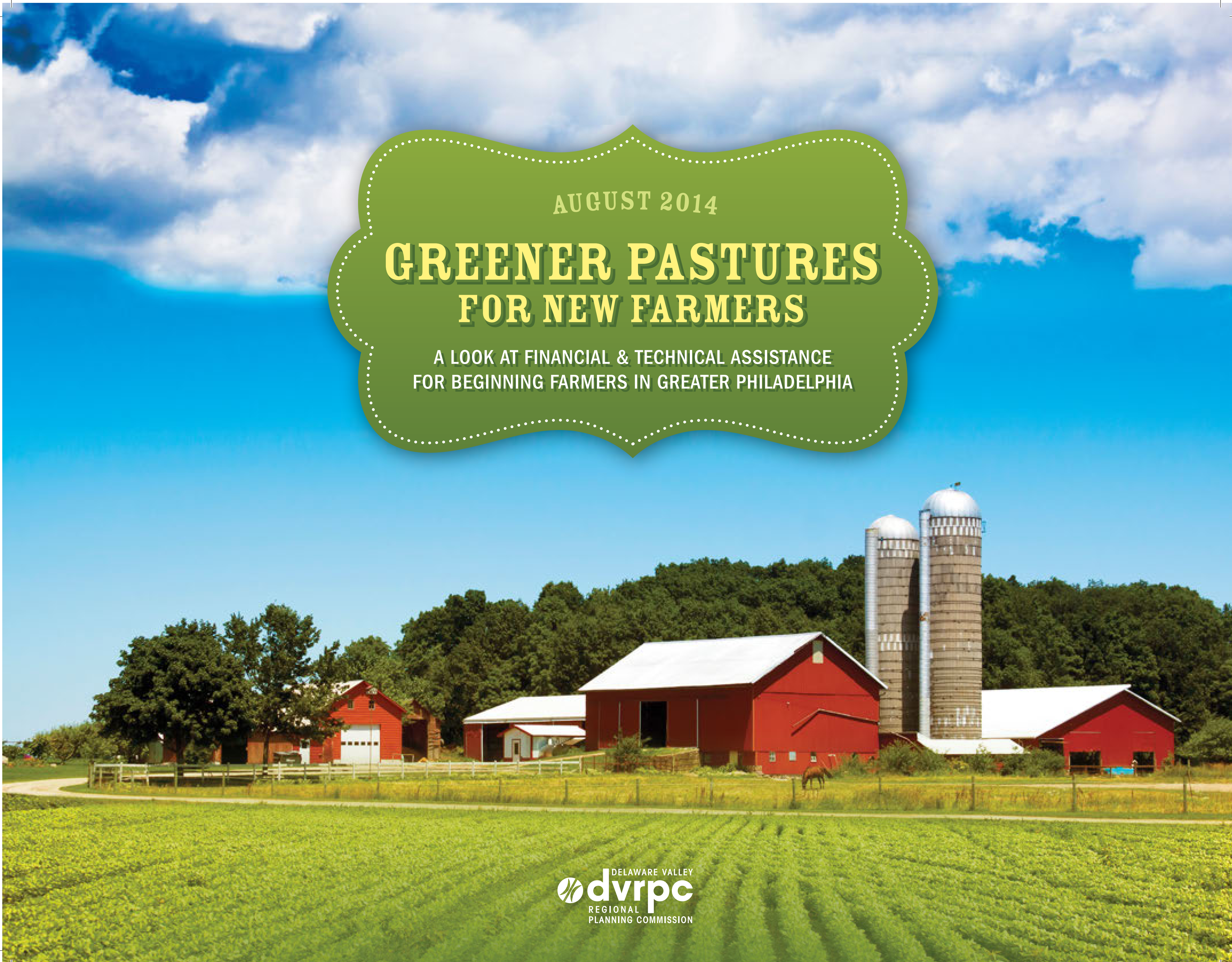

AUGUST 2014

GREENER PASTURES FOR NEW FARMERS

A LOOK AT FINANCIAL & TECHNICAL ASSISTANCE FOR BEGINNING FARMERS IN GREATER PHILADELPHIA

DELAWARE VALLEY dvrpc REGIONAL PLANNING COMMISSION

The Delaware Valley Regional Planning Commission is dedicated to uniting the region's elected officials, planning professionals, and the public with a common vision of making a great region even greater. Shaping the way we live, work, and play, DVRPC builds consensus on improving transportation, promoting smart growth, protecting the environment, and enhancing the economy. We serve a diverse region of nine counties: Bucks, Chester, Delaware, Montgomery, and Philadelphia in Pennsylvania; and Burlington, Camden, Gloucester, and Mercer in New Jersey. DVRPC is the federally designated Metropolitan Planning Organization for the Greater Philadelphia Region — leading the way to a better future.

DELAWARE VALLEY dvrpc REGIONAL PLANNING COMMISSION

The symbol in our logo is adapted from the official DVRPC seal and is designed as a stylized image of the Delaware Valley. The outer ring symbolizes the region as a whole while the diagonal bar signifies the Delaware River. The two adjoining crescents represent the Commonwealth of Pennsylvania and the State of New Jersey.

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GREENER PASTURES
FOR NEW FARMERS

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mmm... coleslaw!

INTRODUCTION

The Delaware Valley Regional Planning Commission (DVRPC), Greater Philadelphia's Metropolitan Planning Organization and the regional forum for planning matters, is actively working to address critical food system issues. The *Greater Philadelphia Food System Study*, published in 2010, evaluated the natural, economic, and social resources of Greater Philadelphia's foodshed—the 100-mile radius around Philadelphia that serves as a theoretical source of local food. The Study highlighted some of the obstacles that many farmers in the region face in accessing affordable land and farming resources as a result of decades of sprawling growth and increasing development pressures. *Eating Here: Greater Philadelphia's Food System Plan*, published in 2011, identified opportunities to develop the regional economy, strengthen the region's agricultural sector, decrease food waste and want, improve public health, protect the region's soil and water resources, and encourage collaboration. Both of these documents are expansions of goals outlined in DVRPC's Long-Range Plan, *Connections 2040* – specifically the objectives to preserve farmland and working landscapes, and strengthen the local agricultural industry to improve access to food.

SELECTED RECOMMENDATIONS FROM *EATING HERE: GREATER PHILADELPHIA'S FOOD SYSTEM PLAN*:

- Maintain affordable farmland;
- Encourage more institutions to lend to agricultural businesses;
- Expand State Farm Link Programs;
- Continue to preserve the region's farmland;
- Create or expand business development programs;
- Facilitate connections between local farmers and markets; and
- Encourage collaboration to streamline regulations.

Individuals, businesses, nonprofit organizations, government agencies, and local municipalities have become increasingly interested in the food system, which includes food production that constitutes a large portion (20 percent) of the nine-county DVRPC region's land use. Citizens and policymakers alike are becoming more aware of the connections between what they eat, how it is grown, who is growing it, and the resulting health of a community and its inhabitants. Although our demand for food and especially fresh, local food has increased, there are fewer and fewer farmers. A recent U.S. Department of Agriculture (USDA) Economic Research Service report found that the number of beginning farmers declined by 12 percent between

WHAT IS A FOOD SYSTEM?

A food system is a set of interconnected activities or sectors that grow, manufacture, transport, sell, prepare, and dispose of food from the farm to the plate to the garbage can or compost pile. Greater Philadelphia is comprised of many community food systems but is also served by a regional food system, and fits within a global food system.

Source: DVRPC, Municipal Implementation Tool #18, April 2010.

WHO IS A BEGINNING FARMER?

USDA defines beginning farmers and ranchers as those who have operated a farm or ranch as the principal operator for 10 or fewer years.

