

**SUPPORTING THE NEXT GENERATION OF
AGRICULTURAL BUSINESSES**

HEARING
BEFORE THE
SUBCOMMITTEE ON RURAL DEVELOP-
MENT, AGRICULTURE, TRADE, AND
ENTREPRENEURSHIP
OF THE
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SUPPORTING THE NEXT GENERATION OF AGRICULTURAL BUSINESSES

THURSDAY, JULY 25, 2019

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
SUBCOMMITTEE ON RURAL DEVELOPMENT, AGRICULTURE,
TRADE AND ENTREPRENEURSHIP,
Washington, DC.

The Subcommittee met, pursuant to call, at 10:06 a.m., in Room 2360, Rayburn House Office Building, Hon. Abby Finkenauer [chairwoman of the Subcommittee] presiding.

Present: Representatives Finkenauer, Crow, Craig, Hagedorn, and Chabot.

Chairwoman FINKENAUER. Good morning. The Subcommittee will come to order.

I just first want to say thank you again to our witnesses here today who took time to come to Washington to testify in front of this Committee. You know, this is an issue that is vitally important not only to my home State of Iowa but to farming communities across the country. I greatly, greatly appreciate you guys taking the time and really look forward to everything we are going to hear today and all of your expertise as well. So thank you again.

You know, having grown up in northeast Iowa, I know how important agriculture is to our way of life in Iowa and that farmers are quite literally the backbone of our economy. And, you know, in Iowa, agriculture contributes to over \$9 billion annually to our State GDP and accounts for most of our top exports.

In my congressional district, nearly 14,000 people are farmers or work in agribusiness, while countless others, like our manufacturers and small-business owners, rely on a strong agricultural economy, like our UAW workers who make those John Deere tractors in my district.

I am very excited about our hearing today on ways we can support new and beginning farmers. See, I grew up in Sherrill, a little bit north of Dubuque, where I represented in the State house. It is a town with more cows than people, which I was always—I am still very proud to say. You know, my parents still live back there.

My friends grew up on their families' farms. In fact, when I would spend the night at their house, it was a thing; it wasn't even negotiated: You got up in the morning and you did chores. And I still know how to make a mean bottle of milk replacer to go feed the calves.

But, again, it was a way of life and still is that I am so proud to have grown up around and been a part of. And it is something

that we have to make sure that we are protecting in Iowa, not just for our economic security but also for who we are and our values.

And, you know, I also think of my sister and her husband, who are corn and soybean farmers. You know, they have 500 acres and a 2-year-old and now—I think he is 4 weeks old, or he will be on Saturday, a little guy at home. And I have heard firsthand from them and folks across the district just how tough things can be and are right now because of an ongoing trade war that has been happening for over a year and a half.

And so there is a lot going on in the agricultural economy, and we need to be making sure we are doing everything we can here in Congress to hear from the folks on the ground living it day to day and making sure that Iowans in my generation and the generations after mine are able to live their dreams and take over family farms and invest in new ones to start their own dreams.

You know, again, our way of life continues to be at risk given what we have seen in the past 20 years. Iowa has lost, actually, over 10,000 farms, many of them small and medium-size farms. It isn't just Iowa, though; this is happening across the country.

The farming community is aging. The average age of the American farmer is around 58 years old. And in Iowa, farmers over the age of 75 have increased by 28 percent since 2012. To ensure the continued success of American agriculture, we must facilitate the transfer of skills, knowledge, and land between this generation and the next one.

The problem continues, again, to be bigger than that. Again, while farming has never been easy—you don't go into it because it is easy—but the increasing cost of production, low commodity prices, again, exacerbated by this ongoing trade war coupled with unpredictable weather patterns, such as flooding we have experienced this spring in Iowa, have made it difficult for farmers like my friends that I grew up with in Sherrill and folks all across my district.

And as I am sure we will hear from our witnesses today, aspiring and beginning farmers are facing significant challenges, and some of them are much different than some of our parents' generations.

There are things we can do, though, and we should do to step up with these new and beginning farmers to help success. We should explore new ways to help farmers access the capital they need to not only invest in the land and equipment but offset some production costs when they are first starting out.

Another great way for young farmers to get started is with infrastructure and livestock facilities. I am happy to be working on legislation that would help beginning farmers access capital for ag infrastructure.

We know that new and beginning farmers, like many Americans, including myself, are also saddled on top of all this with student loan debt. We should examine how that impacts their choices and opportunities when it comes to starting a career in agriculture.

We should also help these farmers access emerging markets both at home and abroad. We also need a smart trade policy that helps, not hurts, American agriculture.

As weather becomes, obviously, increasingly unpredictable, like we saw with the floods in the spring, farmers also need strong in-

frastructure from the Federal Government when it comes to natural disasters.

The future of a rural economy truly depends on the next generation. Just like our teachers, police officers, and small-business owners, farmers are part of the fabric of our rural communities. They make places like my hometown somewhere where people can work hard, raise a family, and have a good life.

And I am so fortunate to work with my Ranking Member, Dr. Joyce of Pennsylvania, on these issues day-in and day-out—and I am happy Mr. Hagedorn is stepping in today for a few seconds—which, I know, obviously, are equally important to your district as well. I am glad that we share this priority for supporting our farmers in our rural communities, and I look forward to continuing our bipartisan work on this Subcommittee.

I want to, again, just thank the witnesses for being here for what I hope will be a very productive discussion.

I would now like to yield to the Ranking Member, Mr. Hagedorn, for his opening statement.

Mr. HAGEDORN. Madam Chair, appreciate that. Thanks for holding this hearing. Wonderful to be with you today.

I say as someone who represents southern Minnesota, in the First District, also serve on the Ag Committee, this is a critical hearing. These are issues we really want to get to the bottom of and talk about how you are helping out with our generational farmers in the future, not just the ones that we have had in the past, but building up farms and operations as we move forward.

