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An Agricultural Law Research Article

**Who Will Teach Our Farmers: Learning the  
Value of Mentor Programs From State  
and Private Programs**

by

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Originally published in DRAKE JOURNAL OF AGRICULTURAL LAW  
5 DRAKE J. AGRIC. L. 279 (2000)

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# WHO WILL TEACH OUR FARMERS: LEARNING THE VALUE OF MENTOR PROGRAMS FROM STATE AND PRIVATE PROGRAMS

*Karin R. Zeigler*

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*“Our elders say that money is just money for it is the land and water that will house, feed, and nourish the [] people in the distant future. It is the land that will remain to remind the children about traditions, beliefs, customs and life ways. It is the land that we will call home.”<sup>1</sup>*

*“Small family farms have kept our water pure, our environment clean, for over a hundred years. Factory livestock farming and corporate farming could end all of that.”<sup>2</sup>*

*“For me, as a small young farmer, if I’m going out right now, and I’m going to try to start a farm or start a program, I go to get the money,*

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1. U.S. DEP’T AGRIC., *A TIME TO ACT: A REPORT OF THE USDA NATIONAL COMMISSION ON SMALL FARMS* 22 (Jan. 1998) [hereinafter *A TIME TO ACT*] (quoting Michael Elmer, Hopi Tribe).

2. *Id.* at 98 (quoting Bob Weber, South Dakota).

*they just kind of look at me and laugh. They just don't really understand the reason why I'm there or what I'm trying to do.*"<sup>3</sup>

## I. INTRODUCTION

In times past, it was many a farm boy's dream to have a farm, be his own boss, work the land, and stand on his own two feet. Relatives and family members trained the future generations that came after them: Grandfather taught Father; Father taught Son; and so it went generation after generation. Times have changed. With the current trends of urbanization, technology, and an ever-decreasing profit from farming, sons and daughters grow up dreaming of a corporate job, a two income family, and a house in a suburb. In fact, rural populations continue to decrease at an alarming rate.<sup>4</sup>

"Why?" one may ask. Many factors can provide an answer. This Note addresses one factor—the change in the agricultural landscape surrounding the training of young people to become informed, innovative, and practical family farmers. Many traditional farm families watch their children grow and choose to leave the tradition of farming. Intra-family sales of farmland continue to decline, a poignant fact further sharpened by many farmers' conscious wishes to spare their children the economic distress currently being experienced across rural America.<sup>5</sup>

When farming parents finally retire to town, often due to advanced age and physical limitations, their farms are often sold to large corporations.<sup>6</sup> These corporations have the liquid assets readily available to purchase even a small amount of land.<sup>7</sup> Besides, those capable of carrying on the tradition and meeting the physical demands of this lifestyle have long since moved to the city.<sup>8</sup>

Consider also the young people growing up in the city and longing for the ability to do the things that others have chosen to leave behind: to have a farm, be their own boss, work the land, and stand on their own two feet. The current price of agricultural land coupled with the decrease in profitability and current reliance on government subsidies make it almost impossible for someone outside a farm community to even entertain a dream such as this.<sup>9</sup>

Loans of federal funds at a lowered interest rate, programs currently available to first time farmers, do not teach the skills that have been handed down

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3. *Id.* at 89 (quoting Joel Harper, Kentucky).

4. See Bill Graham, *When We Peer Ahead, Here's What We Might See*, KANSAS CITY STAR, December 29, 1999, at 1.

5. See Meredith Fischer, *Growing Concern for Farms*, RICHMOND TIMES-DISPATCH, Dec. 13, 1999, at A1.

6. See A TIME TO ACT, *supra* note 1, at 8-9.

7. See *id.* at 14-15.

8. See discussion *infra* Part III.B.

9. See Fischer, *supra* note 5, at A1.

generation to generation.<sup>10</sup> Making funds available to purchase land and equipment is only a small portion of the help needed at a time when more than one-fourth of the farmers today are over the age of sixty.<sup>11</sup> One of the federal government's stated goals is to help these young people start their own farms, to bring life back to the rural communities, and to invest in skill training for the New Agriculture.<sup>12</sup>

This Note examines the need for federal "Beginning Farmer" mentor programs in the United States. The United States Department of Agriculture ("USDA") publicly announced that it is committed to developing programs to help beginning farmers in the United States, but so far the only money made available to farmers has been for loans.<sup>13</sup> This Note also explores other avenues to assist new farmers in addition to loans. For example, the development of a federal program to teach beginning farmers the skills necessary to establish a viable farm in today's modern agricultural economy, a system that will invest in mentor programs, will allow beginning farmers to benefit from skills learned on the job.<sup>14</sup>

## II. WHY SHOULD WE CARE WHO FARMS?

Americans across the United States who do not farm or are not close to farming communities have repeatedly asked, "Why is the small farm so important?" The public value of small farms has been romanticized, fictionalized, studied, reported, and experienced since the creation of the United States. The National Commission on Small Farms ("Commission") acknowledged this phenomenon in an Executive Summary entitled "A Time to Act," a report the USDA published in January 1998.<sup>15</sup> The vision for small farms begins with this promise:

Small farms have been the foundation of our Nation, rooted in the ideals of Thomas Jefferson and recognized as such in core agricultural policies. It is with this recognition of our Nation's historical commitment to small farms that we renew our dedication to the prominence of small farms in the renewal of American communities in the 21st Century.<sup>16</sup>

This fundamental and historic background agricultural policy in the United States has proven to be not only loyal but practical and effective as well.

In its report, the Commission discussed the public value of small farms. Small farms, over the years, have stabilized many important and valuable societal

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10. *See, e.g.*, 7 U.S.C. §§ 1929, 1941, 1994 (1994).

11. *See A TIME TO ACT*, *supra* note 1, at 89.

12. *See id.*

13. *See generally id.* (describing USDA's commitment to develop programs to assist farmers).

14. *See id.* at 89-90.

15. *See id.* at 9.

16. *Id.*

needs ranging from social values, economic invigoration, and responsible land stewardship.<sup>17</sup> Small farms allow opportunities for private land ownership, personal accountability, and responsibility on a small scale, a dimension missing in the large corporate farm entities currently in force across the nation.<sup>18</sup> Don't be mistaken. The lack of personal stake is not intentional but is merely a symptom of the approach. Business profits and bottom-line tracking are objective goals related to large corporations. It is not a personal lifestyle choice.

Currently, statutes, regulations, and administrative standards are in place to entice corporations to participate in environmental preservation or be deterred from engaging in harmful environmental activities. In reality, the rule that everyone takes care of their stuff better than the boss's stuff still holds true. "Responsible management of the natural resources of soil, water, and wildlife encompassed by [small farms] produce[] significant environmental benefits for society to enjoy. Therefore, investment in the viability of these operations will yield dividends in the stewardship of the Nation's natural resources."<sup>19</sup>

Small farms create esthetically pleasing landscapes and diversity.<sup>20</sup> Consider a field of carrots and potatoes versus a tall field of corn, or soybeans versus a small stand of Christmas trees. Diversity is present in all areas of everyday work and personal life. The differences in the lives of a grain farmer compared to that of a vegetable farmer, or even a tree farmer, are significant. Yet there are similarities. Each of these farmers, their families, and their lifestyles, are examples of the group described in the definition of a "small farm."<sup>21</sup>

It is these differences and similarities that add to the texture of life. Such textures are found interwoven in employment, in cropping systems, in the community characteristics and culture, in the organizations that reflect value systems, and in tradition.<sup>22</sup> Individuals run these farms based upon their own ideals, dreams, and priorities.<sup>23</sup>

Small farms offer a connection to the land.<sup>24</sup> As more and more Americans grow up in cities, the value of open spaces, hand fed and nurtured animals, farmsteads, and rural life increases.<sup>25</sup> People long for the slower pace and openness of the countryside.