- 22 percent of all U.S. farms operated by beginning farmers;
- 49— Average age of a farmer who started farming between 1998 and 2007 (survey period);
- 61 percent of all established operators own all of the land they operate;
- 78 percent of beginning farmers own all of the land they operate;
- 34 percent of beginning farmers list farming as primary occupation; and
- 45 percent of all farmers list farming as primary occupation.

Source: Mary Ahearn and Doris Newton, *Beginning Farmers and Ranchers, EIB-53* (Washington, DC: U.S. Department of Agriculture, Economic Research Service, May 2009).

WHO IS A FARMER IN THE DVRPC NINE-COUNTY REGION?

- Only 47.8 percent of all principal operators are "full-time" farmers.
- Over 73 percent of all farmers own all or part of the land they farm.
- $106,000—average sales per farm.
- $102,000—average expenses per farm.

Source: USDA, *2007 Census of Agriculture.*

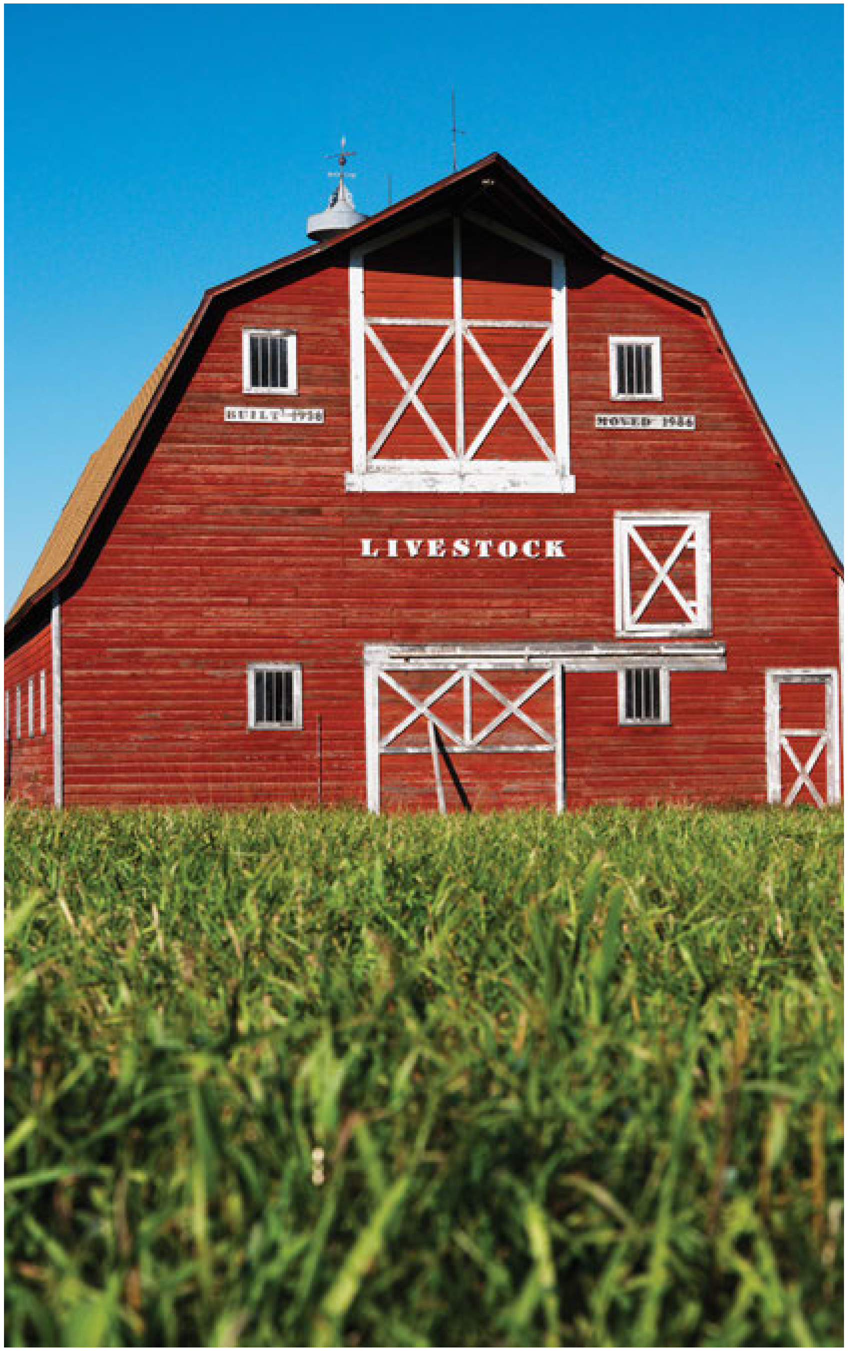
1982 and 2007. Similarly, the number of young principal farm operators (those under 35 years old) declined by 11 percent during the same period.[1] Despite consumers' growing interest in supporting local farmers and sustainable producers, it remains very difficult to make a living as a full-time farmer. According to the 2007 U.S. Census of Agriculture, over 50 percent of farmers in the Greater Philadelphia region claim an off-farm job as their primary source of income. Nationwide, beginning and small farmers are significantly more likely to have earned off-farm income than established farmers.[2] Although beginning farmers are also more likely than established farmers to own all of the land they farm, the average beginning farmer owns only 174 acres whereas the average established farmer owns 461 acres. Established farmers may rent supplementary land as they become more experienced or successful. Additionally, beginning farmers are more likely to carry debt on their land. These difficulties are compounded by the obstacles that small and beginning farmers face in accessing land and capital to start or expand their operations.

U.S. Secretary of Agriculture Tom Vilsack notes that, "Beginning farmers are a key to twenty-first-century agriculture."[3] A new generation of farmers

[1] Mary Ahearn, *Beginning Farmers and Ranchers at a Glance, EB-22* (Washington, DC: U.S. Department of Agriculture, Economic Research Service, January 2013).

[2] Ahearn, *Beginning Farmers and Ranchers at a Glance.*

[3] Tanya Brown, "Access to Land, Capital Biggest Obstacle for Beginning Farmers," *USDA Blog*, January 31, 2013 (11:00 AM), blogs.usda.gov/2013/01/31/access-to-land-capital-biggest-obstacle-for-beginning-farmers.



is needed to maintain food production and farm land. New resources and creative thinking are needed to support them.

As demand for local food increases, so too does the opportunity to produce more local food, support local economies, and keep more land in active production. Perhaps there is an opportunity for Greater Philadelphia to support the creation of more farms. However, access to land, capital, and knowledge continues to be a barrier for beginning farmers, especially in a dense metropolitan area. This report summarizes some information regarding existing financial and technical assistance for small and beginning farmers, highlights a few nontraditional farm financing resources, and provides recommendations for government agencies, nonprofits, and lending institutions to improving access to land and capital for beginning farmers specifically in the Greater Philadelphia region.

CHALLENGES AND OPPORTUNITIES

Farmers are aging.
Overall decrease in mid-sized farms.
Agriculture is a land-intensive business.
Some new farmers coming from nonfarm backgrounds.
Increased consumer interest in local food and direct sales.
Well-established farmland preservation programs.
Ensuring continued agricultural use from one generation to the next.
Promote place-based economic development.
Increase local food supply and access to healthy foods.

CURRENT CHALLENGES AND OPPORTUNITIES IN AGRICULTURE

Increased interest and awareness of food, food production, and farming has created more market opportunities for small farmers. Simultaneously, a new generation of farmers—many of whom do not come from farming families—are trying their hands at agriculture. A number of the opportunities and challenges outlined below have and will continue to influence farmers' abilities to operate profitable businesses and provide food for the Greater Philadelphia region.

