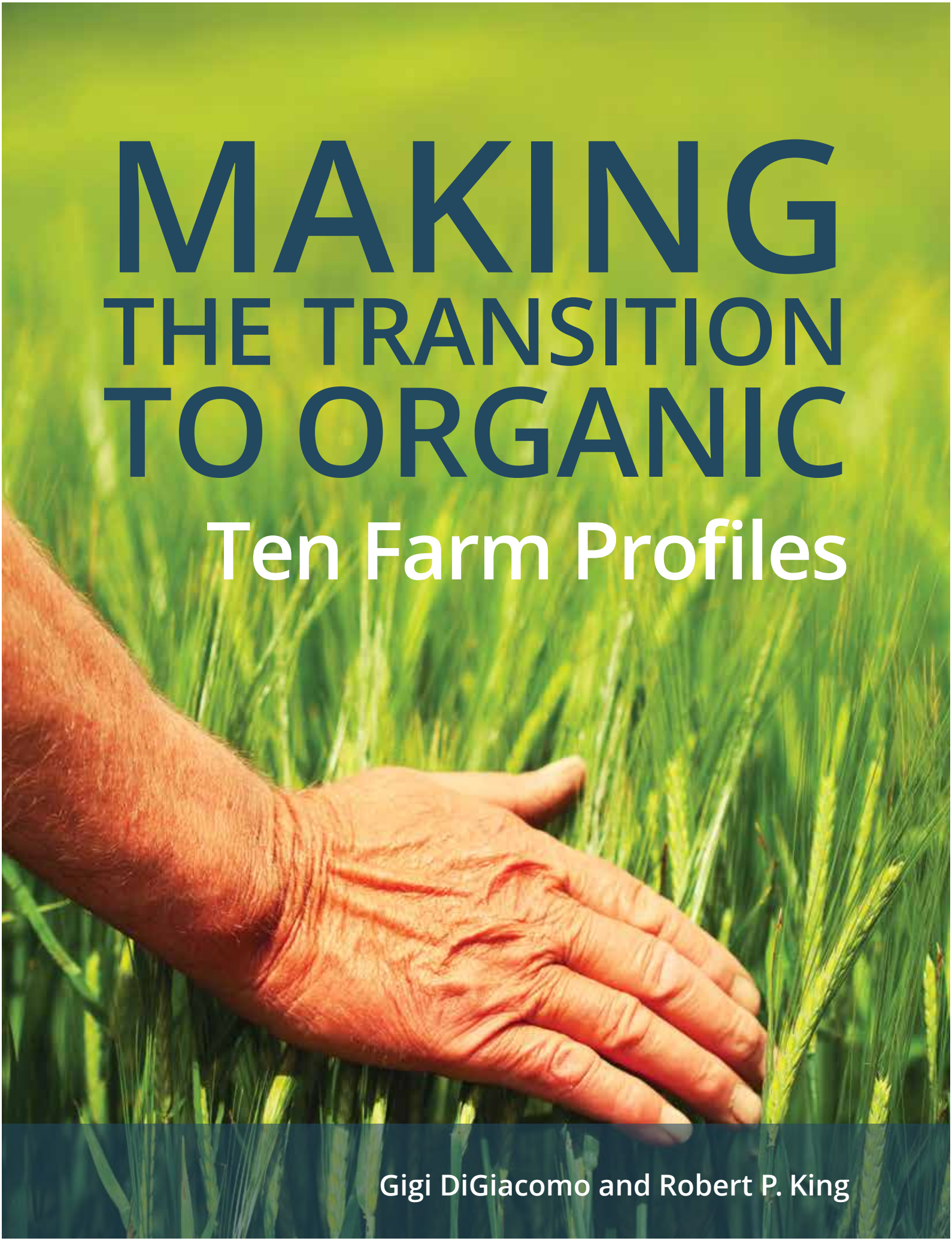

# MAKING THE TRANSITION TO ORGANIC

## Ten Farm Profiles

Gigi DiGiacomo and Robert P. King

# ACKNOWLEDGEMENTS

Authors: Gigi DiGiacomo and Robert P. King

This publication was developed as part of the *Tools for Transition Project*, a five-year research program designed to: (i) yield new insights about the economics of organic transition; (ii) create unique data resources for farmers, other agricultural professionals and lenders; and (iii) inform policymakers of the potential economic barriers to organic certification. The *Tools for Transition Project* outreach materials include farm transition profiles, whole farm and enterprise financial analyses, and business planning materials. These were developed through the analysis of farm record data, participant surveys, and interviews with transitioning farmers. Resources are available for download at http://eorganic.info/toolsfortransition.

The *Tools for Transition Project* was funded through a grant from the Organic Agriculture Research and Extension Initiative of USDA's National Institute for Food and Agriculture (award #2010-51300-21401).

UNIVERSITY OF MINNESOTA
Driven to Discover℠

United States Department of Agriculture
National Institute of Food and Agriculture

This publication is available electronically at http://eorganic.info/toolsfortransition.

# THE FARMERS

## Field Crops


CHANGE YOUR MINDSET WHEN GOING ORGANIC 5
Bryan and Theresa Kerkaert
CORN • BLUE CORN • SOYBEANS • SMALL GRAINS • ALFALFA

VETERAN ORGANIC FARMERS MAKE TRANSITION LOOK EASY 10
Jonathan and Carolyn Olson
CORN • SOYBEANS • SMALL GRAINS

LEARN AS YOU GO WITH SPLIT OPERATION 14
Kevin Knoblach
CORN • SMALL GRAINS • ALFALFA


## Livestock


PLAN AHEAD TO ALLEVIATE RISK 17
Rory Beyer
DAIRY • BEEF STEERS • CORN • SMALL GRAINS • ALFALFA • PASTURE

ORGANIC FARMING IS EXCITING 22
Kent Hoehne
DAIRY • PASTURE

AGENCIES HELP WITH ORGANIC FINANCING AND SUPPORT 25
Marion and Christina Linn
COW-CALF • FEEDER CATTLE • ALFALFA • SMALL GRAINS • PASTURE

EXPERIMENT WITH SHARED CERTIFICATION 29
Dan and Rosie Middendorf
DAIRY • PASTURE • ALFALFA

STICK WITH IT 34
Lars and Melissa Rowe
DAIRY • PASTURE • CORN • SMALL GRAINS • RED CLOVER • ALFALFA

NETWORK 37
Nate and Angie Walter
DAIRY • CORN • ALFALFA


## Processing


DON’T BE AFRAID TO TRY SOMETHING NEW 41
Vitaly Brukhman
VEGETABLES • HERBS • NATURALLY FERMENTED DRINKS • SAUERKRAUT • TOMATOES • PICKLES

Appendix: Profile Interview Questions 44


COVER PHOTO: ISTOCK/FIREMANYU

# INTRODUCTION

Transitioning to organic production can be exciting and—at the same time—a bit daunting. Farmers often cite concerns about weed management, input supplies, labor requirements, yields, and cash flow when weighing the decision to go organic. That's why, as part of the *Tools for Transition Project*, we interviewed ten farmers during 2012–2015 who were either in the process of transition or who had been recently certified organic to hear, in their words, about what it's like to go organic.

In the pages that follow you'll meet small to mid-sized dairy producers, cattle ranchers, field crop farmers, and a start-up organic vegetable processor. You will read about their motivations for transitioning, challenges encountered, and the outcomes deemed "most satisfying." Most important, you will learn about their strategies for transitioning—about how and when they transitioned for production, marketing, human resource, and financial reasons.

Some farmers chose a **full** transition strategy by applying organic management practices to all fields and enterprises simultaneously. Other farmers chose a **gradual** transition strategy, certifying their farms one field at a time with the intention of eventually certifying all land and livestock. Still other farmers opted for **immediate** certification—purchasing already certified organic livestock or certifying former Conservation Reserve Program land. Finally, some adopted a **split** strategy by maintaining both organic and conventional fields as a long-term management plan.

We invite you to read through the transition profiles, glean ideas from these farmers' experiences, learn from their challenges, and embrace their words of advice. You won't find a more inspiring group of farmers who have worked hard to go organic!