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17. *See id.* at 20.

18. *See id.* at 15-20 (setting forth the historical large farm bias and the subsequent ramifications).

19. *Id.* at 21.

20. *See id.* at 21-23

21. *See id.* at 21.

22. *See id.* at 21-23.

23. *See id.* at 21.

24. *See id.* at 21-23

25. *See id.*

The small farm fuels more than the American food supply.<sup>26</sup> It also stimulates local economies, energizing rural communities.<sup>27</sup> Producers directly receive the money paid for food.<sup>28</sup> The producer buys, sells, and contracts goods and services from a small circle of nearby towns.<sup>29</sup> Local store owners and service providers fill these demands, creating local profits that spur community improvement and social services.

Small farms inspire responsibility and self-empowerment.<sup>30</sup> Social capital is greater and personal fulfillment is higher.<sup>31</sup> People feel a greater sense of personal responsibility and control over their lives.<sup>32</sup> Consumers are closer to producers, allowing the consumer the ability to effectively interact and directly affect the quality, variety, and price of goods. Understanding the way in which food is grown, harvested, and processed can be empowering. It allows the consumer the benefit of a truly informed choice.

Local landowners are more likely to have a personal stake in their communities.<sup>33</sup> Conversely, they are more likely to be held accountable for any action they commence that may harm that community.<sup>34</sup> Closing in the circle of accountability while increasing the personal satisfaction of recognition for a job well done is much sweeter when the reinforcement increases personal worth and community standing.

“Approximately 60 percent of all farms are less than 180 acres.”<sup>35</sup> This indicates that the majority of farmland is managed by a large number of farmers working the land to support a family.<sup>36</sup> As will be discussed, the number of young people in the United States currently entering the field of farming is rapidly decreasing.<sup>37</sup> The number of older people currently leaving the field of farming is rapidly increasing.<sup>38</sup> More and more, corporate entities appear to be the only group able to gather the liquid assets necessary to purchase farmland and they are taking advantage of it. Land values have increased consistently and one factor, experts contend, is the new corporate player.<sup>39</sup>

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26. *See id.* at 21.

27. *See id.*

28. *See* NEIL D. HAMILTON, *THE LEGAL GUIDE FOR DIRECT FARM MARKETING* 13-14 (Drake Univ. Agric. Law Center ed., 1999).

29. *See id.* at 24-29.

30. *See* A TIME TO ACT, *supra* note 1, at 21-23.

31. *See id.*

32. *See id.* at 21.

33. *See id.*

34. *See id.*

35. *Id.*

36. *See id.* at 21-23.

37. *See* discussion *infra* Part III.B.

38. *See id.*

39. *See* discussion *infra* Part IV.

The risk of lost rural community life increases without a federal initiative to encourage and maintain the small farm occupation. Benefits such as economic foundation, personal connection to food, places for families, self-empowerment, community responsibility, environmental benefits, and diversity, while certainly not disappearing, will be sought in different forms. The historical basis of the American dream, personal land and property ownership may be lost to bigger, better, and more cost effective—what? Now that the increasingly popular idea of getting away to relax is a weekend in the country, what does this bleak realization say for the value of rural life?

### III. THE CURRENT STATE OF AFFAIRS

#### A. *Definitions According to the USDA*

The USDA description of a small farm is a farm “with less than \$250,000 gross receipts annually on which the day-to-day labor and management are provided by the farmer and/or the farm family that owns the production or owns, or leases, the productive assets.”<sup>40</sup> The USDA does not intend this definition to be or provide a basis for an eligibility guideline. Rather, it describes generally the type of farms the USDA believes “should be given priority consideration by the USDA.”<sup>41</sup>

Small farms, in this context, encompass almost ninety-four percent of all farms within the United States.<sup>42</sup> These same farms possess seventy-five percent of the total productive assets in agriculture.<sup>43</sup> They also receive forty-one percent of all agricultural receipts.<sup>44</sup> Most of the productive assets are in land.<sup>45</sup> Forty-one percent of all farmers surveyed claimed that farming was their primary occupation.<sup>46</sup> A near equal percentage of farmers who worked part-time on the farm also worked part to full-time on non-farm related jobs.<sup>47</sup> The farmers reported that this off farm employment was necessary to achieve a reasonable source of income to care for and raise their families.<sup>48</sup>

Although \$250,000 in gross receipts may sound quite large, in reality it is barely sufficient to provide an annual income comparable to almost any non-farmer.<sup>49</sup> For example, a farm with between \$50,000 and \$250,000 in average annual

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40. A TIME TO ACT, *supra* note 1, at 28.

41. *Id.*

42. *See id.*

43. *See id.*

44. *See id.*

45. *See id.*

46. *See id.*

47. *See id.*

48. *See id.* at 29.

49. *See id.* at 28.

gross sales has a net cash income of only \$23,159.<sup>50</sup> This reflects over eighty percent of the farmer's gross sales being absorbed by farming expenses.<sup>51</sup> A small family of four (two parents and two children) is hard pressed to live comfortably on less than \$24,000 per year.<sup>52</sup>

The USDA's aggressive backing of the small farm stems from its belief that small farms possess a unique potential to impact the American Way of life.<sup>53</sup> Small farms produce not only food but "a variety of economic, social, and environmental goods."<sup>54</sup> Small farms are in a better position to respond to specialty products for narrow customer tastes.<sup>55</sup> They are able to optimize small land holdings with a variety of crop rotation and integrated livestock production.<sup>56</sup> The small farmer is adept at producing a source of biological diversity and ecological resilience lacking in the larger, mono-cropping operations.<sup>57</sup> Furthermore, when a small farmer is able to directly market his products through farmers' markets, he is able to provide urban communities with economic connections to farming and farming communities.<sup>58</sup> All of this, plus the addition of high quality, healthy, fresh food supplies are readily available.<sup>59</sup>

#### B. *USDA Report of Recommended Policy Goals*

The USDA report recommends more than eight different policy goals.<sup>60</sup> The USDA believes the implementation of these policy goals will begin to breathe life into the small farm movement currently gaining force in not only the rural Midwest but across the nation.<sup>61</sup> The goals include:

- 1) recognizing the importance and cultivating the strengths of small farms;<sup>62</sup>
- 2) creating a framework of support and responsibility for small farms;<sup>63</sup>

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50. *See id.* at 28-29 (citing a table prepared by the Economic Research Service from the 1991-1994 Farm Costs and Returns Survey).

