Stuart Smith and Roger Eischens**  
**Cress Springs Farm**  
**3830 Forshaug Rd.**  
**Mt Horeb, WI 53572**  
**(608) 437-4149**

### The Dream

"I wanted a farm which would operate within ecological principles, and which would work economically -- which would provide me with an income that met my lifestyle expectations. I wanted to avoid monoculture, and produce a variety of crops, both to provide a complete diet and to farm more sustainably."

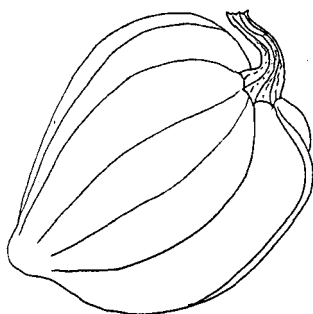
### The Operation

Stuart and his partner, Roger, operate a small farm in Mount Horeb with about 20 tillable acres. Currently, two acres are in vegetables and four in red clover. They use the clover as mulch, and to barter with a neighboring farmer. They raise about 30 different vegetables for the Saturday farmers' market in Madison, and for 35 customers organized into four buying clubs who purchase vegetables midweek. This is Stuart and Roger's second year of real commercial operation, and their third on the farm; the first year they ran a trial garden. They plan to plant about 2 acres in winter rye and a cover crop next year.

### Constraints and Opportunities

**Land and Facilities:** Roger owns the farm, which he purchased several years ago. He leases part of it to Stuart, whom he invited to become a partner in a subscription farming operation that he hoped to set up. Stuart perceives that affordable land close to Madison is difficult to come by for most people; however, this was not a difficulty for him.

Because they are focusing on raising vegetables, the limited tillable acreage is adequate. They started out with no tools or machinery however, and



have found it difficult to find equipment suited to an operation their size. One essential facility is the walk-in cooler, which has allowed for more flexible marketing and a longer life for harvested vegetables.

**Technical Expertise:** Roger grew up on a farm. Stuart has a degree in horticulture, as well as three years of experience in a nursery working with wild flowers, and one year in landscaping. He has found it somewhat difficult to come by information useful for a small commercial vegetable farm, and it has

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***"There are a lot of good sources of information out there, but it doesn't always come in a form I can use. The longer I'm in this though, the more resources I find."***

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taken a while to meet other people who could help. "There are a lot of good sources of information out there, but it doesn't always come in a form that I can use. The longer I'm in this though, the more resources I find."

Stuart claims he's made a lot of mistakes and learned some things the hard way. In particular, it's been difficult to balance the need for crop diversity with the need for an operation that's administratively manageable.

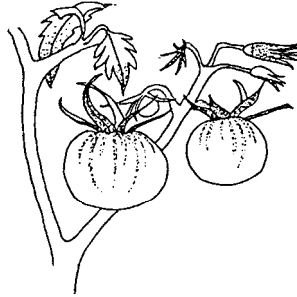
**Financing:** Both Roger and Stuart have outside incomes. Roger is part owner of a shoe store (Moving Shoes in Madison) and teaches yoga part time. He also holds yoga retreats at the farm for students from Madison and Chicago. Stuart sells Christmas trees during the winter. They experienced little difficulty obtaining a mortgage for the land; however, between loan payments and necessary investments in the farm to make it productive, they are still operating in the red. Stuart estimates that without loan payments, they would be nearly breaking even now.

Stuart is hopeful that they can obtain a grant from the Department of Agriculture, Trade, and

Consumer Protection (DATCP) Sustainable Agriculture Program for some experimental work that would also help capitalize the farm. “If we’re not in the black in two years, we’ve got to question ourselves. We’ve learned a lot and made a lot of changes, and we’re still investing, but at some point we’ve got to start making an income off this.”

Labor is an important financial consideration for the farm. The primary way Cress Springs reduces the need for hourly wage labor is by taking on interns who work in exchange for room, board, and a small stipend. They also benefit from occasional free labor contributions from friends and acquaintances. Given the seasonal labor bottlenecks in agriculture, even relatively limited amounts of help at critical times can make a significant difference to the operation.

