

This is the Ag Engineering Podcast, that rolls right into the details on tools, tips, and techniques that improve you, your farm, and our world. I'm your host Andy Chamberlin, from the University of Vermont Extension. And this podcast is sponsored by Northeast SARE. Thanks for listening. Today's episode comes to you from Norwich, Vermont, where we visit Honey Field Farm, where Eli Hersh and Valerie Woodhouse co-operate a vegetable and greenhouse business. They've been growing together since 2015, and Eli has over 15 years farming experience. They now manage 12 greenhouses and 36 acres, with 12 of that being in annual vegetables. That being said, they are beginning farmers that are entering their third season here after purchasing the farm just before the pandemic. They sell both retail and wholesale, and their business grosses between \$400,000 and \$500,000 a year. Finding farmland can be challenging. Purchasing a farm with the land and infrastructure that you want to match your business goals is challenging. Getting financing when you're relatively young, with a short borrowing history, can be challenging. After looking at several different properties and being turned down by the traditional financing options, Eli and Valerie were finally able to work out a deal in the Upper Valley, which is where Vermont borders New Hampshire, and Interstate 89 and 91 meet. In today's episode, Eli shares how these challenges were navigated, and how he was able to build his career in agriculture. And I know he's not the only one who has had a hard time getting going.

I feel like there's a lot of farms like this that are gonna transition in the next five or 10 years, where they're, you know, they're a really well set up operation that maybe didn't have a lot of modernization in the last 10 to 20 years. Just as the original business maybe slowed down a little bit.

Right.

And so, there's a lot of opportunity, and a lot of upgrades needed.

There's, yeah, a lot of infrastructure, but maybe not necessarily in the tiptop shape.

Exactly, yeah, so it's both, it's like a blessing and a curse. We couldn't do any of this without having 12 greenhouses already set up and ready to go. But those 12 greenhouses are really expensive to run, and keep, and fix. And just even little things, like we have three greenhouses, these greenhouses, with the rolling, the roll up top fence, versus the newer style, where it kind of is like a louver system. And out of those three greenhouses, we have one working motor, and they don't make those motors anymore.

Oh, shoot.

So, everywhere on the farm, there's just little things like that. So this property we have a lease to own agreement with Dirt Capital partners, who bought it from Killdeer Farm in 2019. And ideally, we have three buyout options in year five, seven, and nine. So, we're in year three, so we have a buyout option in two years, which, there's pros and cons, you know?

What are the, what do you mean by three different buyout options?

Just time, there's specific set purchase prices that we could buy it for at those three times.

Does it get lesser, or you don't know?

No, it gets a bit more expensive basically, because it's covering more, a longer term investment for them. So, it'd be like the cheapest way is to buy it out at year five, but that's kind of dependent on us having the financing to do it, which we're hopeful for, but we'll see. But we have a line of credit from Farm Credit East, and they're kind of, would like to do the mortgage on the farm when we're ready, and if we can kinda line up our balance sheet well enough. So, what actually worked out really well for us with the timing of all of this is that Dirt Capital bought the farm in 2019, and they set a buyout price with us based on the repayment schedule that covers their investment costs, but it's a set price. So, since that time, due to some of our upgrades, but mostly the world, the value of this farm has gone up dramatically. And if it continues going up in the same fashion, for both our improvements and the world, then ideally, there's a point, hopefully within a couple of years, where the value of the property is high enough that, compared to the buyout price, that we don't really need to also save a down payment to get financing for it. Because Farm Credit East -

You'd have the equity at that point.

Right, they need, they can finance up to 80% of the, I forget how he was explaining to me what the farm would have to be. They've kind of got it at a point in their mind where if the farm assesses at this much when you try to buy it out, then we can finance it 100% with no down payment. And if any difference is left, then the down payment they would need. So, it's a really great deal for us, honestly. And a lot of people were kind of cautioning us about working with Dirt Capital. And that's kind of part of, we're trying to help kind of spread their story, that actually their model really can work well, and is maybe the only realistic model for folks in our situation, who were not about to be able to get any other loan, 'cause we tried, and we couldn't. But with FSA, we worked with FSA for a long time, and Dirt Capital worked with FSA on our behalf, and offered to co-sign the loan, or offered to split financing. And they basically, they said, we had a down payment for them at that time, but they basically said, they're like, "Your numbers and your plan look great, but it's just too big of a leap for, we're just nervous because you're taking such a big leap," which we get. It's like, it was a big leap. But I guess on our, we're like, but someone has to, 'cause there's not, a farm that's already at this scale isn't gonna just buy another farm at the same scale. They're not gonna buy this awkward 12 acres of, and patchwork of leased fields. So it's gonna have to be someone that already doesn't have a farm, but somehow has to know how to run a farm this size, who runs things, which that leaves you with a pretty small pool. Or just out of state investors that'll buy it and turn it into, I don't know, cannabis or something, what we thought was gonna happen.

Yeah, who knows?

We were like, the most likely, if we didn't buy this, most likely, it was gonna be either cannabis or just they'd tear out the greenhouses and sell it for residential real estate. Which would be fine, I'm sure, too, but I'm glad we're here.

Yeah, right.