- **Aging Farmers.** According to the 2007 Census of Agriculture, the average age of principal farm operators in the Greater Philadelphia's 100-mile foodshed was 55.2, while the average age of an American farmer was 57.1. As farmers age and retire, a new generation is needed to take over management of farm businesses and working landscapes. Experts estimate that as much as half of the country's farmland will change hands in the next 10 to 15 years.[4]

- **Decrease in Mid-Sized Farms.** The 100-mile foodshed recently experienced an increase in the total amount of land in farms, but a decrease in the average size of farms. Farming is beginning to concentrate at the extremes, with many very small operations and a few very large farms. Fifty-six percent of farms within Greater Philadelphia's 100-mile foodshed are smaller than 50 acres. This is not to say that bigger is better, but a diversity of farm sizes can serve a range of markets.

- **Land-Intensive Business.** Farmers need access to affordable land because agriculture is land intensive, has slim margins for profitability, and is subject to extreme fluctuations in global prices. When urban development encroaches upon farmland, the value of the remaining farmland increases. According to the American Farmland Trust, "between 2002 and 2007, 4,080,300 acres of agricultural land were converted to developed uses—an area nearly the size of Massachusetts."[5] This decrease in available, suitable land creates obstacles for new and aspiring farmers to purchase or lease land and increases the costs of farming, as property taxes, labor costs, and other transaction and opportunity costs rise. In 2007, an acre of farmland in Philadelphia's 100-mile foodshed was worth, on average, 342 percent more than the national average.[6] A 2012 USDA Economic Research Study found that farm real estate is a major financial asset for farmers, "accounting for 84 percent of the total value of U.S. farm assets in 2009".[7] Farm real estate is often the principal source of collateral for farm loans, allowing farm operators to purchase additional land and equipment or finance current operating expenses and meet household needs.[8]

- **Nonfarm Backgrounds.** An increasing number of beginning farmers today come from nonfarm backgrounds.[9] These new farmers often have trouble accessing farmland since more traditional, family farms are often passed down from generation to generation. They may also lack access to mentors or support networks that are built into family farms. Recognizing the wealth of experience and knowledge that

[4] *Farming on the Edge: Sprawling Development Threatens America's Best Farmland* (Washington, DC: American Farmland Trust, 2002).

[5] *Farming on the Edge: Sprawling Development Threatens America's Best Farmland* (Washington, DC: American Farmland Trust, 2002).

[6] *Greater Philadelphia Food System Study* (Philadelphia: Delaware Valley Regional Planning Commission, 2010).

[7] Cynthia Nickerson et al., *Trends in U.S. Farmland Values and Ownership, EIB-92* (Washington, DC: U.S. Department of Agriculture, Economic Research Service, February 2012).

[8] Cynthia Nickerson et al., *Trends in U.S. Farmland Values and Ownership, EIB-92* (Washington, DC: U.S. Department of Agriculture, Economic Research Service, February 2012).

[9] Lindsey Lusher Shute, *Building a Future with Farmers: Challenges Faced by Young, American Farmers and a National Strategy to Help Them Succeed* (Tivoli, NY: National Young Farmers Coalition, November 2011).

established farmers have and the benefits that they could provide to beginning farmers, a few organizations have developed programs to match beginning farmers with mentors.

- **Increased Consumer Interest in Direct Sales.** A significant segment of American consumers are interested in purchasing food directly from producers. Direct sales usually appeal to small and mid-sized farms located near suburban or urban markets. They can yield more income for a producer by eliminating the need for third-party distributors. However, as of the 2007 Census of Agriculture, direct sales account for less than 1 percent of total agricultural sales nationally.

- **Farmland Preservation.** Legislation and budget allocations for farmland preservation programs, both in the nine-county area and across the country, demonstrate a growing public interest in preserving farmland. Between 1988 and 2012, voters in the DVRPC nine-county region approved 219 referendums authorizing counties and municipalities to levy additional taxes or issue bonds, providing over $745 million for open space preservation.[10] Farmland preservation programs can help to maintain affordable farmland into the future by reducing land's development potential, and therefore reducing its resale value. Both New Jersey and Pennsylvania are models for state farmland preservation programs. By the end of 2011, Pennsylvania had preserved 4,229 farms, bringing the total amount of preserved acreage to 457,537.[11] As of January 2013, New Jersey had preserved 2,146 farms, for a total of 201,327 acres.[12] Farmland preservation is intended to protect commercially viable, active agricultural lands so that these lands are available and affordable to future generations of farmers. Ensuring the protection of open space is an incidental benefit of farmland preservation programs.

CONSERVATION EASEMENTS

Conservation easements are voluntary land preservation agreements that restrict all future nonfarm development while encouraging farming, forestry, and other land uses that are compatible with agriculture. They allow land to stay in private ownership and on the tax rolls.

By purchasing conservation easements from willing farmers, the state is able to protect more farmland from development, because the agreements are more cost effective than buying land outright.

Source: Farming on the Edge: Sprawling Development Threatens America's Best Farmland (Washington, DC: American Farmland Trust, 2002).

- **Ensure continuing agricultural use from one generation to the next.** The average age of farmers has increased in the past decade. In many cases, farmers work long past the retirement age of other

[10] Amy Miller, "Local Funding Programs: 2013 Election Update," DVRPC website, June 7, 2013 (11:00 AM), www.dvrpc.org/openspace/local.htm.

[11] *2011 Annual Report Act 149 of 1988* (Harrisburg, PA: Pennsylvania Department of Agriculture, Bureau of Farmland Preservation, May 2012).

[12] *New Jersey Farmland Preservation Program; Summary of Preserved Farmland* (Trenton, NJ: New Jersey State Agriculture Development Committee, January 2013).

DIRECT, INDIRECT, AND INDUCED EFFECTS

The total economic impact is composed of three effects: direct, indirect, and induced. Direct effects are the value of new production, processing, and retail output, and the additional jobs and labor income generated. Indirect effects measure the total value of locally supplied inputs and services provided by businesses that serve the producers (e.g., machinery, feed, seed, fertilizer, financial services), and processing and retailing activities. Induced effects accrue when workers in the direct and input supply sectors spend their earnings in the region.

Source: "Farm Household Income," *USDA, Economic Research Service*.

professions. Like any other professional field, new actors are needed to assume financial and technical management of farm businesses. While federal, state, and county governments are acting to protect important agricultural lands for future generations, steps need to be taken to ensure that a new generation of farmers will be ready and able to farm these lands. A few nonprofit organizations are beginning to operate farmer matching programs, like the Pennsylvania Association for Sustainable Agriculture's (PASA) Farm Lease Connection, PA Farm Link, and NJ Farm Link, which bring landowners and new farmers together to transition ownership or business responsibilities.

- **Promote place-based economic development.** The GreenSpace Alliance (GSA), an alliance of organizations, government agencies, and individuals dedicated to protecting open space and farmland in Southeastern Pennsylvania, recently commissioned a study: *Transforming Open Space to Sustainable Farm Enterprises*. The study found that "advancing sustainable agriculture enterprises in Southeastern Pennsylvania has the potential to create jobs and add to the local, grass-roots economy. The estimated economic value of sustainable farms on open space in the five-county area is approximately $155 to $258 million dollars annually."[13] The additional revenue generated by these sustainable agricultural products would equate to a 25 percent increase of all agricultural products sales in the five-county region. Increases in farms and direct jobs can further grow the local economy through indirect and induced spending. Smaller farms that distribute their products through farmers' markets or Community Supported Agriculture (CSAs) help keep more food dollars circulating within the local economy. A study of the economic benefits of Iowa farmers' markets found that "each dollar spent at farmers' markets in Iowa generated 58 cents in indirect and induced sales, and that each dollar of personal income earned at farmers' markets generated an additional 47 cents in indirect and induced income."[14]

- **Increase local food supply and access to healthy foods.** Food access can mean several things, including physical access (no stores in a neighborhood or limited transportation between residential and retail areas), financial access (low household income), lack of cooking facilities, and/or a lack of personal time. Farmers' markets and farm stands that accept electronic benefits such as the Supplemental Nutrition Assistance Program (SNAP) or Women, Infants, Children (WIC) help to expand healthy food access to underserved communities and increase direct economic benefits for farmers.[15] "According to the USDA's Economic Research Service, each $1 billion of retail generated by SNAP creates $340 million in farm production, $110 million in farm value-added, and 3,300 farm jobs.[16]

[13] Delaware Valley Regional Planning Commission and GreenSpace Alliance, *Transforming Open Space to Sustainable Farm Enterprises,* prepared by Simone Collins Landscape Architecture (Philadelphia, PA: GreenSpace Alliance, July 2012).

