

Network Study Session Notes

February 18, 2015 10:00 AM – 11:30 AM

Traverse City Area Chamber of Commerce Conference Room

Present: Online: Rick Gleason, Larry Dyer, Heather ??, Sharron May, Wendy Wieland, Bill Palladino, Rob Sirrione, Dan Ariesa, Tricia Phelps, Diane Connors, Mark Coe, Brian Bourdages, Tom Emling, Diana Mall, Scott Smith, Jessica Rasch, Laura Spencer, Zane Schwaiger

Bill kicked off the meeting with a welcome followed by Tricia giving an update on the Summit. She handed out posters and handbills. Key details include:

Food and Farming Network Annual Summit
Friday March 13, 2015
InsideOut Gallery in Traverse City's Warehouse District
229 Garland Street
3:30 - 5:30 PM

3:30 PM Doors Open
4:00 PM Rapid Fire Network Updates
5:15 PM Presentation of 2015 Report to the Community
5:30 PM Cocktails, Networking, Dinner Available from Goodwill's Fresh Start food truck
7:00 PM Screening of "Open Sesame: The Story of Seeds."

Bill then mentioned the upcoming FFN Report to the Community and passed around an early draft for review. The report will be featured at the summit.

Introductions went around the room and then Bill handed over the meeting to Zane. She took us through the next hour or so with her presentation followed by a lot of Q&A. Here are the rough notes from that Q&A.

The Q & A after Zane's Presentation:

Scott: This is a Farmland Investment Group's Follow-up, What are the highlights on these groups in other places, how do you see the prospects here?

Zane: The report asked a critical question. Would it be in the interest of the Farmer to have an investor involved?

If they gave a great rate, sure. Chip Hoagland asked about this too. How do we find the right farmers? What would the application process be? How do we choose the right person to farm the land? And those are great questions. Hopefully a strong committee could help with that process.

Question: Are there examples of combinations of investments between private investment groups and land trusts?

Zane: There aren't any examples yet. That is what Chip is interested in. Building a conservation easement into that whole program might work.

Brian: We've seen more of that type of activity in natural lands. Private investors buy land and hold it for the conservancy. There is a little trouble translating that to the world of farmland. Different people with different interests. Part of the challenge is private investment groups are still taking advantage of public tools, and unfortunately the State of Michigan is behind on these tools.

Sharon May: Did you run into any templates for direct landowner to farmer agreements?

Zane: Equity Trust website has a whole series of templates for farmers who are renting or are interested in lease to own. <https://www.trustetc.com/>

Rob: The importance of a person coordinating the matching program is clear. Was your board receptive? How can we help?

Zane: We need to determine at what scale we want to create a farmer owner-matching program. We've come to the conclusion that it must be a regional goal. If that's the case we need to decide where that person would be housed? What makes the most sense?

Brian: The next step is that Zane is coming up with recommendations, more work needs to be done on what we think might work here. There is good reason to believe that Rotary will support developing the framework. Hopefully we can find more resources from them to get to that next step. We're trying to answer the question of how to protect farming as well as protect farmland. When you look at the other land trusts that are doing this, they're very similar to us, just further ahead and mostly have greater state support. We have an administration now that is way more supportive of ag. Hopefully we can take advantage of some of our leadership and get this issue up. This is all about economic development, they just don't see it yet.

Mark: Some of the properties around here are smaller tracks of land. Are there more of these types of properties available?

Zane: That is a limitation, the investment groups tend to look at larger parcels. Those that are ahead, have big development pressure.

Diane: Have you looked into the crowdfunding investment possibilities? We now have that possibility in Michigan. I'm interested in that because there is a movement in our community to invest locally, including those that are not super wealthy. People can pool their investments into something larger. Perhaps the relationship cultivation could be an element of return on investment. That matchmaking program of young farmer to experienced farmer and young farmer to people with land. How do you take that land and hold it?

Zane: I haven't thought of crowdfunding, but it is a great idea. We need to think outside the box for funding.

Scott: Are there opportunities for organizations and foundations that are interested to invest?

Bill: Foundations PRI laws. New on the radar of foundations. Foundations can give 95% of their investment dollars to mission driven opportunities. They must loan these dollars under market value. Technically it's at or below market value.

Dan: Is recruiting farmers necessary or is there a list out the door?

Wendy: There is an increasing amount of interest in farming. We are encouraged by the interest but I worry about the investment model, because of how that might be communicated to potential investors. What is their expectation on return to investment? I assure you, the farmer's margins are pretty slim or non-existent.

Larry: Could we package some of the education information we do in a way that we could provide a portfolio to ensure investors that the farmers have some of the wherewithal?

Brian: ISLAND with Maple Bay provide inexperienced people interested in farming the opportunity to share equipment, build a resume, develop a business plan and figure out what part of the market they want to play in. It spits out a grower that IS ready to go to GreenStone or FSA where as 3 years before it wasn't possible.

Rob: in order to get an FSA loan you have to manage a farm and not just have program education.

Rick: Policy at the Farm Bureau is developed by our members from the grass routes. I believe there is room for more accurate and specific terms in these Farm Bureau policies. Can we fine tune some of these vague terms with respect to funding?

Brian: Its really important that we keep the Farm Bureau membership up to speed on these issues. This organization should try and play a greater role in Farm Bureau specifically related to the policy piece.

What can we do as a group (the network) specifically about this? How can we accelerate this?

Brian: We named the Food & Farming Network as an active partner in advancing this beginning Farmer Rancher Issue. So this conversation is a nod of approval. We will keep you all informed as we move forward.

Diane: Should it just be a six county area like you mentioned? Little Traverse Conservancy is another natural partner, This network is interested in a 10 county initiative.

Zane: That's a natural fit.

And that wraps it up.

Thank you all!