I would say that, you know, in the farm country, for the last 5, 6 years, it has been tough. It hasn't been just since the trade disputes or, if you want to say, the resetting of our trade agreements. It has been tough. You know, regulations have been driving up costs. ObamaCare has been a big cost for our farmers. And things have—like energy. You know, farmers depend on low-cost energy, and when you drive up the cost needlessly, it makes it tough.

So sustaining agriculture, our rural way of life, critically important. What you are going to talk about today and what you are doing is a big part of that. And we appreciate all the witnesses for being here.

You know, communities in my district and across the country rely on the 2.2 million farms in the United States. And of these, 88 percent are small. They are not all big operators out there. Only 20 percent are operated by new and beginning farmers, however, and ranchers. So that is what we are talking about today and why we need to explore these areas and see how we can continue along that path.

One U.S. farm will feed about 165 people annually. And when you think about the wonder of agriculture, agribusinesses we have today, you know, people know, the next day, when they walk into that grocery store, those shelves are going to be stocked with an array of choices at affordable prices. It is really one of the great wonders of all the world as to how this works each and every day. It isn't like that in every country. There is one down in South America where the people have lost 25 pounds, on average, because there is no food in the grocery stores.

And I tell folks that we have to keep our farmers moving forward, because you can have a pocketful of hundred-dollar bills or EBT cards or the things that we do to make sure that people have an opportunity to feed their families, but if there is no food on the shelves, we are in a lot of trouble. So we appreciate our farmers and what you are doing in that regard.

You know, with a projected global population of 9.7 billion by the year 2050, the world's farmers will need to grow approximately 70 percent more food in order to feed the world. And our farmers do feed much of the world. We export a lot, and we need to export more. And I think that is what we are all working toward.

In the State of Pennsylvania, which Dr. Joyce represents, over 6,100 farms have been lost in the last 5 years. And we want to make sure we keep those generational farms in business, because when they sell out to bigger operators—and bigger operators are not bad folks—it means fewer people holding the land, working the land, living in our small communities, going to our schools, shopping on Main Street at our small businesses. And we need to make sure that we don't put undue pressure on our small, rural communities. We want them to grow and thrive.

And so, with that, today's witnesses will discuss their experiences in the farm industry and give us some insight into what programs work best for new and beginning farmers and ranchers.

I look forward to your testimony.

And, with that, Madam Chair, I yield back. Thank you.

Chairwoman FINKENAUER. Thank you, Mr. Hagedorn.

The gentleman yields back.

And if Subcommittee members have an opening statement prepared, we would ask that they be submitted for the record.

I would now just like to take a minute to explain the timing rules. Each witness gets 5 minutes to testify, and the members get 5 minutes for questioning.

There is a lighting system right there in front of you to help you out. The green light will be on when you begin, and then the yellow light comes on when you have 1 minute remaining. The red light comes on when you are out of time. And we ask that you stay within the timeframe to the best of your ability.

I would now like to introduce our witnesses.

Our first witness is Mr. Matthew Keesling, the farm manager at Bures' Organic Family Farm in Deerbrook, Wisconsin. Mr. Keesling served in the United States Army for 24 years as an enlisted soldier and an officer, including three tours in Iraq and two in Afghanistan. He retired as a major in 2017.

Mr. Keesling earned a bachelor's of science degree from Kansas State University and an MPA from Webster University. He is currently an apprentice with the federally recognized Dairy Grazing Apprenticeship and is also the veterans liaison for the program, where he works to aid his fellow veterans entering agriculture.

Mr. Keesling is active in his local 4-H and is looking forward to purchasing the farm that he has apprenticed for the past 2 years.

Welcome, Mr. Keesling.

Our next witness is Mr. Jason Grimm, a third-generation Iowa farmer from my congressional district. He started his farm enter-

prise in 2011, where he raises dry beans, poultry, and produce on his farm near Williamsburg, Iowa.

Mr. Grimm earned degrees in landscape architecture and environmental studies from Iowa State University.

In addition to farming, Mr. Grimm is the deputy director at Iowa Valley Resource Conservation and Development in Amana, one of the most beautiful towns, actually, in the First District.

He is also a leader in Iowa's local and regional food systems. Mr. Grimm has more than a decade of experience in community food systems. He cultivates local and statewide networks and coordinates farm-to-business supply chains. He has led more than 20 workshops, sharing his knowledge with over 250 beginning farmers.

Mr. Grimm has developed a statewide Iowa Farm to School Toolkit and acts as a value chain coordinator, connecting producers to each other, to viable markets, and institutions, and cultivates relationships within the food system.

Thank you for all that you do, and welcome, Mr. Grimm. Thank you for being here.

Our third witness is Ms. Meri Lillia Mullins. Ms. Mullins is the farm manager at Lighthearted Ranch in Longmont, Colorado. Ms. Mullins works on rangeland management, animal husbandry, and herd management.

In addition to working as a farm manager, she is also an engineer, working on public safety and road maintenance.

Welcome, Ms. Mullins. We are very, very happy to have you here.

I now yield to the Ranking Member, Mr. Hagedorn, to introduce our final witness today.

Mr. HAGEDORN. Well, thank you, Madam Chair.

Our final witness is Rod Hebrink, president and CEO of Compeer Financial, a proud member of the Farm Credit System. Mr. Hebrink is responsible for leading the Compeer Financial team in providing loans, leases, risk management, and other financial services to farmers and rural communities, including Blue Earth, Minnesota, my hometown, where you have an office.

Under Mr. Hebrink's leadership, Compeer has provided a spotlight for young farmers through their Groundbreaker of the Year award recognizing standout small-operation farmers. And, furthermore, through a company commitment to rural America, his team has assisted in administering millions of dollars in grants to upgrade county fair facilities, emergency response equipment, scholarships to high school seniors, and to support local 4-H and FFA groups. And they were just in our office this week. I can tell you how important that is.