[14] Steve Martinez et al., *Local Food Systems: Concepts, Impacts, and Issues, ERR 97* (Washington, DC: U.S. Department of Agriculture, Economic Research Service, May 2010).

[15] "Healthy Food Access," U.S. Department of Agriculture, accessed February 15, 2013, www.usda.gov/documents/7-Healthyfoodaccess.pdf.

[16] "The Real Benefits of Snap," Snap to Health, accessed February 15, 2013, www.snaptohealth.org/snap/the-real-benefits-of-the-snap-program.

FINANCING NEW FARMERS

Despite these promising trends and evident benefits, studies have demonstrated that small and beginning farmers face significant obstacles in accessing land and capital to start or expand their operation. These challenges can be the result of a lack of resources and knowledge on the part of both the lender and the farmer. Lenders traditionally use the "Five Cs of Credit"—character, capacity, capital, collateral, and condition—to determine an applicant's creditworthiness. These standards can be difficult for beginning farmers to meet and may not accurately demonstrate their ability to pay back a loan. A Michigan State University study noted that, "farm financing is difficult because of the transaction costs of often small loans; the emerging nature of the local and regional food markets that many of the farms are forging; and the infinite variety of farm types and approaches with practically no reliable benchmarks or other metrics to reference."[17]

Making Farming Profitable. Farming can be a profitable enterprise; however, it often requires substantial startup costs and many years of sound business decisions to realize a profit. A 2009 USDA report on Beginning Farmers and Ranchers noted that, "Many farms, particularly beginning farms, have no agricultural commodity production in a given year." The same report found that, "it is only when farms gross at least $50,000 in value of production that most farms make a profit, and that the average asset base of farms with sales of $50,000 or more in 2007 was over $1.9 million."[18] The considerable upfront capital and land investment required to earn a very small profit is often a barrier to many beginning and small farmers. Not surprisingly, most beginning and small farmers need to supplement their farm income with off-farm employment.

[17] Susan Cocciarelli et al., *Financing Farming in the U.S.: Strengthening Metrics and Expanding Capital* (East Lansing, MI: Michigan State University, Center for Regional Food Systems, May 2012), 4–5.

[18] Mary Ahearn and Doris Newton, *Beginning Farmers and Ranchers, EIB-53* (Washington, DC: U.S. Department of Agriculture, Economic Research Service, May 2009).

THE FIVE CS OF CREDIT

The Five Cs of Credit is a method used by lenders to determine the creditworthiness of potential borrowers. The system weighs the following five characteristics of the borrower to attempt to gauge the chance of default.

Character refers to a borrower's personal and business reputation and is often based on credentials and references.
Capacity measures a borrower's ability to repay a loan by comparing income against recurring debts. Capacity also looks at a borrower's loan and repayment history to see that they are capable of repaying loans.
Capital measures how much money is invested in a business. Lenders want to see that borrowers have a financial commitment to their company.
Conditions refer to the current economic conditions and how a borrower's business responds to those economic conditions.
Collateral represents assets that the company pledges as an alternate repayment source for the loan. Most collateral is in the form of hard assets like real estate or equipment.

Source: Susan Cocciarelli et al., *Financing Farming in the U.S.: Strengthening Metrics and Expanding Capital* (East Lansing, MI: Michigan State University, Center for Regional Food Systems, May 2012).

Lack of Credit and Collateral. Many beginning farmers, especially younger farmers, have trouble securing a loan because they lack the required credit history, capital, or assets to collateralize a loan. While banks and traditional lenders use these measures to ensure the security of their loans, beginning farmers often have to work for many years to accumulate enough savings to meet these standards. Because beginning farmers, like other small business owners, often need additional financing in order to make their enterprises more profitable, some have turned to friends or family to finance farm expenses. However, these funding sources are limited based on personal networks. Others turn to credit cards to finance purchases.

Lack of Business Plan. Thorough business plans and cash-flow projections demonstrate both the character of the applicant as well as their capacity to repay a loan. Although both are valuable business management tools that can help farmers with fewer financial resources to secure a loan, many beginning farmers struggle to obtain loans because they do not have a business plan with cash-flow projections. Noncommodity crop cash flows are harder to project since they do not follow commodity market prices. Additionally, many smaller, diversified farms grow a variety of crops and often sell directly to consumers through farmers' markets, wholesalers, and CSAs. While these business methods can be profitable, they are harder to project predictable cash flow due to weather, daily consumer demand, and competition. However, without this information, both the applicant and the lender cannot estimate the size of loan or realistic payback period.

DIVERSIFIED AGRICULTURE

Diversified agriculture can be defined as the practice of producing a variety of crops, animals, or both, on one farm, as distinguished from specializing in a single commodity. Diversifying can soften impacts on environmental resources, spread farmers' economic risk, exploit profitable niche markets, and, by creating new industries based on renewable agriculture resources, strengthen rural communities.

Source: Sustainable Agriculture Research and Education (SARE).

Understanding of Debt. Some beginning and small farmers may be hesitant to take out loans due to a lack of understanding about how debt can support business development. However, using debt to finance an asset that will help to generate additional revenue, like seedlings, livestock, or equipment, may be a good way for beginning farmers to grow their enterprise while still keeping some cash on hand for other expenses.

Need for Small Loans. Beginning and small farmers often need smaller loans in the range of $15,000 to $35,000 to finance operational expenses (also known as *working capital*). Many banks and traditional farm lenders are not able or interested in making small loans since they are often overly expensive to manage and have the same paperwork and eligibility requirements as larger loans. To address this need, the USDA's Farm Service Agency (FSA) recently developed a Microloan Program that makes loans of up to $35,000 available to beginning and disadvantaged farmers.

Emerging Agricultural Sector. Small, diversified farms in or near metropolitan areas are an emerging agricultural sector that many lenders are unfamiliar with. "They do not sell into mainstream commodity markets; instead, they depend on outlets where the special character of their product can earn a premium."[19] Product pricing can vary from more traditional wholesale produce pricing due to the perceived increased value of differentiated products like organic and/or local produce. Additionally, as mentioned above, forecasting cash flow for newer distribution models like farmers' markets and CSAs may be difficult since sales can be unpredictable. Conventional banks may be unfamiliar with this business model and, therefore hesitant to lend to farmers in this sector.

Decline of Agricultural Loans. The number of financial institutions providing agricultural loans and the number of staff with agricultural knowledge have declined in the past few decades. According to a Carrot Project report, banks are "fewer in number, less place-based," and "are more oriented toward volume production and efficiency." They are "less willing or able to spend a lot of time with individual customers or loans," and "maintain, even in rural areas, fewer loan officers with farm-lending expertise."[20] The decline of commercial lending to the agricultural sector has created a need for alternative financing models.

[19] John Moukad, *Small Farms in a Changing Credit Landscape: A Report for The Carrot Project* (Somerville, MA: The Carrot Project, 2010).

[20] Moukad, *Small Farms in a Changing Credit Landscape.*

TRADITIONAL FINANCIAL RESOURCES FOR NEW FARMERS

Many traditional farm financing institutions, such as the USDA's Farm Service Agency, Farm Credit, Aggie Bonds, and commercial banks, have served farmers for generations. Recognizing the growing need for financing beginning and small farmers, many of these organizations created financing programs targeted specifically to this group. These loan programs have a range of requirements with varying loan amounts and terms that can be difficult to uncover or understand.

