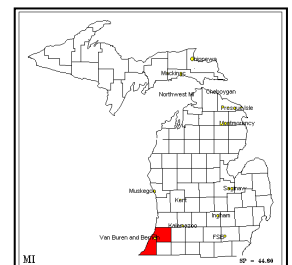


MICHIGAN STATE  
UNIVERSITY  
EXTENSION

**SW Michigan Beginning Farmer Entrepreneur Initiative  
Van Buren County MSU Extension  
Julie Pioch, Director**

**Program Evaluation  
2005-2008**

**Conducted by  
Susan Cocciarelli  
Project Administrator for Agriculture Individual Development Accounts  
CS Mott Group for Sustainable Food Systems at MSU  
Michigan State University, East Lansing, MI  
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**To stem** the loss of productive farmland and provide infrastructure to meet an increasing demand for local product, the C.S. Mott Group for Sustainable Food Systems at Michigan State University partnered with Van Buren County MSU Extension (MSUE) to develop a beginning farmer program. To reach the growing number of younger and multi-cultural persons desiring to farm using sustainable production practices, MSUE created an integrated entrepreneurial program that has three basic components:

- Farmer 101: an educational based program focusing on new or beginning farmers. Farmer 101 also included a ten week farm business planning course.
- Farmer to farmer network
- Agriculture Individual Development Accounts (Ag IDAs)

This report summarizes the evaluation of this project based on 13 beginning farmers who enrolled and finished the program between 2005-2008.

#### Project Overview:

In 2004, the CS Mott Group for Sustainable Food Systems at MSU received Assets for Independence grant from the federal Department of Health and Human Services. The purpose of the grant was to increase the viability of small farm start up through the provision of a cash match to personal savings.

The CS Mott Group and the Van Buren County MSUE designed the program on the successful practices of the microenterprise, micro-finance, and asset-building methods for small- and mid-sized entrepreneurial systems tested in the 1990s and 2000s by the Aspen Institute FIELD program.<sup>1</sup> Through the Emerging Farmers Initiative, beginning farmers completed a year-long structured program that integrated farm production and management classes with a peer-to-peer farming network, and had the opportunity to participate in a matched savings program—Agriculture Individual Development Accounts—to generate equity in their farm businesses.

Specific outcomes from the W Michigan Beginning Farmer Entrepreneur program include:

- Thirteen farmers have opened IDA accounts with a credit union partner.
- \$10,500 have been saved by the IDA holders leveraging \$20,000 federal funds that match those savings and, in turn, are invested in farm business
- Ten farmers have met savings goals and leveraged IDAs as equity investment in their farming operations
- Each participant in the program has attended at least 20 hours of educational classes each year since they joined the program.
- Participants meet monthly at one another's farm during the growing season to discuss farm operations and savings goals.

#### Evaluation Methodology:

In August, 2008, the CS Mott Group mailed a follow up evaluation survey to each of the thirteen farmers who enrolled in the program. The evaluation survey asked specific questions as to the value of each of

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<sup>1</sup> FIELD Microenterprise Fund for Innovation, Effectiveness, Learning, and Dissemination, Aspen Institute <http://fieldus.org/index.html>

the components of the SW Michigan Beginning Farmers Entrepreneur Initiative: Farmer 101; Ag IDAs; Farmer to Farmer Network. Participants were also asked to rate the overall program in terms of its value to their starting their farm enterprise.

Seven evaluation forms were returned (53.8%). The following summarizes their responses. The evaluation survey tool and aggregated responses can be found in the Appendix.

### Evaluation Responses:

#### *Farmer 101*

The Farmer 101 program occurred over an 8 week period; a farm business planning course, "Tilling the Soil of Opportunity" for alternative agriculture was also offered for 10 weeks. Components of the Farmer 101 program included: Resource Identification, Goal Setting, and Introduction to Marketing; Farming and the Law; Soil Fertility and Management; Cost of Production; Organic Certification.