Mr. Hebrink holds a bachelor's degree in agricultural business administration from the University of Minnesota and a graduate degree from the University of Wisconsin-Madison Graduate School of Banking. Mr. Hebrink recently testified before the House Appropriations Subcommittee on Agriculture.

And thank you for coming back to D.C., Mr. Hebrink. We are looking forward to hearing about your clients' stories and looking forward to your testimony.

Thank you. I yield back.

Chairwoman FINKENAUER. Thank you, Mr. Hagedorn.

Mr. Keesling, you are now recognized for 5 minutes.

STATEMENTS OF MATTHEW KEESLING, FARM MANAGER, BURES' ORGANIC FAMILY FARM, DEERBROOK, WISCONSIN, ON BEHALF OF THE DAIRY GRAZING APPRENTICESHIP; JASON GRIMM, OWNER, GRIMM FAMILY FARM, WILLIAMS-BURG, IOWA, ON BEHALF OF THE NATIONAL YOUNG FARMERS COALITION AND THE EASTERN IOWA YOUNG FARMERS COALITION; MERI LILLIA MULLINS, FARM MANAGER, LIGHT-HEARTED RANCH, LONGMONT, COLORADO, ON BEHALF OF THE FLATIRON YOUNG FARMERS COALITION; AND RODNEY HEBRINK, PRESIDENT AND CEO, COMPEER FINANCIAL, LAKEVILLE, MINNESOTA

STATEMENT OF MATTHEW KEESLING

Mr. KEESLING. Thank you, and good morning.

A little bit about the Dairy Grazing Apprenticeship. Thank you for the introduction. DGA is in 12 States, with 180 approved master dairy grazers. Forty-five of those are paired with apprentices. We have 30 journey grazers, who are graduates of the program, and over 100 apprentice candidates that are looking for the right opportunity to enter the dairy industry.

Personally, on the farm, we are members of a cooperative, Organic Valley, and we are set to purchase the farm within the next year. The farm has been with Organic Valley since 2005, and the value added from this co-op has been one key reason for the farm's success and survival.

I would like to thank the members for holding such a hearing and gathering information to help shape programs and legislation for the next generation of farmers.

There are three things I would like to bring to the members' attention that I have had experience with as I have worked towards being a businessowner and dairyman, and those are: Federal programs that I have attempted to use and the outcomes of those, with a focus on the Farm Service Agency within the USDA; education and training offered for dairy and agriculture versus what is actually needed; and, finally, the concept and importance of community-based agriculture and mentorship for anyone entering the agriculture industry.

In 2012, as I became eligible for retirement from the Army, I visited with the FSA in Emporia, Kansas, to discuss financing in order to start a dairy from scratch. Over the previous 4 years, we had purchased the land and some necessary equipment; discussed necessary permits with local and county agencies; selected our herd, freestall, and parlor design; and secured a feed source and milk processor.

I worked with three local dairymen that were close to retirement through this process and spent numerous hours on their farms learning the finer points of being a dairyman. I worked with Small Business Administration and SCORE to develop and finalize my business plan even though the mentor was not in agriculture.

That day in Emporia, I was told that even though I had taken these steps and the business plan was solid, I did not have enough education in agriculture. I took this information, stayed in the

Army instead of retiring, and started to look for ways to meet the education requirements that lenders were asking.

In 2017, I finally retired and I had entered into the Dairy Grazing Apprenticeship program and relocated to Wisconsin. Where better to learn to dairy than the dairy State itself?

Early on, I visited with the FSA office in Wausau, Wisconsin, to ensure that I was on the right path to buy an existing dairy farm. Again, I was met with resistance and informed that, even after graduation from the DGA, I would not have met the requirement for experience. I would need another 3 years of managing or owning/operating a dairy to qualify for a beginning farmer loan.

With all the areas and/or categories that I thought I had qualifications in—veteran status, being a beginning farmer, years of management experience in the military, and education from both a university and through an apprenticeship program—nothing translated to agriculture and dairy, so I would have to go find a job and work in a management position for 3 years before I could be seen as an acceptable risk to the FSA.

Existing Federal support programs brief well, but they are far from where I believe they were intended to be. There is a need to provide clearer guidance to Federal program offices if this is truly the case.

I would like to go back to 2012 now and share some of the searching that I did to try to meet the education requirements. I already had education and management. I was still on Active Duty, so I was trying to provide knowledge and gain knowledge while I met my military obligation.

Even though there were several online programs, there were none that matched the experience piece. Dairy Grazing Apprenticeship was the only real option to gain both while not postponing desire to own and operate for another 3 to 5 years.

Along this path, I learned that mentorship is critical when entering a new industry. The Beginning Farmer and Rancher Development Program has been there since we started DGA, and maybe their focus could be on supporting the trainer as well as the trainee. SBA and SCORE were not able to support agricultural businesses. They were more into tech, retail, and consulting, and one size does not fit all. DGA has since found mentors and enlisted them to be prepared to train the next generation of farmer. With the new dairy concept through DGA, we have the potential to mimic this nationwide.

As you are all aware, there are always needs for a beginning dairy farmer, and they are: access to capital, access to a market, and a network of community of dairy farms to learn and grow.

In closing, I would ask that you all invest in a model that is proven to work—apprenticeships. Protect the grants that are currently available, and allocate them to better serve nonprofits. Universities study, but apprenticeships do. Allow incentives for trainers and mentors as they grow the next generation of farmers. Limit vertical integration of the dairy industry and regulate to protect the “ag of the middle” to ensure that the next generation at least has an opportunity to enter this fine example of being a true entrepreneur.

Thank you for your time and listening to my testimony today. Go Packers.

Chairwoman FINKENAUER. Go Pack go. Absolutely. Yes. I grew up in Sherrill, close to Dubuque, obviously, where you are either a Packers fan or a Bears fan. And I, luckily, grew up a Packers fan. So I am going to tick off half the people in my district by just saying that, but forgive me.