# TRANSITION STRATEGIES

We identified four transition strategies frequently adopted by farmers who participated in the *Tools for Transition Project*: full, gradual, immediate, and split. These strategies are described briefly below and identified in the sidebar at the beginning of each transition profile.

| | |
|---|---|
| **FULL** | Transition all livestock and land at once. |
| **GRADUAL** | Transition land one field at a time with the intention of eventually certifying all livestock and land. |
| **IMMEDIATE** | Certify livestock and land with minimal or no transition period. Immediate certification is often available for land under conservation agreements that has not been actively farmed for three or more years. |
| **SPLIT** | Manage some land conventionally and some land organically as a long-term strategy. Often combined with "gradual" transition strategy but intent is to simultaneously maintain both organic and conventional land. |

PHOTO: ISTOCK/BONCHAN

# CHANGE YOUR MINDSET WHEN GOING ORGANIC

## BRYAN AND THERESA KERKAERT

Field Crops

It's hard to find a more enterprising, determined couple. Bryan and Theresa Kerkaert began crop farming five years ago. They are giving organics everything they've got and then some. Together they are transitioning approximately 500 acres of rented land—a collection of scattered parcels that vary by soil type, topography, distance, and management history. Much of the land is former Conservation Reserve Program (CRP) acreage while other parcels were what Bryan calls "low-to-no input" organic ground. All of the Kerkaert's rented acreage is located 30–50 miles away from their seven-acre farmstead. Bryan and Theresa find themselves regularly needing to fine tune land management strategies as they continue to learn about farming and organic crop production. They also are forced to simultaneously rework cash flow plans as lease arrangements and market prices fluctuate.

Bryan has long had an affinity for plants. "I was always growing something—little seedlings in my room when I was a kid," Bryan

**BRYAN & THERESA KERKAERT**

**Production**
CORN
BLUE CORN
SOYBEANS
SMALL GRAINS
ALFALFA

**Number of Acres**
1,300

**Started Transition**
2007

**First Certified**
2008

**Transition Strategy**
SPLIT

says. He was born and raised "in town" (Marshall, MN) but regularly visited and helped out on land farmed by his grandfather and uncle. Theresa grew up on a dairy farm near Marshall.

KERKAERT FAMILY / PHOTO: MARGARET WIEGELT

Bryan and Theresa met in high school and married after college in 1991. They rented and eventually purchased seven acres of land from Bryan's uncle where they built their "dream home." Bryan worked for his uncle full-time, assisting with fieldwork, cattle management and farm chores. At the same time, he and Theresa built a hog nursery barn. In 2001, struggling to make ends meet, Bryan quit working for his uncle and bought a manure hauling business. "The hauling business was in bad shape when I first started," says Bryan. "In a couple of years, I turned it around. Took it from three trailers to six trailers. We haul in a 40 mile radius around Marshall. Customers are happy." They eventually built one more hog barn and diversified their businesses to include a truck wash in town. "But my passion always remained crop farming," explains Bryan.

## DECISION TO TRANSITION

When asked why they decided to "go organic," Bryan responds, saying "Organic opens up opportunities. When we farm conventionally, our opportunities are the same as that for 99 percent of the other farmers. But we're in the one percent category when we grow organically and that opens up a lot more opportunities."

Bryan was able to capitalize on those opportunities through his manure hauling business five years ago. The business put Bryan in touch with organic crop farmers who were "experimenting" with the use of manure for fertilizer. Each time Bryan was hired to apply manure, he had the opportunity to talk with organic farmers—to learn about their rotations, to observe successes, watch "some mistakes," and to begin dreaming about his own crop farm.

Opportunity knocked in September 2007 when Bryan met two brothers who lived 35 miles away and who had been "low-input" farming. "They wanted to test out the use of manure for

fertility," Bryan recalls. "I think I was brought in to settle a bet." The brothers had planned to spread manure on a small parcel—only six of 160 acres. Bryan convinced them that manure was needed on all the land and offered to delay his spreading payment until after harvest when the brothers would be able to see the benefits of the manure application. Later that same year, the brothers turned over management of their land to Bryan—offering him a long-term rental agreement. Bryan borrowed equipment from a friend—a well-established organic farmer—and began farming organically.

## TRANSITION STRATEGIES

Today Bryan farms a total of 1,300 acres—including the original 160 acres on long-term lease. He rents all of the land (a mix of short-term and long-term leases) and has transitioned approximately 40 percent of it (land under long-term lease). While he'd love to farm everything organically, Bryan explains that he can't plan crop rotations on land under one-year leases. "I don't know if I'll have that land next year, let alone five years from now," Bryan explains. Much of the organic land was former CRP that certified right away.

*"When we farm conventionally, our opportunities are the same as that for 99 percent of the other farmers. But we're in the one percent category when we grow organically and that opens up a lot more opportunities."*

Bryan tries to treat each rental location as a field in his rotation. This allows him to make efficient use of his equipment; he schedules field work to minimize equipment movement. Bryan does clean the equipment before moving from one field to another. "We're required to do this when going from a conventional field to an organic field," says Bryan. "But we choose to do it when going from an organic field to a conventional field—because of weed seed that we'd be bringing with us."

Bryan's dad helps with some of the field work. Other tasks, such as cutting, raking and baling hay that Bryan is unable to perform himself (due to lack of equipment) is custom hired. Some of the employees from the manure hauling business are utilized in the farming operation during the cropping season. In the past he also has hired immigrant labor to walk fields for weeds throughout the growing season.

## TRANSITION CHALLENGES

The Kerkaerts have overcome several financial- and production-related challenges, including the management of widely dispersed rental acreage. Most recently, they've struggled with issues that are common to most organic farmers, including how to: 1) acquire favorable operating loans, 2) obtain crop insurance, and 3) successfully transition CRP land.

"Bankers did not understand organics at first," explains Bryan. "Bankers are very familiar with conventional but not organic. In order to get financing, we had to contract all of our corn and use that to cash flow."

Crop insurance too has been a challenge, particularly for small grains. The Kerkaerts use a combination of conventional insurance (for corn and soybeans) and the Non-Insured Crop Disaster Assistance Program insurance (for small grains). The Risk Management Agency (RMA) provides insurance for organic and transitional crops at conventional prices. RMA will insure damage caused by insects, disease or weeds if recognized organic farming practices fail to provide control. Bryan, however, expects that crop insurance decisions will become easier in the future for organic farmers. For the first time, in 2012, the Kerkaerts were able to insure certified organic corn and soybeans with RMA at projected organic prices.

Finally, Bryan has been disappointed with his transition experience on CRP acreage. He acknowledges that there is a learning curve when transitioning land but suggests that challenges become exacerbated when tilling up CRP ground. "There's a reason that the land was put in CRP," says Bryan. "Nutrient availability has been really low. We've worked hard to make sure that fertility is available at the right time." In Bryan's experience, the CRP land didn't produce well until the third year following initial tillage.

After overcoming many hurdles, the Kerkaerts face one final challenge: rental costs. Land prices in their area have gone up by 25 percent annually over the past few years. This has become a significant cash flow issue for the Kerkaerts. Their solution: negotiate long-term leases and eventually find a farm of their own to purchase.

## MOST SATISFYING

The Kerkaerts feel that the worst is behind them. When asked what they are most proud of, Bryan and Theresa don't have to think long. "When we began farming the low-to-no input organic land it was end-to-end weeds," Theresa says. "And, now, we have good looking fields and we did it all organically." Bryan's also proud of the fact that "we didn't take any farmland away from another farmer who was depending on land." In other words, the Kerkaerts have been intentional about acquiring land from farmers who were offering rental acreage for the

first time [such as CRP]. “We didn’t go to auctions and outbid someone who’s been farming land for 20, 30, 40 years,” explains Bryan.

The Kerkaerts fully intend to continue farming organically but say they’d like to do so only under long-term lease agreements or, ideally, on farm land of their own. “Five years ago, we had to learn the agronomics of how to farm organically,” says Bryan. “Now we need some land security. We’d like to buy a farm and pay for it before we retire.” The Kerkaerts are actively looking for a farmstead with land so that they can eliminate the drive time to fields and the financial uncertainty associated with rental agreements.

## WORDS OF ADVICE

“Your transition years are loss years,” says Bryan. “You have to change your mindset when switching to organics—you have to think long term about rotations and really plan ahead—for productivity and cash flow.”

