

SUSTAINABLE AGRICULTURE &  
FOOD SYSTEMS FUNDERS



**Supporting Animal Agriculture that is Pasture-Based and Financially Viable**

**Moderator**

**Wendy Millet**, *ranch director, TomKat Ranch Educational Foundation, CA*

**Speakers**

**Anya Fernald**, *chief executive officer, Belcampo, CA*

**Brent Beidler**, *organic dairy farmer, Organic Valley, VT*

**Why care about this topic?**

- Common theme: whole systems approach
- Health Benefits – animals, humans, environment, communities & rural landscapes

**Session Goals:**

- Inform on what our organizations do
- Showcase two viable business solutions
- Talk about actions that funders can take

**Panel Overview:**

***TomKat Ranch:***

- Integrated Land Management Plan + Educational Foundation
- Multiple operations on 1800 acres: grass-fed/finished beef + Aquaponics / vermicompost + poultry/pigs + Horse therapy + more!
- Integrated into regional NGO, university partnerships
- Use science-based land management planning – e.g. plan grazing around bird habitats + timelines; multi-species rotational grazing

***Organic Valley:***

- 15 years in dairy in VT; didn't come from farming families
- Been with Organic Valley for 13 years
- Focus on pasture was critical – otherwise start-up costs and inputs seemed impossible
- Rotational intentional grazing – graze down 1 location for 12 hours, then give it apx 1 month to rest. Nutrients cycle right on the land. Less need for hay
- Growing more grain on site – reduced inputs; nearby 'locavores' pushed for milled grains for food. Win-win.

- Cooperative offers more consistent milk prices vs. conventional; Organic dairies now 20% of industry in VT, despite huge reduction in number of farms
- Doing on-farm research – on pasture density as it relates to milk quality (omega-3s & 6s, CLAs); on different forage varieties; on different forms of compost.

*Belcampo:*

- Scaling up 40,000 acres of all organic, intensive, humane animal agriculture
- Genesis: How to make money off of 12,000 acres? Developed initial concept – farm to table, on-farm slaughterhouse, own consumer-facing butcher shops
- 15 years to get where we need to be; already 75 employees
- 12 species on the farm: poultry, sheep, goats, pigs...
- Slaughter facility twice what we need – to work with other small growers looking to do niche products
- Huge data collection effort: genetics, taste profile, traceability etc.
- Price points – 30% higher than a Whole Foods case; maximizing profitability by owning all parts of the supply chain
- Challenges: different opinions on rotation; hard to model costs, find comparable data; difficult to hire talent (who get philosophy and business savvy)

Discussion:

- Training and professional development:
  - Mentoring programs and financial guidance helpful for newer farmers
  - Question of butchers – where is education and training happening. Incl. focus on cooking as essential for butchers
- Scale issues:
  - Need to build up tons of rural infrastructure
  - Scaling up multi-species rotation is uncharted territory
  - Scale must reflect land base, values; not just big for big's sake
  - Human scale & connection / intuition of growers is key to quality; can't get too big; also need to say 'no' sometime
  - Capital investment important. Early adopters' success will attract new investors, new pools of capital
  - One view: future is not tons of micro=farms feeding the world; need larger \$10 million projects if we're to stave off Cargill greenwashing and crowding out the market
  - Another view: small and intensive can do just as much as large and expansive (ex. of VT and 3<sup>rd</sup> world peasant ag); problems come from elsewhere
  - Scale of production might not be the issue (could be small or large), but aggregation and distribution need to scale in either case
- Finance and Marketing:
  - Track profitability of a cow over 'life-cycle,' by whole animal vs. by cut
  - Integration of multiple species, ag systems, etc. can mitigate risk – benefit from more conversations about quantifying diversification

- How to make use of non-traditional cuts and animal parts? Restaurant creative menuing helps; dog food; leather products; tap into consumer communities with different eating traditions
- Need to educate the consumer often not where you expected – odd parts, or food safety risk (bringing product home over a long drive)
- Needs and Opportunities for Funders:
  - Climate change, farm-level research. Need basic variety trials, which land grants used to do... but not much money, interest in it now from industry, professors
  - Need for equipment – growers association teamed up with locavores to write a grant. But funders are often tentative about equipment for testing, harvesting, research
  - Need for long-term research studies that aren't contingent on political whims (i.e. farm bill), and have strong farmer-involvement
  - Also research on health benefits
  - Need to codify grass-fed philosophy, practice. Not a label...
  - More info on financials – do slaughterhouses make money? Which ones?
  - Validation studies – that allow operators to bypass overly strict FDA standards (which all the big guys have)
  - Quantifying ecosystems services of holistic rotational systems, outside of simplistic comparative studies
  - How to get young farmers onto the land? Business planning, start-up capital, finding land. Biggest issues. Everyone wants to, but chose alternative programs... Also: land connection programs
- Info on Grass-fed sector of Beef market?
  - Currently 3%. Supposed to grow to 12-15%
  - Challenge = how to define 'grassfed.' What's the place of grain in holistic systems a question when fresh grass isn't available year-round
  - More research is needed, on at what point does animal health / gut bacteria shift as diet does. Need to eventually incorporate into policy definitions or certification systems
- What would it take to shift all of VT Dairy to organic? Will that help?
  - Opportunity has been there for people for a long time; people don't always take it up
  - Constraints = mentality, cash flow constraints on transitioning over; too many existing cows to make the switch on current land, but also cant cut out cows financially now
  - Challenge for growth: maintain profit margin with supply entry. Needs to be tightly managed. OV farmers apply for volume targets each year.
- What financial institutions are farmers turning to finance debt etc.?.
  - Farm Services Agency – federal agency
  - Amish have internal funding systems
  - Often – requires an on-paper business case, story to get financing. Easier for industrial scale people than small guys. It's a data gap.
  - Banks look at their own tables and don't value organic