Farm Service Agency (FSA)
www.fsa.usda.gov

The FSA sets aside a percentage of their budget for beginning farm and rancher loans. Seventy-five percent of Direct Farm Ownership Loans and 50 percent of Direct Operating Loans are dedicated to beginning farmers and ranchers. The FSA defines a beginning farmer and rancher as someone who has not operated a farm or ranch for more than 10 years, does not own a farm or ranch greater than 30 percent of the median size farm in the country, meets eligibility requirements of the program to which he/she is applying, and substantially participates in the operation. In 2010, the average loan to a beginning farmer or rancher ranged from $84,000 to $157,000 across the various loan programs.

Farm Credit
www.farmcreditnetwork.com

Farm Credit is a nationwide system started by Congress in 1916 to provide capital to agricultural operations. Groups of farmers across the country formed the organization as a cooperative business, lending money to each other, as they found traditional banks to be less interested in making loans. To borrow money, a farm has to become an owner in the cooperative, which enlarges the financing pool and allows them to receive interest earnings. There are different levels of eligibility for lending, ranging from producers to basic processors, from marketers to farm-related businesses. Greater Philadelphia is served by Mid-Atlantic Farm Credit, AgChoice Farm Credit, and First Pioneer.

U.S. Small Business Administration (SBA)
www.sba.gov

The SBA has very few programs that are applicable to agriculture. However, there are two programs (maybe more) that could be used to purchase a fixed asset. SBA 504 loans are to finance land and building acquisition and expansion and machinery and equipment purchases. It cannot be used for working capital. SBA Microloans can be used for working capital, inventory or supplies, furniture, machinery or equipment. The SBA provides funds to specially designated intermediate lenders, which are nonprofit community-based organizations with experience in lending and technical assistance. The maximum amount is $50,000, although the average loan is $13,000.

Pennsylvania Department of Community and Economic Development (PA DCED)
www.newpa.com

A number of loan programs for agriculture businesses are administered by Pennsylvania's Department of Community and Economic Development (PA DCED). A popular program is Pennsylvania's Aggie Bond – New Generation Farmer Loan Program. The program uses federal tax-exempt mortgage financing to reduce a farmer's interest rate for capital purchases, such as the purchase of farm land or agricultural machinery and equipment. The tax-exempt interest income to the lender or contract seller enables them to charge the borrower a lower interest rate, which is exempt from federal, state, and county taxes that would be applicable. Other programs that may be available to agricultural businesses include Small Business First, which can be used to cover a portion of the costs of land, buildings, machinery, and equipment or working capital. The Machinery and Equipment Loan Fund provides a substantial amount of money (up to $5 million or 50 percent of total eligible project costs), but cannot be used for land purchases.

Other Sources of Funding
There are many other sources of funding, including private banks, loans from family and friends, and entering into a private mortgage agreement with a seller. Like other entrepreneurs, farmers must be creative to secure multiple sources of funding for multiple purposes.

NONTRADITIONAL FINANCING MODELS

Despite the abundance of traditional farmer financing resources that exist, many farmers, especially beginning and small farmers, are not able to access capital. Although some of the lenders like Farm Credit and FSA are adapting their loan products to support beginning and small farmers, many beginning farmers are not prepared to take advantage of these resources since they may lack sound business plans or cannot demonstrate a history of financial responsibility. These requirements help the lenders ensure that they are making safe loans. It is in the best interest of both the borrower and the lender to ensure that the borrowers are in the best position to succeed financially. FSA may lack the funding to support the emerging farming sector as a result of budget cuts. Additionally, FSA's application process requires the applicant to have been turned down by another lender, which can increase the processing time required for loan application and approval.

A number of nonprofits across the country have developed more unconventional financing programs to try to address the gap that exists between available financing and farmer need. Many of the nontraditional methods are based on trends such as crowdfunding and microloans. Others rely on more tried-and-true economic development methods like Individual Development Accounts (IDAs) with matching contributions. DVRPC looked at these programs (nearly all of which are not available to producers within Pennsylvania or New Jersey) to better understand

how the programs reliably provide loans, absorb risk, provide return to investors, and cover administrative costs. Although the programs utilized different financial mechanisms to assist farmers, almost all noted the importance of timely technical assistance, specifically developing cash-flow projections, in determining a farmer's creditworthiness and preparing them for future financial success.

The case study summaries below highlight various nontraditional financing models. The full case studies can be found at www.dvrpc.org/food/greenerpastures.

Government model – Nebraska's Beginning Farmer Tax Credit
www.nda.nebraska.gov/beg_farmer/index.html

The Nebraska Legislature created the Nebraska Beginning Farmer Tax Credit Act in 1999 to address some of the challenges facing farming, including the increasing average age of farmers and the difficulty in accessing land. The Beginning Farmer Tax Credit Program incentivizes agricultural asset owners to lease agricultural land, machinery, or livestock to a qualified beginning farmer. The lessor receives a tax credit equal to 10 percent of the cash rent or 15 percent of the owner's value of the share crop rent. The Beginning Farmer Tax Credit Program requires a three-year lease term. An eligible beginning farmer must be a Nebraska resident, have farmed or ranched for less than 10 of the past 15 years, have a net worth of less than $200,000, have participated in an approved financial management class, will provide the majority of the daily physical labor and management of the farm, and will plan to farm or ranch full time. In addition to providing proof of a financial management class and net worth statement, the Beginning Farmer Tax Credit Act requires that applicants submit a projected cash-flow analysis. Between 2000 and 2013, the Beginning Farmer Tax Credit has helped 716 beginning farmers and provided over $4.5 million in tax credits to 860 agricultural asset owners.

Nonprofit model – The Carrot Project's Revolving Loan Program
The Carrot Project is a nonprofit that operates primarily in New England and partners with farmers, lenders, investors, donors, and farm service providers to create loan programs connected to technical assistance programs. The Loan and Outreach Coordinator, Benneth Phelps, said, "Having a successful borrowing experience is something that puts those businesses in a position to borrow [more] in the future; and through our programs borrowers make a relationship with a particular lending institution in their community that can serve their business going forward. Our borrowers go on to access other financing in the future and have the know-how to use financing to meet their business goals."[21]

The Carrot Project's first loan program began in Vermont and Western Massachusetts in 2009 as a partnership between a nonprofit, Strolling of the Heifers, Chittenden Bank (now People's United Bank), and The Carrot

[21] Benneth Phelps, personal interview, June 13, 2013.

Project. Since then, The Carrot Project has expanded their loan program, finding new partners across the Northeast. They collaboratively administer four geographic-specific programs in the Greater Berkshires, Maine, Massachusetts, and Vermont, partnering with a local lending institution, such as a regional bank, a Community Development Financial Institution (CDFI), or an economic development agency, making loans to small and mid-sized farms and food system businesses that use sustainable or organic practices and serve local or regional markets.

As of 2013, The Carrot Project has provided services to more than 70 farm and food businesses in Maine, Massachusetts, Vermont, and the Greater Berkshires. They have worked with four lending institutions and 28 investors to make loans totaling over $450,000 to 33 businesses.

