Finding There, Getting There, Growing There

Challenges and Solutions for Young Alaskan Farmers in the 21st
Goosefoot Farm

- Land
- Funding
- Current situation
Top Challenges for Young Farmers

- Access to affordable farmland
- Student loan debt
- Getting hands on experience/finding adequate labor
- Lack of affordable health care
- Lack of affordable housing near farm

Nyfc 2017
Who’s a Farmer?

Farmer: A person who grows food for sale to make a profit.**
USDA FSMA qualified exempt farmer over $20,000 in sales

Farmers over the age of 65 now outnumber farmers under 35 by a margin of six to one.

National average farmer is 59.3 years old

The National Agricultural Statistics Service estimates that over the next five year (the lifespan of this farm bill) nearly 100 million acres of U.S. farmland are expected to change ownership... they are retiring.
Who’s a Young Farmer?

According to national Young Farmer Coalition survey 3,517 farmers under 40, 70% of young farmers (are) first generation farmers. The median size of their farms are 19 acres, 81% grow diversified crops.

Young farmers primarily sell direct to consumer, using #1 community supported agriculture and #2 farmers markets.

Of farmers surveyed, 60% are women.

77% of first generation farmers pursued education beyond high school; U.S. Census data shows just 42.3% of the general population over 25 have done the same.
Challenge #1: Lack of Access to Land

According to the USDA 2016 Land Values Summary, agricultural real estate values doubled between 2004 and 2013.

Most often, the purchase price of farm land exceeds a working farmer’s anticipated profits. According to the Economic Research Service,

“...the relationship between real estate value and production value on farms continues to widen, with one dollar’s worth of farm real estate generating just $0.16 in production in 2016—the lowest the ratio has ever been.”
Challenge #1: Lack of Access to Land

Alaska agricultural land sales focus on land far from cities that is forested and has no power, water or other utilities. The expectation is that farmers are pioneers/homesteaders cerca the early 1900s.

We need to make available land that makes economic sense for farmers to start farming. The most valuable land that has already been developed as a farm this land is being sold for non agricultural purposes. Every farm we lose is a huge setback for future AK farmers.

Secure land tenure is a fundamental component of a viable farm business, let’s say farmers don’t own the land we need to put into place programs, policies that ensure long term land security through tax and other incentives.
Challenge #2: Student Loans

In 2014, NYFC surveyed more than 700 young farmers on the topic of student loan debt. 53% percent of respondents were farming but struggled to make their monthly loan payments, and 30% of respondents said they were not farming or had delayed farming because of their student loans.

Young people should not have to choose between a career in farming and earning a college degree.
Challenge #3: Lack of Labor

In 2017, land grant universities awarded just 461 associate’s and bachelor's degrees in agricultural production.

Farm internships, apprenticeships and volunteers in many states are not permitted, unpaid workers are not covered by Workers Compensation, limiting farmers options for supplemental labor. In Alaska the rules are unclear.

Not getting many immigrant farm workers up to Alaska.
Challenge #4: Lack of Affordable Healthcare

Farming is one of the most dangerous occupations in the U.S., and the Center for Disease Control and Prevention reports that every day, about 100 agricultural workers miss work time due to injury.

Most farms do not offer health care benefits to workers, and farm owners often find premiums out of reach for themselves and their workers. Many farmers have to live without health care, one serious injury away from losing the farm.

The Affordable Care Act and expansion of Medicaid was cited as the most helpful single piece of legislation by respondents in NYFC 2017 survey, underscoring the importance of health care to farmers.
Challenge #5: Affordable Housing

Young farmers’ ability to live on-farm is an important factor to their success, and often not an option on leased farm land. They are often forced to rent housing near their leased farm property, increasing the financial strain on the farm. Here in Alaska ag sales are usually far from any housing options.
Solutions For The Farmer

- Get hands on experience
- Start small
- Sell direct
- Avoid debt
- Look for alternative funding streams, crowd funding and micro loans like Kiva.
Solutions For The Farmer

Find out who has farm land nearest to your market... ask to use it.

Think about alternative options for land procurement. Leasing, leasing to own, caretaking. Use Farm Link and the land use agreements they have compiled to help.