But I wanted, the model that Dirt Capital was able to offer was just so flexible in a way that I guess FSA, even as the lender of last resort, was not, didn't feel they were able to be. So, even, to be honest, even when Dirt Capital did finance the farm, and so we went back to FSA and said, "Okay, well, they're gonna buy the farm and do a lease to own, and now we have, we just need an equipment loan," and we had over a 50% cash match to what we were asking. And they were, their answer was still, "Well, your plan just makes us nervous, so we're not gonna work with you at all."

Just because it was so big numbers, and you're so young, or?

Basically, yeah, yeah. Which we're like, which I understand, but it kinda, we know we're not the only ones in this position.

Yeah, no, it's a young farmer problem.

And there's all these old farms that are gonna need young farmers, who are probably not gonna have the cash. If they've been working on, if they have the experience to run them, they probably don't have the cash, 'cause like the farm work that gives you the experience doesn't really pay. So, that's kind of where we were at. We had all this experience. And luckily, Valerie has like another off-farm career that, right now, she's just focusing on farming, but she has, she's a licensed social worker, a licensed therapist. So, she worked for the Howard Center for five years while we were starting Shadow Creek Farm up in Fairfax.

Right.

And that kind of, between the profit from having an operation with like no overhead costs, and then her job, we were able to save. We had a, we went to FSA with \$50,000, asking for an \$80,000 equipment loan. And they were like, "We won't work with you at all."

Geez.

Just because of the scale, the difference in scale of, they weren't looking at our experience of managing at River Berry's 50 acre scale. They were just looking at, you know? And realistically, it makes sense. Our gross going, you know, 2019 as Shadow Creek, our highest gross we'd ever had was \$40,000, and we were projecting half a million dollars in sales within a few years. So, it's a big leap.

You yourself was questioning those numbers.

I was, too, exactly, it's true. But Dirt Capital, we'd been working with them, I'm sorry about the highway noise, we had been working with them for, already for several years, through, the first ag loan we got was through the Carrot Project. Which doesn't lend in Vermont anymore, but they used to do micro loans to new food businesses. And my lender, my like loan agent there was Benneth Phelps, who now works with Dirt Capital Partners. And so, when she moved over, she just kind of kept in touch, and told me kind of, "Keep looking at land, and let me know when," let her know when we found stuff. So, as we

were looking, we looked at, we looked at a lot of farms. I'm trying to think of how many. I don't know, we looked at a lot of farms. And then, by the time, every time we'd kind of start thinking about buying one, or think about trying to make moves on one, we would talk to Benneth, and she would kind of help us figure out kind of the financial feasibility of it, and talk us through. She would, in several occasions, talk to FSA with us, and tried to advocate for us, and like I said offered split financing. And just was such a helpful advocate for us, and resource, as we were putting together budgets and stuff. And so, it was really comforting. Kind of the whole time we were looking at farms, she would always say, "Well, we're gonna hope that you get traditional financing, 'cause it's a better deal for you in the long run." But we already knew that nobody was gonna lend to us,

Right.

so it was kind of a moot point, so it was really -

You weren't holding your breath on that.

Right, but knowing that Dirt Capital was an option, and having them be like, "When you guys are ready, we're here, we're ready," that was like, what kind of let us go forward and schedule all these farm visits and stuff. And then, when we were making the arrangements here, and working through the negotiations, we worked really closely with the Intervale Center, with our farm advisor there, and that was, and used their technical assistance. I think at that point, we were enrolled through the Farm Viability project, or Program, which we're still a part of. But just all of that technical assistance, we would never have been able to do this without it. It's a really valuable resource in Vermont.

Was there a cost to do all that work with Dirt Capital? Or no, because they were anticipating you working through them for the whole farm?

Yeah, no, I've never, we pay them, I mean, we pay them a lot now.

Right, right, right. But all that prep work, the consultation type stuff?

Nope.

The technical assistant stuff, you were able to do all that.

Yeah, they never charged us a dime. Yeah, and so now we pay, right now we pay a rent, or we pay a lease, and we're not earning equity through the lease. So, I understand kind of the downfall of that. And we're basically paying their financing fees, which are about 7%, and everyone's like, "Well, FSA is only 2%!" We're like, "Well, that's irrelevant if they won't lend to us."

Must be, yep, sure.

Right, right. And so, it was the only option we had. But I think, especially with the timing of how it worked out, that we locked into a 2019 price, I think we probably couldn't have gotten a better deal. And they've been really flexible with lowering our loan payments over the winter, and then raising them

Gotcha.

in the summer. And also, they worked into, they really, I think, have a better understanding than a lot of lenders about these old farm transfers. That's kind of where they specialize, where it's like, there's so much here, but there's so much right away that needs to happen to get it up and running. So, they built into their, we have a lease with them, but then also, they financed a \$50,000 property improvement loan that we're also paying off on a monthly basis, that allowed us to build that farm stand edition, and this cooler that I'll show you in a minute. And then we also, they pay our property tax and property insurance, and then we pay them back for it. So we're, and so one of the reasons that it would be great to own the farm sooner is because we don't get the, there's a lot of the current use and homestead exemptions that we don't get because we don't own the farm. So we pay a lot of property tax here. We pay \$12,000 a year for 16 acres.

Yow.

Yeah, it's a lot. And we are as enrolled in current use as we can possibly be, it saves us \$300 a year. For all the hours we've spent trying to get into the program over four years.

