

Tools for Transition

Update

Spring 2012

Minnesota's First Survey of Transitioning Farmers



2011 Annual Financial Summary for Organic Farms Available!

Thirty newly certified and transitioning organic farmers were surveyed in 2011 to learn about their transition strategies, challenges and long-term outlook. This is the first survey of transitioning farmers in the state.

Survey participants are dairy and/or row crop farmers participating in the *Tools for Transition* (TFT) project.

Here's a snapshot of the survey results:

- Average age of *TFT* farmers is 42 years
- Farming experience ranges from 1-38 years; average is 14 years
- 84% of *TFT* farmers live on the farm they operate
- On average, *TFT* farmers have been living on their present farm for 22 years
- 84 % of *TFT* farmers are employed full-time on the farm
- Biggest change most *TFT* farmers made when transitioning was to purchase equipment
- Greatest challenges faced by *TFT* farmers include: weeds, access to capital, cost of inputs, recordkeeping requirements, and cash flow
- 83% of *TFT* farmers used crop and/or livestock consultants and/or financial and conservation advisors during transition.

Additional survey results available. Contact: Gigi DiGiacomo, gigid@umn.edu or 612-624-7258.

An annual report, called *Organic Farm Performance in Minnesota*, is available from the Center for Farm Financial Management detailing enterprise and whole farm profitability of certified organic farms. Contact the Center for a copy (612-625-1964) or view it on line at:

<http://www.cffm.umn.edu/publications/FBMANlRpt.aspx>.

Share the News: FBM Scholarships Available to Transitioning Farms!



More than 30 scholarships are available to newly certified (less than 3 years) or transitioning dairy producers and row crop farmers. Scholarships pay up to 90% of Farm Business

Management (FBM) Program tuition annually (tuition is approximately \$1700/year). For more information about the FBM program, visit:

<http://www.fbm.mnscu.edu/>

Share scholarship news with your organization members, students, and neighbors! Contact Meg Moynihan at meg.moynihan@state.mn.us for scholarship handouts or for an electronic copy of the above scholarship announcement for use in your newsletter or website!

Meet Recently Certified Organic Dairy Farmer Rory Beyer



Rory Beyer's story may sound familiar to many of today's second and third generation farmers. Rory grew up on a 130-cow family dairy farm in Southeastern Minnesota, graduated from college with an animal science major, and returned home in 2000 to manage the farm full-time with his 53-year-old parents, Sharon and Richard.

Determined to put his schooling to work, Rory began managing herd genetics for high productivity (eventually achieving rolling herd average of 30,900 pounds/cow) and international marketability. "We regularly sold genetics around the world," explains Rory.

They grew corn, spring seeded barley and fall seeded alfalfa in a three-year rotation on 500 acres (370 acres owned, 130 acres rented under a renewable three-year agreement).

By many standards, the Beyers' dairy operation was a success. Financially, however, "We just weren't making it conventionally," says Rory. In the spring of 2005 – after a period of volatile milk prices and rising feed costs – the Beyers had what Rory calls their "a-ha moment." "We had been watching our [certified organic] neighbors ... they were feeding their own grain, producing less milk and making more money," Rory explains.

The Beyers decided to go organic in 2006 – transitioning their land first and eventually feeding third year transitional corn, small grains and haylage to the herd. They received a loan guarantee from the USDA Farm Service Agency and financial assistance from the USDA Natural Resources Conservation Service Environmental Quality Incentives Program to subsidize the cost of fences, water lines, lane establishment, and pasture seeding. Even with this assistance, the \$100,000 spent on pasture improvements and

additional rental acreage put the Beyers "on the edge of financial ruin," says Rory. "We did everything but sell our soul to keep our farm."

At the time of this interview, six months after completing the pasture improvements, Rory feels that the changes have had a positive impact on farm labor and planning.

Today the Beyers milk 130 cows, manage 600 acres, and have a rolling herd average of 16,500 pounds/cow. They breed their registered Holsteins for fat percentage and health rather than optimal udder size and milk output.

The Beyers sell their milk to Organic Valley – receiving a contracted price that currently is more than twice the conventional market milk price. Price stability has given them the ability to plan ahead and obtain access to improved financing.

"The thing that I'm most proud of on the farm is making the decision to change," Rory says. "You don't realize the impact that the changes will have until after you've made them."



For More Information:

Read more about Rory Beyer and his family's decision to transition in the June/July 2012 issue of *Organic Broadcaster*.

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.