**Tools for Transition** 





### Winter 2013

### THE RIDE CAN BE BUMPY, BUT "STICK WITH IT!"



EEECooking back on their transition experience, Minnesotadairy farmers Lars and Melissa Rowe wish they had just"stuck with it." The Rowes began transitioning all of theircropland in 2006 (117 acres), but went back to conventionalfarming in the spring of 2008 when they were unable toobtain an organic milk contract. It was a difficult decisionand one that Lars regrets. "If we could have just stuck withit, we could have gotten the land certified and just had itready to go [for when the organic dairy markets turnedaround]," he explains.

Three years later, in spring 2011, Lars and Melissa decided to make another go of organic farming. This time around, they put 44 acres of their best producing, irrigated land into transition. One year later, they began transitioning 73 acres of non-irrigated cropland. They maintained the remainder of their 222 acre farm in grass, as has been done by four generations of the Rowe family. The pasture certified in June 2012. The Rowes planned to transition their cows in 2013.

"But in August 2012 we heard about 49 organic cows for sale," explains Missy. By purchasing the already certified organic animals, the Rowe's were able to "get on a truck" with Organic Valley (and obtain milk premiums) sooner than planned. They purchased organic feed for the new milking herd and converted some of their pasture to small grains and some into corn for silage. The Rowes will continue to purchase some organic grain for cows as well as hay for youngstock unless they can improve productivity on their non-irrigated land. "Our corn yield on the dryland is 100 bu/acre compared to 168 bu/acre on the irrigated land," explains Lars. At the time of this writing, Lars and Missy were applying for Farm Service Agency loan to finance the purchase of a well and irrigation equipment.

**Motivation to Transition.** The Rowes were motivated to go organic and to transition for a second time for a number of reasons. Lars and Melissa have always been grass farmers operating under a low-input philosophy. This made it easy for their pasture land to certify right away.

On the marketing side, the Rowes liked the stability offered by organic milk contracts. "Stability allows you to plan ahead," explains Lars. "If you know what price you're going to get for a year, you can make projections." The Rowe's say that the stable organic pay price, which they started receiving in fall 2012, has already allowed them to secure financing and make needed improvements.

Lars and Melissa agree that the transition has gone much smoother the second time around. "The first time we transitioned, we did it by the seat of our pants," says Lars. "This time, we did a lot of Internet research and talked with other farmers."

Advice for Other Farmers. When the going gets tough, Lars and Melissa say, "stick with it!" Despite the initial set back, they feel very positive about their transition experience.

#### **For More Information:**

Read more about the Rowe's transition experience online: <u>http://eorganic.info/toolsfortransition/farmers</u>.



The Tools for Transition Project is funded by USDA NIFA Grant MIN-14-G12. Project partners are the University of Minnesota's Department of Applied Economics, Center for Farm Financial Management, and Minnesota Institute for Sustainable Agriculture; the Minnesota Colleges and Universities' Farm Business Management Program, and the Minnesota Department of Agriculture.

United States Department of Agriculture National Institute of Food and Agriculture

## Tools For Transition Update Continued

# Mark Your Calendars!



All *Tools for Transition* Project participants are invited to a free

workshop January 9 in St. Cloud (afternoon before the Minnesota Organic Conference begins). We plan to share research results, financial analysis, and insights from a farmer panel. You won't want to miss it! **Mark your calendars for Thursday, January 9, 3:30 – 5:30 pm**. Travel and up to \$110 of other expenses will be reimbursed by the project. More information to follow!

### TFT Participants Receive \$50 for Minnesota Organic Conference

The 2014 Minnesota Organic Conference (MOC) is scheduled for January 10-11 in St. Cloud. All *Tools for Transition (TFT)* participants will be reimbursed \$50/farm to help defray conference registration fees. To do so, register for the conference, pay the registration fees and submit reimbursement forms afterwards to TFT Project Member Gigi DiGiacomo (forms will be available from Gigi at the pre-conference workshop or by mail and email). Gigi can be reached at: 612-624-7258 or at gigid@umn.edu.

Visit the MOC website to register for the conference: <u>www.mda.state.mn.us/organic</u>.

### **MDA Offers Funding to Assist During Transition!**

Are you actively transitioning? Do you have questions about what practices will qualify for certification? Would you like to attend one of the organic conferences this winter? Could you use some help with soil testing to determine an organic rotation schedule? If you answered "YES" to any of these questions, then you'll want to know about the new Minnesota Department of Agriculture (MDA) *Transition Cost Share* program.

MDA will reimburse actively transitioning farmers for up to \$750 worth of eligible education expenses each year for three years (or upon certification, whichever comes first). "The Minnesota Organic Advisory Task Force suggested that we create this type of pilot program, " says MDA Principal Administrator Meg Moynihan. "They believe, and we agree, that working with a certifying agency during the transition period can improve farmers' confidence about the transition and help them be more successful."

Farmers who qualify for funding can use it to recover 75 percent of eligible costs (totaling up to \$750/year). Eligible costs include:

- 1. Certifier's charges (for an on-farm visit to answer certification questions);
- 2. Soil tests; and
- 3. Registration fees for up to two people to attend one of the following educational conferences: Minnesota Organic Conference, MOSES Organic Conference, Iowa Organic Conference, South Dakota State Organic Conference, and the Northern Plains Sustainable Ag Society Conference.

The *Transition Cost Share* is a pilot program. Program funding will be determined annually based on participation and budgeting. If you're interested in applying for funding this year, the **application deadline is February 14, 2014**. Only expenses incurred January 1 – December 31, 2013 are eligible. Applications are available from MDA at: <u>www.mda.state.mn.us/organic</u> or by calling Meg Moynihan at 651-201-6616. For more information about the pilot program, visit: <u>www.mda.state.mn.us/food/organic/transitioncostshare.aspx</u>.

To Learn More About the Tools for Transition Project visit our website: <a href="http://eorganic.info/toolsfortransition">http://eorganic.info/toolsfortransition</a>. Or contact Rob King, Department of Applied Economics, University of Minnesota, <a href="http://eorganic.info/toolsfortransition">http://eorganic.info/toolsfortransition</a>. Or contact Rob King, Department of Applied Economics, University of Minnesota, <a href="http://eorganic.info/toolsfortransition">http://eorganic.info/toolsfortransition</a>. Or contact Rob King, Department of Applied Economics, University of Minnesota, <a href="http://eorganic.info/toolsfortransition">http://eorganic.info/toolsfortransition</a>.