Was that 50 grand, I'll call it startup fund, is that like what you used to buy your potting soil the first year, and that stuff, too?

Mm-hm. So, what we originally offered to FSA as our down payment, we ended up kind of keeping that on hand. And then we thought we were gonna end up needing it for closing costs and all that, but like that kind of got wrapped in. So, Dirt Capital didn't have us put a down payment on anything. And then, we got a operating line of credit from Farm Credit East that we used mostly that first year to kind of get us going. And so, it was kind of the combination of that savings and then our operating loan that got us off the ground the first season. And then, last season we got a PPP loan. And then this season, we are, to be completely honest, scrambling until May 1st, or until mid-May. So, we have, we were able to get credit terms with most of our soil supplies, but they're due May 1st, and we start making our money May 1st.

Yeah, you said April 30th or whatever.

Right, exactly, so -

Let's hope for a banner opening day!

And we've noticed, this year, we had pretty good CSA sign up, but we're noticing and hearing from other farmers, the trend is definitely kind of going back down, so we didn't get quite the CSA cash influx. And we've been holding steady all right this spring, but are gonna have to make some payment plans with

some of our vendors. But fortunately, because of the flowers, unlike a traditional veggie farm, we're able to be like, "I'm gonna give you this chunk, and our sales, our highest sales month is May, so we're gonna be able to turn it all back around and have some pretty -"

Get caught up again.

Right, exactly and then the flowers come due, like all the flowers we pay for at the end of May. So we kind of build up a big cash pile, and then pay off all our bills and are back to zero. And we're slowly, over the years, trying to figure out how to balance the cash flow, but it is just like so much more cash than we've ever spent or made. So, it's like both the gross income is, it seems nuts, from, so we were, in 2019, our gross as Shadow Creek Farm was under, it was a little under \$40,000. And then two years later in 2021, our gross was about \$420,000 or so. So it was like, but we didn't, but we made a lot more profit at Shadow Creek Farm, you know?

Okay, gotcha.

So, we're both, you know making it, but then spending it. It took I think at least two years just to kind of get our feet under us, and just kinda figure out what our base of production and sales is. Like what can we grow and where can we sell it, as a base? And there just wasn't any time in that to figure out where we're being inefficient, which is everywhere. So, I'm hoping, I'm like, if we can just keep our sales up and growing, that gives us a little flexibility to kind of fine tune some of these efficiencies, and find some savings there.

Right.

So it's both like -

Yeah, if you're making it work now.

Right, then -

Hopefully, it can only get better.

Exactly, we're getting more organized every year. We've got, we're building our management team, which is definitely making a huge difference. And next year, we made the mistake last winter of, the last two winters, of trying to get off farm jobs just for cash. 'Cause we haven't had any personal income in two years. That's been a long grip. But we realized, we're like, we did not have that time, and kind of set ourselves up not as well as we could have for the spring, by just not being on the farm enough in November and December. And then we didn't get any break.

Because there's so much planning and prep and set up and

Exactly.

organization that you could have been doing?

Right, right, so then we were scrambling in February and like, yeah didn't get any kind of break at all between the seasons. Right, we got down to like 40 hour work weeks down from, you know, around this time of year, it's like through like the end of the season, it's probably more like 80 to 100 hours. So like, it was a little lighter, but we didn't like take any like actual time off, which would be nice to do.

Right, right.

But it's a pretty -

It's hard to get there.

It's not a unique farmer problem. I'm like, I know I'm, you know, I'm always in awe, or I'm inspired and also insanely jealous of the farmers that you see going on vacation. And I'm like, you're doing something right and I don't know what it is yet, but I'm hoping to figure it out.

They've spent 10 or 15 years dialing their systems.

Right. Right, exactly. Exactly, and I think with our, we've got a really strong management team that I'm hoping we'll be able to keep a handful of them around for a few years to help us really build some strong systems. And so far, our like employee retention has been, you know, pretty good. We've got, there's some folks that have been here since the first season. And like, you know, out of maybe 10 people last year, we've got like, I think seven back this year.

Hmm, wow.

So like generally, you know, we've had folks kind of move on to other areas or like other kinds of work, but we haven't kind of had a lot of, we haven't seen a lot of crew who want to keep farming, leave for another farm, which I'm sure there's other farms that some of them will find are a better fit, but for now I'm like holding on. As I say, again, we try to really be, we've both worked for so many different people like farmers and non-farmers that, you know, and have had such mixed experiences. We definitely put a lot of effort and thought into the crew experience and trying to make sure it's a really good place to work, and we're being really supportive of our crew. Which then I got inspired by. I don't know if you've, have you been up to River Berry? I'm sure you've got it -

Yeah.

Yeah. I don't know if you've been there at break time, but he bakes a loaf of bread every single day for his crew. And makes like a pot of coffee and tea. And he brings out butter and honey and fresh bread every single day.

Wow.

And I don't do that, but I do, we do try to like trade for bread. So we usually do, they usually do have bread and snacks and we trade for jam. And hot stuff, we like stock their staff fridge with hot sauce and stuff. We try to like, we bring out coffee for break every day.

But I feel like, it really is the little things like just having a cup of coffee.

Right, right.

Can really make the day that much better.