51. *See id.* (citing a table prepared by the Economic Research Service from the 1991-1994 Farm Costs and Returns Survey).

52.

53. *See id.* at 30.

54. *Id.*

55. *See id.*

56. *See id.*

57. *See id.*

58. *See id.*

59. *See id.*

60. *See id.* at 10-13.

61. *See id.* at 30-35.

62. *See id.* at 30.

63. *See id.* at 50.



- 3) promoting, developing and enforcing fair, competitive, and open markets for small farms;<sup>64</sup>
- 4) conducting appropriate outreach through partnerships to serve small farm and ranch operators;<sup>65</sup>
- 5) establishing future generations of farmers;<sup>66</sup>
- 6) emphasizing sustainable agriculture as a profitable, ecological and socially sound strategy for small farms;<sup>67</sup>
- 7) dedicating budget resources to strengthen the competitive position of small farms in American agriculture;<sup>68</sup> and
- 8) providing just and humane working conditions for all people engaged in production agriculture.<sup>69</sup>

To begin to meet these goals, the USDA must first acknowledge that the future of small farms and other businesses that rely on the small farm industry depend on the ability of young people to enter the farm industry and the accessibility of that entry.<sup>70</sup> The USDA's report claims that the United States has not faced such a wide generational gap in farm participants as it does today.<sup>71</sup> No other USDA report, prior to the January 1998 edition, had attempted to submit a comprehensive strategy to improve the opportunities of entering participants.<sup>72</sup>

Additionally, the Commission notes that the USDA's Economic Research Service has estimated that "between 1992 and 2002, a half million older farmers will retire—approximately one-fourth of all farmers."<sup>73</sup> This statistic illustrates the current need to regenerate farm business families. It is in the interest of the agricultural vocation to encourage prosperous, stable, community-involved, independent individuals who are both trained and skilled in management and marketing techniques necessary for today's small farm businesses.<sup>74</sup> Although there have been recent attempts by the and federal and state governments to provide tax incentives and other statutorily prescribed benefits to small farmers, these attempts

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64. *See id.* at 55.

65. *See id.* at 80.

66. *See id.* at 89.

67. *See id.* at 98.

68. *See id.* at 105.

69. *See id.* at 109.

70. *See id.* at 89.

71. *See id.*

72. *See id.*

73. *Id.* (citing Fred Gale, THE GENERATION OF AMERICAN FARMERS, FARM ENTRY AND EXIT PROPOSALS FOR THE 1980's 695 (1994)).

74. *See* Interview with Professor Neil D. Hamilton, Ellis and Nelle Levitt Distinguished Professor of Law and Director of the Agricultural Law Center at Drake University Law School, in Des Moines, Iowa (Oct. 29, 1998) (on file with author). *See also* A TIME TO ACT, *supra* note 1, at 89-92.

will not be effective unless the small farm industry has a positive growth period, thus allowing them to take full advantage of these incentives.<sup>75</sup>

Until now, assistance provided by the USDA for beginning farmers has primarily come as a subsidized credit for operating costs and farm ownership.<sup>76</sup> In 1992, the Farm Service Agency (FSA) began a program that allowed beginning farmers to purchase land through the use of a down-payment loan program.<sup>77</sup> Under this plan, a beginning farmer who was able to make a down-payment of ten percent could count on FSA capital to finance thirty percent of the total purchase at a subsidized interest rate.<sup>78</sup> A secondary lender finances the remaining portion of the loan principal. FSA would then guarantee the loan.<sup>79</sup> In 1996, the Fair Act created additional opportunities through which beginning farmers could access credit.<sup>80</sup> However, the benefits of these subsidiaries may have been short lived. Boyd Waara, a South Dakota banker, notes it was soon obvious that "it [was] unwise and unhealthy to substitute credit, even if [it was] subsidized credit, for income."<sup>81</sup>

The Taxpayer Relief Act of 1997<sup>82</sup> provided additional incentives for individuals to enter the farming field by allowing agricultural land and profit to be affected by reducing the capital gains tax rates and with the creation of the family-owned business exemption.<sup>83</sup> Neil Harl, an Iowa State University agricultural economist, offers an explanation regarding the correlation between taxes and incentive systems for farmers. Harl believes that the recent capital gains changes will only benefit the top five percent of taxpayers and encourage people to invest in the agricultural industry purely for tax purposes, not to work the land in a way which would provide a steady income to a full-time farmer.<sup>84</sup> The current tax policy continues to play a critical role in the transfer of farmland, private woodlands, and other assets from one generation to the next.<sup>85</sup>

While many of the USDA recommendations concern promotion, support, and recognition of the small farm,<sup>86</sup> this Note focuses on a more evasive question. Specifically, what are the educational programs currently accessible to the small

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75. See Interview with Professor Neil D. Hamilton, *supra* note 66.

76. See A TIME TO ACT, *supra* note 1, at 90.

77. See *id.* at 91-92.

78. See Interview with Steve Ferguson, Executive Director, Iowa Agricultural Development Authority, in Des Moines, Iowa (Feb. 7, 1999) (on file with author).

79. See *id.*

80. See A TIME TO ACT, *supra* note 1, at 91.

81. *Id.*

82. See Taxpayer Relief Act of 1997, Pub. L. No. 105-34, 111 Stat. 788 (codified as amended in scattered sections of 26 U.S.C.).

83. See NEIL E. HARL, ANALYSIS OF THE 1997 TAX LAW: GUIDE TO THE TAXPAYER RELIEF ACT OF 1997 43-45 (1997).

84. See *id.*

85. See *id.* As the level of tax assets change, the incentives to invest or not invest in that particular asset is affected. See *id.*

86. See A TIME TO ACT, *supra* note 1, at 10-12.

farmer to take advantage of the experienced farmers currently exiting the countryside? If this question is not addressed now, the American public may face a larger question, is it feasible to expect the future farmer to be anyone but a corporation?

#### IV. RETIRING AND SEASONED FARMER DILEMMAS

Retiring farmers are finding that while they wish to bequeath family farms to family members, the national trend toward urbanization has left few descendants willing to take on both the physical and emotional demands of farming.<sup>87</sup> This circumstance leaves the retiring farmer with but one choice: to sell the land and share the assets.<sup>88</sup> The resulting sale on the open market will likely be a sale to a large corporation—a large corporation with available assets from several different endeavors or subsidiaries, to whom the small farmer provides little competition.<sup>89</sup>

The farmers currently maintaining farms have learned much in the last two decades. Experienced farmers have persevered through rampant inflation that pushed land prices to more than \$3,500 per acre in the 1980s, all the way to the ground level profits experienced today.<sup>90</sup> Retiring and experienced farmers have learned the value and skill of constant adaptation.<sup>91</sup> They have brought the valuable research and theory of education to a practical result.<sup>92</sup> These lessons will soon to die with retiring farmers as land ownership and stewardship, morale, and pride are eroded and replaced with the big business mindset.