PHOTO: ISTOCK/FOTOKOSTIC

JONATHAN &
CAROLYN OLSON

Production
CORN
SOYBEANS
SMALL GRAINS

Number of Acres
1,100

Started Transition
1998

First Certified
2001

Transition Strategy
GRADUAL

# VETERAN ORGANIC FARMERS MAKE TRANSITION LOOK EASY

## JONATHAN AND CAROLYN OLSON

Field Crops

Veteran farmers Jonathan and Carolyn Olson make organic production look easy. They started with a conventionally managed 300-acre farm in Southwestern Minnesota and now manage more than 1,100 acres of certified land. They love what they do and have become leaders in the organic community.

### DECISION TO TRANSITION

The Olson's decision to go organic began with a comment from their buyer in 1997. "My dad and I had been growing seed and food grade soybeans for a couple of years," recalls Jonathan, "when our buyer said to us, 'You should be growing organic—it pays more.'" The Olson's didn't know any organic growers at the time, so they did a lot of homework before making the transition. "We started out by going to Lamberton [Experiment Station]. We asked a lot of questions; tried to learn as much as we could," recalls Jonathan. "Going to events and

conferences, we started to build contacts and have conversations with organic growers."

OLSON FAMILY / PHOTO: CAROLYN OLSON

The Olsons gave organics a try by putting 40 acres from one of their cleanest fields into transition during spring of 1998. "The first couple of years seemed easy," says Jonathan. But, over time, weeds have begun to build in almost every field and the Olsons have had to experiment with management strategies that include altering planting dates, increasing mechanical and hand cultivation, and flaming. Despite continuing struggles with weeds, the Olsons say that they've never lost money. "At worst, we've broken even with fields that occasionally were really ugly," says Carolyn.

## TRANSITION STRATEGIES

During the past 15 years, Jonathan and Carolyn gradually have transitioned 1,100 acres (much of the land is rented on long-term lease from family members). Throughout the transition, they maintained what's known as a "split operation" with some ground under organic and some under conventional management. "We worked really hard to clean out equipment, clean off dirt, flush it for seed," says Jonathan. Under National Organic Program rules, split operations must thoroughly clean all equipment before using it to work organic fields. This removes contaminated seed and/or residues left behind from conventional crops. The Olsons also keep meticulous records and invested in enough bins to allow for simultaneous storage of organic, transitional, and conventional crops.

The decision to gradually transition also provided the Olsons greater access to capital. "As long as we were transitioning gradually, organics wasn't a problem with our lender," explains Jonathan. "Our banker smiled when he saw the first organic prices and, over time, thought it made sense."

Today the Olsons are busy almost full-time from mid-May, when planting begins, to November after harvest wraps up. Their three-year rotation includes corn, soybeans and, in year three, small grains followed by a cover crop. Fertility comes from the Olsons' 2,400-head conventional hog finishing enterprise, which Johnathan and Carolyn have managed since

before going organic. Their organic corn yields regularly equal or exceed conventional county averages while their organic soybeans yield slightly below conventional averages.

Jonathan enjoys marketing and contracts sales nationally to buyers of organic seed, feed, and soybeans. During transition, he regularly earned premiums of up to $1.00 for GMO-free soybeans, though he says this can take a lot of calling around. “But I don’t mind doing it,” Jonathan says. “I like this aspect of marketing—the homework.”

With consistently good yields and premiums earned for organic crops, the Olsons are reaching their long-term goal of fully paying down farm debt. “Financially, the last couple of years have been very rewarding,” says Jonathan.

*“Gradually transitioning smaller acreages allowed us to learn.”*

## TRANSITION CHALLENGES

When asked about their biggest challenge, Jonathan retorts “besides weeds?” That’s when Carolyn jumps in suggesting that the community reaction has been difficult to deal with at times. “We get a lot of comments,” says Carolyn. “Everything from ‘You’re pretty brave’ to ‘Your dad never had weeds in that field.’” But, she says, it just takes educating folks about what they are trying to achieve. “Carolyn started a blog (Carolyn CAREs—Committed to Agriculture While Respecting the Earth, carolyncares.wordpress.com) and we both posted on Facebook after planting the tillage radish” says Jonathan, explaining that they were inundated with questions from passers-by.

## MOST SATISFYING

Due in part to questions from neighboring farmers, the Olsons have become very active in their community, advocating on behalf of organic farming and working to educate others interested in transitioning. Carolyn serves as President of their county Farm Bureau and is a member of the Minnesota Organic Advisory Task Force. Carolyn and Jonathan both volunteer regularly with the Future Farmers of America and speak to farming organizations. The Olsons’ dedication to organic farming and commitment to education has, in fact, earned them the well-deserved nomination for 2013 Organic Farmers of the Year from the Midwest Organic and Sustainable Education Services.

## WORDS OF ADVICE

Reflecting on their transition strategy, the Olsons note important benefits associated with having run a split operation. Most important, they say, was the chance to learn while growing the farm business. “Gradually transitioning smaller acreages allowed us to learn,” says Jonathan. “Fifteen years later, we’re still learning.” This is some of the best advice the Olson’s have to offer: remain open to new ideas and be willing to learn. “Because,” says Jonathan with a smile, “just about the time you think it’s getting easier, you do something like plant tillage radish in front of soybeans.”

PHOTO: ISTOCK/WEAVER1234

KEVIN KNOBLACH

**Production**
CORN
SMALL GRAINS
ALFALFA

**Number of Acres**
219

**Started Transition**
2008

**First Certified**
2010

**Transition Strategy**
GRADUAL

# LEARN AS YOU GO WITH SPLIT OPERATION

## KEVIN KNOBLACH

Field Crops

"I wish I would have started sooner," says Kevin Knoblach, a field crop and forage producer from Sauk Centre, Minnesota. Knoblach transitioned his first 30-acre field in 2008 and currently is transitioning another 20 acres. His remaining 169 acres are what he calls "very conventional." After farming with man-made inputs for 20 years, Knoblach's goal now is to become 100 percent certified organic on all land under his management. He expects this will take eight to ten years if he sticks to his strategy of transitioning one field at a time.

### DECISION TO TRANSITION

Knoblach, like other organic farmers, says his decision to transition began with a conversation. "I started talking to one of the organic farmers that I did DHIA testing for," explains Knoblach. "I asked a lot of questions and thought organic just might be a good way to be competitive on a small scale." But, he didn't just take the other farmer's word for it. Knoblach spent the next five years attending organic

conferences and field days where he would talk with dozens of farmers, buyers, and certifiers before making the final decision to transition.

## TRANSITION STRATEGIES

Knoblach works full time off the farm as a field rep for Minnesota Dairy Herd Improvement Association (DHIA). His off-farm commitments, more than anything, have motivated his decision to adopt a gradual transition strategy. "Organic farming is labor intensive," explains Knoblach. "I can't over-commit while working for DHIA."

Transitioning gradually also has allowed Knoblach to learn as he goes. Consequently, he's been able to develop good rotation, fertility, and weed control strategies.

Knoblach's five-year organic rotation begins with corn followed by small grain underseeded with alfalfa, then two to three years of alfalfa. "We apply liquid manure annually to all organic fields," says Knoblach. "For weeds, we flame and then cultivate three times. We also hand pull the rag weed." Knoblach's conventional rotation includes corn, soybeans, and some alfalfa.

With good fertility in place and weeds under control, Knoblach's organic yields regularly average 80 percent of his conventional yields. Organic corn yields, for example, average 115 bushels/acre compared to 150 bushels/acre on his conventional ground. All of Knoblach's fields are clay-loam with "lots of tile."

Knoblach owns roughly half of his total farmed acreage and rents the remainder on a long-term lease from his uncle. Land rents in his area average approximately $300/acre. He hopes to double the amount of land that he farms over time.

*"I wish I would have started [farming organically] sooner."*

## MOST SATISFYING

Today, Knoblach still attends the Minnesota Organic Conference every year where he visits with other growers and arranges for the sale of approximately 70 percent of his certified and transitional field crops on forward contract with buyers who attend the trade show. He has been able to secure a transition premium for some crops.

Organic forage is marketed direct to dairy farmers in his area. Knoblach also has a good arrangement with neighbors who harvest and chop all alfalfa straight out of the field—reducing his need for some equipment.

## WORDS OF ADVICE

Knoblach recommends that other farmers do some "homework" before making the transition. But, he cautions, "don't spend five years kicking it around. You don't have to go 100 percent organic right away. Just give it a try on a few acres and see how it goes."