Nonprofit model – Food Roots' Individual Development Account

Food Roots is a community-based nonprofit organization in Oregon that works to increase local food production and access, enhance community assets, support beginning farmers, and strengthen the regional economy and food system through a number of programs. In 2009, with the assistance of an AmeriCorps Vista volunteer, Food Roots established the Individual Development Account (IDA) program to help food system entrepreneurs save money to invest in their businesses. The small business IDA program is an asset-building tool that provides entrepreneurs with access to capital and organizational partners, fosters good financial habits, and teaches business skills. The goal of the IDA program is to encourage habitual savings in order to increase future earning potential, build assets for participants and their families, and grow the food system in the North Coast of Oregon. Food Roots's IDA participants receive a 3:1 match on their IDA savings, meaning that for every $1 a participant saves, the program will match it with $3. Participants can save a combined total of $12,000 over three years. In addition to consistent monthly savings, participants learn important business skills such as cash-flow projection, financial management, and marketing through free, required classes provided by partners like the local community college, Oregon State University Agricultural Extension, and local financial institutions. Once participants have reached their savings goal and completed the required classes, they can use the money to finance business-related expenses. The IDA program is funded by the Oregon IDA Tax Credit and the Federal Assets for Independence fund. The Oregon IDA Tax Credit allows anyone to support IDA participants by donating to Neighborhood Partnerships, a 501c3. Donors receive a 75 percent tax credit. Neighborhood Partnerships then works with the state to fund specific IDA matching programs like Food Roots.

Since beginning the small business IDA program for food system entrepreneurs in 2009, Food Roots has enrolled 16 participants. As of June 2013, five participants have completed the three-year savings program and two have dropped out. The participants who completed the program have used their IDA savings to purchase assets that will support their food system related business goals, such as fencing, a vegetable cleaning room, a refrigerated food truck, and hoop houses.

Nonprofit model – Open Space Institute's Lease to Own Pilot

www.osiny.org

Founded in 1974, the Open Space Institute (OSI) protects scenic, natural, and historic landscapes to provide public enjoyment, conserve habitats, and sustain communities. OSI recognizes the value in maintaining working family farms as a source of local food production and as a basis for a sustainable economy. Through conservation easements and direct acquisition, OSI helps farmers protect their land in perpetuity and ensure the likelihood that their farms remain viable and productive in the face of development pressures and other challenges. In 2012, OSI undertook a pilot Lease to Own Program as a way to leverage OSI's land conservation work - developing a program that not only aligned with their mission to preserve land on a large scale, but would also complement the resources already available to farmers through the agricultural lending industry. The Lease to Own Program is intended to help small and beginning farmers access land, grow their farming enterprise, build equity, and eventually graduate to traditional lending institutions.

OSI works with partner organizations to identify farmers who want to own their own land and have a proven commitment to farming. After selecting an eligible farmer, OSI works with the farmer to identify a suitable piece of land that satisfies both their farming and land conservation requirements. OSI's land acquisition arm, the Open Space Conservancy, then acquires the property. The farmer leases the property from OSI for a set term, generally five to seven years, with the option to purchase the property at any time during the lease. The purchase option provides farmers with the land security necessary to make investments in the property, such as soil improvements or fence construction, and, in turn, grow their farm business. The purchase option also supports OSI's conservation efforts by positioning a private party (the farmer) to purchase the preserved land. OSI will recover the fee value of the property (property value minus the cost of the conservation easement) once the farmer exercises his or her purchase option.

Nonprofit model – The Conservation Fund's ShadeFund
www.shadefund.org

Established in 2011 by The Conservation Fund with a startup capital grant from the U.S. Endowment for Forestry and Communities, the ShadeFund pools tax-deductible contributions from individuals, companies, and foundations to provide green entrepreneurs with loans to grow their businesses and create jobs. The ShadeFund is the web-based microlending arm of Natural Capital Investment Fund, a nonprofit CDFI affiliated with The Conservation Fund that targets and supports forestry-related businesses and small-scale agricultural producers in central Appalachia and the Southeast. The ShadeFund makes loans ranging from $5,000 to $50,000 to entrepreneurs who work in forestry and forest products, small-scale agriculture, ecotourism, natural food and medicines, biomass, or energy efficiency fields. The majority of their

loans are $20,000 or less. ShadeFund's interest rates vary between 4 and 9 percent, according to loan amount, available collateral, and creditworthiness.

Corporate model – Whole Foods' Local Producer Loan Program
www.wholefoodsmarket.com/mission-values/caring-communities/local-producer-loan-program

As of June 2013, Whole Foods operates over 340 stores throughout North America and the United Kingdom. Whole Foods has regional distribution centers throughout the country that coordinate buying and implement initiatives. Regional centers are increasingly emphasizing store purchasing, loans to producers, and the provision of space for producer-only farmers' markets.

Whole Foods began the Whole Foods local producer loan program (LPLP) in 2007. The loan program is intended to help small, local, independent farmers and food artisans expand their businesses, strengthen producers' relationships with Whole Foods's regions, and support the development of specific products (including organic and animal-compassionate products) that Whole Foods would like to include in their stores. The LPLP provides loans ranging from $1,000 to $100,000 to eligible borrowers and can be used for capital expenditures (buy more animals, invest in new equipment, or expand crops).

Select Whole Foods Regional and Store Buyers are empowered to recommend producers that are either already selling their product in a Whole Foods store and wish to expand or outside producers who meet Whole Foods quality standards and have developed a relationship with their local Whole Foods. The potential borrowers must be endorsed by the regional office. The average Local Producer Loan is $52,000 with a 5 percent interest rate over a loan period of five years. To date, Whole Foods has made 165 Local Producer Loans to 142 different producers, totaling $9.03 million.

DVRPC continues to collect examples of alternative and nontraditional programs. More and longer case studies are periodically added to www.dvrpc.org/food/greenerpastures.

TECHNICAL ASSISTANCE RESOURCES

Like other small businesses, farmers need to demonstrate strong business and financial knowledge to prove creditworthiness and access loans. In an emerging sector, such as diversified or sustainable farming, the conventional agricultural business benchmarks for lending may not apply, making it even more important for farmers seeking loans to understand actual and potential cash flow. Understanding what technical assistance resources are available can be daunting. Many different types of organizations have begun to offer technical assistance programs that address several of the financial and management aspects of farming, like developing an income and expense statement or deciding when to hire additional employees.

There is a wealth of organizations working to increase opportunities for beginning and small farmers to start and maintain successful farming enterprises. These organizations hope to support beginning and small farmers through managing loan programs, providing technical assistance, negotiating land-lease programs, matching beginning farmers with mentors, and advocating for additional governmental support.

NATIONAL

National Sustainable Agriculture Information Service (ATTRA)
attra.ncat.org

ATTRA offers both online and in-person courses and workshops across the country that address a range of topics from production to transportation to farm management to broader food system issues.

Sustainable Agriculture Research and Education (SARE)
www.sare.org

In addition to producing bulletins, fact sheets, newsletters, videos, and other materials, SARE offers a number of courses, including a multipart online course on the basic principles of sustainable agriculture and strategic farm/ranch planning and marketing.

Start2Farm
start2farm.gov

Start2Farm is a curriculum and training clearinghouse for new and beginning farmers.

REGIONAL

AgChoice Farm Credit
www.agchoice.com

AgChoice Farm Credit is a member of the nationwide Farm Credit Network with 10 branch offices providing financial and business management services to approximately 7,000 customer-owners in 52 counties in central, western, and northern Pennsylvania as well as four counties in West Virginia. AgChoice offers a variety of financial and technical resources for services ranging from agricultural loans to forest product equipment leases to rural home mortgages. Additionally, AgChoice Farm Credit has a team of consultants available to help farmers through any and all of the steps of farm transition and succession planning. AgChoice recently launched the “Knowledge Center” to provide educational opportunities on many topics to help ensure farming success.

MidAtlantic Farm Credit
www.mafc.com

MidAtlantic Farm Credit, a member of the nationwide cooperative Farm Credit Network, provides agricultural financing, including farm and country home loans, loans for equipment and buildings, land loans, construction loans, improvement loans, production/operating loans, and agribusiness loans. MidAtlantic Farm Credit is one of the largest agricultural lenders on the East Coast with 17 offices serving the Eastern Shore of Maryland and Virginia, Eastern Pennsylvania, Delaware, North-Central Maryland, North-Eastern West Virginia, and North-Western Virginia, and over $2.1 billion in loans to more than 10,400 members.