Anyway, thank you, Mr. Keesling.

And, Mr. Grimm, you are now recognized for 5 minutes.

STATEMENT OF JASON GRIMM

Mr. GRIMM. Good morning, Committee and staff. Thank you for this opportunity to share my experiences as a young farmer. Congresswoman Finkenauer, thank you for inviting me, specifically, to represent the First District as well.

My name is Jason Grimm. I am 33 years old. I am a beginning farmer from Williamsburg, Iowa. I began farming 8 years ago and started with a specialty crop of black beans, very unique to Iowa, on my family's cow and calf operation.

In addition to farming, I am cofounder and treasurer for the Eastern Iowa Young Farmers Coalition and a member of the National Young Farmers Coalition, Practical Farmers of Iowa, and Iowa Farm Bureau.

However, I also work full-time off the farm as deputy director of Iowa Valley RC&D, a nonprofit located in Amana, where I have worked for 10 years. I started the organization's Regional Food Initiative in 2009 to address systematic change in Iowa's food system.

My farm, Grimm Family Farm, is a small farm business that I started in 2011 with the help of my wife and family. My two young boys, Emmet, age 2, and Elliot, age 6, are already incorporated into the farm. Elliot loves to feed the chickens, and Emmet loves to go to tractor rides with his grandpa. Soon, they will be big enough to open gates to our farm fields while riding along on the tractor, like I did, during harvest.

I started my farm business because I love the challenge of agriculture, I enjoy being outdoors, and I have an entrepreneurial spirit. I also believe that farming can strengthen community, and farming is a tradition in my family.

Continuing that tradition, I began renting a few acres of my family's land in 2011 to raise pastured poultry and grow dry beans, potatoes, and produce. When I first began farming, I sold primarily to family and friends. Today, I sell these crops throughout eastern Iowa to grocery stores, restaurants, caterers, school districts, and colleges.

Now in my eighth growing season, like so many other young farmers across the country, I found myself limited by the instability of growing a business on leased land without an opportunity to build infrastructure and earn equity through ownership. Federal programs like the Beginning Farmer and Rancher Development Program, the Farm Service Agency's microloan program, and the Farm to School Grant Program have helped me grow my business and access new markets.

My customer list grows every year, and my need to increase production of my crops has led me to pursue purchasing some of my

family's land or relocating my family to purchase land nearby. Owning rather than renting would enable me to build a facility to properly store and operate the equipment needed to clean and bag my dry beans. Such a facility could help me expand my production capacity to grow my business to support a career full-time on the farm.

In 2013, I approached my grandparents about buying a tract of their land but hit a roadblock. My grandparents, now in their mid-80s, are hesitant to sell the land because of financial advice warning them about high capital gains taxes.

As a third generation, I did not expect access to be so difficult. I thought I just needed a viable business plan and everyone would be happy to have the land stay in our family. I thought I had the best-case scenario.

In the last couple years, discouraged with the set of circumstances that my grandparents face, I have turned my attention to other land that may be nearby my home. I have approached landowners, but many of these landowners do not want to go through a multiyear process of transitioning land to a beginning farmer. When landowners do want to sell to a beginning farmer, the cost of land is out of reach for my farm business, especially considering my monthly student loan debt.

I believe that, had I been able to purchase part of my family's farm 6 years ago or any year since, my business would be a lot different today. I would have grown my line of dry beans to include three varieties. I could be contracting other farmers to grow beans from me. Today, I market my beans from Iowa City to Omaha, but with access to more land, I would probably be selling to the larger Midwest market and possibly even have two value-added products.

Recently, I connected with one landowner about an hour away from my family. She has been operating her farm for 25 years. We have discussed transitioning the land, but selling outright would be challenging for her, as well, because of the taxes incurred through the sale.

Also, my wife and I are unsure we want to relocate to another community. The school district our oldest son attends is the same one that I grew up in, and many of our family and friends attend that school as well. Plus, our church community is located in our hometown.

I urge you to explore creative solutions to this land transition challenge. Examples include State tax provisions for land sold or rented to beginning and socially disadvantaged farmers or a tax break related to capital gains taxes incurred on farmland sold to beginning farmers and socially disadvantaged producers. These tax incentives would help level the field for us when we are purchasing land and give us more negotiating power as well.

America needs more young farmers. I hope that farming can be an option for young people now and into the future. Thank you again for this opportunity and the opportunity to represent Iowa beginning farmers. I look forward to your questions and continuing the discussion.

Chairwoman FINKENAUER. Thank you, Mr. Grimm. And I thought you were going to end saying, "Go Cyclones." ISU, their

mascot is the Cyclones. But that is really contentious in the area that you live in, though.

Mr. GRIMM. Yeah, it is pretty tough.

Chairwoman FINKENAUER. I was going to say, so close to Iowa City and the Hawkeyes. But thank you again, Mr. Grimm. I appreciate you being here.

And I would now like to recognize Ms. Mullins for 5 minutes. Thank you.

STATEMENT OF MERI LILLIA MULLINS

Ms. MULLINS. First, thank you, Chairwoman and Ranking Member and other members of the Subcommittee, for this invitation to testify here today. Thank you for holding this hearing and for the opportunity to provide a perspective on the challenges and opportunities that we face in the next generation of farmers and ranchers. This work is extremely critical, and I really, really appreciate the opportunity to be here.

My name is Meri Lillia Mullins. I am a first-generation farmer in Longmont, Colorado. In exchange for room and board, I manage a 42-acre farm, where I raise goats, chickens, honeybees, and grow vegetables.

In addition to farming, I also work full-time off-farm, and I volunteer for a local nonprofit, Mad Agriculture, who works with farmers to restore soil health through farm planning and policy work. I am also a member of our local chapter of the Flatirons Young Farmers Coalition and the National Young Farmers Coalition, where I participate in local policy work and regular education events.