The majority of participants (85.7%) agreed or strongly agreed that the Farmer 101 course helped them build their farm business plan. Five of the 7 had finished their plans (71%). The majority of the participants did not take out loans, as was evident in that only one person (14%) used his/her business plan to borrow money.

When asked how the Farmer 101 course may have been more helpful to their overall farm start up, many of them would have liked more finances and record-keeping information. Others felt that there could have been more focus on incorporating farm management with farm business planning. Farm management was not offered as part of the overall Farmer 101, as there was not an experiential component to the program.

Respondents did ascertain that the farm to farm visits helped them put realistic financial projections together.

#### *Agriculture Individual Development Accounts*

All participants were eligible to enroll in the Ag IDA program. Each participant was expected to save up to \$1,000 in a local credit union, and have that savings matched up to \$2,000. Matched savings were not co-mingled with the enrollees savings, and all Ag IDA funds were directly obligated to a vendor for an asset purchase designated by the IDA holder. The following summarizes the overall value of the Ag IDA to the beginning farmers.

100% of all participants agreed or strongly agreed that the personal savings and Ag IDA match served as a critical investment in their enterprise. The majority (85.7%) agreed or strongly agreed that saving over a period of time helped them make more informed decisions about how to invest the Ag IDA. The majority (85.7%) agreed or strongly agreed that beginning farmers programs would have a savings component that helps build equity in start up businesses.

The most significant support that the Ag IDA played for startup is that it helped provide security in the overall investment of the farm. Ag IDA holders were less likely to take out loans for small purchases or for paying property taxes; however, the Ag IDA did help secure a higher eligibility ranking for other loan sources, such as the USDA FSA program. Finally, the Ag IDA helped those without farm land to acquire land.

There were no responses to the question related to how the Ag. IDA might be improved.

#### *Farmer to Farmer Network*

The farmer to farmer component enables beginning farmers to visit one another farms throughout the production and harvest seasons as they are developing their business plans. Lee Arboreal, co-owner of the Eaters Guild Farm, successful Ag IDA graduate, grower for Organic Valley, and coordinator of the Farmer to Farmer network, describes the farmer network in this way:

*“This is the way the IDA program, as a nursery of ideas and relationships will grow. The peer group will expand in diversity—by age, experience, crop and pool of mentors. Now much of the organizers’ time is spent finding potential participants. With the concept catching on and networked individuals in the community talking about their positive experiences with their IDA, participants will start to find themselves and come forth rather than needing to be found. Organizers’ time can be spent more on improving the experience and strengthening the communication pathways. We can work on growing our base of financial support and area of service. Finally we can work on documenting the ways small investments in limited resource farmers can have positive effects on food access and food security in the regions the farms serve.”* Lee Arboreal, September 10, 2007

The majority of participants (85.7%) agreed or strongly agreed that the farmer to farmer visits were very important in helping with their farm business. The same number of participants (85.7%) agreed or strongly agreed that they would continue to staying the network beyond the scope of the program because it provided them with support and information about the farm. There was less consensus about whether or not the farmer to farmer network assisted farms in reaching multiple markets. 57% stated that they strongly agreed that it was helpful, however 42.8% did not agree or strongly disagreed with the notion that the farmer network assisted in their reaching multiple markets.

Participants found the farmer network to be most helpful by connecting with farmers in later stages of farm development who were willing to share effective production practice. This built confidence among those new farmers in starting their own farms. Farmers were willing to share mistakes, how they might approach production differently, and producing for different markets.

In hindsight, one respondent suggested that people keep farmers’ contact information handy, as questions about production and post production occur frequently.

#### *Overall Beginning Farmer Entrepreneur Program Experience:*

Farmers were asked to the extent to which the Beginning Farmer Program helped them start or build their farm business. All seven (100%) agreed and strongly agreed that the program helped, and the majority (71%) agreed or strongly agreed that their goals were met through the program. The majority of those enrolled (85.7%) stated that they were farming as intended as a result of the program.