Business planning and tax consequences associated with business liquidation are two of the most important areas of which farmers need to focus.<sup>93</sup> Early planning, in many cases, can result in significant tax savings.<sup>94</sup> Annual changes over the past five years have created viable alternatives to sale due to death.<sup>95</sup> Farming is a business as well as a lifestyle, and teaching older farmers the value of responsible business buyouts, dissolutions, or potential tax consequences can minimize the tax repercussions.<sup>96</sup>

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87. See Interview with Professor Neil D. Hamilton, *supra* note 66.

88. See *id.*

89. See *id.*

90. See *id.*

91. See *id.*

92. See *id.*

93. See James R. Monroe, *The Restructuring of Agribusiness Operations—From a Tax Perspective*, 4 DRAKE J. AGRIC. L. 407, 409-10 (1999).

94. See *id.* at 411.

95. See *id.* at 409.

96. See Interview with Bill Beaman, Executive Director, AgConnect in Lenox, Iowa (Sept. 24, 1998).

## V. YOUNG FARMER DILEMMAS

Beginning farmers face many challenges when contemplating an entry into the farming industry. There may be financial difficulties, including the inability to acquire and maintain the initial capital investments.<sup>97</sup> Additionally, they will face an insufficient farm entry support program. Beginning farmers will need to overcome the inadequate access to appropriate financial, managerial, and production assistance as well as acquisition and maintenance of capital.<sup>98</sup> These problems are even more noticeable when the new farmer is not able to rely on closed transactions. These closed transactions have historically involved related parties (inter-related farming families and the transfer of agricultural acres between family members).<sup>99</sup>

The 1992 Census revealed that the average farmer was 53.3 years old in 1992.<sup>100</sup> This average age was up three years from the previous age of 50.3 in 1978.<sup>101</sup> Furthermore, the number of farmers under the age of twenty-five was cut in half between 1982 and 1992.<sup>102</sup> This means that twenty-five percent of all farmers are over the age of sixty-five, a statistic that, by itself, is astounding.<sup>103</sup>

By way of background, many states have addressed this lapse in real world training by establishing beginning farmer programs that are funded by federal appropriations to land grant colleges (on the state level).<sup>104</sup> A few states, however, have implemented privately funded programs and Iowa currently has two programs in place—one maintained through its university system, the other privately funded. While both programs tout their individual successes, this Note will attempt to objectively describe the services provided by each program individually and advocate for the melding of the education component with the procedure and hands-on involvement of a privately funded program through federal channels.

## VI. THE VALUE OF MENTORING PROGRAMS

The USDA Report encourages and supports initiatives that aid beginning farmers in research and development, extension services, and marketing assistance.<sup>105</sup> This approach is endorsed to provide financial benefits currently in place and also

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97. See Interview with Professor Neil D. Hamilton, *supra* note 66.

98. See *id.*

99. See *id.*

100. See A TIME TO ACT, *supra* note 1, at 89.

101. See *id.*

102. See *id.*

103. See *id.*

104. See Interview with John Bakker, Administrator, Beginning Farmer Center, Iowa State University Extension to Agriculture and Natural Resources, Iowa State Cooperative Extension Service in Agriculture and Home Economics at Iowa State University of Science and Technology, at Ames, Iowa (Oct. 10, 1998) (on file with author).

105. See A TIME TO ACT, *supra* note 1, at 91-92.

permit seasoned farmers to teach young farmers the “tricks of their trade.”<sup>106</sup> The interaction fortifies the skill training and information absorption.<sup>107</sup> The opportunities of the younger farmer to work with and learn from the retiring, experienced farmer can be valuable, especially when it is used in conjunction with a new entrant who has no “family affiliation” to the farm industry.<sup>108</sup>

This mentoring process would contribute a wealth of information for newer farmers.<sup>109</sup> The young farmer acquires information and methods to cut costs, invest wisely, accumulate debt slowly, market a high quality product, access new technology, and determine crop yield trends—while providing an income for the farm family.<sup>110</sup> Mentor programs allow for the best of both worlds—financial support as well as a type of apprenticeship or on-the-job training.<sup>111</sup>

Mentor programs for entering or beginning farmers have grown to include more than fourteen states.<sup>112</sup> Mentor programs of support grass roots organizations are necessary to match beginning farmers with experienced farmers who are contemplating retirement in the near future.<sup>113</sup> One of the organization’s goals is to find a match between the young farmer and the retiring farmer.<sup>114</sup> The match provides skills and training for the young farmer. Conversely, the match also serves

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106. See Interview with Professor Neil D. Hamilton, *supra* note 66.

107. See *id.*

108. See *id.*

109. See *id.*

110. See *id.*

111. See *id.*

112. See Interview with John Bakker, *supra* note 96.

113. See *id.* Following is a list of the current programs around the United States which have developed mentor programs based on state funding and educational programming: R.D. Randolph, Farm Link of Arkansas, Arkansas Development Finance Authority, 100 Main, Little Rock, AR 72201; Rob Etgen, Eastern Shore Land Conservancy, P.O. Box 1698, Queenstown, MD 32658; Kathy Ruhf, New England Land Link, New England Small Farms Institute, Box 937, Belchertowne, MA 01007, email: nesfiatigc.apc.org; Ernie Birchmeier, Young Farmer Depart., Michigan Farm Bureau, 7373 Saginaw, Lansing, MI 48909; Ivan Anderson, Minnesota Farm Connection, Passing on the Farm, 1593 11th Avenue, Granite Falls, MN 56241, email: ianderso@tc-ranitefalls.swg.tec.mn.us; Pam Mavroales, Montana Farm Link, AERO, 25 South Ewing, Suite 214, Helena, MT 59601; Joy Johnson, Land Link Center for Rural Affairs, P.O. Box 406, Walthill, NE 68067, email: joyj@cfra.org, website: <http://www.cfra.org>; Sherry Dudas, State Ag Development Committee, State of New Jersey, CN 330, Trenton, NJ 08625-0330, email: agsduda@ag.state.nj.us; Cathleen R. Martin, NY Farm Net, Cornell University, 415 Warren Hall, Ithaca, NY 14853, email: crm3@cornell.edu; Doug Durlait, Ohio Farm Link, Ohio Farmer’s Union, 20 So. 3rd Street, 1st Floor, Columbus, OH 43215; Marion Bowan, PA Farm Link, The Point Shopping Center, Suite 205, I-83 and Union Deposit Rd, Harrisburg, PA 17111, email: pafarmlink@redrose.net; Kevin Richter, South Dakota Dept. of Agriculture, Division of Agricultural Development, Foss Bldg., 523 E. Capitol, Pierre, SD 57501-3182; Gwen Garvey, Farm Link Services, Wisconsin Dept. of Agriculture, PO Box 89111, Madison, WI 53708-8911, email: garveyg@wheel.datep.state.wi.us. See *id.*

114. See Interview with Professor Neil D. Hamilton, *supra* note 66.

as estate planning for the retiring farmer who may not have not considered the future of his property.<sup>115</sup> There is a recognized benefit for both generations.<sup>116</sup>

The Guiding Principles for the Federal Farm Program, contained within the Commission report, postulates:

- 1) safe and healthy food;
- 2) relationships between farmers and consumers;
- 3) community;
- 4) stewardship of natural resources;
- 5) safe, responsible conditions for farmers and their workers;  
and
- 6) fair and open markets.<sup>117</sup>

The recommendations envision research initiatives for optimizing labor, identifying principles, analyzing income-earning capacity, establishing review panels, and overseeing debt collection and farm debts.<sup>118</sup> Indeed, Recommendation 5.5 states the "USDA should develop a new Beginning Farmer Development Program to support the establishment of multiple beginning farmer training and assistance centers throughout the country."<sup>119</sup> Most of the programs to date involve loan programs, not skill training.