It turns out on the farm, another little thing that is not a given is a bathroom that, with a toilet that flushes, so I appreciate that that was already here when we got here. And a heated bathroom, which I have not had in most farms I've worked at. This is, I bought this tractor when we first got here.

Yeah, that's cute.

And it's like the most expensive thing on the farm. And I will own it in like three years, I think. Yahoo! But, this does like basically everything on the farm. But it also, it runs our waterwheel transplanter, but it does not have a creep gear, which means we are getting real good at transplanting very fast. It actually mostly means we use it to dibble and mark the holes and then people just toss the plants in. And then we still have to walk behind.

To fill in.

Which is still more efficient than some systems and much less than others that I have known and loved. So this is our cooler now.

Oh, beautiful.

It's a little bit of an improvement from what we had. Our new Barnett cooler is like, makes us confident that we can kind of stick around here and like make something work.

Well, this looks great.

Mike Beatty from Hoolie Flat's Farm did this like pretty much single handedly.

Yeah?

He like ripped the barn apart. We were like start working, and then the next day there was literally like a hole, the entire side of our barn was ripped off. But yeah, he did a great job. There's like 10 inches of insulation. In the coldest part of the winter, the only place that really like froze up was kind of right where you're standing. But I found if I put all our like peat moss around there, then the cooler itself wouldn't really freeze. You know, in retrospect I could have, we could have angled the floor just a little bit better for water collection, but it works out. And the, we got a pretty, we got an energy efficiency

Vermont kind of credit to get a really efficient evaporators and condenser and compressor. And it's been surprisingly affordable to keep this cool.

That's always good to hear.

Yeah. But anyway, yeah, the cooler is kind of what makes this farm work. Like I was saying, like in terms of getting the wholesale pallets ready. And being able to ship through Deep Root and Farm Connects has been like a game changer. That first season we started, we started construction in like June or July, but the compressor got back ordered so many times that it didn't get installed 'till the end of September. So I'll lead you on the little tour of where we walked with every box of cucumbers and then back. So we'd wash 'em in here. We got a grant for this ice machine last year, which is also like a game changer for our kale and broccoli.

Through the pro to safety improvement grant?

Yes, yeah.

Nice.

It's money in action. And this allows us to also sell kale through Deep Root, 'cause we can't send a box without ice on it.

Ohhh.

So very worth it. We ended up going a little bit fancier than what our grant could cover to try to kind of, you know, invest. So we ended up investing, I think \$500 to \$1,000 in that, but then the grant was for like \$3,500 so we got more ice machine than we'll need for a while. But, you know.

Well, yeah that's good.

And it holds really well. Like I, we often we'd make a bunch for the farmer's market and then turn it off and it would hold like almost a whole week, even in the summer. So this is, we're gonna do cut flowers here this year, but it's like we've got some of over winter herbs and chives.

Yeah.

Our cilantro came back pretty well, that's fun. These chives I'm like, they're growing so fast and they were like leftover retail starts that were in their poor little packs from like February 'till like July. And then we planted them and they're like doing great. And then we are still just trying to figure out how to balance the timing of, not getting behind. Like, you know, getting onto the vegetable fields right as soon as they're ready at the first chance we get in the spring and like cleaning up last year's mess and all that.

Yeah.

At the same time as like, this is like our, by far like heaviest, you know, production. March and April are like our heaviest production times in the greenhouse. And then like May gets crazy with the retail. So it's like, something that we're still, that's a big challenge to us is how to feel like we're giving enough attention to both sides of the business.

Yeah, they are two really different sides, two different businesses.

Right. Right, yeah. And they end up like kind of competing for resources and we, I end up spending a lot more time than I'd prefer to in the spring just like, you know, fixing things in the greenhouse. And I don't know how to fix anything honestly. I'm not very good at any of it. So but like, you know, just spending a lot of time kind of fumbling around with plumbing and electrical wires and trying not to blow up the whole place. But this is the first thing we planted this year. And our crew was already like, just having some people with experience on the crew, it's just a game changer.

You can say, okay, we're gonna plant the lettuce. And they're like, okay.

Exactly. And even, you know, like the, some of the folks, like they hadn't used a waterwheel transplanter before.

Yeah.

But just like knowing how to tuck in a plant, you know? I didn't have to like explain it to them.

Give a little love squeeze.

Exactly. I haven't really given a lot of these main fields a fallow break in this first few years. And I want to work it into the rotation. And also it's, these are the easiest fields to get into in the spring, when Farrow Farm is like two miles down the road and I'm like, you know, trying to find a time to get into the field between all these greenhouse things.

Yeah.

So it's definitely, going forward I'll be trying to figure out how to do a fuller rest rotation for them. But luckily I came into this really amazing soil that I, I've got a little bit of a buffer window where it's gonna be pretty happy, no matter almost what I do for a few years. So I'm trying to kinda keep to the same basic rotation and cover cropping methods that Jake was using.

Rocks aren't a problem around here, huh?

No rocks.

Nope.