Specific goals accomplished ranged from purchasing land, purchasing reliable equipment, finishing a farm business plan, connecting directly with institutions to procure product contracts, securing loans through USDA FSA, and building relationships with other farmers who helped provide valuable cost of production advice.

Participants placed considerable weight on the value of the farmer network, which consisted of farm visits coordinated by a local farmer who also completed the program, as one of the most valuable part of the overall program. Farm visits yielded significant information on production methods, storage, and costs associated with production. Another valuable program contribution to farm start up was the farm-specific business planning, cited as critical by citing ways to lower overall expenses in the initial stages of start up. The Ag IDA helped farmers differentiate between a purchase and an investment, enabling farmers to invest in their farms without having to take out loans. Finally, connections to markets were enhanced through the farmer to farmer network, which also paved the way to make group rather than purchases for seed and other common expenses.

Participants provided feedback on strengthening aspects of the program. Providing one-n-one consultation such that an individualized plan of action would have helped participants put together realistic time frame for start up. Others suggested that business plans be developed using another farm in lieu of not having started a farm yet. This would yield more realistic numbers as well as create a mentor relationship with local farmers. Finally, many of the farmers wanted exposure to more diversified product, such as specialty crops, fruit, grains, poultry or dairy in order to determine advantageous markets.

### Summary

The majority of those enrolled and completing the SW Michigan Beginning Farmer Entrepreneur Program believed that the program's components were effective in helping them launch their farm business. Most of the respondents had completed the program and had at least one year of farm experience. They were able to reflect on the value of the program in helping them start their businesses, and give helpful feedback on what might have improved the program overall.

The integration of production information, access to a financial incentive program (Ag IDAs), and farmer to farmer networking provided beginning farmers with knowledge, skill building, and access to equity or working capital. These components are missing pieces for many lower-income, non-capital resourced individuals who want to farm. Although highly rated by all participants, an important addition to the program would be individualized plans that would allow farmers to meet with either a mentor or program coordinator to measure personal benchmarks for success in launching their farm business.

## APPENDIX

### Evaluation Form and Responses

#### Summary of Responses

**Your Overall Experience**

**Participating in the Beginning Farmer program has helped me start and build my farm business**

1	2	3	4 (4)	5 (3)
<b>Strongly disagree</b>				<b>Strongly agree</b>

**The goals of the year were met**

1	2 (1)	3(1)	4 (4)	5(1)
<b>Strongly disagree</b>				<b>Strongly agree</b>

**I am currently farming as I intended when I participated in Farmer 101**

Yes (6)	No (1)
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**What important goals did you accomplish?**

- 1.) We are just about to use the money to help us buy our land.
- 2.) We gained experience and built direction of: making a plan, investing in knowledge and resources, organizing goals, and following through completing our business plan. This has given us a map for us to manage our farm. We also made connections to find our direction of starting our own farm business.
- 3.) Got on track with reliable equipment and was able to execute timely operations.
- 4.) Better defined my comfort level with business plan
- 5) The relationship with other farmers helped us with our business plan and helped us save money over the long run because we didn't rush into any commitment too early.
- 6) I was able to hook up with some major institutions where I may be entering into a contract. This would not have happened on my own.
- 7) I was able to save enough money to secure a loan.

**I learned the following important thing(s) over the past year:**

- 1.) I enjoyed visiting the other farms and learned about different methods of growing/storing produce. We were inspired to put up a storage building with hanging garlic after seeing Blue Dog Greens garlic drying open-air shed.
- 2.) We learned how to market our business, understand liabilities, insurances, how to work with financials, look at preparation for problem solving for decision making in managing a farm. Also we learned the importance of following up with our goals and responsibilities.
- 3.) Ask questions of peers. Don't always assume ideas have to be right to be important (the process of arriving at a thought is instructive)
- 4.) \$3,000 doesn't go far in farming
- 5). Making a purchase is not the same as making an investment.
- 6) There are potential markets out there, but it is hard to navigate on your own.