The discussion in this Note will focus on the contributions and innovations of Iowa programs. Many states have similar programs in place. Most states with any number of crop varieties and systems can directly correlate this and implement the basis of these programs. The important issue is not the model but the integration, connection, and organization of the federal program to capitalize and preserve the benefits developed individually.

## VII. SKILL TRAINING VS. EDUCATION MODELS

Iowa currently has two mentor programs: AG Connect and Farm-On. AG Connect is a non-profit, private program founded in Creston, Iowa.<sup>120</sup> FarmOn is a state funded mentor program supported by the Iowa State University Extension Service, located in Ankeny, Iowa.<sup>121</sup> The definition of a beginning farmer according to the Iowa Agricultural Development Authority is:

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115. *See id.*

116. *See* IOWA STATE UNIVERSITY BEGINNING FARMER CENTER, FARM SAVVY, 73-83 (1996) [hereinafter FARM SAVVY].

117. *See* A TIME TO ACT, *supra* note 1, at 27.

118. *See generally id.* at 31-113 (discussing all eight policy goals and recommendations).

119. *Id.* at 93.

120. *See* Interview with Bill Beaman, *supra* note 88. AG Connect's regional offices are located in Mapleton, Iowa, Freemont, Iowa, Lenox, Iowa, and Hampton, Iowa. *See id.*

121. *See* Interview with John Bakker, *supra* note 96.

- 1) a person over eighteen years of age;
- 2) who has never directly or indirectly owned a “substantial farmland;” or
- 3) who has never directly or indirectly owned an interest in farmland which he/she has participated materially.<sup>122</sup>

Both programs use this state definition as a guide for identification of beginning farmers for their respective programs.<sup>123</sup>

The definition of a mentor farmer who would be eligible for consideration in these programs is not as easily found. According to Bill Beaman, AG Connect’s Executive Director, a mentor farmer is a farmer who is contemplating retirement or liquidation of all farm assets in the next five years.<sup>124</sup> The working definition according to John Bakker, the Administrator of Farm-On, is much broader. Mentor farmers can be anyone who has been in the farming industry for a period of years and wants to place themselves in the category of a mentor farmer.<sup>125</sup>

At their heart, both programs aspire to bring beginning farmers and experienced farmers together. The end goals are the facilitation of a continuous proactive solution the life of the small farm and the protection from tax implications that are bound to arise from hasty liquidations of farm assets.<sup>126</sup>

#### A. *Non-Profit Mentor Program*

AG Connect consists of an Executive Director and several Regional Coordinators.<sup>127</sup> This grass roots initiative to save the small farmer began after many communities in Iowa noticed a decline in rural populations.<sup>128</sup> When retiring farmers were forced to sell, they did not want to sell to large developers, but found few alternatives.<sup>129</sup> There was a lack of young farmers and small farm operators capable of meeting the demand and necessary requirements to acquire land or add to existing farmland ownership.<sup>130</sup> The inability of established small farm operators to compete with larger corporation for available land at prices easily paid by corporations with liquid asset accounts emerged from this problem.<sup>131</sup> As a result, AG Connect was created in the Spring of 1994 with “soft grant” monies provided by the Catholic

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122. See IOWA AGRIC. DEV. AUTH., IOWA BEGINNING FARMER LOAN PROGRAM 30 (1999).

123. See Interview with Bill Beaman, *supra* note 88.

124. See *id.*

125. See Interview with John Bakker, *supra* note 96.

126. See *id.*

127. See Interview with Bill Beaman, *supra* note 88.

128. See *id.*

129. See *id.*

130. See *id.*

131. See *id.*

Church Campaign for Human Development, Community Contributions, and the USDA Soil Conservation Service (now NCRS).<sup>132</sup>

The USDA Policy Goals and Recommendations previously set forth are contained in the mission statement of AG Connect.<sup>133</sup> The objectives in the mission statement include:

- 1) enabling beginning (or under-employed) farmers to purchase livestock, equipment, and/or farm acreages for the purpose of creating independent, small, diversified farm businesses and farm families;
- 2) allowing retiring farmers the opportunity to transfer farms through long term transitional contracts;
- 3) maintaining or slightly increasing the rural population in Iowa;
- 4) stopping the outflow of rural communities; and
- 5) intensifying the diversity of existing farm operations.<sup>134</sup>

AG Connect markets the program to communities through a fund matching proposition.<sup>135</sup> AG Connect requires communities and rural counties that wish to benefit from this program to contribute funds, resources, and other supports.<sup>136</sup> This matching system reflects the true intent of the organization: involve the community, commit the community, and keep the community resources in the community.<sup>137</sup>

This “roll up your sleeves and help yourself” philosophy translates to the services provided.<sup>138</sup> There are no frills or fluff in AG Connect; the money used is used sparingly and conservatively. AG Connect prides itself in its ability to provide services that are good-old, down-home, and hands-on.<sup>139</sup>

To be involved in the AG Connect program, each participant’s net worth must be below \$200,000.<sup>140</sup> Total partnership net worth must be below \$400,000.<sup>141</sup>

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132. *See id.* A brief history of the organization was given regarding grant monies, office setup, and the current structure of the organization. *See id.*

133. *See A TIME TO ACT, supra* note 1, at 9-12; Interview with Bill Beaman, *supra* note 88.

134. *See* Interview with Bill Beaman, *supra* note 88 (Campaign for Human Development Application).

135. *See id.* AG Connect requests community funds be pledged for the initial start-up; the money is then matched by the foundation on a percentage basis. *See id.* This approach has been instrumental in promoting the true grass roots approach, communities working together to increase or sustain the Iowa small town, farmer-supported communities. *See id.*; *More Money Available for Beginning Farmer Loans*, THE AG CONNECTION (AG Connect, Lenox, Iowa) Oct. 1997 at 1.

136. *See* Interview with Bill Beaman, *supra* note 88.

137. *See id.*

138. *See id.*

139. *See id.*

140. *See id.*

141. *See id.*



Participants must be Iowa residents at the time the bond is issued.<sup>142</sup> Additionally, the potential participant must provide documentation of education, skill level, or experience in the specific type of farming operation.<sup>143</sup> Also, the land, improvements, and depreciable agricultural property can only be used by the individual, his spouse and children, or the business entity that received the loan.<sup>144</sup>

### 1. *Communications and Participant Procedures*

A primary vehicle through which AG Connect operates is a newsletter. The newsletter, AG Connection, is generated monthly to inform participants and supporters of upcoming educational opportunities, potential match participants, current trends in farming and financing, and general areas of concern.<sup>145</sup>

The program does not purport to match farmers, but rather to promote relationships between the parties to enable each side to meet their goals individually and collectively.<sup>146</sup> Current Iowa law prevents AG Connect from direct interaction in land acquisition without the benefit of a real estate broker, an expense AG Connect cannot afford with current funding.<sup>147</sup>

At the initial stage of the application process, both sides of the potential match complete an information form.<sup>148</sup> Potential participants who qualify as beginning farmers under the program guidelines<sup>149</sup> are asked to provide:

- 1) basic geographical and statistical information;
- 2) farming enterprise preferences;
- 3) row cropping preferences;
- 4) a basic history of farm experience, interest level and preference of livestock;
- 5) housing needs;

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142. *See id.*

143. *See id.*

144. *See* Interview with Steve Ferguson, *supra* note 70.