Plan to live simply, start small, avoid debt, farming is a lifestyle. Dig it!
Solutions: The State/Fed’s

*Increase Direct Farm Ownership loans and raise the loan limit.*
Direct Farm Ownership Loan limit should be increased to meet the realities of farm real estate prices. Current loan limits on these loans are $300,000, making them insufficient for many farmers to purchase established farms from retiring farmers. Overall, farmland real estate values have increased by more than 40% since the cap was last adjusted in 2008.

NYFC recommends adequately funding this program, increasing the loan limit to $500,000 then pegging it to farmland inflation rates thereafter and leaving all other loan limits in place to ensure the effectiveness and availability of these funds for beginning farmers.
Enforce agricultural tax exemption qualifications, apply them to folks actually farming the land.
- Use proof of production guidelines. Current use programs provide tax incentives for keeping land in agriculture,
- Focus on income rather than acreage limits, to determine agricultural use.
- Require multi-year written leases for non-farming ag landowners to access ag tax exemptions, then use any recapture penalties to fund farmland Conservation, farmer training and farmer housing.

Include Option to Purchase at Agricultural Value provisions in all agricultural land sales past and present, promoting land to be sold at its agricultural value to qualified farmers.

Change the focus of Alaska’s ag sales from large tracts of forested land sales, to smaller tracts, that are already fields, that are closer to cities. All ag sales past to present in Alaska should have the OPAV written in to resale clauses.
Support programs that purchase agricultural land, place them in easements/farm trusts/ or that connect farmers to farm land. Local farmland protection programs provide a foundation of permanently protected land for future farmers. Without protecting the established farmland we already have, we are asking farmers to reinvent the wheel every time, let’s not expect farmers have to start from scratch.

Provide state tax incentives to lease or sell land to young farmers. Iowa, Nebraska, Colorado, and Minnesota have created tax credits for farm and landowners who rent to next generation farmers—including farmland, machinery or equipment, breeding livestock, and buildings.
Solutions: Student Loan Debt

*Add farmers to the Public Service Loan Forgiveness program*

Just as the federal government has provided incentives for students to enter careers in medicine, education, and other forms of public service, we need to encourage more young people to choose careers in agriculture and this tool would help.
Labor Solutions

Develop effective guidelines for farm internships. On-farm internships give people with little to no experience in agriculture the opportunity to learn the ropes on a working farm, while also assisting with the farm’s labor challenges. State labor laws govern internships. Alaska should define internships, legalize them for farmers, work to have interns covered by Workers Compensation, ensuring a safe work environment and fair compensation for farm interns and giving the farmer real labor options.

Work on strengthening guest worker programs and farmer education on how to use them, helping farmers access skilled labor from outside of Alaska.
Healthcare Solutions

Fully fund and support the Affordable Care Act, support the expansion of Medicaid, increase access to affordable prescriptions, encourage local healthy eating education and expand low income access to local vegetables.
Affordable Housing

Consider housing when selling farm land. Permit the building of adequate farm worker housing on farms in trust or conservation easements.

Establish state grant/loan programs for farm worker housing.

Provide farm owners with low- or no-cost loans/grants to improve housing conditions and expand housing capacity on the farm. This will help farmers attract skilled labor and provide affordable and safe housing for farm workers, the farmer, and future farmers in our state.
MORE SOLUTIONS

Establish a **financial training** tax credit for beginning farmers. Minnesota, for example, has enacted a law that will offer a tax credit equal to the cost of the course for qualified beginning farmers who enroll in a financial training program.

Alaska should enact laws, like California’s Farmer Equity Act, that recognize the structural and systemic inequities for farmers of color and indigenous farmers, designate staff within state agencies to address them, and promote inclusion and representation of socially disadvantaged farmers across all agricultural programs and policies.
Ag in AK Going Forward

If you look at history of Alaska ag, the big export projects that have been attempted have not produced the successful outcomes, or the local economic sustainability we have hoped for.

The future of Alaska agriculture is in Alaska, for Alaskans, by Alaskan farmers. These farms will be smaller, they will be diversified, they will sell direct to the end user. Farmers will live on their farms, they will maximize use of local inputs and labor. The most important parts to their success will be strong soil conservation practices, strong business planning, a vibrant farmers market in their town, strong community support, state programs that prioritize keeping farmers on farm land, affordable, engaged labor, lots of moxi, and public understanding that the consumer is as important to success of farms in Alaska as is the producer. Without successful farmers all across Alaska, food security in Alaska cannot be achieved.