7) Take advantage of all the resources that are out there. There aren't many for beginning farmers, so you have to be determined. There is not one place to get information for those of us who want to have a smaller enterprise.

**Which of the activities was most helpful in furthering your work once you leave the program?**

- 1.) Visiting the other farms and having everyone visit my farm.
- 2.) Learning how to investigate our resources and getting to know our local government and community
- 3.) Farm visits
- 4.) Discussing organic certification
- 5) Farm visits and the IDA
- 6) Connecting with other farmers and trying to save money
- 7) Thinking about what to grow, how to grow, and connecting with people in the community who want good product. The farm connections with others and the IDA helped us make our business plan work.

**What additional information or activity could have helped make the program stronger or more helpful?**

- 1.) There could be one on one guidance to set goals in a different time frame to finish the business plan and activities. Importance of making the expectation less overwhelming for first time business owners or beginning farmers. Doing a business plan based on someone's farm if you don't have one already, so they could be a mentor and the business plan would not be based on a theoretical place that is hard to start. Really pushing and motivating the beginners through the start up and asset costs
- 2.) Higher savings limit...larger peer group with more diverse entrepreneurs.
- 3.) Breadth in types of farms locally – focus was on vegetable growing (farm visits, not F101 classes)
- 4) The IDA was so important; we could have focused even more on land arrangements such as leasing or connecting with local farmers who were interested in leasing their land.

**Farmer 101**

**Overall, Farmer 101 helped me build my business plan.**

1	2	3 (1)	4 (2)	5(4)
<b>Strongly disagree</b>				<b>Strongly agree</b>

**I have completed my business plan**

Yes_(5)	No (2)... (still working on finishing the plan)
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**I have used my business plan to borrow money**

Yes (1)	No (6))
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**With which parts of your business plan would you have liked more help?**

- 1.) None, as I had already taken a similar class at GROW, Grand Rapids Opportunities for Women. They have developed a great program and their binder for the MYOB class may be useful for developing more business plan info. [www.growbusiness.org](http://www.growbusiness.org)
- 2.) Financials and government related stuff
- 3.) Being able to write a profitable one!
- 4) Incorporating farm management with the farm business plan. This could have been linked more deliberately for me.
- 5) More information on production could have helped me on the business plan development. However, the farm visits helped me with realistic numbers.

### Farmer 101: Resource Identification, Goal Setting and Introduction to Marketing

**This session was very effective in helping me complete my business plan**

1	2	3 (2)	4 (2)	5 (4)
<b>Strongly disagree</b>				<b>Strongly agree</b>

**I have been able to use what I learned during this session**

1	2	3 (2)	4 (2)	5 (3)
<b>Strongly disagree</b>				<b>Strongly agree</b>

**The most significant aspect(s) of this session for me was:**

- 1.) The decision-making process talked about by the man from Tillers, Int.l
- 2.) Understand what I need to get started
- 3.) Resource mapping exercise
- 4.) A small business takes a lot of time

**I wish I had learned the following thing(s)**

- 1.) Understanding the diversity in the changing market
- 2.) Vital marketing, guerilla marketing
- 3) It would have been helpful to actually have business people in who would be interested in local sourcing

### Farmer 101: Farming and the Law

**This session was very effective in helping me complete my business plan**

1	2	3	4 (3)	5 (4)
<b>Strongly disagree</b>				<b>Strongly agree</b>

**I have been able to use what I learned during this session**

1	2	3 (1)	4 (4)	5 (2)
<b>Strongly disagree</b>				<b>Strongly agree</b>

**The most significant aspect(s) of this session for me was:**

- 1.) Learning about insurance
- 2.) Business organization, employee status
- 3.) Small dairies, small processing plants, small kitchens are very expensive

**I wish I had learned the following thing(s)**

- 1.) Differences in accessing and simplifying ways to learn about laws and government to not seem so intimidating
- 2.) More labor regulations
- 3) More information on safety regulations for different markets

### Farmer 101: Beginning Farm Financial Management









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