Yeah, this field is I think a four point something organic matter on like a sand and silt loam. I forget which exact type this field is. But like this, I just set my little, kinda light six foot disc through, and it's like really fluffy. It's really nice stuff. Also very high in phosphorus, like every farm that is not brand new. And then this field I haven't used yet, or these kind of two, I haven't used them yet. They've, they're a little lower nutrient and kinda like sandier, so I think I'm gonna do, and there's some like wood chuck mounds I gotta knock down. But we've been cover cropping them pretty aggressively for a few years with rye. And I think I'm gonna put roots on them this fall.

Yep, yeah you have good soil for roots.

Right, I'm remembering David's best carrot years were like when he put 'em just like in the sand dunes basically. And just like, you know, put some fertilizer on.

From scratch.

Exactly yeah, I'm like just send out that tap root. So I'm gonna try that this fall. We have water, like I said, it was coming from the cistern and then you see that cone there?

Yep.

So it comes out, to tees there, and then it goes, there's a takeoff at those posts and down at the far end, like kind of like all the way down, which is in the neighbor's property. And he didn't, the landlord didn't even know there was water line through his property. And that's an awkward, like he's, right now there's a tenant family, but he keeps going back and forth and thinking he's gonna sell the property. So it's like this awkward triangle that we're like, should we just take it out of production? But it's like, cuts across like half of our fields. And if nobody's telling us to leave, we're not going to now. But, it's, you know, it definitely -

We've always been farming this area.

Right, yeah. It definitely makes us realize, you know, our land security is, you know, somewhat limited. Like right now, we're in like rented property. This isn't, we don't own this. So, we'll never own this part. Although we are considering asking this neighbor because there are zoning bylaw exemptions for keeping a farm field intact. And since the family is considering maybe selling that property in the next, you know, in a few years when Carol doesn't want to deal with it anymore. And so we're considering asking them if we can maybe buy that field and just the top portion of these fields. And like, you know, I'm sure they would probably want to keep the downstairs ones for the road frontage, but you know, if we could just buy this top portion, it would make us feel a lot more secure.

Yeah, I mean, this is a lot of land right here.

Right, exactly. And like, if, you know if we end up losing it, our lease at Farrow Darm is, I mean, honestly all of our leases are year to year. We don't have like any, nobody would, would give us a long term lease. But that one, you know, we have a year to year. It's not even a lease, it's a memorandum of

understanding or whatever. But we we've been reassured kind of for several years now and feel pretty confident that they really want us there long term. And they want us to like grow their business there and you know, kind of continue managing that property and, like relatively indefinitely. And it's in, it's not ever going to be out of very, it has no development rights. And the landlord is like in his eighties or just turned 80, but his kids, I think, want to kind of keep, I don't think they have a lot of options to develop it in the first place. But they wanna, I think we're like, trying to stay on their good side.

Yeah.

Which it's like a lot of like, you know, personal politics of trying to like stay on all these landlords', you know, good graces just so we can keep our field access.

That's stressful. And another reason to keep the greenhouse business rocking and rolling.

Exactly. Exactly, so that's our kind of main goal, especially before we buy the property is, and continuing on past that, is really focusing a lot of our investment in what can we like within this awkwardly shaped 16 acres, what can we do to increase the value of the property? So that when we do need to sell it, hopefully before we're 80 and already trying to be half retired.

Yeah.

That like, you know, the production on, on the property itself can kind of support, you know, the purchase price. So, things like I was showing you that field, that whole field back there, you know, is part of our property. And it's like two acres where they used to grow, like, you know, greens in the summer where it gets some good shade. That we could, you know, we'd love to turn back into that. And we're gonna try growing between all the greenhouses, mostly like I was thinking of putting maybe the rhubarb on that hillside down from the project greenhouse. We're gonna start the summer. We're gonna smother all the grass between these two houses and put down some cut flowers or like some perennial cut flowers.

Yeah.

And just kind of start just trying to just add little like production value places, anywhere we can to -

Something that likes a good snow blanket, right?

Exactly, yeah, which most things I think do.

Yeah, most perennials are like that.

Yeah, exactly. And like we had, we put in this perennial garden last year. We kind of, we have a friend who's a landscape architect. And so we like traded her a lot of like CSA credit. And she, we, most of these plants were from our perennials, but she brought in a couple of trees and stuff. And then we just like fill it out with annuals for the first couple of years. But it was like spectacular. Like it turned out so

nicely, like, when it's like right now it looks like nothing. But there was just there was nothing planted here. And like where we're this business trying to sell all these plants and no garden to show for it.

Yeah.

So we're trying to just like, kind of like do anything we can to just yeah make it look a little tighter and -

Especially yeah, right here where all your customers land.

Right.

You wanna make this spot really welcoming.

Exactly. So like painting the farm stand made a huge difference.

Yeah.

It was like this, they had gotten it from their son who works in movie sets and it was made for this movie about Woodstock. So it looked like this like old, like murder shack, basically. It was like all like pre aged, like falsely aged. So painting it made a really big difference. It's still, they used to do all of their checkouts inside that one little room, which seems nuts. And now we basically kind of keep it closed, except for when, during the self serve season we put the little checkout in there. But then the stuff is still all kind of out back behind it. This little toy tractor has been a hit with the kids. We got, like, I've seen a lot of like, it's fun to see like people posting pictures of their kids on the little tractor and stuff. Valerie's brother-in-law made it.

It's so simple. You know?

Yeah.

It's just a little thing, but you kept the kids happy, which then made

Exactly

a good experience for all the parents.