BEYER FARM / PHOTO: KATHY GREDEN CHRISTENSEN

# PLAN AHEAD TO ALLEVIATE RISK

## RORY BEYER

Livestock

Rory Beyer's story may sound familiar to many of today's second and third generation farmers. Rory grew up on a 130-cow family dairy farm in Southeastern Minnesota, graduated from college with an animal science major, and returned home in 2000 to manage the farm full-time with his 53-year-old parents, Sharon and Richard. Determined to put his schooling to work, Rory began managing herd genetics for high productivity (eventually achieving rolling herd average of 30,900 pounds/cow) and international marketability. "We regularly sold genetics around the world," explains Rory.

### DECISION TO TRANSITION

By many standards, the Beyers' dairy operation was a success. Financially, however, "We just weren't making it conventionally," says Rory. In the spring of 2005—after a period of volatile milk prices and rising feed costs—the Beyers had what Rory calls their "a-ha moment."

**RORY BEYER**

Production
DAIRY
BEEF STEERS
CORN
SMALL GRAINS
ALFALFA
PASTURE

Number of Acres
600

Number of Cows
130

Started Transition
2006

First Certified
2009

Transition Strategy
FULL

RORY BEYER / PHOTO: KATHY GREDEN CHRISTENSEN

"We had been watching our [certified organic] neighbors … they were feeding their own grain, producing less milk and making more money," Rory explains. "So I started looking at what it cost us on a per cow basis to produce feed, buy feed, and deliver it to our animals." The Beyers had been growing corn, spring seeded barley and fall seeded alfalfa in a three-year rotation on 500 acres (370 acres owned, 130 acres rented under a renewable three-year agreement).

By the fall of 2005, after running feed numbers and further exploring organic management alternatives, Rory and his parents decided to make a critical management change: they opted to go organic. The Beyers began transitioning their land in 2006, with the intention of certifying their land and cows in 2009. They received consent from their neighboring landlord to transition the 130 acres of rental acreage and negotiated a lower rent during transition in return for higher rent after certification. Rory and his parents established a four year rotation: hay the first year, followed by corn and a winter crop of rye or tillage radish in the second year, corn again in the third year, and alfalfa seeded with small grain in the fourth year. They purchased a six-row propane burner and a tine weeder when beginning the transition in order to address anticipated pre- and post-emergence weed issues. (They no longer use the burner due to the high cost of propane.) The Beyers also gradually took on the field work they had previously custom hired.

"On the crop side, there were a lot of changes when transitioning," recalls Rory. However, his real concern was animal health. "We had a very good herd at the time," he explains. "Knowing that we couldn't use antibiotics when transitioning to organic—that was scary."

## TRANSITION STRATEGIES

The Beyers' decision to transition their land ahead of the herd is not uncommon—it allowed them to feed conventional grain and forage for two years while their land went through the 36-month transition requirement. Rory also made the decision to alter the cows' feed ration

two years prior to their transition—gradually incorporating more dry matter and forage. "We thought it would be a good way to learn about how organic management worked," he says. "We thought if we had two years to figure things out [before transitioning the cows], we could still fall back on antibiotics if mastitis set in." Looking back, Rory called this transition strategy a mistake. "Productivity suffered while we were still getting conventional [milk] prices," Rory recalls. "If I was to do it all over again, I would have fed a solid conventional ration up until the day we switched."

Asked about herd health, Rory says "shifting to organic management forces you to clean out the herd." As older cows and cows that had regularly been treated for mastitis were culled, the Beyers raised replacement heifers on pasture without antibiotics. Rory observed that his cows' immune systems were "extremely different" after several years of organic management. "Their reproductive and mammary systems are stronger," he explains. "Our cows are out on pasture, exercising, and no longer have drugs running through their system." The real test: the Beyers' organic herd has a substantially lower somatic cell count compared to their former conventional herd suggesting higher quality milk.

*"It's almost therapeutic to watch the cows out on pasture. Even in the rain, the animals are out there satisfied."*

## TRANSITION CHALLENGES

At first, Rory recalls, "The biggest challenge was changing my mindset. I had to learn how to do things differently." It took many conversations with neighbors and their certifier, Nature's International Certification Services (NICS), before the Beyers felt comfortable making the switch. Based on this early research, they were prepared for more work, more weeds and a drop in herd productivity. But, they also had positioned themselves to receive substantial organic premiums—signing a contract in advance of certification that included a signing bonus equal to $2/cwt during the last 12 months of transition.

Despite all their planning, however, the Beyers were unprepared for two transition-related challenges that almost put them out of business.

The Beyers' first organic pick-up was scheduled for November 1, 2009. Rory received a call from their buyer just days before the first pick-up saying they would be discontinuing their organic line and related contracts. "We panicked," says Rory. "But our buyer arranged for Organic Valley to take over the contracts." Organic Valley offered to temporarily honor

the Beyer's original contract pay price of $26/cwt. Eventually, Rory says, he negotiated more permanent terms with Organic Valley—agreeing to a lower pay price in exchange for co-op membership. "We were the last farm that Organic Valley signed on in our area [at that time] because they were slowing down," Rory recalls with a sigh of relief. "The market was tightening."

BEYER FARM / PHOTO: KATHY GREDEN CHRISTENSEN

Even more challenging for the Beyers was a new National Organic Program (NOP) pasture rule that required 30 percent of animals' dry matter intake to come from pasture grazed over the course of the grazing season (at least 120 days).This new rule presented a big financial challenge to the Beyers—costing them $100,000 in pasture improvements and rent on another 100 acres of neighboring, certified organic land. (The additional land is used to raise grain that is sold to offset protein expenses.) The Beyers received a loan guarantee from the USDA Farm Service Agency and financial assistance from the USDA Natural Resources Conservation Service Environmental Quality Incentives Program to subsidize the cost of fences, water lines, lane establishment, and pasture seeding. Even with this assistance, the cost of pasture improvements put the Beyers "on the edge of financial ruin," says Rory. "We did everything but sell our soul to keep the farm."

At the time of this interview, six months after completing the pasture improvements, Rory feels that the changes have had a positive impact on farm labor and planning. "We realize that we don't have to start up the Bobcat or the tractor to move bales to the cows," he says. "All we have to do is open the gate to the pasture. It's almost therapeutic to watch the cows out on pasture. Even in the rain, the animals are out there satisfied. They don't come running to the shed."

## MOST SATISFYING

Today the Beyers milk 130 cows, manage 600 certified acres, and have a rolling herd average of 16,500 pounds/cow. They now breed their registered Holsteins for fat percentage and health rather than optimal milk output. The Beyers market certified organic grain through

the Scouler Company and sell all of their milk to Organic Valley—receiving a stable, contracted milk price that currently is well above the conventional market price. Price stability has given them the ability to plan ahead and obtain access to improved financing. Rory says they couldn't be happier. "The thing that I'm most proud of is making the decision to change," he says. "You don't realize the impact that the changes will have until after you've made them."

PHOTO: ISTOCK/DAMNURA

KENT HOEHNE

Production
DAIRY
PASTURE

Number of Acres
120

Number of Cows
60

Started Transition
2011

First Certified
2011

Transition Strategy
IMMEDIATE

# ORGANIC FARMING IS EXCITING

## KENT HOEHNE

Livestock

Kent Hoehne, a life-long dairy farmer from Frazee, Minnesota, says that for the first time in 30 years, he's "excited about farming." Kent operates a 60-cow dairy with 120 acres of pasture. His animals were certified organic in October 2012, the pasture land in 2011. "I'm excited because, as an organic farmer, you are 'farming'—you have to think about rotations, learn about the viability of soil," says Kent. "If I'm excited, maybe I can pull some other young person along with me and get agriculture going again in our town."

### DECISION TO TRANSITION

Kent actively participates in a farm management group that includes other dairy farmers. In 2010, another producer in the group shared organic profitability statistics from an annual Organic Farm Business Management Report. "The worst organic producer group [in the report] blew us out of the water [financially] and we had had a good year!" explains Kent. "I figured I better start paying attention to organics."

According to Kent, his farm's profitability had been flat or declining over the past decade. "So, when I saw the profitability numbers for organic," Kent explains, "I said to myself 'we're doing this baby—we're doing this as soon as we can.'"

## TRANSITION STRATEGIES

Kent describes himself as a low cost producer who had already been grazing his animals prior to making the transition. "We'd always had them on grass as much as possible," explains Kent. "That was a skill set that we already had. I've been raising cows this way (rotational grazing) for 25 years."

