

# CASE STUDY: Enhancing Economic Stability by Building Financial Resilience: A Model for Collaborative Learning Among Beginning Farmers in Southwest Wisconsin

## Make Time Farm



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*- Vanessa Herald*



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### Introduction to Make Time Farm

- Vanessa Herald, Owner & Operator
- Beloit, Wisconsin (Rock County)
- Established: 2015
- [www.maketimefarm.com](http://www.maketimefarm.com)

Founded in 2015, Make Time Farm focuses on pasture-raised livestock and brings customers to the farm with agritourism activities. This fifteen-acre farm in Rock County, Wisconsin raises chickens for eggs and meat, feeder pigs and goats, with direct sales to customers and local institutions.



Vanessa is repositioning the farm enterprises to be more sustainable for operation by a solo farmer with an off-farm job, while still prioritizing soil and animal health. This includes streamlining some enterprises, while also scaling up in meaningful ways. The main change consists of transitioning ten acres of cropland, previously rented to a neighbor, into pasture for grazing a small beef herd.



Vanessa attributes her ability to start farming to a variety of factors. From the education and experience side, she spent many years apprenticing and working on other farms. This allowed her to learn best practices for production and farm management, as well as hone in on the enterprises that best suited her abilities and interests. She also enrolled in multiple educational opportunities, including the Wisconsin School for Beginning Dairy and Livestock Growers, which assisted with business plan development and provided the required

financial education to qualify for an FSA loan for Beginning Farmers. From the financial perspective, a lack of student loan debt combined with a flexible off-farm job helped Vanessa feel secure in purchasing land and starting a farm with positive cash flow. The off-farm job also provides access to health insurance and retirement savings which are a requirement for this beginning farmer. From Vanessa's perspective, the most significant financial piece of the farm puzzle was a small inheritance from a family member. These funds allowed for a thirty percent down payment on the farm property, allowing for manageable monthly mortgage payments. "Even with the great rates and access the FSA Beginning Farmer Loan provided, and an off-farm job, there was no way to manage mortgage payments without contributing this larger down payment."

Although the farm started as a partnership in 2013, the relationship soon ended - but it was a priority for Vanessa to continue farming. "The first years of the farm were great, but not entirely efficient or profitable with so many small enterprises spreading the focus." Vanessa notes she's grateful for the chance to re-vision the farm from scratch in a way that's sustainable for one person. "I don't think I would have otherwise stopped to see how things were really working," she says. "It was a good practice to pause, assess the farm, and make the big changes that were needed."

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## Farm Goals for Participation in the Collaborative Learning Group

The *Collaborative Learning Group* arose at the perfect moment for Make Time Farm, as Vanessa was trying to figure out the best size and scale for the operation, and beginning to think through different financing opportunities. "In scaling up the farm, I knew I would have to access capital in ways that were new to me," says Vanessa. "And as someone who is risk averse, I had a lot of questions." She was hoping the advice of professionals, coupled with peer-to-peer learning, would help answer her questions and provide enough confidence to apply for an operating loan.

As a direct market farmer, Vanessa also felt the burden of managing many individual transactions with customers. "I really wanted a better system for managing income and expenses. One that would save time and serve as a better tool," she says. "I tried teaching myself Quickbooks, but quickly discovered I would need some help to really implement it." She continued to rely on Excel for simple financial tracking, but the system was burdensome and lacked the reporting capabilities of Quickbooks. She was eager for Quickbooks training to help her implement better, streamlined, systems for tracking farm expenses and income.

Vanessa was also eager for the opportunity to convene with other beginning farmers in a safe space that allowed for frank discussions about financial challenges and the realities of being a beginning farmer. "So often, I look at my peers and it seems like everyone else has it all together, including a farm that is running smoothly and successfully," she noted. "I really wanted to be in a place where I could ask questions about my financial challenges,

and see if others experience the same issues, or have creative solutions to share.”

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## Lessons Learned from The Project

Thanks to funding provided through the SARE Farmer Rancher Grant, Vanessa and other participating farmers gained access to Quickbooks software and new technology to use it on. Utilization of the new technology and software was strengthened by a practical, hands-on Quickbooks introduction and training conducted by staff at Badgerland Financial (now Compeer Financial), allowing group members to troubleshoot program questions with each other and professional trainers. Thanks to the group tutorial, Vanessa established a comfortable system on Quickbooks. “I really needed a professional training to best understand and implement Quickbooks, and hearing first-person feedback from Group members helped too.”

The fifth meeting of the Collaborative Learning Group focused on grants, investment strategies, and capital investments. The group benefited significantly from the expertise of Tera Johnson of the Food and Finance Institute (a project of the University of Wisconsin-Extension Business and Entrepreneurship Division) who shared extensively about capital investments in local food companies. This was complemented by Paul Dietmann, Senior Lending Officer of Mission Financing at Compeer Financial representing the lender’s perspective. Together, Paul and Tera walked the group through how to prepare to apply for a loan, what it takes to approach a bank for a loan, the types of loans available, and how to best finance farm and food manufacturing companies. Although the conversation discussed generalities, everyone had the opportunity to ask questions about their own farms’ specific scenario. This session, helped Vanessa feel comfortable taking the next step to grow Make Time Farm, and making an investment to do it the right way.

But mostly, Vanessa shares that the *Collaborative Learning Group* helped her feel confident in determining the farm’s future size and scale. “Being a part of this project helped me re-focus and feel comfortable running a small farm that will remain a small farm for a while,” she states. “For now, I feel comfortable growing the farm slowly, and maintaining my off-farm job.” She acknowledges that there’s an expectation for a young farm to grow, and eventually replace off-farm income, but now she feels more comfortable remaining a part-time farmer.

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## A Few Notes for Beginning Farmers from Make Time Farm

- It’s okay to start small, and balance your new farm enterprise with an off-farm job. It’s important for your new farm enterprise, and your life expenses, to cash flow.
- When you start running your own farm business, even with lots of experience under your belt and a solid business plan - things might end up looking differently than you

planned for or expected. Stay flexible and agile, and remain open to making changes, small and big.

- Don't be afraid to take out operating loans when you feel confident about the direction you're headed. But there's also value in taking the time to understand your land, and your operation, before making big investments.



*Enhancing Economic Stability by Building Financial Resilience: A Model for Collaborative Learning Among Beginning Farmers in Southwest Wisconsin is a financial literacy and sustainability project funded through a North Central SARE Farmer-Rancher Grant. From 2016-2017, a group of seven beginning farmers in southwest Wisconsin met regularly to learn from financial experts; engage in peer-to-peer discussion; and provide space for open and honest dialogue about current farm finances. The objective of the project was to improve the financial sustainability, resilience, and literacy of participating beginning farmers,*

*and demonstrate a replicable small-group model for other farms to adopt with similar learning goals using real-world farm financial profiles. This case study is one in a series of seven outlining the lessons learned by participating farms, and highlighting the financial skills and experts supporting this work. This material is based upon work that is supported by the National Institute of Food and Agriculture, U.S. Department of Agriculture, through the North Central Region SARE program under project number FNC16-1052. USDA is an equal opportunity employer and service provider. Any opinions, findings, conclusions, or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the view of the U.S. Department of Agriculture.*