**Marketing:** Roger started out with the idea of developing alternative marketing channels. In particular, he wanted to try a subscription farming system. He is particularly well-positioned to develop such a system because of his extensive connections with potential consumers: yoga students and customers at his athletic shoe store. Roger and



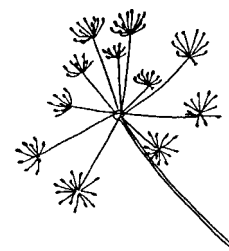
Each customer makes one order a week. The orders are compiled by one person in each buying club and called in to the farm. This greatly simplifies distribution and billing for Stuart and Roger. It does not provide the farm with operating capital up front, and probably reduces the quantity of vegetables sold. It also requires more work from the buying clubs. On the other hand, it gives customers more flexibility, and operating capital has not been too much of a problem.

In addition to the buying clubs, they sell produce at the Madison Farmers’ Market. However, they prefer their “subscription farming” system to attending a mid-week market. One of the positive aspects of their marketing system is the close contact they have with their customers. Many come out to the farm periodically. “They really like it -- it’s a connection beyond just buying our vegetables. The hard part is working out a good transportation, distribution and billing network. Last year we were making out 35 separate bills, and it just took too long. Now it’s just four bills and four drop-off points.”

### How It All Looks From Here

“Well, I’ve learned a lot and made a lot of changes. I feel positive about it -- things are going pretty well. But money is still the hard part. I’m relying on this eventually to be a real source of income. We’re still losing money; I’ll give it another couple of years and see how it looks.”

As a partnership, things have worked well. The informal division of labor which has evolved seems to suit both Roger and Stuart well; Roger takes care of most of the overall organization, the finances, and the buying clubs. Stuart coordinates most of the field work. They have been careful to keep lines of communication open. “It’s critical to the



partnership to meet once a week to talk and plan, even if you work together all the time. Sometimes we’re tempted to blow off the meetings because we’re so tired or busy, but things don’t go well when we stop having meetings.”

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***“[Our customers] really like it -- it’s a connection beyond just buying our vegetables. The hard part is working out a good transportation and billing network.”***

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Stuart feel that their system would have gotten off the ground even without these contacts, but that it was considerably easier with them. “There are other ways of doing it, but we had a natural core group of people.”

The system they use now is a variant of the more common system whereby subscribers pay up front for a set weekly “basket” of produce. They have organized 35 customers into four buying clubs.

## Lessons

Stuart suggests three basic categories of help that would be useful: information; financing and grant writing; and obtaining machinery and production inputs. Regarding information, he feels that there is a great need for more networking among farmers,

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***"There's no infrastructure out there for people like us. We need a network so we can buy inputs in bulk and find tools and machinery that are appropriate to small farms."***

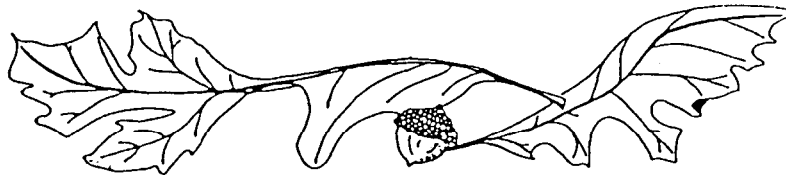
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and between farmers and consumers. He'd like to see a local organization or network of farmers doing organic and community supported agriculture, and

a newsletter with information about similar farms, marketing, sources of inputs, and production practices. "We need to develop local connections and help each other out. Other farmers are usually the best source of useful information."

Regarding financing, he thinks help in writing grant proposals would be very useful. He has not found obtaining credit to be a serious barrier, although generating enough farm income to pay it off is difficult.

Finally, he points to the services that the Coulee Region Organic Produce Pool (CROPP) provides its members, purchasing inputs in bulk and passing the savings on to producers. "There's no infrastructure out there for people like us. I have to go into Madison to get the kinds of seed I need, and I have no idea where to get some kinds of equipment. We need a network so we can buy inputs in bulk and find tools and machinery that are appropriate to small farms. One of the hardest things sometimes is just getting the supplies we need."