I have a great desire to make farming my life's work, which started with my passion for reconnecting urban communities to food while I was in college.

I have a bachelor's degree in chemical and environmental engineering from the University of Toledo. I decided farming was the most meaningful way that I could use my technical degree. I began seeking farm labor opportunities to gain more hands-on experience in agriculture.

I quickly realized farming was not as romantic as it seemed. In many cases, farm internships in my area included a \$400-a-month stipend with no health insurance. I simply could not afford to learn how to farm while covering my living expenses and paying down my student debt. The cost of farmland and the availability of financing is well out of reach for anyone with student loans.

Farming full-time was no longer a possibility for me, which led me to working full-time for a manufacturing company and managing the ranch. While this is a wonderful learning opportunity, managing the ranch full-time while working full-time really takes its toll. And the sad truth is, I am not unique in working and farming to make ends meet. Over 60 percent of U.S. farmers have off-farm incomes.

Unfortunately, due to student debt, I am unable to farm full-time. I need my current day job to pay my \$500-a-month student loan payment along with other living expenses. My current workload managing a farm and working full-time is just not sustainable

long-term. I spend many evenings and weekends working on the farm and keeping up with things on top of my full-time job.

I am faced with a few options. I am currently facing burnout from working in farming full-time. I could farm full-time and forego any health insurance and retirement planning while incurring more interest on my loans. I could incur massive debt on top of my student loans by purchasing my own farm to attempt to defy all odds in making a living farming for myself while paying off my debt. Or I could quit farming altogether, just keep my day job. And none of these are viable options that lead to a successful career and long-term career in agriculture.

Without any financial cushion or inheritance, the chances of me quitting my engineering job to pursue farming full-time at this point are pretty slim. And that really deeply saddens me.

While the barriers to entry into an agricultural career are high for the next farmers in the new generation, one way that you all can support beginning farmers is through student loan forgiveness. My student loan debt is currently my largest obstacle in my pursuit of farming. This is the reality for many talented, passionate, young individuals across the country.

And there is not a shortage of young people that want to farm in this country. Without congressional support, our aging, rural farm community is at risk of losing these gifted young farmers to other industries.

We need to ensure that we have a strong population of young and beginning farmers in this country. They feed our communities and are stewards of our land. Currently, the average age of a farmer in Colorado and nationally is approaching 60, and only 6 percent of farmers are under 35. Those numbers are pretty scary to me.

Farmers provide a valuable public service. Agriculture meets one of our most basic needs: They produce food for our families and our communities. They also steward our land—nearly 1 billion acres under agricultural cultivation in the U.S., which is half of the land in the United States; provide valuable ecosystem services; and protect natural resources. Lastly, we support rural communities and economies, providing jobs and income that have helped these communities weather population decline and the Great Recession.

As the Nation faces a crisis of attrition within the agricultural sector, it is essential that we help the new generation of growers succeed. I urge you and I hope that you can do everything in your power to support the next generation of farmers by addressing student loan debt and land access for farmers such as myself.

Thank you again so much for the opportunity to be here, and I look forward to your questions.

Chairwoman FINKENAUER. Thank you, Ms. Mullins. I appreciate you being here and for your insight.

And I would now like to recognize Mr. Hebrink for 5 minutes.

STATEMENT OF RODNEY HEBRINK

Mr. HEBRINK. Good morning, Chairwoman Finkenauer and members of the Committee. My name is Rod Hebrink, and I am the president and CEO of Compeer Financial.

Compeer is a proud member of the Farm Credit System. We provide financing, risk management, and financial services to farmers in rural communities in Illinois, Minnesota, and Wisconsin.

Compeer is a cooperative owned by our customers and focused on championing the hopes and dreams of rural America. Our mission connects us with thousands of farmers who are passionate about agriculture and determined to pursue their dreams of exploring niche agriculture, launching entrepreneurial businesses, or entering the industry for the first time.

We appreciate the Committee's focus on young, beginning, and small farmers. These farmers are an important part of our mission in support of agriculture and rural communities. Seventy-two percent of Compeer's loans are with young, beginning, and small farmers, who we call YBS farmers.

Like all other Farm Credit System lenders, Compeer offers special programs to meet the needs of YBS farmers. From educational programs to special underwriting criteria, to discounted rates, we work hard to find creative ways to get farmers started and to ultimately succeed.

For example, Living Greens Farm in Faribault, Minnesota, grows fresh greens and herbs aeroponically in a controlled environment. Aeroponics is revolutionary. There are no pesticides and no soil, just a nourishing mist spritzed on the roots of plants.

Dana Anderson launched Living Greens Farm in 2012 after working out of his garage for 3 years. Dana struggled to find capital because he was looking for cash-flow-based financing versus asset-backed lending. SBA and USDA programs were not viable options due to the cost of accessing the programs and his limited collateral. Fortunately, Compeer helped him to find equity capital to move forward, but, unfortunately, equity capital is much more expensive.

Today, Living Greens Farms employs 30 people, marketing their produce to local retailers. They are profitable and completed their first expansion last October.

Matthew Wayrynen is a beginning farmer who expanded his business despite challenges obtaining financing. The 37-year-old logger and beef farmer lives in McGregor, Minnesota, with his wife and 2-year-old son. They have a 100-acre farm with 40 head of cattle and rent another 200 acres for hay. Matt is an entrepreneurial-minded fourth-generation farmer and third-generation logger.

Logging is Matt's main source of revenue. Two years ago, Matt switched from conventional tree-length logging to cut-to-length logging. Logging is a capital-intensive industry, and Matt needed to make a new \$250,000 capital investment. He would have been a perfect candidate for the 7(a) SBA program, benefiting from the lower interest rate that comes with the guarantee. However, the high fees offset the program's intended benefits. Compeer provided a traditional loan without a guarantee from either SBA or USDA. An interest-rate reduction was not available for Matt at a critical stage of growing his business.