Northeast Beginning Farmers Project
nebeginningfarmers.org

The Northeast Beginning Farmers Project offers online, interactive five- to seven-week courses that connect farmers to information and professionals needed to start a successful farm business or diversify a farm. The courses help to establish clear goals, assess personal resources, plan marketing, create budgets, set up recordkeeping, navigate regulations, choose the right equipment, improve soil, get organically certified, and write a business plan.

NEW JERSEY

Northeast Organic Farming Association of New Jersey (NOFA-NJ)
www.nofanj.org

A membership-based, educational nonprofit, NOFA-NJ is dedicated to supporting sustainable food and agriculture throughout New Jersey in order to create an economically viable, regionally based, organic agricultural system. NOFA-NJ manages the Beginning Farmer Incubator Program, which provides beginning farmers with educational stipends, mentors, business planning support, and access to a land-link program.

PENNSYLVANIA

Pennsylvania Small Business Development Centers (PA SBDC)
www.pasbdc.org

PA SBDC offers standard business services like startup cost analysis, industry research, pricing, and business planning to agribusinesses, along with specialized assistance for entrepreneurs looking to commercialize new food products. PA SBDC also provides regular educational programs, presentations, and speakers geared toward agribusiness and specialty food markets, including ServSafe training for food handlers, Farming Profitability for small to mid-sized farms and urban farmers, and Building Your Food Business for anyone interested in starting a specialty food, organic, or natural food concern.

Pennsylvania Department of Agriculture—Center for Farm Transitions
iplantofarm.com

The Center helps farmers of all levels of experience who are in transition, including beginning farmers with no existing operation, retiring farmers, and farmers who want to expand or convert their farming operation.

Pennsylvania Farm Link (PFL)
www.pafarmlink.org

PFL is dedicated to the mission of creating farming opportunities for the next generation of farmers. PFL accomplishes this through a land-linking database which helps to match landowners with prospective farmers by managing a searchable database of available farmland and interested buyers and renters.

Pennsylvania Association for Sustainable Agriculture (PASA)
www.pasafarming.org

As the largest statewide, member-based sustainable farming organization in the United States, PASA seeks to improve the economic viability, environmental soundness, and social responsibility of food and farming systems in Pennsylvania and across the country. PASA offers a number of programs to farmers of all levels and developed “Farm Lease Connection” service designed to build successful farm enterprises between farmers and landowners of all kinds.

Penn State Extension
extension.psu.edu

Pennsylvania’s Cooperative Extension is housed within Penn State University’s college of Agricultural Sciences. The Penn State Extension Farm and Food Business program provides agricultural entrepreneurs, farmers, and business owners with information and tools on business marketing and emerging industry issues. The Start Farming program provides courses, workshops, and resources for beginning farmers in production, marketing, financial management, land acquisition, and other resource acquisition.

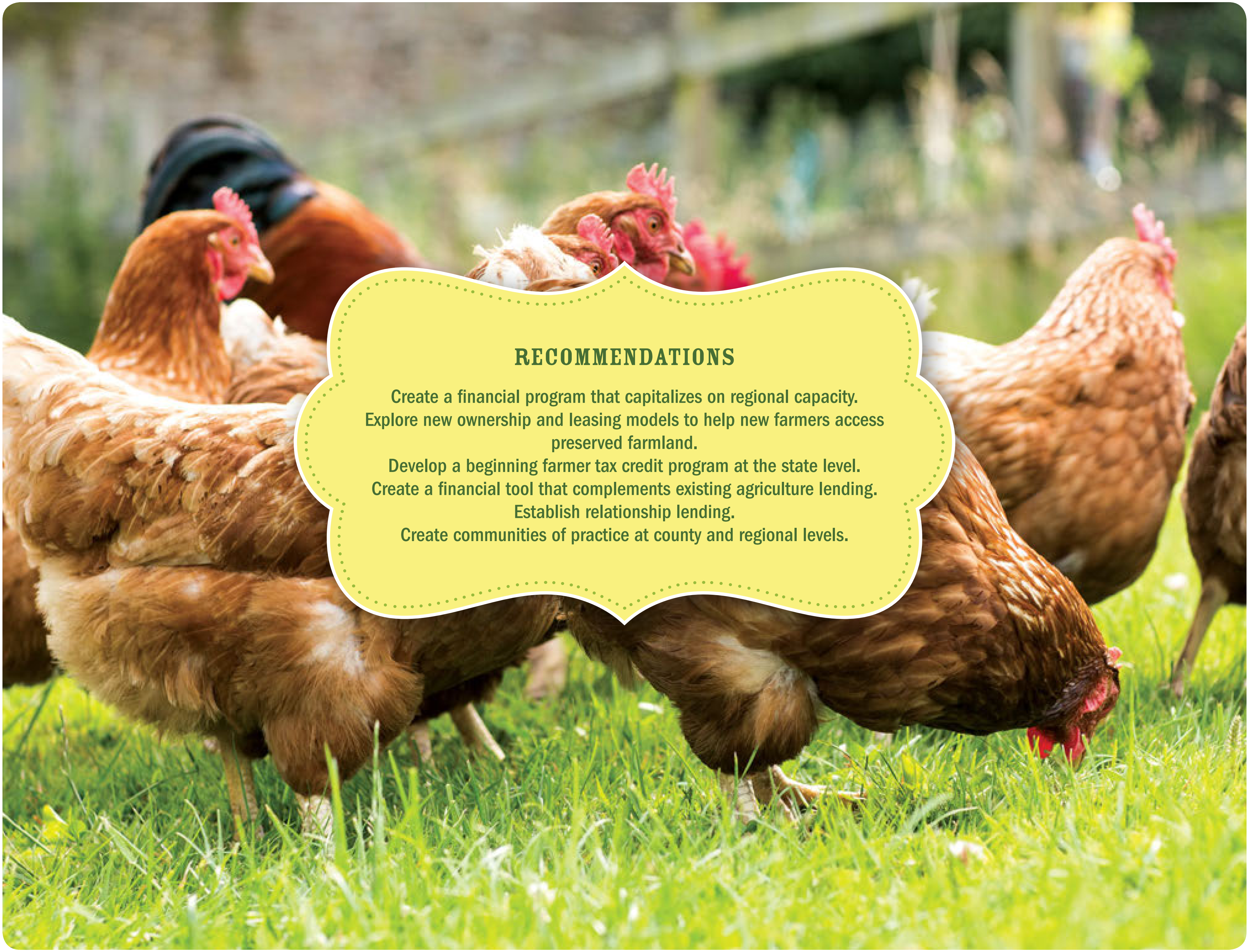
SELECT COUNTY PROGRAMS

Chester County Economic Development Council (CCEDC)
www.cceconomicdevelopment.com

CCEDC is a private, nonprofit regional economic development entity that has provided business services to companies in Chester County and the surrounding region for over 50 years. CCEDC offers a number of business development and support services, including financing and workforce development to a range of key industries, which includes agriculture. CCEDC also administers low-interest loan programs such as the Commonwealth's Next Generation Farmer Loan (NGFL) Program. CCEDC manages the NGFL Program in collaboration with the Chester County Industrial Development Authority.

Lehigh County's The Seed Farm
www.theseedfarm.org

The Seed Farm offers a three-year new farmer training program and agricultural business incubator, in partnership with Penn State Extension's Start Farming program and Lehigh County. The first year of the program is an apprenticeship, consisting of both formal coursework taught by Penn State Extension educators and hands-on training. After successfully completing the first year, apprentices may apply to the Farm Stewardship Program. Through the Farm Stewardship Program, beginning farmers can launch their agricultural businesses on the incubator portion of The Seed Farm.