**Susan Waterman**  
**Odyssey Farm**  
**W. 1554 Mortenson Rd.**  
**Brooklyn WI 53521**  
**(608) 455-2901**

### **The Dream**

“I knew I wanted to leave my University job and live in the country and be a farmer -- whatever in the world that meant. I was interested in natural colored sheep and Angora goats and a pasture-based system, and I wanted the farm to be self-supporting.”

### **The Operation**

Susie has an 85-acre farm in Brooklyn, about half an hour south of Madison. About 14 acres are in permanently fenced pasture, 14 acres in hay, 30 in the Conservation Reserve Program, and the rest woods or unfenced pasture. She has a flock of 17 long wool sheep (Corriedale/Border Lester crosses), 160 Angora goats, and 14 recently purchased Shetland sheep.

Susie does most of the farm work herself, though her husband, Clark, helps out. She also hires an experienced, part-time helper about 8 hours per week -- more during peak periods. Susie has been full time on the farm for two and a half years.

### **Constraints and Opportunities**

**Land and Facilities:** “We had multiple considerations when we were buying land. I needed to be within a half hour drive from the Madison campus, since I wasn’t sure how long I would need to continue working there, and I didn’t want a long commute. We also needed to be reasonably near Chicago and Clark’s clients [Clark is a stained glass artist]. We wanted the farm to be pretty, and we wanted a house that didn’t need a lot of work.”

Susie and Clark eventually settled on a small piece of land -- just 10 acres -- with a house in good condition, and enough barn and shed space to get started with a small herd of animals. They planned to acquire available neighboring land for pasture and hay as they needed it. They fenced the land

themselves, and ultimately built a 4000 square foot barn designed for goats.

“I’m glad we didn’t wind up with a lot of old buildings and a house we would have needed to rework. Maybe this way was more expensive, but redoing things isn’t cheap either, and this way we got what we wanted. And trying to fix up a house would have been a real drain on our energy and resources.”

**Technical Expertise:** While Susie had no background in farming, she did not find information -- or the lack of it -- to be an obstacle. “There’s a lot of good information out there. I met a lot of sheep producers, I took the MATC (Madison Area Technical College) sheep course for two semesters, I talked to people at the university... I’ve also gotten a lot out of talking with vets and other farmers.”

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***‘There’s no room for carelessness or sloppiness; you have to look at it like a business. I’m a tight manager, and my science training is partly why.’***

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Susie’s academic background was in plant physiology and biochemistry, in which she holds a PhD. Looking back on it, she thinks this was more relevant than it first appears. She feels that because of her training, she has a better understanding of veterinary issues, nutrition, ecology, pasture management, and the problems of chemical use in agriculture. She also points out that fiber processing and dyeing involves chemistry.

Perhaps the most important advantage of her scientific background is more general, however. “You have to be organized in science -- you have to know exactly what you’re doing, run a tight ship, and keep good records. There’s no room for carelessness or sloppiness; you have to look at it like a business. I’m a tight manager, and my science training is partly why.”

**Financing:** Susie and Clark had some savings and an inheritance which they put toward the farm, and they also obtained a bank loan against Susie's university income. They had some difficulty obtaining a loan at first; the property was too large to qualify for a home loan and too small to qualify for a farm loan. "We had to talk the bank into it."

After purchasing the farm, Susie worked for three more years at the university to cover the cost of initial improvements. Clark contributed some money as well, although most of his earnings went into fixing up his studio.

At this point, the operation is in the black as long as initial investments in land and buildings are not taken into account. Fiber and animal sales more than pay for animal feed, vet care, and operational costs. "Our largest single purchase was a tractor -- we couldn't do without it." Susie predicts that in another two years, after the first five-year block of sizable depreciation charge-backs, sales of fiber and breeding stock will begin to generate a more substantial income -- "adequate for our simple lifestyle."