Exactly, we're trying to kind of go in that direction of there's all these farm stands around that are doing, they have all the different, they bring out all the foods, they have, you know, their own cafe and kitchen and stuff. And so we're kind of trying to maybe go a little bit more in garden center style of like, you know, we have other food products that we offer, but kind of trying to bring in like potting soil and like -

Yeah, yeah, yeah.

And making it more of a place that you can come and have an experience, but without having to come on a schedule or pay for a class or something. So we're gonna, I think this is gonna go across the street over here and we'll put up a little shade tent and maybe a little play area.

The farm stand?

Well, the tractor itself.

Oh.

But we, when we first moved here we are, we were like, the first thing we're gonna do is build a giant farm stand right across the street. And we were appropriately cautioned to like, hold up and see like what there's a market for. And then we like did a little tour and we're like, oh, there's like 20 farm stands within 10 miles and they all have these cute little farm stores with much more products than we can afford to bring in. So, we do still want to put up I think another building. But it would be again, like maybe a little bit more garden center style and of space for workshops and classes, more than like kind of cafe style.

Right.

And maybe we would have employee housing on the top floor. So this is right now, this whole property is conserved except for a two acre building lot right here that is zoned for like a three bedroom house. And there's a septic system, which I wish I had known before we bought the property, but it was not really pointed out to us. There's that neighbor up the road has a septic right of way that kind of goes through that little pasture and comes out near that burn pile. So if we built a building, it would be like, it's a shared septic system and we would have to route around our fields, but it is already zoned.

Less than ideal, but it's there, yeah.

Right, it's an option that we're already zoned for, which so we're kind of like, well, when we sell the property in 30 years, is it more valuable to have like an ag specific building or to have an open lot that someone can build a house on? Which is, I think, kind of was gonna be the selling point of the property if they had to just sell it for development. We'll see.

We'll see, yeah. Options.

No hard plans, yeah.

For long term plans.

Exactly, I kind of are, we're trying to keep an exit strategy pretty foremost in our minds. We don't wanna like retire here.

Yeah, you don't want to be 80 and farming.

No, I don't.

Or, yeah, reside here in your -

Yeah either or, I want neither yeah. Just watching, I think it's like, not that I don't want to be, you know, like Jake, like, I want to be, you know, I'm sure when I'm 80, maybe I'll still wanna be getting on a tractor, but I don't wanna, like, what we're trying to avoid is that like slow down period that we see farmers go through where their businesses lose steam. And then when they go to retire, they're trying to sell the business, but it's not worth what they thought it was. And like,

Yep.

we'd rather just keep it going strong.

Rip it off and then -

Exactly.

while it's cranking. No, that makes sense.

Yeah, so our goal is like 30 years here.

Yeah.

We're in year three, we've got some time. But it helps our perspective.

No and it does, especially as you're considering your long term investments, that changes a lot. Whether you plan to be here forever, or if you're planning to sell a functional, profitable business at the end of 30 years.

Right, which is definitely the goal. I think we'd be trying to maybe buy, you know, a small property, like 10 years from now.

Yeah.

And like, try to maybe get that, rent it out, and get that mortgage paid off.

Yeah.

And then, you know, sell this and have this be, and then have a, you know, a house paid off and have whatever we can get for this as our retirement. 'Cause we're definitely not saving anything right now. You know, we're not gonna be making any savings,

Yeah.

anytime soon. I'm really interested in is there a way to do this greenhouse business without such an overwhelming abundance of propane heaters? And I don't know, I know some people are doing some geothermal and some people are doing like this and that, and I'm like is there a system that can keep this many houses without 12 propane heaters?

24 tanks?

Right, exactly. I don't, yeah, I know. They made us put three tanks just on the generator. So now there's like five tanks right outside this house. It's like the first thing everyone sees.

Yeah.

I'm, that's something we're looking for answers. And, obviously like right now, we don't really have a lot of capacity to invest, but like all these heaters will break eventually. They're, not one of them is new.

No, and definitely something to keep in mind, 'cause you're right, most of the heaters aren't new.

I don't think any of them are less than probably like 10 years old.

Yeah, and they're all in close proximity to each other.

Right.

So if you did, you might be able to do some other, we'll call it central system.

Right, would it just be like a biomass burn or something? I'm thinking about like the wood pellet burners that we used at River Berry, where you had one pellet burner that was just, like all it was powering was a hot water system that went underground in one house and then on the benchtops in another house. And I was like, I felt like all I ever did was load pellets in that.

Yeah.

And then he still had heaters in the houses for the air. So I was like, so it just seems, it was hard to imagine that on a bigger scale. If there was an easy way, we would probably, maybe we still wouldn't have figured it out 'cause we're amateurs, but we're very interested in finding an easier way to do any of this. But for now we're just doing it all kinds of ways -

There's a lot of moving parts.

Yeah, really are.

It looks good though, from what I can see now.

I appreciate your saying that. Definitely we're getting a little better every year. And so, -

Well that's the right direction then.

Exactly, right, we're, I've heard that years one through often five are kind of a shit show.

Yeah.

Which has definitely been our experience. And I think, especially given kind of the size of our jump and what all we have going on here, I'm guessing it'll probably be at least year five before we really feel like we've hit a stride. But like I said, even just having managers on our team this year who are kind of coming in with a little experience and just a lot of enthusiasm and focus is definitely making a big difference already.