In late spring of 2010, Kent and his wife, Amber, went to an Organic Valley regional meeting to learn about co-op membership. Within months, they joined Organic Valley, began actively transitioning their herd, and started collecting $2/cwt transition payments. The pasture land certified "right away" in 2011. The Hoehnes purchased all supplemental feed prior to and during transition.

*"[Organic farming] is going to work. I've never had this confidence when farming conventionally."*

## TRANSITION CHALLENGES

Kent hasn't always sounded so positive. His transition of the dairy herd in 2012 almost "ruined" him financially. "During our third year of transition [when selling conventional milk and feeding organic grain] milk was going for $16/cwt and organic corn for $18/bu," Kent explains. "That's not hard to cash flow—that's impossible. We had to sustain that kind of [negative] cash flow for four months."

Kent made it through the last four months of transition by digging into savings and postponing operating payments to finance organic feed. "We lost a lot of money during that time," says Kent. "We just made it—I don't know what would have happened if we had had eight months of low conventional milk and high organic feed costs." Kent's advice for other dairy farmers going through transition: line up an operating loan to get you through the third year when price volatility "isn't on your side."

As for Kent, he's making changes to his overall management strategy. Rather than buy in organic feed, he's decided to rent land and raise his own. In fall 2012, Kent and Amber acquired 140 acres of former CRP land under a five-year lease. The land certified right away. "Fertility wasn't as good on the CRP land, but we added three to four tons of turkey litter

[per acre]," says Kent. "But I was surprised how fast we could get it to speed up. I was concerned that it would take a couple of years to get fertility up."

Kent's future rotation will include two years of corn, two years of small grains, and two to three years of alfalfa. "I'm still learning—it's been 30 years since I planted corn, so I may have to tweak things a bit."

## MOST SATISFYING

In October 2012, the Hoehne's cash flow turned around. "With organic milk at $28/cwt, this thing gets really exciting in a hurry," says Kent with a smile. "My FSA banker took a look at our organic pay price and said 'you've got repayment capacity coming out your ears.' I've never heard a banker say that!"

The Hoehne's were relieved, though not surprised, by the organic milk pay price. What they hadn't banked on, however, was the noticeable improvement in herd health. "I thought this would be a lot tougher because you've lost the quick fixes (e.g., antibiotics)," says Kent. "But we don't treat a whole lot of animals. Our calves our healthier [under organic management]." Kent says "we used to hear the same thing from guys when we first started." Even so, Kent remained skeptical. "But we're seeing it." Kent expects that the improvements are due to his vaccination schedule. "We didn't vaccinate prior to becoming organic, but we know now that's important."

"This thing is going to work," says Kent. "I've never had this confidence before when farming conventionally; it used to feel like we had to force things to happen. I really think it's going to work."

PHOTO: ISTOCK/DDEEBB

# AGENCIES HELP WITH ORGANIC FINANCING AND SUPPORT

## MARION AND CHRISTINA LINN

Livestock

Marion and Christina Linn operate a 1,000 acre ranch in Pine River, Minnesota on land that has been in the family for four generations. They are following in the footsteps of Marion's father—raising Black Angus feeder calves.

### DECISION TO TRANSITION

In fall 2008 Marion and Christina broke with tradition by certifying their land as organic and bringing in 175 already certified cow-calf pairs from Canada. "We liked the idea of healthier animals and were already managing our pastures according to organic rules," says Christina. "We applied for certification when the Canadian herd became available." Although the Linns' land easily qualified for certification, the animals arrived two weeks before certification could be awarded and the animals lost their organic status. "The loan process for the animals just moved more quickly than the certification paperwork,"

**MARION & CHRISTINA LINN**

**Production**
COW-CALF
FEEDER CATTLE
ALFALFA
SMALL GRAINS
PASTURE

**Number of Acres**
1,000

**Cow-Calf Pairs**
175

**Started Transition**
2008

**First Certified**
2008

**Transition Strategy**
IMMEDIATE

says Christina. “But we continued organic practices and [in 2009] our first calves were certified.”

LINN FAMILY / PHOTO: CHRISTINA LINN

The Linns wean 180 calves annually. Calves are weaned at six months of age and occurs twice each year to correspond with the Linns’ early fall and spring calving schedule. Feeder calves are grazed and fed field crops such as alfalfa hay, oats and peas until being sold for finishing. The Linns rotate animals every three to five days depending on pasture conditions. Pastures are improved and regularly maintained through soil conditioning, frost-seeding and manure applications in fall.

## TRANSITION CHALLENGES

Despite the relatively smooth transition to organic, the Linns face ongoing challenges: sourcing organic inputs, winning community acceptance of their “unusual farming practices” and finding markets that offer a premium for organic yearlings.

*Sourcing Inputs.* The Linn family (including Marion’s father) typically sourced winter hay and feed from nearby farmers and occasionally purchased seed, lime and fertilizer from a conventional supplier 25 miles away. Since certifying, however, Marion and Christina have found it difficult, if not expensive and time consuming, to source needed inputs from certified organic suppliers. “Marion spends a lot of time on the phone,” explains Christina. “He has to call around quite a bit to find things like fertilizer and lime.” The Linns currently source poultry manure from a supplier 60 miles away and lime (used for soil conditioning) from a supplier located 185 miles from their ranch. The Linns also gradually have been renting more land to raise their own hay for winter feed. “Organic hay has been really hard to find,” says Christina explaining why they initiated the certification process on the rental land, which had been former hay ground farmed without inputs.

*Winning Community Acceptance.* Although the transition to organic production was relatively easy for the Linns, the social transition within the conventional cattle community has not been as smooth. The Linn family, long-standing members of the Cattlemen’s Beef Association and well-respected within the conventional ranching community, regularly are questioned by other ranchers who ask about the amount of extra work involved with certification and organic production practices. Marion’s father, who has “been a wealth of information” since Marion and Christina took over the ranch and who still finishes beef conventionally on

rented land, supports the Linns' desire to market organic animals. "He understands the idea of taking a risk on a niche market. But he is having trouble wrapping his head around the idea of finishing animals on grass," says Marion. "We do feel like we are alone in the organic community," confides Christina. "We've been to some of the organic conferences, but there aren't a lot of people [cattle ranchers] there who we can sit down and talk to."

*Finding Buyers.* Marketing has been another challenge for the Linns. Despite booming markets for certified organic milk and grains, organic beef sales have been slow to develop. The Linns have been unable to connect with buyers who will pay a significant premium for organic yearlings and instead have sold animals into conventional markets. "We always top the conventional markets because our family has a good reputation," says Marion. "But the organic markets don't seem to be there." Marion and Christina even considered dropping their certification for this reason. The Linns are not alone in their struggle to find organic buyers. Only 18 percent of the cattle and calf farmers who participated in the USDA's 2011 Certified Organic Production Survey (nationally and in Minnesota) reported selling their animals as certified organic. The remaining 82 percent of cattle and calf farmers sold their animals to conventional markets.

In the fall of 2012, however, the Linns realized their long-term dream of marketing organically. A buyer from South Dakota purchased 90 certified organic yearlings for a premium equal to $0.30/lb above the top steer price. The Linns hope to develop this sale into a long-term marketing opportunity.

*"Most farmers don't want the government anywhere near their land. But we would not be able to do what we are doing if FSA [Farm Service Agency] hadn't been on board … [they were] really open to us going organic; they really supported us."*

## MOST SATISFYING

When asked about transition successes, the Linns say "herd health has been very good." Marion adds: "We used to have problems with pink-eye and scours—mostly because the land was overcrowded." Now, however, Marion and Christina "love to brag" that their ranch is organic and that the animals are healthy. "I'm constantly out there telling people about the health of our animals," says Christina. "I tell them, mostly buyers, to look at the fat on their beef; I tell them about the Omega-3's." In fact, one of Christina's long-term goals is to finish some of their own animals

and have the meat processed for local stores. “I’d love to see my label on beef at the Brainerd Co-op,” she says with a smile.

## ADVICE FOR OTHER FARMERS

“Most farmers don’t want the government anywhere near their land,” says Christina. “But we would not be able to do what we are doing if FSA [Farm Service Agency] hadn’t been on board.” Christina explains that, when beginning to farm organically, they went to FSA “with a lot of ideas and hope” to apply for a seven-year loan. FSA was “really open to us going organic; they really supported us,” says Christina. She recommends working directly with county offices such as those operated by FSA and the National Resources Conservation Service (NRCS) to obtain advice and funding. “NRCS cost-shared so much of our seeding,” explains Christina. “They have helped us become more self-sufficient.” NRCS offers cost-share assistance to transitioning farmers under the EQIP Organic Initiative for the development of a transition-related production plan, grazing plan and/or conservation plan as well as the establishment of buffers, grazing resources (e.g., fencing, pipeline, watering facilities).