145. *See* Interview with Bill Beaman, *supra* note 88.

146. *See id.* The goals included in the scheme of the mission include: the community, its members, individual Beginning Farmers, older farmers planning for retirement, current farm families coping with modern day needs of small agriculture industry, and small town business (such as local banks, school boards, community planning committees, independent grain elevators, etc.) *See id.*

147. *See id.*

148. *See id.*; *Beginning Farmers*, THE AG CONNECTION (AG Connect, Lenox, Iowa) Feb. 1998, at 3.

149. *See* Interview with Bill Beaman, *supra* note 88. Once again, AG Connect has adopted the loosely scripted definition of the Iowa Agricultural Development Authority. *See id.* The definition of a Beginning Farmer according to the Iowa Agricultural Development Authority is a person over eighteen years of age, and a first time farmer (has never directly or indirectly owned a "substantial farmland" or an interest in farmland in which he/she has participated materially). *See* Interview with Steve Ferguson, *supra* note 70.

- 6) computer software experience; and
- 7) record keeping systems experience.<sup>150</sup>

The second component of the form contains a simple questionnaire that asks the potential match to describe his/her:

- 1) education, experience, and training in relation to the farm enterprise;
- 2) personal reasons for choosing farming as a career;
- 3) expectations from the program; and
- 4) willingness and ability to contribute labor, capital, machinery, livestock, family assistance, and spousal contributions (off-farm employment).<sup>151</sup>

A section of the form is completed by the spouse of the beginning farmer, if applicable. Questioning the spouse has been proven to provide valuable insight into the spouse's expectations, abilities, and desire to enter into an industry filled with potential debt, responsibility, risk, and plenty of hard work.<sup>152</sup> The inventory of personal information helps potential farm families enter the vocation of farming with realistic expectations.<sup>153</sup>

Once the form is completed, it is evaluated and rated for cropping and livestock preferences, experience, and expectation.<sup>154</sup> The potential participant is then asked to come in for a "get to know you" interview.<sup>155</sup> A Regional Coordinator, or in some cases the Executive Director, participates in the one-on-one interview with participants.<sup>156</sup> The AG Connect staff then analyzes both the wants and the needs of the new participant and begins the process of matching the young farmer with an established farmer who is contemplating retirement.<sup>157</sup> The two potential connections are then asked to attend a joint interview with the staff, which serves as an introduction, evaluation of mutual or complimentary goals, and the opportunity to plan future meetings.<sup>158</sup>

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150. See Interview with Bill Beaman, *supra* note 88; *Beginning Farmers*, *supra* note 140, at 3.

151. See Interview with Bill Beaman, *supra* note 88; *Beginning Farmers*, *supra* note 140, at 3.

152. See Interview with Bill Beaman, *supra* note 88; *Beginning Farmers*, *supra* note 140, at 3.

153. See Interview with Bill Beaman, *supra* note 88; *Beginning Farmers*, *supra* note 140, at 3.

154. See Interview with Bill Beaman, *supra* note 88.

155. See *id.* If the potential participant is out of state or unable to travel to the office, a phone interview can be substituted. See *id.*

156. See *id.*

157. See *id.* Matches can not be guaranteed but the program attempts to find two potential partners who have at least some common goals. See *id.* The total time span between the application and a match can range anywhere from a few months to two years depending on each individuals unique situation and personal requirements. See *id.* Established farmers are asked to complete a similar form and interview process prior to participation. See *id.*

158. See *id.*

## 2. *Once the Match is Made*

If both sides of the potential transaction consent to work together, the farmers begin to negotiate with one another for any unmet goals or needs.<sup>159</sup> At this point in time, the parties have formed a rough draft of the terms and conditions on which the eventual exchange will be based.<sup>160</sup> The young farmer is usually required to work with the older farmer for a period of time as a paid farm hand.<sup>161</sup> This allows the pair to work together, one gaining skills and the other coming to grips with the loss of, not only a career, but also in many instances, a family heritage.<sup>162</sup>

The entire process is usually completed within a two to three year period.<sup>163</sup> As previously discussed, entrance into the program for an older farmer is strongly encouraged to allow for thoughtful planning of business and tax consequences. AG Connect has found that when a farmer contemplates retirement, participation in the program provides a valuable adjustment period for the retiring farmer to come to terms with the actual retirement event.<sup>164</sup> The retiring farmer's family is then able to benefit from the transfer of the farmland prior to death.<sup>165</sup> Participation in the program forces a seasoned farmer to look at long term consequences and plan for them before he is forced into making necessary decisions with little forethought.<sup>166</sup>

### B. *State Funded Mentor Program*

Farm-On is the other mentoring program in Iowa. This program is organized in a fashion similar to AG Connect. Like AG Connect, Farm-On consists of an Administrator, but the Administrator is also a licensed attorney in the state of Iowa.<sup>167</sup> The Farm-On Administrator position is not full-time, but its funding is shared with the Beginning Farmer Center.<sup>168</sup> Farm-On was created seven years ago when legislators were apprised of the financial problems experienced by the small

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159. *See id.* The program does not attempt to replace the work of an attorney or financial advisor. *See id.* The primary purpose of the program is to disseminate information to assist farmers in finding others with similar interests in order to facilitate communication, organization and support through the sometimes rigorous governmental and entrepreneurial red tape of business setup and maintenance. *See id.*

160. *See id.*

161. *See id.*

162. *See id.*

163. *See id.* Each match is unique and depending on the special circumstances, the time frame may be longer or shorter. *See id.* For instance, as the word has been spread, out of state young farmers have contacted AG Connect for relocation purposes. *See id.* Some farmers are looking to relocate the family and some are looking to change farming enterprises or livestock preferences. *See id.*

164. *See id.*

165. *See id.*

166. *See id.*

167. *See* Interview with John Bakker, *supra* note 96.

168. *See id.*

farmers.<sup>169</sup> The legislature recognized that these problems created an air of panic within the farming industry. This panic caused a large percentage of established farmers to attempt to get out of the industry.<sup>170</sup> Many of the complaints from farmers were directly connected to their own experiences when they were brought into the farming community.<sup>171</sup> A majority of these farmers got their start by borrowing a large sum of money from the state, and then used this money to buy highly depreciable items.<sup>172</sup> These highly depreciable items, in turn, gave little return on the farmer's initial investment, further complicating and increasing the likelihood of the farm's failure to establish a viable community asset.<sup>173</sup>

The goal of the Farm-On program is to prevent the problems identified by the cross section of farmers surveyed from infecting future generations of farmers.<sup>174</sup> Participation forces the inexperienced farmers to realistically "think through" the purchasing prices of necessary farm machinery, start up equipment, and farmland.<sup>175</sup> Young farmers are exposed to current marketing, risk analysis, and management theories.<sup>176</sup> Exposure to this information forces light into an otherwise potentially dark horizon.