**Marketing:** "Originally I expected to get 50% of my income from sales of registered breeding stock and 50% from selling fiber for hand spinners. But the market for fiber hasn't grown the way I thought it would -- at this point, I'm selling 30-40% of what I thought I'd be selling. The market for hand spinners is saturated, and more and more of them are doing their own dyeing and processing."

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***"It's sometimes hard to know what you can call marketing and what's just a time sink. I have to be careful how much time I give people."***

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Susie has started to sell more mohair [from the Angora goats] commercially, to the big warehouses in Texas. The commercial price for mohair is \$1.50/pound (compared to about \$0.10/pound for

ordinary wool.) Mohair from a yearling sells for \$2.50-3.00/pound, while a kid's is worth \$5.00-6.00/pound. Despite these prices, which are less attractive than those obtained selling directly to hand spinners, the goats more than earn their keep.

Susie is also optimistic that the Shetland sheep will add significant income; their wool is worth \$8.00-14.00/pound for hand spinners, and they fetch a high price as breeding stock. She estimates that it will take two years to recover her recent investment in the Shetland sheep.

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***"It's harder work than I ever imagined... It requires a lot of flexibility, too... going with the flow of the market, going with the flow when 100 animals go through the wrong gate in the morning..."***

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An important ingredient in the success of Odyssey Farm is steady public relations and advertising. Regular advertisements in magazines have helped develop the farm's reputation and generate customers. "We have a reputation for being a bit expensive, and that's fine with me. We sell high quality animals, and they're worth what we ask for them." Susie has also received two grants from the DATCP (Department of Agriculture) Agricultural Development and Diversification program. She was granted a total of \$16,850 for 1990-91 to promote Angora goats in Wisconsin. This helped with advertising, and the transport and maintenance of some new breeding stock.

Susie notes somewhat ruefully that DATCP also does its own PR on its grant recipients, with the result that after a DATCP announcement or press release, Susie's phone rings off the hook for a few days. "Most of the calls aren't productive -- people call me for information and then buy their animals elsewhere. It's sometimes hard to know what you can call marketing, and what's just a time sink. I have to be careful how much time I give people."

## How It All Looks From Here

"It's harder work than I ever imagined. It also takes a long time to establish a good reputation as a breeder and seller of registered livestock. It requires a lot of flexibility, too... going with the flow of the market, going with the flow when 100 animals go through the wrong gate in the morning..."

"But I'm really glad we're doing it, and we plan to continue. I like this area, I enjoy the work a lot, and we get lots of support from local, low-input farmers. We're very lucky to have someone good to leave the farm with, too -- we can really count on Tonja, our helper, when we need to go away. We still get more farm-bound than we want to, though. Some of our friends from Madison don't call us any more."

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***"We work hard for every penny we earn, and we have a simple lifestyle... Still, I'm pretty confident we're on solid ground now. Leaving the University was clearly the right thing to do for me."***

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"The income problem is relentless. We work hard for every penny we earn, and we have a simple lifestyle. No fancy vacations in Hawaii. Still, I'm pretty confident we're on solid ground now. Leaving the University was clearly the right thing to do for me."

## Lessons

Susie points to a number of factors important in the success of Odyssey Farm. These include careful

planning and frequent reassessments; tight financial management; a low-investment and low-input production system; persistent advertising; developing and maintaining a reputation for quality; and seeking advice from people with experience.

"I do a farm plan, and then I project and re-project on the feed bill [the main expense]. I do the books every two months, and I'm a tight manager."

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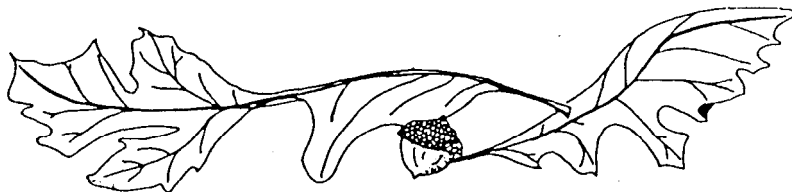
***"I'm really glad we're doing it, and we plan to continue. I like this area, I enjoy the work a lot, and we get lots of support from local, low-input farmers."***

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"We also got a good price on the farm, and we bought a manageable amount of acreage.