Reginaldo Haslett-Marroquin operates a 40-acre experimental research and training farm in Northfield, Minnesota. Last year, Reginaldo and three local farmers started Regeneration Farms with \$100,000 of their own equity and an operating loan from Com-

peer. Regeneration Farms initially applied for a loan through SBA, but they didn't qualify because they were considered a startup with no financial history and insufficient collateral.

In 2018, Regeneration Farms contracted with producers to raise chickens that they sell under their Tree-Range brand. One year later, they are expanding because of an opportunity to produce, freeze, and ship chickens to the West Coast. To meet this demand, they worked with Compeer for another operating loan. While this works for now, their business is challenged with limited options for affordable financing to expand and to create the brand awareness that they need to grow.

I have shared some of the obstacles with the SBA loan guarantee programs. I hope these stories shed light on the challenges young and beginning farmers face. We also have customers who have benefited greatly from the SBA programs, and we are asking you to address some of the barriers: high fees, difficult requirements, and time-consuming processes.

Thank you for the opportunity to testify, and I look forward to your questions.

Chairwoman FINKENAUER. Thank you, Mr. Hebrink. I really appreciate, again, you being here as well.

And now we are going to start the question portion of this. And with that, I am going to recognize myself for 5 minutes.

Mr. Grimm, I would just like to start with you. You grew up in a farm family. You have had the incredible opportunity to work closely with your father and your grandfather. With their land and equipment, you were able to start a very successful operation that you run today. You have now been a farmer for 8 years and become a leader in our State when it comes to local and regional food systems. Thank you, by the way.

However, you mention that, you know, you weren't always interested in farming. And, you know, what advice do you have for young people from farm families and communities like yours who actually maybe are not considering a career in farming right now, especially given everything that we are seeing with the ongoing trade war and the weather patterns, you name it? Do you have any advice for those that are either on the fence or not sure if they want to go into it?

Mr. GRIMM. Well, farming, just like other industries, is a business. So I took farming, to me, as an entrepreneurial opportunity and looked at what are opportunities to grow and produce new crops and things for in Iowa.

So I feel like the biggest opportunity for younger generations to come back to their family farms is through diversification, whether that is making value-added products on a dairy farm to raising new crops like small grains for wheat and flour products.

So my advice to other farmers that are unsure if they want to come back to their family farm is to spend time to understand other types of agriculture than what we have in Iowa and find a niche for your family farm so you can diversify and add new revenue streams for your farm and family's business.

Chairwoman FINKENAUER. Thank you.

And I know both Mr. Grimm and Ms. Mullins, you guys both mentioned student loan debt. And as someone who also has student

loan debt—and I grew up, you know, in a State where I am a first-generation college graduate—there are a lot of folks, actually, in the First District who fall under that. And, you know, it wasn't always easy, and that is fine.

But at the same time, you know, I have been watching sort of what has been happening across our country, especially in Iowa or in places with lower populations, where we keep continuing to lose populations, not keep the next generation, and have been starting to have discussions about how do we address some of that. And whether that is when we are looking at student loan debt and helping folks with that, how do we incentivize folks to move to areas that need population or in areas that we need more folks, you know, practicing in certain areas like farming.

Would you be able to talk, Mr. Grimm, just how important something like that would be to you, in particular, or to the friends that you know, to get them to either stay in Iowa or move back home?

And then I would like to hear Ms. Mullins' take on it as well.

Mr. GRIMM. Well, I have paid off almost \$30,000 of my student loans. Still have more than \$10,000 to go.

Chairwoman FINKENAUER. Yep.

Mr. GRIMM. But a smaller payment each month or no payment at all would allow me to invest in land and a mortgage or more equipment capital loans as well.

It would also just, I think, give an opportunity for students to want to go into agriculture or to go into actual production agriculture, not work in an agribusiness place where the salaries and stuff are much higher than on the farm. Sadly, we as the farmers usually take the price and don't set the price.

Chairwoman FINKENAUER. Yeah.

Mr. GRIMM. So if I would have really taken the career path that I thought I was going to do after high school, I would have been earning twice the income that I am today. But I wanted to stay in Iowa, and I wanted to be close to family.

Chairwoman FINKENAUER. I hear that. I know a lot of folks feel the same way in the First District, and we have to do more to bring more folks back home.

Ms. Mullins, would you like to touch on that?

Ms. MULLINS. Yeah, sure. I will just add, too, I am from rural Michigan, so—

Chairwoman FINKENAUER. Yep.

Ms. MULLINS.—a lot of the same stuff going on there.

Chairwoman FINKENAUER. You get it.

Ms. MULLINS. Yeah, I think that, you know, the biggest challenge that we face with student loans—me, personally, I am a first-generation farmer. I don't come from a family of farmers that I could learn from generations and generations, so I am in learning phase. And to try to learn to farm and to have farm internships and apprenticeships that pay little to nothing and try to get into farming with my student loan debt is literally impossible without, like, my loans going under.

So just having incentives and education, I think, is what is really important to me and just supporting those programs. Having loan forgiveness so that I could actually pursue learning farming before

I were to purchase my own farm, which is what I would really like to do, would be really helpful.

Chairwoman FINKENAUER. Yeah. Well, thank you, Ms. Mullins and Mr. Grimm.

And thank you all again for being here.

With that, my time has expired, so I would like to recognize Mr. Hagedorn for 5 minutes for questions.

Mr. HAGEDORN. Thank you, Madam Chair. I appreciate that.

And I would acknowledge our Ranking Member, Mr. Chabot, here today.

Steve, do you need to—you are okay?

Chairwoman FINKENAUER. Oh, there he is. He snuck in on me.

Mr. HAGEDORN. Very good. Yeah.

Great to have you, Steve.

And thank you for your testimony. Really appreciate it.