Is this the start of your third season on this farm?

Yes, yeah so we've been through two seasons and then we're going into a third. And like I said, we've got, you know, the management experience at scale, a larger than this

Right.

on the veggies. And that's where I feel a little more confident, except that I feel confident that I know what wants to happen, but I don't always have the ability to make it happen, which drives me a little nuts. But then on the greenhouses, we've only ever worked for other people in much smaller systems than this. So this is all like a steep learning curve.

Yeah.

And mostly, it's mostly Valerie kind of doing this, coordinating this and she's doing, I don't know how she does it all. I don't even understand what most of these are called.

What advice would you give to somebody who is, you know, in your shoes three years ago? They have farm experience, they're planning to get their own, where do you start to try to find a farm or try to find financing?

Yeah, that's a good question. And we went, my plan to be honest has been in the works for like 10 years.

Yeah.

I like, everything I did in the last seven years was very intentional, including when I was at different internships and stuff. And it's been just the last few years that it kind of took shape of exactly what it would look like. But the biggest factor that made this work for us, and I guess it depends on where you're coming from, because what a lot of the people we were working with kind of suggested as kind of

the standard, expected way to go about getting on property was they were like, "Well, you just ask your family for help with a down payment." And we just, we heard that so many times and it was so demoralizing because like, we just, that's just not the family either of us have.

Yeah.

And like our families are, you know, they're very supportive, but that's just like not, not.

A down payment to buy a farm isn't exactly a small chunk of money.

Right, exactly. And like, there's just not, right. So it was a really frustrating thing to just keep hearing like, well, just get your family to help you with the down payment, when like it's just like not, you know,

Right.

not realistic. But we kind of knew that the whole time, you know? So we didn't ever plan on that. And so we were like, well, we're never gonna save enough money working on farms to buy a farm. So the incubator option was a very intentional step, where we were able to work at River Berry Farm and kind of, but yeah we, so we did that really intentionally. Like kind of I was like the only way I'm gonna be able to buy a farm is if I start a small business and use that business as leverage, instead of like, 'cause I'm never gonna have the cash.

Right.

And so it was pretty intentional of, I mean, I would've probably asked for land kind of wherever I was at, but I was like, I asked River Berry intentionally, 'cause I was working there. But I saw the opportunity for our small business to get into these larger markets, like through Deep Root and through, basically by getting onto his truck, I could get to the Intervale, I could get to City Market. So I started kind of basically contacting accounts that were like oversized to my scale and telling them like, I'm gonna scale up and I just need you to hang on with me for a few years. And they were really receptive. And Deep Root, you know, was receptive. So I got in like as a member of Deep Root Co-op. And like by doing it at that incubator scale, like by the time we were ready to, like, we kind of, there was a couple awkward years where like all of our accounts were ready to scale up, but we didn't have more land or time yet. And we just had to kind of like hold them steady. But then when we kind of saw this opportunity, it was like we had, we didn't have the cash, but we had, and we didn't have the business history like at that scale, but we had these accounts that were all ready to buy more.

Okay.

And were ready to sign these letters being like, yes, I'm gonna buy like \$50,000 of peppers next year. Like yes, there's like room in Deep Root Co-op for you to expand like five times in the next few years. And that was what made, that was pretty much what made it possible. But then the other end was that on this farm, they ran their greenhouse operation in 2019 while they were trying to sell the farm. And if they hadn't done that, we probably wouldn't have been able to get it financed. 'Cause they needed to

see that this was also an operating, functioning farm. So it's like, it's gotta be like, it's like the one farm we've like kind of like, we feel like when we were kind of getting Shadow Creek going, we were like, you know, kind of like had a mission. We were like kind like jogging towards it and then we were like kinda like starting to run and sprint as we saw this farm coming up. And we kind of liken it to this farm was like a fast moving train that we were like running alongside of and jumped on and we got like a finger hold on and are just like flying along behind it. And like trying to like, now maybe in year three we got like a couple fingers or something.

Yeah.

Like maybe like a handful of the rail. But like if this farm hadn't still been moving,

Right.

then.

If it had slowed down just a little bit more, it wouldn't have been feasible.

Right, 'cause we would've still had all of the expenses, but not that rolling income. So it was really on both sides. Like we had to run and like get up to where we could be like, we're not at this scale yet, but like we have the experience of this scale and we have the accounts at this scale. And then this farm had to be still up and running at that scale. So it was like both ends.

Geez.

Yeah.

And your business before you were primarily wholesaling peppers, right? You focused just on that?

And cucumbers.

Okay.

And we did like a little like green beans and stuff. We started with like salad mix, which is a terrible idea. But we got through a year that way. I think when we dropped the salad mix, our income like doubled in the fir, that year. But yeah, it was pretty much we were just doing like two crops. So because of who our accounts were and how big their capacity was to absorb more sales like pretty rapidly, that was kind of what gave us kind of the credentials. And then, you know, again, this farm had to be also up and running. So it's a tricky balance that it's gonna come into play for so many other properties. The other, the thing that actually made it work, like all of that together would've gone nowhere without Dirt Capital, also.

Yeah, yeah.