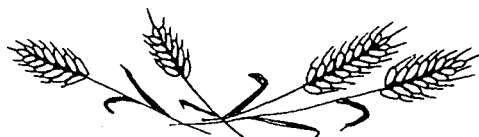
We've kept our investment in equipment low -- we've spent less than \$3,000 on all of our haying equipment. We also don't buy on credit. We produce most of our own feed -- pasture and hay -- and buy only the grain."

Susie also suggests several ways that many beginning farmers need help. One area is in preparation of farm and business plans. These must usually be prepared before going to a banker or tax advisor. A worksheet or formula approach might help some farmers. She also feels that general farm tours and specialized technical seminars are very helpful, but that these cannot rely too heavily on free cooperation on the part of the established farmers. A financial incentive must be offered to maintain a pool of farmers willing to talk with and advise beginning farmers.





## Obstacles For Beginning Farmers and Strategies for Overcoming Them



### *Overview*

The fundamental problem for beginning farmers, leading to or exacerbating almost all other problems, is income. Farming simply does not pay well. This makes it difficult to purchase land, difficult to obtain a mortgage or production credit, difficult to pay back loans which are obtained, difficult to survive mistakes, and difficult to find time for anything beyond production. Most farmers are working so hard that they have little time to learn better ways of doing things, to develop markets, or to enjoy the lifestyle and setting that attracted them to farming in the first place.

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***"The fundamental problem for beginning farmers, leading to or exacerbating almost all other problems, is income. Farming simply does not pay well."***

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We are not optimistic that this fundamental problem can be solved without radical change in the whole agricultural sector. We are also not optimistic that such change will occur. However, there are many difficulties that beginning farmers face which could be eased somewhat. There are opportunities for making life a little easier, and for providing a leg up. The following analysis, which is geared for organizations working in farmer assistance and agricultural extension and research, suggests the most promising directions for beginning farmer assistance programs.

### *Finding Land and Facilities*

While many of the farmers interviewed reported difficulty in finding the right farm, there was no

general pattern to the difficulties they faced. That is, some had very specific locational needs, others needed specific types of facilities, while still others were concerned about the aesthetic characteristics of the land. It is likely that a "matching people to the land" project or database would have to be very large to really serve the heterogeneous needs of beginning farmers. Furthermore, it is likely that many beginning farmers would try to produce for niche markets, and would be less interested in the dairy and cash grain farms which would undoubtedly make up the bulk of the available properties in Wisconsin.

It appears that normal information channels about property are more or less adequate for those trying to purchase farms by taking on a mortgage. For those wishing other financial arrangements, this is not the case. One respondent reported that a contact resulting in an unusual (and financially advantageous) agreement between producers and landowners was made only because of an article in the WRDC newsletter. No other respondents have found such arrangements that bypass the problem of **financing** land acquisition. This issue is discussed below.

### *Financing*

#### **Financing Land Acquisition**

This was widely experienced as an obstacle. Real estate loans were either unattainable or unsupportable with expected farm income (though several of the beginning farmers qualified for loans based on income from other activities.) Few farmers who qualified for a real estate loan thought getting one would be a good idea, and many respondents did not qualify. Credit thus does not seem to be the answer; other forms of land transfer and purchase need to be developed.

There appears to be a major unmet need here -- for

information, leadership, and creative ideas. This may also be a particularly auspicious time for work on innovative land transfers. There are many farmers who will be reaching retirement age in the next few years, as well as many dairy farmers trying to leave the farm. They are facing particular difficulties in selling their farms, and may be more open than they would otherwise be to unusual financing arrangements.

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***“There [is] a major unmet need here...for creative financing and land transfer arrangements that allow cash-poor beginning farmers to eventually own land.”***

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Probably the simplest and least costly approach would be to document and describe creative financing and land transfer arrangements that allow cash-poor beginning farmers to eventually own land. Such arrangements could include rent-with-option-to-buy systems, building up sweat equity, land trusts, and sharecropping, among other things. One important area of research would be tax and legal retirement issues for older farmers passing on their land.