Mr. Keesling, appreciate your service to the country, what you have done for our country. I am sorry that right now the bureaucracy doesn't quite understand some common sense in these areas. I think if you look back after World War II, Korean War, many of our soldiers came back and they were the ones that became the farmers that are the generational farmers today with their families. And so I sure hope we can do what we have to do in order to make sure folks like you can get into the business and we can support you any way possible. So, again, thank you.

Mr. Hebrink, I have toured that facility in Faribault, the Living Green Farms. It is quite fascinating. What made you get involved in that? And what are some of the benefits, long-term, for the country of that type of farming, just off the top of your head? I am curious.

Mr. HEBRINK. Well, Compeer and other members of the Farm Credit System, we support agriculture of all types, and whether it is young, beginning farmers and entering into entrepreneurial niches. Living Greens Farms is a good example of that, both a young producer but also a producer with a new approach to agriculture.

We are seeing a lot of investment in urban agriculture, and in locally grown agriculture. Living Greens Farms meets both of those criteria. It is a new approach to agriculture, one that is sustainable and one that I think many consumers are interested in seeing thrive.

Mr. HAGEDORN. Yeah. You save on the transportation expenses; you have a freshness quality that lasts a little bit longer in the local stores. So I think that is wonderful.

One of the things that I think your group at Compeer and some of the others in the farm credit industry probably don't get enough credit for is that you are out there making loans and helping the communities with projects that are very critical. It could be healthcare-related projects. It could be things, like you said, with the county fairs and all that.

But you look at these other areas, with the broadband and the infrastructure that we need in order to make sure that we have quality living for folks, and we want to have people in the rural areas. Do you have some other examples of those types of projects that you have been working on?

Mr. HEBRINK. Well, yes. And thank you for the question, because we do see a strong connection between the health of agriculture and the health of rural communities. Each of the other witnesses today have talked about their roles in coming back to the farm and building their local communities, but you have to have a community that offers other options and interest to attract people to come back to the community.

We have been providing financing for things like critical access care facilities, rural hospitals, and nursing homes that help provide the necessary services for all of the rural communities, whether it is farmers directly involved in agriculture or other citizens of those rural communities.

You mentioned broadband, which is one of those areas that is really lagging in rural communities and is one of those core utilities, like electricity was in the 1930s and 1940s, that needs to be built out in rural communities to continue to attract businesses.

The Farm Credit System has some authorities in building local infrastructure, in telecommunications, in water and sewer systems, and we look forward to those public-private partnerships. Compeer has worked closely with the USDA programs in public-private partnerships, working with community banks to invest in the healthcare facilities. Those are some of the examples that the Farm Credit System can bring capital from outside rural communities and reinvest in rural communities.

Mr. HAGEDORN. I am glad to hear that you are working so cooperatively with the community banks and others in these rural areas, and it sounds like a win-win-win-win-win. That sounds good for our rural folks.

You know, I had the luxury of growing up on a family farm in southern Minnesota, and my father and grandfather, great-grandfather, all southern Minnesota farmers. We had hogs and grain. And, you know, it was a wonderful experience.

It is not for everybody, but those people that—especially when they grow up on a farm, we want them to continue along, but the people in the cities that have that dream, and others, do everything possible in order to give them an opportunity to go out there and be part of this system of agriculture. It is high-risk. It is high-capital. It is not always high-reward. It is hard work.

And I wish you well. And I hope you are able to get in the industry. I appreciate all you are doing to help our farmers in our rural communities.

With that, I will yield back.

Chairwoman FINKENAUER. Thank you, Mr. Hagedorn.

And, with that, I would like yield to Rep. Jason Crow, Chairman of the Subcommittee on Innovation and Workforce Development.

You are recognized for 5 minutes.

Mr. CROW. Thank you, Madam Chair.

And thank you to all of you for being here.

Mr. Hebrink, I appreciate your reference to Berry Patch Farms earlier, in my district. My kids have actually been on numerous field trips out there, and it is a wonderful place.

Ms. Mullins, thank you for representing the 40,000 farmers of Colorado and for sticking with it, because it is a very noble pursuit. And I hope you continue to stick with it.

I wanted to begin with Mr. Keesling. I am a fellow veteran, and I am particularly interested in the intersection of veterans issues and small business and agriculture. And as my colleague Mr. Hagedorn pointed out, you know, there is a long history in America of our veterans going into agriculture and farming, and I appreciate you continuing that tradition.

And I would like to know what more we can do to help integrate the efforts of the V.A., some of the benefits that you might have received through the V.A., with the SBA? Because I know oftentimes things get siloed in this town, in Washington, and the left hand doesn't know what the right hand is doing. And if there are opportunities to better integrate the veterans benefits that you may have availed yourself of with some SBA or USDA resources—and, basically, what more we can do to make that more efficient for you.

Mr. KEESLING. Thank you. That could be a very difficult question, so I will keep it simple and state that most veterans coming back will have some sort of educational benefit, and through SBA and SCORE, there are educational opportunities that they won't be able to use those benefits to attain.

So, similarly to Dairy Grazing Apprenticeship, where we are considered on-the-job training, so as I go through this program it doesn't allow to pay for the tuition, my GI Bill can't cover the tuition for the related instruction, as well as the housing stipend that I receive decreased every 6 months that I was in the program.

So everything that I had as a veteran to maximize would be to go to a regular university, go to a job. It did not bring me to agriculture at all, and it didn't bring me into being a business owner at all, because any of those educational opportunities that are offered were not covered through my educational benefits.

So that would be the biggest thing that I hope you leave here with, is that GI Bill needs to be applicable to anything that gets, you know, a veteran starting a business and joining the agriculture industry.

Mr. CROW. As a followup to that—and this would be a question for the other panelists today here as well. You know, in the work I have done in the veterans space after leaving the service, before becoming a Member of Congress, you know, we found that working in greenhouses, working in agriculture, working outdoors actually has a tremendous benefit in addressing PTS and other ailments with our veterans. And there are a number of nonprofits that focus on that. And I also know that workforce development, finding qualified workers, is a real challenge in agriculture.