RECOMMENDATIONS

Create a financial program that capitalizes on regional capacity.
Explore new ownership and leasing models to help new farmers access preserved farmland.
Develop a beginning farmer tax credit program at the state level.
Create a financial tool that complements existing agriculture lending.
Establish relationship lending.
Create communities of practice at county and regional levels.

RECOMMENDATIONS

Supporting the growth of the farming industry is an important component of sustaining and increasing access to healthy foods, supporting economic development, and preserving open space. To start and maintain successful farming enterprises, farmers need access to land and capital. A number of financial resources exist, many developed specifically to support the emerging cohort of small and beginning farmers. However, as previously mentioned, obtaining loans through these programs can pose a significant challenge for small and beginning farmers. While DVRPC's expertise is not in financing, we have outlined the following recommendations to further support the growth of small and beginning farmers:

- **Create a financial program that capitalizes on regional capacity.**
  There are a number of financial institutions, community organizations, nonprofits, and governmental agencies working to support the food system and, more specifically, agriculture, in the Greater Philadelphia region. These organizations often specialize in providing services or resources to a particular segment of the larger agricultural sector. Although many of these organizations do not have the financial and technical knowledge and resources to develop and manage a loan fund for beginning farmers individually, cumulatively, this region has the capacity to serve this need.

  Similar to The Carrot Project's loan programs, multiple organizations with different strengths should collaborate to create a loan program that is tied to technical assistance. Organizations like PASA or NOFA-NJ, that already provide farmer education classes and have established relationships with the farming community, could offer business planning and cash-flow instruction to ensure that farmers are prepared to apply for loans. They could partner with local financial institutions like MidAtlantic Farm Credit to guarantee that eligible farmers receiving farm management instruction could access financing. This partnership would provide lenders with vetted, loan-ready applicants without requiring them to significantly increase their knowledge of the agricultural sector while, at the same time, reinforcing the larger goal of supporting small and beginning farmers.

- **Explore new ownership and leasing models to help new farmers access preserved farmland.**
  Greater Philadelphia is a national leader in farmland preservation. However, farmland (preserved or not) remains expensive in a dense metropolitan area. The Pennsylvania Land Trust Association (PALTA) and its partners should explore new ownership and lease-to-own models to help beginning farmers access land. This private financing model would also create a new generation of "conservation buyers" – land buyers who are interested in purchasing conserved land.

- **Develop a beginning farmer tax credit program.**
  Both Pennsylvania and New Jersey could benefit from the creation of a state-level beginning farmer tax credit program, similar to programs enacted by Nebraska and Iowa. Tax credit programs provide another incentive beyond reduced property taxes and can encourage retiring farmers and other agricultural asset owners to rent their land, machinery, and equipment to beginning farmers.

  As mentioned previously, transitioning land to sustainable agricultural development has the potential to generate significant economic benefits for the farmers, landowners, and communities, which would in turn generate tax revenue for the states.

  To implement a tax credit program, both Pennsylvania and New Jersey would need their respective legislatures to pass bills establishing the tax credit program, delineating the terms of the program, and possibly setting a tax credit cap. Although the process of enacting a tax credit program may be lengthy and challenging, the program has relatively low costs and the potential for significant benefits.

- **Create a financial tool that complements existing agricultural lending.** The FSA unveiled a new Microloan Program in January 2013. While this program is new and relatively untried, it has great potential to fill a significant need in the farming community. The FSA Microloan Program is intended to support small, niche, and beginning farmers by offering loans of up to $35,000 with a more lenient application process.

  If this program is successful at reaching this previously overlooked group of farmers, it could reduce the need for nonprofits and other community organizations to provide funding to beginning and small farmers. However, if the FSA Microloan Program is unsuccessful or unable to satisfactorily serve the population of small and beginning farmers, the Greater Philadelphia region would need a financial tool that could bridge the gap between no funding (or credit cards) and the established agricultural lending industry.

  This funding should be combined with technical assistance to enable small and beginning farmers to gain the additional experience and knowledge many of the traditional financing tools require, while still growing their farming enterprise. Any financing program developed should prepare small and beginning farmers to access the financial resources that already exist.

- **Establish relationship lending.** Lenders should reevaluate lending criteria for small and mid-sized farms. Many traditional loan programs are based on conventional agriculture models and commodity products. However, these do not capture the potential profitability of an emerging farm sector that is comprised primarily of small and mid-sized farms that use sustainable and diversified growing practices and may prefer to directly market their products to consumers. Intensive agriculture, such as growing vegetables that require harvesting by hand or with small machines, often has lower equipment and capital needs, but relatively high labor and operating costs. If not buying land, small farmers seek loans in smaller amounts ($50,000 or less) and may require flexible repayment programs based on their cash-flow projections.

  Because many small and beginning farmers lack the credit or collateral to obtain a loan using more traditional underwriting standards, organizations such as The Carrot Project and Michigan State University's Center for Regional Food Systems recommend that lenders focus on "relationship lending" and asset building. Relationship lending helps the lender to understand the borrower's capacity to manage a profitable enterprise and often involves a more hands-on approach. This hands-on approach may also involve partnering with other lending institutions or technical assistance providers to craft a loan package, combined with technical assistance, that best suits the borrower's skill and needs. A 2009 report by the Mott Group (now the MSU Center for Regional Food Systems) found that, "Although labor-intensive, personalized [loan] services ultimately reduced financial risk to the institution."[22]

- **Create communities of practice at county and regional levels.** A county or regional entity, such as a county agriculture development council or board, should develop and support local communities of practice among borrowers, lenders, investors, technical assistance providers, and mentors to promote knowledge sharing, build capacity, and create lending benchmarks to facilitate the flow of capital and knowledge into this emerging sector. The Chester County Agricultural Development Council already hosts networking events and workshops. This is an example of how a county can provide more opportunities for coordination between technical and financial assistance providers.

[22] Susan Cocciarelli, *Financing Michigan's Sustainable Agriculture: The Availability and Accessibility of Capital for Beginning Farmers* (East Lansing, MI: Michigan State University, C. S. Mott Group for Sustainable Food Systems, 2009).

CONCLUSION

Nationally and locally, there is a growing interest in food and farming. More and more people are buying produce directly from farmers through CSAs and farmers' markets, as evidenced by the 14.4 percent increase in the number of farmers' markets in the Mid-Atlantic region between 2011 and 2012.

Although there are more market opportunities for farmers, small and beginning farmers face significant obstacles in accessing the knowledge, land, and capital necessary to start or expand their operation. Traditional farm financing through commercial lenders or government agencies is often out of reach to small and beginning farmers because of rigorous application requirements like three-year financial histories, tax returns, and collateral.

A variety of organizations across the country—governmental, nonprofit, and commercial—have developed innovative financial tools like loans, individual development accounts, and tax credits to begin to fill this financing gap. These programs rely on community partners to supplement in-house administrative and financial skills and products. The Greater Philadelphia agricultural and food system community can learn from these efforts to support farmers in this region. Greater Philadelphia has the capacity to help farmers bridge the knowledge, land, and capital gaps to create and sustain profitable farming enterprises, and ultimately to increase access to healthy foods, support regional economic development, and preserve working landscapes and environmental resources in the Greater Philadelphia region.

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Jake Beinecke
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ABSTRACT

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Abstract:
Recent trends show that, although increased consumer interest has generated new market opportunities for farmers, it is becoming more difficult to start and sustain a small, profitable farming enterprise. Despite these challenges, it is important to support small and mid-sized farms, especially those managed by beginning and young farmers. This guide addresses a number of the challenges that small and beginning farmers face in accessing knowledge, land, and financing. It summarizes information regarding existing financial and technical assistance for small and beginning farmers, highlights a few nontraditional farm financing resources, and provides recommendations for improving access to land and capital for beginning farmers specifically in the Greater Philadelphia region.

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