For more information about the EQIP Organic Initiative, visit
http://www.nrcs.usda.gov/wps/portal/nrcs/detailfull/national/programs/?cid=nrcs143_008224.

MIDDENDORF FARM / PHOTO: DAN AND ROSIE MIDDENDORF

# EXPERIMENT WITH SHARED CERTIFICATION

## DAN AND ROSIE MIDDENDORF

Livestock

Dairy farmers Dan and Rosie Middendorf have been managing with mostly organic practices on 440 acres in Verndale, MN since the year 2000—acquiring knowledge, equipment, and solid recordkeeping strategies along the way. They certified their land and herd in 2012 and then did something truly unique—the Middendorfs established an informal partnership with several neighboring farmers to cooperatively certify another 280 acres under one organic certificate.

"Our inspector thought it was a great idea," says Dan. "I hold the organic certificate while [neighbors] Joel, Josh, and Clarence perform field work. It's been a great way for them to get started farming organically; to try it out and see if it works." Dan further explains that he is ultimately responsible for anything that happens with his partners' organic fields. "But they have been very good at following the rules and supplying paperwork," says Dan. "We all want to make it work."

**DAN & ROSIE MIDDENDORF**

Production
**DAIRY**
**PASTURE**
**ALFALFA**

Number of Acres
**440**

Number of Cows
**120**

Started Transition
**2000**

First Certified
**2012**

Transition Strategy
**GRADUAL**

DAN MIDDENDORF / PHOTO: DAN AND ROSIE MIDDENDORF

The partners include the Middendorf's son, Joel Middendorf; employee, Josh Grundyson (who farms 10 miles away); and long-time neighbor, Clarence Horsager.

Under the partnership, Dan's neighbors have the opportunity to experiment with organic management without committing all of their land to organic production or paying prohibitively expensive certification fees on smaller, "test" parcels.

Horsager, for instance, who most recently approached Dan about cooperative certification, said that he'd like to "try out organic" on 20 acres. "The certification fees on 20 acres would have been too much," explains Dan. "It doesn't cost me anything to certify an additional 20 acres."

## DECISION TO TRANSITION

Dan and Rosie began transitioning their land in 2000 for health reasons. "I felt sick every time I sprayed [chemicals]," explains Dan. "So we decided to try farming without chemicals and it worked!" The Middendorf's then began managing the land organically in earnest and transitioning their herd with the goal of shipping milk to Organic Valley Cooperative along with five other dairy farmers in the area. "We had medium-sized herds and approached Organic Valley about shipping milk," recalls Dan. "All of us were expecting to certify in 2002 and, combined, could deliver a semi-load of milk every other day."

By 2002, however, Organic Valley was unable to absorb the large volume of milk supplied by Dan and the five other dairies. "Organic Valley only had 112 members at the time and we simply had too much milk," explains Dan. "Today they [Organic Valley] could easily take the milk, but in 2002, it was just too much for them to absorb." Consequently, the Middendorfs decided to drop their certification plans for the herd. However, they did continue to manage most of their land using organic methods. "We sprayed some corn ground but otherwise have not used non-approved substances since purchasing the farm in 2000," says Dan. At the same time, the Middendorfs continued to maintain comprehensive production records, using a hired organic consultant. On-going recordkeeping gave them the flexibility to certify their land and transition their herd at any time when organic milk market conditions improved.

The Middendorf's decision to certify ultimately came in late 2012 when they lost their inexpensive, conventional source of livestock feed: Hunt Wesson potato peels. "At that point it made more sense financially to go organic, feed organic forage from our farm, and obtain an organic premium for our milk than to feed and market conventionally," says Dan.

There are other savings too for the partners. By using Dan's equipment, which is run strictly on organic fields, they save on "cleanout" as would be otherwise required when managing a "split" operation (moving equipment from conventional to organic fields). Most importantly however, Dan provides his partners with something that money can't buy: 15 years of organic management experience.

*[Shared certification] has been a great way for [our neighbors] to get started farming organically; to try it out and see if it works.*

What's in it for Dan? Much of his neighbors' acreage now under organic management abuts the Middendorf farm. Dan no longer needs to maintain a buffer along these stretches. More importantly, Dan has a guaranteed supply of supplemental organic feed for his dairy herd right next door and the chance to mentor new organic farmers.

## TRANSITION STRATEGIES

Most of the Middendorf's land certified right away in 2012 with the Midwest Organic Services Association. They began transitioning their herd of 120 cows in April 2013 with certification awarded in spring of 2014. Cows—a mix of Normandy, Ayreshire, and Fleckvieh—are housed and fed on pasture year round. "We've been wintering cows outside since 1996," says Dan. "We provide some open-shed housing where they rest and where calves under six months can shelter."

The Middendorf's rotation consists of alfalfa hay or peas and barley followed by corn. They use turkey manure from nearby farms to supplement fertility mostly provided by their grazing herd. All corn is grown for silage. The majority of harvested peas and barley are turned into baleage. During the herd's transition, the Middendorf's purchased supplemental organic grain to feed since their corn land was not certified at the time and they had been "chronically short on hay due to drought."

The Middendorf's irrigated pasture regularly produces six tons of dry matter per acre. They do not seed or improve the pasture in any way other than grazing and irrigation. "Our grass productivity is phenomenal!" says Dan. "People are stopping all the time to look at our

pasture. You've never seen anything like it." The Middendorf's excellent pasture productivity inspired them to try feeding only grass (no grain) in 2014. When they did so, however, productivity dropped from 12,000 pounds/cow to 10,000 pounds/cow on average. "Our goal is to feed as much grass as we can," says Dan. "But we're going to have to introduce some grain this year to improve productivity."

MIDDENDORF FARM / PHOTO: DAN AND ROSIE MIDDENDORF

Winter feed is supplemented with baleage grown on the Middendorf's land and the acreage managed under the partnership by Joel, Josh, and Clarence. Grain also comes from the three partnering farms. "This partnership has made our own transition and continued organic management of our herd much easier," says Dan.

## TRANSITION CHALLENGES

Looking back, Dan says that he wouldn't have transitioned his cows when certifying organic. "I would have bought a pile of heifers to transition on pasture while milking the cows and selling conventional milk until the heifers certified," he explains. Dan's rationale is that, with the combined drop in productivity and increase in feed costs when feeding organically it is difficult to make enough money transitioning the dairy cows, even with a transition premium of $2/cwt milk. "At the end of transition, I would have simply sold the conventional cows and started milking the heifers as they calved," says Dan. "In the meantime, during transition, I would have been making money on the conventional cows."

## MOST SATISFYING

The Middendorf's find great satisfaction in raising healthy, productive pasture; mentoring three neighboring farmers; and working with Organic Valley Cooperative. "I can't believe how much [Organic Valley] care[s] about their farmers. I've never dealt with anyone like that before. You feel a part of their family," says Dan. "A lot of them have been to our farm—they know who we are and where we are. They have been so helpful." From a business perspective, Dan says that "knowing a full year ahead of time what they're going to pay us" has made planning much easier. "Working with Organic Valley and knowing what you'll be paid in

advance is very different than selling conventional milk and finding out what you'll get paid after you ship."

## WORDS OF ADVICE

"Find a neighbor or experienced organic farmer that you can partner with if you're interested in trying out organics," says Dan. "This is the best way to learn and can save you both some money as long as you share common goals and communicate." Dan invites anyone considering transition to visit the farm: "Our door is always open and we're happy to show off the pastures!"

MIDDENDORF FARM / PHOTO: DAN AND ROSIE MIDDENDORF

PHOTO: ISTOCK/LUNNDERBOY

LARS & MELISSA ROWE

Production
DAIRY
PASTURE
CORN
SMALL GRAINS
RED CLOVER
ALFALFA

Number of Acres
222

Number of Cows
49

Started Transition
2006

First Certified
2012

Transition Strategy
GRADUAL

# STICK WITH IT

## LARS AND MELISSA ROWE

Livestock

Looking back, Minnesota dairy farmers Lars and Melissa Rowe wish they had just "stuck with" organic farming the first time around. They began transitioning all of their cropland in 2006 (117 acres), but went back to conventional farming in the spring of 2008 when they were unable to obtain an organic milk contract for the following year. It was a difficult decision and one that Lars regrets. "If we could have just stuck with it, we could have gotten the land certified and just had it ready to go [for when the organic dairy markets turned around]," he explains.