A short manual describing various options could give both current and potential landowners an idea of the possibilities. If there is sufficient interest, a “matchmaking” seminar could be organized, at which current and aspiring landowners learn together about different avenues for land transfer, and meet each other.

### **Start-Up Capital and Production Financing**

This was an issue for virtually all the beginning farmers, and they had one major way of dealing with it: off-farm jobs. In this, it should be noted, their situation is no different from that of many established conventional farmers.

Most of the farmers in this study were wary of debt, and were prepared to spend several years as weekend or part time farmers, working elsewhere to

capitalize their operation. Most of them saw this as inevitable, and felt that it actually had the advantage of letting them start slowly and learn as they went along. Several said it was just as well they didn’t jump in any faster.

Ann Topham and Judy Borree were fortunate in having friends and relatives willing to help out and invest. However, given their commitment to providing a place for their friends to come, this supportive network didn’t happen by chance. Stuart Smith and Roger Eischens had a similar arrangement, although it provided less capital; Roger holds yoga retreats at the farm. At one point, he offered his yoga students the opportunity to contribute money toward the farm in exchange for the right to come out for visits and retreats. Such financing arrangements may be a promising avenue for more beginning farmers, particularly those with strong urban connections.

There is another lesson here for beginning farmers: skills and connections developed in an urban setting can be a great source of strength and vitality for a new farm operation. These ties and special abilities should be tapped and nurtured, not abandoned.

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Again, improved access to credit does not, for the most part, appear to be the solution for many beginning farmers. The development of alternative modes of production financing, such as community supported agriculture (CSA), could provide a real leg up to some farmers. Realistically, however, CSA would probably not be appropriate for very new or inexperienced farmers.

This study suggests that an indirect though

occasionally critical source of help may lie in the rural economy as a whole -- the existence of off-farm jobs that can provide enough income to help capitalize a farm. However, we note that the low prevailing wages for most rural jobs will not provide adequate income for capitalizing a farm, and are not in themselves a solution to the problem of the high start-up costs and low income associated with farming.

### **Credit**

Although there are several good reasons why many beginning farmers are unable to obtain start-up or operating loans, one unnecessary constraint is the bankers' lack of familiarity with some of the enterprises and production methods favored by beginning and sustainable farmers. With regard to unusual enterprises or production practices, the banking community needs to be educated if it is to do its job well. Making an effort to attract loan officers to educational events --- or specifically targeting them for seminars and field days -- may help accomplish this.

### **Low-Investment and Low-Cost Farming**

Given the almost inevitable shortage of capital for beginning (and other!) farmers, finding alternatives to big machinery and infrastructure investments would be a real service to the farm community. Such alternatives could take several forms.

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*“With regard to unusual enterprises or production practices, the banking community needs to be educated if it is to do its job well.”*

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*Creative “making do”:* Many of the respondents have learned how to avoid purchasing new, expensive equipment by piecing together simple but functional systems. Several of the farmers interviewed described their livestock housing, fencing or irrigation systems as “funky” or “primitive” or “low-

tech.” Most of them can also point to neighbors who started out by buying state-of-the-art equipment, and who went bankrupt soon thereafter. In any educational activities geared for beginning farmers, emphasizing the practicality and economy of the “make do” approach would be appropriate.

*Purchasing and adapting used equipment:* Experienced farmers are often creative mechanics, and know how to adapt machines to perform a variety of functions. Learning how to do this -- or simply finding out that it's possible -- could help many beginning farmers who are facing large start-up costs. There may be sufficient demand among both new and experienced farmers to justify offering special seminars on certain kinds of equipment adaptation.

*Sharing or renting equipment:* For pieces of equipment that aren't needed by everyone at the same time, it may be possible to form a “lending library,” or simply identify a pool of equipment owners who are willing to rent large or specialized machinery to other farmers. There do not appear to be established communication networks to accomplish this. One simple and inexpensive solution might be to persuade publications serving the farm community to have special classified ad sections dealing with farm equipment rental. Another possibility would be to encourage existing farm organizations to poll their members and see if members currently own pieces of equipment that could be used more intensively, or whether there is sufficient demand that purchase of a shared machine would be feasible. Such a solution would require that there be a “critical mass” of farmers with similar needs living in a reasonably small area, however.