Which is, it says a lot. Like for all these, there's all these great resources, you know? So I guess the, I don't wanna knock the land trust, because their farmland access program is amazing. And it's how like most of the other farmers I know have gotten on their land.

Yeah.

But there's gonna be a lot more properties like this that just don't fit into that. Like they looked at it and they were like, I'm sorry, we just can't. It's already conserved by another agency. And like there's no, they are, you know, the older farmer already sold the development rights like 30 years ago when he wanted some money. So there's gonna be a lot more properties like this, that the land trust isn't able to work with.

Yeah.

And Dirt Capital is. So, I would hope that people are kind of encouraged to check them out.

Yeah. So you've chosen farming as a career. What does sustainable farming mean to you? And what are you doing to achieve it?

I'm not sure, yeah. That's a good question. I chose farming as a career because I don't think I'm suitable for anything else. And I don't, and I chose my own farm because I don't think I'm suitable to work for anyone else long term. And I, in terms of like making farming sustainable, I think right now, nothing I'm doing feels very sustainable on a personal level, just because I don't sleep or rest.

The startin' phase is hard for that.

Right, exactly. But in terms of things we're trying to do, on a sustainable for the business level, like really highlight and support and lift up our team is kind of how we see this becoming sustainable and like taking, to empower people to take things off of our shoulders a little bit. And then, I mean, financially it's like finding, I think at this point it's going, keeping our sales up and finding efficiencies and savings. And environmentally on the veg end, you know, we lucked into this really good soil and we're trying to just keep it healthy and think about climate resilience and, you know, try to be efficient with our watering and fertilizer. But on the flower end, honestly, not really sure how sustainable of an industry it is. We are trying to go to like the, you know, the compost based mix, versus, you know, the soil list, but it's still like peat and cocoa coir and like perlite, like nothing, I don't -

It's a weird industrial industry.

Right, and the flower plugs come in from who knows where, like I don't really think, I love being, I like, I love the cash part of it in the spring. And I like, it's a fun experience and like, you know, the customers love it and I'm glad that we can offer that to them. But I don't, it doesn't feel super sustainable. I'd like to work it close, like I think when we get to organic management it'll feel, and maybe cut back some of the flowers that just really don't make sense for this climate at all, it'll feel more sustainable. But like I

was talking about, you know, how do we heat all these without just this much propane? Like, I don't know.

Yeah. It's a good question. Are you spraying, you know, all those flowers or?

Some, yeah. But, not a lot, but when we need to.

Yeah.

We do more like preventative spray for like disease. We try to do organic approved sprays, 'cause we have a lot of them anyway. But for some of the, when we see aphids, we're just like -

Knock 'em down.

Yeah, but what we, something that would make it more sustainable and that we're working towards, along with like trying to get organically managed is doing a lot more beneficial insects, which are just, like right now we just don't have any scientific background or brain power or time capacity to manage. Like the first year we just like ordered the same bugs that Jake and Liz had got and they showed up. And we're just getting bugs like showing up and we'd be like, I don't know what to do with them. We like, those poor bugs, like we never, we ended up just like raising aphids and releasing them, instead of raising the ones that are like supposed to parasitize.

Yeah.

We like did not. So, we haven't really gotten back into it heavily, but we need to like start figuring out.

Yep.

Yeah.

What are you excited about in your next year of farming?

Having a stronger management team. I think it's making a huge difference in the greenhouses and even already in the veggies.

Well, is it, if there's anything else that you wanna share, feel free. Otherwise, thanks for being on the show.

Cool. Thanks for coming out and let me know if any questions come up, like for clarifying or just things you're like, I'm kind of curious about that.

Yeah, sure.

We are an open book of relatively boring stories, so.

Everybody has a story to share, and experiences you've learned from. So thanks for sharing what you've learned as you're traveling down this farm startup journey.

What a journey. We try to be, we like to be transparent about all the ways that we're amateurs, because I feel like I get intimidated by seeing all the ones where it's these super set up farmers that know exactly what they're doing. And I'm like, I have no idea what I'm doing. But, I'm doing it. And someone else could do it just as well as me. Nobody, like I'm not doing anything special here.

You can't be a smooth operating 20 year farmer without going through years one through 10, so.

That's true. That's true. I still have many things that haven't broken yet that I will have to deal with for the first time. I don't wanna think about that now. Let's put this out of my mind. And not think about what could break tonight.

If people wanna find and follow your farm or get ahold of you, how can they do that?

Our website or Instagram is the easiest way. I think our website links to everything. And then, sometimes you can find our hot sauces places, but it's a, we've been holding them back 'cause we were getting low, so they're not in many stores right now.

All right, well that's good.

Cool.

Thanks so much.

Thank you for coming out, again, and spending so much time out here and checking out the farm.

Thanks for listening to today's episode. I hope you enjoyed it. If I can ask you or direct you to do one thing that is to go to the website for this podcast, agengpodcast.com that's A G E N G P O D C A S T dot com. There you'll find the show notes. You'll find links to the farmer who we chatted with today, as well as photos or videos from the call when I visited the farm. If you've got some feedback to share, my contact information's on there, or you can leave me a voicemail. And you can do that right from the link in the description, in the mobile app you're listening to this to, so go ahead and do that. Thanks again for listening and I hope you have a great day.