Three years later, in spring 2011, Lars and Melissa decided to make another go of organic farming. This time around, they put 44 acres of their best producing, irrigated land into transition. In 2012, they began transitioning 73 acres of non-irrigated cropland. They maintained the remainder of their 222 acre farm in grass, as has been done by four generations of the Rowe family. The pasture certified in June 2012. The Rowes planned to transition their cows in 2013.

## DECISION TO TRANSITION

The Rowes were motivated to go organic and to transition for a second time for a number of reasons. Lars and Melissa have always been grass farmers operating under a low-input philosophy. This made it easy for their pasture land to certify right away. On the marketing side, the Rowes liked the stability offered by organic milk contracts. "Stability allows you to plan ahead," explains Lars. "If you know what price you're going to get for a year, you can make projections."

The Rowes also acknowledge the benefits of living in an area where organic farming is well established. "We have lots of resources; other farmers that we can talk to when we have questions," says Melissa. "This has been really helpful and gave us more confidence to transition."

## TRANSITION STRATEGIES

The Rowe's had planned to certify their dairy herd in 2013 after pastures certified in June 2012. "But in August 2012 we heard about 49 organic cows for sale," explains Missy. By purchasing the already certified organic animals, the Rowe's were able to "get on a truck" with Organic Valley (and obtain milk premiums) sooner than expected. They purchased organic feed for the new milking herd and converted some of their pasture to small grains and some into corn for silage.

*"We have lots of resources; other farmers that we can talk to when we have questions. This has been really helpful and gave us more confidence to transition."*

On the remaining crop land, some of which would qualify for certification in 2013, the Rowes have established a rotation of two-thirds small grain with an under seeding of red clover. They plan to take the red clover off for feed and, in the following year, harvest three cuttings of hay. The remaining one-third of the non-irrigated land is planted to corn, which the Rowes marketed conventionally until certified in 2014. They plan to follow their corn with a planting of rye and red clover.

The Rowes will continue to purchase some organic grain for cows as well as hay for youngstock unless they can improve productivity on their non-irrigated land. "Our corn yield on

the dryland is 100 bu/acre compared to 168 bu/acre on the irrigated land," explains Lars. At the time of this writing, Lars and Missy were applying for Farm Service Agency loan to finance the purchase of a well and irrigator.

## TRANSITION CHALLENGES

Despite their experience as transitioning farmers, the Rowe's still say that it's still tough to accurately estimate organic feed needs and availability. "Pasture production can be really variable," explains Lars. "If we can get the irrigation in place, then we'll be okay. Otherwise, it's going to be a challenge to find enough feed [if we were to expand the herd]."

## MOST SATISFYING

The Rowes plan to gradually expand their organic milking herd to 90 cows through internal replacements and through the retention of youngstock. In doing so, they expect to reach their long-term goal of generating all income from the farm (Melissa currently works two days off the farm and Lars works seasonally off farm). They also hope to make housing improvements and create enough value on the farm to provide work for their two sons, now ages 10 and 12.

Lars and Melissa agree that the transition has gone much smoother the second time around. "The first time we transitioned, we did it by the seat of our pants," says Lars. "This time, we did a lot of Internet research and talked with other farmers." The Rowes also feel that the National Organic Program guidelines are easier to understand thanks to the availability of new resources. "There's just more information available now compared to when we first started out in 2006," says Lars.

They've also benefited as planned from a stable organic pay price, which has allowed them to secure financing and make needed improvements on the farm.

## WORDS OF ADVICE

When the going gets tough, Lars and Melissa say, "stick with it!" Despite the initial set back, they feel very positive about their transition experience, the opportunities available to small farmers, and the organic marketplace in general. "Organic dairy farming is the only turn-key entry point for farming," explains Lars. "You can start out as a small dairy because it requires a small investment compared to other types of farming." Moreover, Lars says, he thinks the organic market "is going to grow!"

WALTER FARM / PHOTO: ANGIE WALTER

# NETWORK

## NATE AND ANGIE WALTER

Livestock

Nate and Angie Walter operate a 100-cow transitioning dairy in Villard, Minnesota. They have two young children, ages four and seven, whom they hope will take over the farm someday and/or join the business with new enterprises. “We dream of building a successful family farm,” says Nate.

Nate grew up on the Villard farm but left after high school to work as a welder. He returned home in 2002 after marrying Angie and purchased the farm business at full market value from his father: 160 acres of pasture/cropland, 80 cows, 80 young stock, equipment and buildings. Assets were financed through a long-term loan guaranteed by the Farm Service Agency.

### DECISION TO TRANSITION

Nate and Angie had been considering organic certification for five years before eventually making the decision to switch in October 2010. “We went to an organic field day in 2005,” recalls Angie. “I was really excited about it but Nate wasn’t so sure.” So they waited … until 2009 when their Farm Business Management instructor ran

**NATE & ANGIE WALTER**

Production
**DAIRY**
**CORN**
**ALFALFA**

Number of Acres
**160**

Number of Cows
**100**

Started Transition
**2011**

First Certified
**2013**

Transition Strategy
**FULL**

some numbers showing them that the farm would have "grossed another $180,000 that year if we'd been organic," says Nate. That extra money would have helped the Walters reach their goal of becoming debt free. Going organic "was a way for us to remain a family farm," says Angie. "Otherwise we were considering growing the farm [conventionally]; getting bigger in hopes of paying off our debt," explains Nate. "We knew that might be a losing proposition."

WALTER FAMILY / PHOTO: ANGIE WALTER

## TRANSITION STRATEGIES

The Walters began transitioning all of their land in spring 2011. They added 20 cows and acquired another 80 acres to support forage needs for the dairy herd. They began transitioning their cows in the fall of 2012 so that land and animals could be certified in October 2013.

The Walters currently run a five-year rotation that includes two years of corn and three years of alfalfa hay. Their management strategy is to raise all forage and some grain on farm. When beginning to transition their land, the Walters purchased a 12-row cultivator and burner for weed control and since have been able to rent out the equipment to neighboring farmers to partially cover the equipment costs. They custom hire a neighbor to chop hay silage. "We are about 80 percent there with hay in terms of organic management," Nate says. "Corn has been our learning curve. But it's gone better than expected."

Other than new equipment and weed management strategies, the Walters have not had to make many changes in the way they manage the farm—particularly when it comes to the dairy enterprise. "We were always doing 85 percent of the organic work and just not getting paid for it," explains Angie. "We've never believed in hormones and rarely have used antibiotics. I don't want to give this stuff to my kids or my cows. We weren't typical conventional farmers before [the transition]."

Prior to transition, the Walters began using a three-way cross (Norwegian Red- Guernsey-Red Holstein) to achieve genetics that they believe are better suited to organic manage-

ment. They raise their own replacements. Angie handles calf feeding while Nate manages the pastures and milking. They have a New Zealand "Swing 10" parlor and one part-time milker to help with two evening shifts each week. All animals are housed outdoors year-round.

## TRANSITION CHALLENGES

The Walters feed all the corn that they produce. It supplies approximately 60 percent of the herd's energy ration. They purchase needed grain, protein and straw. "We're nervous about having to buy all this organic feed [during transition]," says Nate echoing the concerns of many transitioning farmers. "We'll get a slight transition premium for milk [from Organic Valley] during our third year but it's not enough to compensate for the [higher] feed prices." Organic corn and soybean prices averaged $10.72 and $21.63, respectively, in 2011 compared to $5.67 and $11.41 for conventional corn and soybeans according to the Farm Business Management (FBM) annual financial reports.

*"[Prior to transition] we were always doing 85 percent of the organic work and just not getting paid for it ... We weren't typical conventional farmers before [the transition]."*

The Walters have been working with their FBM Program instructor from Alexandria Technical College to develop cash flow plans that will allow them to balance the need for certified organic grain during their last year of transition with projected income from future organic milk sales. (Farmers are required to feed grain and forage from their own third year transitional land or from a certified organic supplier when transitioning animals.)