The development of these critical long term relationships between the two real people on opposite ends of the lifeline aspires to assist beginning farmers to learn management and personnel skills. Young farmers are able to effectively weigh the consequences of calculated risks. The lessons gained from first hand experience are not lost to be repeated in the future.<sup>177</sup> The lessons of dealing with financial gains and losses can be invaluable to a young farmer who may have little to no experience with money management and marketing on a scope as large as the American farmer's necessary budget today.

The formal requirements of the program, at the state level, are as follows: Farm-On is to assist in recognizing and "facilitating the transition of farming operations from established farmers to beginning farmers, including by matching purchasers and sellers of agricultural land, creating and maintaining an information base inventorying land and facilities available for acquisition, and developing models to increase the number of family farming operations in this state."<sup>178</sup> The objectives of the program are:

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- 169. *See id.*
  - 170. *See id.*
  - 171. *See id.*
  - 172. *See id.*
  - 173. *See id.*
  - 174. *See id.*
  - 175. *See id.*
  - 176. *See id.*
  - 177. *See id.*
  - 178. Iowa Code § 266.39E(1) (1999).

- 1) To provide the coordination of education programs and services for beginning farmer efforts state-wide.
- 2) To assess needs of beginning farmers and retiring farmers in order to identify program and service opportunities.
- 3) To develop, coordinate, and deliver statewide through the Iowa cooperative extension service in agriculture and home economics, and other entities as appropriate, targeted education to beginning and retiring farm families.<sup>179</sup>

As directed by the legislature, the programs and services are to include such areas as financial management, planning, legal issues, tax laws, technical production, leadership, human health, and the environment.<sup>180</sup>

The Beginning Farmer Center, the conjoined twin of the Farm-On program, is charged with an annual report before the general assembly which includes but is not limited to recommendations that will help to encourage individuals to enter agriculture.<sup>181</sup> The activities of both programs are reported and reviewed.<sup>182</sup> The major Farm-On activities throughout the year include provisions for opportunities of farmers to meet and become involved in mentor relationships, one day seminars, and data base access.<sup>183</sup>

The crux of the Farm-On opportunities are tied to the involvement of the participant with the Beginning Farmer Center.<sup>184</sup> Most special programs take place concurrently with Beginning Farmer Center programming.<sup>185</sup> In many ways the shelter of both programs under one administer is cost effective. Unfortunately, the cost effectiveness hinders the availability of hands on, personal assistance. Farm-On does not have the volume of personnel enjoyed by AG Connect.<sup>186</sup>

### 1. *Communications and Participant Procedures*

Because Iowa State University is an educational institution, much of the Farm-On and Beginning Farmer Center programming is geared toward education and

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179. *Id.* at § 266.39E(1)(a)-(c).

180. *See id.*; Interview with John Bakker, *supra* note 96.

181. *See* Iowa Code § 266.39E(3); Interview with John Bakker, *supra* note 96.

182. *See* Iowa Code § 266.39E(3).

183. *See id.*; *Beginning Farmer Center*, ISU EXTENSION TO AGRIC. AND NATURAL RESOURCES, COLLEGE OF AGRIC., (Iowa State University, University Extension), Jan. 1998.

184. *See* Interview with John Bakker, *supra* note 96. Funding for the Beginning Farmer Center encompasses the following programs and activities: FarmOn, AgLink, Northeast Iowa Dairy Project, Beginning Farmer Manuals, BFC on the World Wide Web, Research Activities, and Regional and National Activities. *See id.*; *Beginning Farmer Center*, *supra* note 175. While it is not necessary to become involved in any or all of the services provided by the Beginning Farmer program, participants are encouraged to take advantage of any or all potentially helpful services. *See* Interview with John Bakker, *supra* note 96.

185. *See* Interview with John Bakker, *supra* note 96.

186. *See id.*

the dissemination of information.<sup>187</sup> The philosophy of programming is to offer individuals an opportunity.<sup>188</sup> The program does not attempt to select matches, but rather creates an opportunity where the farmers are encouraged to analyze and evaluate situations and to teach participants to make responsible and intelligent decisions based on thorough needs assessments.<sup>189</sup> The focus of the overall program is to get people into farming without the need to borrow huge amounts of money.<sup>190</sup> However, since the focus of assistance is a teaching model, participants are required to do much of the analysis independently; thus the approach is markedly different from that of AG Connect.<sup>191</sup>

The program is designed to take an educational position, educating farmers of all ages to make long term decisions and create workable transactions.<sup>192</sup> Farm-On will facilitate interviews only when requested.<sup>193</sup> Participants are urged to complete the personal assessment independently without benefit of personal interaction, a potentially daunting proposition to a young person who may not have the skills or information necessary to formulate relevant questions.

In taking this long term goal, to help people learn the skills necessary to make decisions on current problems and to train farmers to effectively solve problems that might arise in the future, Farm-On's financial resources are geared more toward timely dissemination of information rather than the hands on approach of AG Connect.<sup>194</sup> Participation in the program begins with self assessment: looking at what is important to the farmer regardless of whether the participant is the young farmer or the older farmer.<sup>195</sup> Much of the self-assessment includes the same areas of reflection as the AG Connect questionnaire, however, the Farm-On participant is given a copy of the Farm Savvy Manual put together by the Beginning Farmer Center.<sup>196</sup> From that point on, the farmer can follow and complete the forms without any help from FarmOn personnel, although help is available if requested.<sup>197</sup>

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187. *See id.*

188. *See id.*

189. *See id.*

190. *See id.*

191. *See id.*; Interview with Bill Beaman, *supra* note 88. The AG Connect program strives to get interested participants into the office or at least interacting by phone with coordinators of the program. *See id.*

192. *See* Interview with John Bakker, *supra* note 96.

193. *See id.*

194. *See id.*

195. *See id.*

196. *See e. g.*, FARM SAVVY, *supra* note 108. *See also* Interview with John Bakker, *supra* note 96; Interview with Bill Beaman, *supra* note 88. Farm-On procedures require the participant to look at what is important to them before setting goals, which will dictate where the farmer is to go from there. *See* Interview with John Bakker, *supra* note 96. While the AG Connect program also attempts to do the same, the self assessment is not formalized and the farmers are encouraged to talk with actual personnel while contemplating which "match" may be closest to their needs. *See* Interview with Bill Beaman, *supra* note 88. Both programs require the farmer to assess their physical resources, financial resources,

The Farm Savvy Manual requests that the participant completes questions relating to areas of human relations, self-assessment, goal setting, business, retirement, transfer of land, and estate planning.<sup>198</sup> The Manual is then broken down into specific areas which give participants an in-depth look at current theories, strategies, and definitional terms in each specific area of the self-assessment process.<sup>199</sup>

Another distinct difference between the programs is the preferred communication mediums used to inform members. As previously noted, AG Connection is a monthly newsletter distributed to all participants, departments, and local businesses which have shown an interest in AG Connect.<sup>200</sup> Farm-On publishes an annual report to the legislature and distributes additional material as needed, usually on a request only basis.<sup>201</sup>

## 2. Political Endeavors

One definite advantage of the Farm-On program is its ability to impact the political climate in Iowa.<sup>202</sup> The program itself is a result of lobbying and, as such, the recommendations given annually to the legislature are reviewed by several interested parties, parties which have influence in both houses of the Iowa legislature.<sup>203</sup> Therefore, funding can be used in a way that benefits the future programming of agricultural policy in Iowa and ultimately on a national level.