*Developing low-cost production systems:* Beginning farmers are in a good position to start out with low-cost production techniques and avoid debt. They should be encouraged to look at rotational grazing systems for livestock, cropping systems that rely on few purchased inputs, and farm enterprises that complement each other and make the best use of limited resources.

*Creating an Input Supply Network:* A number of farmers cited the difficulty of locating and obtaining needed inputs -- and the high cost for purchasing small quantities. Buying clubs could fill a real need

here, reducing research time and per-unit input costs. However, such an approach would require that participating farmers produce similar commodities and live relatively near each other.

### Production Expertise

Respondents varied widely in what they knew when they started, how well they evaluated their information needs, and how they went about educating themselves. The magnitude of what a beginning farmer needs to learn is daunting by any measure. It is also true that many farmers who are just starting out don't know what they don't know. Finally, as this study suggests, the informational needs of beginning non-traditional farmers may be too heterogeneous to address through conventional means.

A great deal of what needs to be learned is vocabulary, and what the important questions are. Once beginning farmers have overcome this initial hurdle, many more resources (such as conventional field days and seminars) will be accessible to them. It should be noted, however, that beginning farmers who are at this stage of learning are difficult to find -- they are often living in cities, own no land, and are not plugged into any of the agriculture networks or communication channels.

However, despite the difficulties of serving the beginning farmer population, there are several ways that information access could be improved.

First, a set of case studies like the present document could be a valuable source of inspiration, caution and basic guidance for aspiring farmers at the initial, exploratory stages.

Second, existing networking and extension projects could make a greater effort to tailor some of their activities to beginning farmers, or conduct outreach with this group. Maintaining a file of farmers who are willing to talk with beginning farmers and help them learn what they need to know would be a great service. **Most of the respondents felt that this would have been the single most useful thing to help them on their way.**

One difficulty with this approach may be that experienced farmers who communicate well with

beginning farmers may find themselves swamped with requests for information and advice. This can be a significant drain on time and resources. One possibility would be to encourage these experienced farmers to offer paid seminars on, for example, raising sheep or running a B&B. In addition, other agricultural organizations (in Wisconsin, such groups as the Coulee Region Organic Produce Pool, the Biodynamic Farming Association, the Marquette County Farm Produce Coop, etc.) could be encouraged to tailor some events to beginning farmers.

It may also be helpful to maintain a file of farmers who are willing to hire individuals who want to get started in farming but have little or no experience as yet. For some of the respondents, information needs were basic enough that probably the most efficient way to learn would have been in a structured on-farm experience. Several respondents were willing to hire interns -- whom they found rewarding to work with, even if they were less experienced. Another said she could not find experienced farm workers in any case, and always had to train people. Developing an internship program for college students -- perhaps in collaboration with other sustainable farming organizations -- could serve the needs both of young aspiring farmers and more established producers. Such a program could be modeled on New Zealand's WWOOF project ("Willing Workers On Organic Farms").

If there is sufficient demand, it may be possible to offer special field days geared for beginning farmers. Topics could cover such issues as fencing, barn and housing needs for different types of animals, basic equipment, lifestyle issues, etc. One way to reach them might be to advertise at natural food stores and farmers' markets. One example of a promising approach is the annual farm tour which the Wisconsin Rural Development Center organizes with the Willy Street and Mifflin Street Coops in Madison. This event often attracts aspiring Wisconsin farmers.

It should be noted that in general, respondents found no shortage of publications dealing with farming, but that beyond a certain point, the knowledge they needed was more specialized and specific than what could be found in books, magazines or newsletters. Virtually all of them

stressed the importance of research and reading the literature -- and all agreed that it wasn't enough.