Nate also is uneasy about certification itself—he worries about interpreting the standards correctly. "A lot of the rules are not black and white," he explains. "I think you should get inspected during transition so that you can make changes right away [if necessary]. [Certifiers] give you a packet and tell you to keep crop records and seed tags but don't come out until you are ready for certification. [During transition] is when we most need the advice and guidance."

The Walters hired a consultant to answer some of their transition questions and to review their Organic System Plan early on. They also have contacted their future certifier, Midwest Organic Services Association, with occasional questions.

## WORDS OF ADVICE

WALTER FARM / PHOTO: ANGIE WALTER

"Information is knowledge," says Nate. "Make sure you network." The Walters are diligent about asking questions, researching ideas, and trying to "get it right" when it comes to production and finances. They rely heavily on their FBM instructor to guide them through alternative strategies and to identify information sources. "FBM has been the center spoke for all of our networking," says Angie. "They led us to Dairy Diagnostics." Dairy Diagnostics is a resource program created by the Minnesota Dairy Initiatives program and supported by the Minnesota Department of Agriculture and University of Minnesota Extension. Program objectives include the development of advisory committees—often consisting of veterinarians, nutritionists, other producers, and financial consultants—to guide dairy producers through a major change in operations. "We could not make the transition without the advice and help of so many people," says Nate.

PHOTO: ISTOCK/WIKTORY

# DON'T BE AFRAID TO TRY SOMETHING NEW

## VITALY BRUKHMAN

Vegetable Processing

Vitaly Brukhman embodies the spirit of a true entrepreneur—full of energy, ideas, and enthusiasm for his start-up organic processing business called Bubbly Jen's Farm or BJF (named after his daughter). Brukhman's goal is to create a branded line of naturally fermented, locally produced, organic foods and specialty beverages targeted at ethnic consumer markets. His passion for organic food stems from surviving Thyroid cancer and "realizing that food is our best medicine; organic farmers are our true primary care givers." Brukhman's desire to master natural fermentation originates from the recipes he enjoyed as a child growing up in Moldova, studying Russian, and traveling and working in Ukraine and Belarus. His affinity for all things "local" comes from the New Jersey countryside where he lives in a farmhouse built more than 100 years ago.

Brukhman left his information technology job in 2012 to grow and market organic fruits and vegetables on his two-acre farmstead. His goal was to process his crops into naturally fermented products. Since

**VITALY BRUKHMAN**

Production
**VEGETABLES**
**HERBS**
**NATURALLY FERMENTED DRINKS**
**SAUERKRAUT**
**TOMATOES**
**PICKLES**

Number of Acres
**2**

Started Transition
**2014**

First Certified
**FORTHCOMING**

Transition Strategy
**FULL**

VITALY BRUKHMAN / PHOTO: VITALY BRUKHMAN

2012, however, his ideas have evolved as has his knowledge of organic production. In 2013 Brukhman graduated from a beginning farmer program sponsored by the National Organic Farming Association. In 2014 he participated in several online courses through the Organic Processing Institute and met with two dozen or so restaurant chefs, retail grocers, processors, farmers, and potential consumers to network and to learn as much as he could.

## DECISION TO TRANSITION

Brukhman anticipated that the transition to organic would be a fairly easy one since the two acres of land he purchased in 2012 had not been farmed for over 10 years. He planted his first crop of radishes, garlic, and mustard greens in 2013. When meeting with a certifier in 2014, however, Brukhman was told that he'd violated several organic rules—namely the planting of conventional garlic and the use of Epsom salts as a fertilizer supplement prior to testing the soil. Consequently, his land no longer qualifies for immediate certification; he would have to transition the land for three years before becoming certified. "At this point, I decided that I might be better off purchasing organic crops from other farmers to process while transitioning my own land," Brukhman says. That's when his processing business moved to the front burner.

## TRANSITION STRATEGIES

Brukhman will continue to hone his processing skills and recipes by renting kitchen space at a certified commercial kitchen during the winter of 2014–2015. During this time he plans to complete the Food Safety Manager Program (required for food handling). Brukhman will purchase needed inputs and distribute the final processed products for taste-testing and sampling to friends, neighbors, and potential retail buyers. By spring of 2015, he hopes to have secured commercial kitchen space and organic handlers' certification. If all goes well, he will begin processing recipe-tested naturally fermented, certified organic sauerkraut, pickles, and tomatoes by fall 2015. His modest sales goals include marketing 2,200 pints of product direct-to-consumers at farmers markets and fairs as well as independent specialty retail stores that cater to Russian and Japanese communities.

## TRANSITION CHALLENGES

Most beginning farmers and food processors alike find navigating the organic regulations and required food safety training a bit daunting. Brukhman, however, enjoys learning new skills. It's the record-keeping, necessary for certification, that he finds most challenging. He is working with experienced growers and consulting with certifiers to better understand what's needed for certification. Brukhman is also in the process of developing a business plan to map his business' start-up and growth strategies, communicate to strategic partners, and help determine if the business can support the financial goals of both owner and future investors.

## MOST SATISFYING

"I enjoy the feeling of certainty—that by offering tasty organic naturally fermented products I am doing something good and meaningful." When asked to explain a bit more, Brukhman said "I am having a direct positive effect on the well-being of my family, myself, and others. I rarely had that feeling while being a corporate IT consultant."

*"I am having a direct positive effect on the well-being of my family, myself, and others. I rarely had that feeling while being a corporate IT consultant."*

## WORDS OF ADVICE

As someone who has spent the past two years educating himself about organic farming practices, processing, and marketing, it's no surprise that Brukhman advises other farmers to do the same: "I recommend exploring one's own interests and resources, coming up with at least a general direction [or strategy] and then going full throttle with an individual learning program." Brukhman recommends a mix of learning platforms including online knowledge-building classes, hands-on experiments, and in-person classes with other farmers. "Taking a class allows you to interact with fellow members of the audience—you can meet very knowledgeable people and, who knows, maybe even a future business partner!"

# APPENDIX: PROFILE INTERVIEW QUESTIONS

Production: _____

Number of acres: _____

Number of animals: _____

Rotation: _____

Began transition (date): _____

Expected certification (date): _____

## Current Situation

- What are your goals for the farm (short-term, long-term)?

## Transition to Organic

- What motivated you to transition?
- How long had you considered transitioning before actually doing so?
- What gave you the confidence to make the switch?

## Strategies

- Land: Are you/did you transition all of your land at once or did you do so gradually?
- Land: Tell us about your rotation schedule during transition.
- Land: Will your farm be larger or smaller (acres) after transition is complete?
- Land: Did you make major equipment purchases when transitioning? If so, what?
- Crops: How do you price and market your crops?

- Livestock: Did you transition land first (before animals)?
- Livestock: Did you make any herd management/feed adjustments before transitioning?
- Livestock: What kind of agreement did you have with your processor before transitioning?
- Marketing/Finances: Did you receive any financial support/incentives when making the transition or did you receive premiums for transitional crops?

## Challenges

- Tell us about the transition "learning curve."
- What is the greatest challenge you faced when first making the switch to organic management? How did you overcome this challenge (if pertinent)?
- What other or on-going challenges do you face (production, marketing, financing, regulations)?
- Has access to capital been an issue? If so, please explain.

## Positive Outcomes

- What is going better than expected (productivity, labor, profit)?
- We're giving you permission to brag—what about your farm business or decision to transition makes you most proud? What's been most satisfying?

## Advice and Outlook

- With 20/20 hindsight, what would you do differently if transitioning again?
- What advice do you have for other farmers who are beginning the transition?
- Do you think organic farming will continue to grow? If so, what will drive it?

NOTES

## NOTES

## THANK YOU

There's nothing like personal stories when learning something new. The ten farmers featured in this publication and the many other *Tools for Transition Project* participants taught us much through their shared experiences, questions, and advice. We expect that their stories will continue to inspire and educate others considering making the switch to organic farm management.

We sincerely thank the *Tools for Transition Project* participants for sharing so much and we wish them well in their pursuit of organic farming and other new ventures!

Sincerely,

The *Tools for Transition Project* Team

**http://eorganic.info/toolsfortransition**

**Visit the *Tools for Transition Project* website to download an electronic copy of this publication and to access additional organic transition resources:**

- *Organic Transition: A Business Planning Guide for Farmers, Ranchers, and Food Entrepreneurs*
- *Farm Performance During Transition to Organic Production: Analysis and Planning Tools*
- *Research Findings: Who's Transitioning and How in Minnesota*