One way in which Farm-On has taken advantage of this political and financial benefit is through its affiliation with the National Farm Transition Network ("NFTN").<sup>204</sup> NFTN is an independent program which attempts to link farmers outside of regular conference boundaries.<sup>205</sup> Many similar land grant programs and organizations found that they were meeting again and again attempting to disseminate new information, techniques, and theories in a fragmented area.<sup>206</sup> The result was a national network to facilitate the exchange of information.<sup>207</sup>

business goals, and personal goals. See Interview with John Bakker, *supra* note 96; Interview with Bill Beaman, *supra* note 88. Retiring farmers are encouraged to assess their current standards of business, and ask "What do I bring to the dance?" Interview with John Bakker, *supra* note 96.

197. See Interview with John Bakker, *supra* note 96.

198. See *id.* See also FARM SAVVY, *supra* note 108, at 3.

199. See Interview with John Bakker, *supra* note 96. See also FARM SAVVY, *supra* note 108.

200. See discussion *supra* Part VII.A.1.

201. See Interview with John Bakker, *supra* note 96; Interview with Bill Beaman, *supra* note 88.

202. See Interview with John Bakker, *supra* note 96.

203. See *id.*

204. See *id.*

205. See *id.*

206. See *id.*

207. See *id.*

The network welcomes any and all types of "linking programs" to join.<sup>208</sup> John Bakker, the administrator of Farm-On, has been instrumental in developing the national information program and currently serves as the Program Coordinator.<sup>209</sup> NFTN meets annually and requires no formal dues.<sup>210</sup> The purpose is "to support programs which foster the next generation of farmers and ranchers."<sup>211</sup> The program provides lectures on current national trends, assists in the development of individual state programs, and provides expertise in areas where needed.<sup>212</sup>

Another area in which the Farm-On program has taken a political stand within the NFTN environment is with the public support of several of the recommendations in the National Commission of Small Farms' Report.<sup>213</sup> The affiliation with the Beginning Farmer Center and the extension services has had a great impact on the ability of the Farm-On program to make national changes as well as state and local change.<sup>214</sup> Granted, the ability to change public policy and national law requires the program to think on a national rather than local scale, a task far too elusive for a small grass roots nonprofit organization which strives only to help the local farmer and to finance the program through yet another annual cycle.<sup>215</sup>

#### VIII. EDUCATION + SKILL TRAINING = SUCCESS

While it is hard not to see the differences in the programs, one must determine which is more worthwhile. The answer may well be both. While AG Connect specializes in identifying the problem and dealing with it on a local level, Farm-On is able to go to the top of the food chain and make the job of AG Connect

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208. *See id.*

209. *See id.*

210. *See id.*

211. *Id.*

212. *See id.*

213. *See id.* The National organization has supported the following recommendations: Recommendation 1.8 - to include Small Farm operators and community based and nonprofit organization in strategic planning process of the Rural Development State Directors; Recommendation 1.10 - which targets the funding of Rural Business development funds to assist farmland transition programs; Recommendation 5.5 - which urges the establishment of a new Beginning Farmer Development Program to establish multiple Beginning Farmer training and assistance centers. In particular, NFTN believes that those types of programs should collaborate with the member organizations of the National Farm Transition Network; Recommendation 5.8 - which would bring an intra-agency Beginning Farmer Initiative for research and education, outreach and collaborative partnerships; Recommendation 5.9 - which allocates one-third of the Fund for Rural America to research and education focused on the needs of small and Beginning Farmers; and finally, Recommendation 7.9 - which, in part, allocates three million dollars of Rural Business Enterprise Grant funds for technical assistance programs for nonprofit and State organizations to link retiring farmers with Beginning Farmers. *See id.*; A TIME TO ACT, *supra* note 1, at 35, 36, 93-94, 95-96, 106-05.

214. *See* Interview with John Bakker, *supra* note 96.

215. *See id.*; Interview with Bill Beaman, *supra* note 88.



easier through changes in legislation.<sup>216</sup> To back the mission statement of one without due appreciation of the efforts of the other would be to miss the picture altogether.<sup>217</sup>

Participation in both programs is essential to determine the true landscape of Iowa's farming population. Arguably the usefulness of both programs may be essential in any state to truly gage the landscape of farming in those areas. State input is necessary for local regulation, state law differences, and community standards. The technical support of the AG Connect program cannot be overlooked, while the political and educational network of current theories, strategies, and future goals in the Farm-On program are essential to continue farmers' participation in national, as well as state agricultural law policy and funding.<sup>218</sup>

#### IX. THE REALITY OF FUNDING

According to the Iowa Agricultural Development Center (IADC), both programs have been useful in loan programs.<sup>219</sup> To what extent cannot be determined because there are no statistics available to show correlations between program involvement and successful transitions between farming occupations and land transactions.<sup>220</sup> Steve Ferguson, Executive Director of IADC, estimates less than ten percent of the loan applicants are involved in a mentor program.<sup>221</sup> However, the Iowa loan program was expanded two years ago to include closed transactions between related farming parties.<sup>222</sup> This introduction of a new group of participants accessing the program may seriously skew the results of the overall participation because mentor programs traditionally do not include related parties.<sup>223</sup>

The major obstacle facing AG Connect appears to be the lack of adequate funding.<sup>224</sup> As stated earlier in this Note, the program was based on a grant of "soft money" which will expire in the near future. State funding has been sought, but there is substantial resistance to the funding of two programs because both are in a substantially similar area.<sup>225</sup> The other option is to create a pass-through entity such as the Farm Bureau or the IADC.<sup>226</sup> Which way the funding stream will turn is yet to be determined.

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216. See Interview with Professor Neil D. Hamilton, *supra* note 66.

217. See *id.*

218. See *id.*

219. See Interview with Steve Ferguson, *supra* note 70.

220. See *id.*

221. See *id.*

222. See *id.*

223. See *id.*

224. See *id.*

225. See *id.*

226. See *id.*

## X. CONCLUSION

The major obstacle facing the state funded programs is not its future existence, but effectively meeting the needs of the rural populations. Without the help of programs like AG Connect, it will be difficult for Farm-On to practically and meaningfully reach farmers outside of the University setting.<sup>227</sup> The worst solution is to pit these two mutually advantageous programs against each other, a solution no one wants to see.

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227. See Interview with John Bakker, *supra* note 96.