### ***Business Planning***

Several respondents had difficulty developing business plans -- either to present to a loan officer or potential granting agency, or to have a clearer idea themselves of what to expect financially. Part of the problem was a lack of business skills. In some cases, the problem was the lack of reliable economic information on production costs and revenues from non-traditional products or goods produced in non-traditional ways and sold through non-traditional marketing arrangements.

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***"One of the great strengths of many of the respondents was their marketing savvy. Several had strong urban connections, a sophisticated understanding of various niche markets, and considerable creativity and persistence in developing new markets,"***

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There are Cooperative Extension and Small Business Development Center resources devoted to improving farmer business skills and financial management in Wisconsin, and similar resources in other states. However, these traditional sources of help have typically served beginning alternative farmers poorly; many respondents needed more specialized help than was available. This may be an area where a joint effort by Extension or other public agency and a private farm organization could best meet beginning farmer needs. The relevant state agencies could benefit by greater exposure to alternative enterprises and production practices, and non-profits could benefit from the expertise of extension agents and business consultants in preparing business plans, loan applications, and record-keeping systems.

### ***Marketing***

One of the great strengths of many of the respondents was their marketing savvy. Several had strong urban connections, a sophisticated understanding of various niche markets, and considerable creativity and persistence in developing new markets. Several found marketing to be a stumbling block, however. One of the biggest constraints was time -- developing and maintaining markets on top of a heavy work load to produce goods and take care of the farm. Most respondents were working 60-80 hours a week if they were farming full time, or had other jobs if they were still getting started and capitalizing the enterprise.

Even with the more successful marketers, it appears that the start-up and maintenance costs of alternative marketing channels (essential to most of them if they are to make a profit) are quite high. It is also clear that the markets for different products are highly idiosyncratic, and it would be difficult -- and probably not a good idea -- for a general agricultural organization to offer direct marketing assistance for most products. There would be substantial organizational risks involved in such an undertaking. There are many "moving parts" to any multi-farmer production and marketing effort, and many potential sources of failure which are beyond the control of the assisting organization. A significant failure in marketing could hurt the organization and impede its work in other areas.

It does appear, however, that for products of fairly broad and predictable demand, such as vegetables and some fruits, there may be ways of jump-starting an alternative market system that could serve several farmers. A community supported

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***"There are many 'moving parts' to any multi-farmer production and marketing effort, and many potential sources of failure which are beyond the control of the assisting organization."***

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agriculture or subscription farming system would probably be costly to set up initially, but somewhat more manageable to maintain. The experience of one respondent using this system has been positive. However, further research on the ongoing organizational costs of such a system should be undertaken to determine whether this is a realistic option for many farmers, who are typically overworked and overcommitted already.

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***“Many of the problems [these farmers] face are a result of... policies...that favor large farmers over small... traditional crops over non-traditionals, and chemical use and system simplification over management skills and system integration.”***

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There may also be opportunities to play a limited role in bringing together producers who could work together on marketing. For example, the existence of a successful lamb marketing cooperative on the East Coast attests to the marketing possibilities for this undervalued product. While we feel that most of the effort to develop such a mechanism should

come from the producers rather than an outside organization, assistance in convening the first meeting or two could provide impetus and encouragement.

### ***Conclusion***

Beginning farmers face substantial obstacles. Information needs loom large, and financial challenges are relentless. The foregoing study, however, has convinced us that it is both possible and worthwhile to assist beginning farmers. As is evident from the interviews, they collectively possess an unusual degree of dynamism, commitment, creativity, and just plain guts. Talking with them about their farms and their dreams was a privilege and a source of real inspiration. They are a resource that rural America cannot afford to ignore.

Many of the problems they face are the result of a set of policies, programs and institutions that favor large farmers over small; capital-intensive production methods over labor-intensive ones; traditional crops over non-traditionals; and chemical use and system simplification over management skills and system integration. Bucking these trends makes life harder for some of these farmers -- and it is also what makes them worth supporting.

It is our hope that this study will serve as a source of insight into what beginning farmers need, and suggestions of how to design assistance projects. We welcome your feedback and suggestions.