So thinking about, you know, solving two problems at once, are there opportunities, tax incentives or otherwise, that would help you all connect with veterans that are interested in getting involved, working for you, with you, in the industry?

Mr. HEBRINK. Well, you are absolutely right, Congressman, that labor is a critical issue for agriculture, and there are shortages of labor to support lots of different types of agricultural production.

And so, yes, if there are training programs for veterans and tax incentives for producers who would hire veterans to help bring them back into the labor pool for rural communities, I think that would be advantageous to our farmers.

Mr. CROW. Mr. Grimm, is that something that—

Mr. GRIMM. I was just——

Mr. CROW.—your farm would——

Mr. GRIMM. I was just going to comment. I think it would be important to look at programs—I think the Young Farmers Coalition in Colorado helped to pass legislation that actually helps pay the trainer for their time to train, in this case, the veteran that is coming back to agriculture. Because it takes a lot of time for us out of our farm business to also train the next generation. So any way to support those farmers that are the trainers, in that case, to help them train the new farmers.

Mr. CROW. That is a good idea.

Ms. Mullins, do you have any thoughts on that?

Ms. MULLINS. Just something quick to add in support of that. We have a veterans group that works locally that is trained by other folks and is a contract group of veterans that travels frequently to different farms in our area that we have worked really closely with.

So I know that there are programs that are there and that they are really beneficial and other farms, like the farms in my area, are using them. So it is a good thing to continue supporting.

Mr. CROW. Thank you. That was very helpful.

And thank you for all your testimony today.

I yield back.

Chairwoman FINKENAUER. Thank you, Mr. Crow.

And now I would like to recognize Ranking Member Chabot for 5 minutes.

Mr. CHABOT. Thank you, Madam Chair.

Mr. Hebrink, I will begin with you, if I can. We have already discussed a little bit about aeroponics. I had an opportunity to tour a facility in Cincinnati a year ago, year and a half ago, something like that, and was very impressed with it.

And could you kind of explain the difference between aeroponics and aquaponics and hydroponics and maybe some of the pros and cons of those, and also just some of the challenges that in aeroponics they have nowadays, like perhaps the high energy costs that you have to be concerned about? There are ways around that. And if there are any tax advantages that somebody in that industry might have and are they temporary or not? Just anything in those areas that you might like to discuss.

Mr. HEBRINK. Congressman, I don't pretend to be an expert in the production of aeroponics——

Mr. CHABOT. You are the closest thing we have here today, so we are——

Mr. HEBRINK.—but my understanding of the difference is that, as we mentioned, in the aeroponics, the roots are actually suspended in air and they are misted or sprayed with the nutrients, as opposed to aquaponics, where they are actually immersed in liquid.

But I think the challenge along the way is, whenever we venture into a new dimension of agriculture, which might be viewed experimental at some point in time—and certainly Mr. Anderson, as he began to put together his business plan, there weren't like operations in the area for us to draw on to compare and to know whether his was going to be a successful venture. So he was going into

a new type of agriculture and had to market his produce in a unique manner.

That is one of the challenges for small businesses beginning, regardless of the type of venture, is to not only put together that business plan but then to convince a lender and someone else to have confidence in the plan that they put together and that they will ultimately be able to succeed. And, fortunately, he has been very successful in his venture.

Mr. CHABOT. Thank you very much.

And I will open this up to any of the members of the panel that might like to comment about it. Could you discuss, perhaps, access to land, the challenges that there are there, kind of the cost of it? And how does one get started? And is it necessary to be in a family where there is a history of this? And that sort of thing. So anybody who would like to take that on would be—yes, ma'am.

Ms. MULLINS. I will just comment on that. Not coming from a family farm and having land to inherit, it is very challenging for me to even, you know, look at financing options with student loan debt in addition.

But just the opportunities that are there to transition land from farmers, like you mentioned, that are being disincentivized through taxes not to even sell to family members or outside of their family is something that can really be looked at. So I guess that is my only comment.

Mr. CHABOT. Thank you.

Yes, Mr. Keesling.

Mr. KEESLING. I would add to that that I have been in the same community where we are planning to live for, you know, going on 3 years now. A lot of agriculture land isn't even advertised. And that that is advertised is advertised as a business, and it is going to be a whole operation, and it is going to be well into seven figures. And, you know, no one at this panel is ready—well, three of this at this panel aren't ready to do that.

So that land that is advertised is recreational, is hunting, is wherever they can get the most value out of that land. And rarely do they see that as going to someone that is trying to pursue a career in agriculture, even if it currently stands as agricultural land.

I see a lot of farms being sliced up, 40 acres at a time, to support a retirement portion for that farmer or to supplement them as they are trying to transition and pay those capital gains taxes that were mentioned earlier.

Mr. CHABOT. Thank you. Yeah.

And related to the capital gains taxes, et cetera, that you just mentioned, would any of you want to touch on or have any experience or background or knowledge relative to our current Federal estate tax laws and how it can be challenging for passing a farm from one generation to another.

And those tend to be one of the areas where the existing Tax Code really ought to be reformed to encourage it going from generation to generation rather than having to sell it off to pay the taxes.

Yes?

Ms. MULLINS. It is my understanding that the estate tax that is there disincentivizes those farmers from selling their land before

they pass on. And so it is meant—you know, they are encouraged to keep it in the estate so they don't have to pay the taxes.

One way around that is to have a capital gains tax exemption for land that is being passed on to young and beginning farmers, which the National Young Farmers Coalition has a proposal for. So something like that could help incentivize rather than de-incentivize farmers that are, you know, older and don't have anybody that they are wanting to pass their land on to or are not going to because of, you know, tax reasons.

Mr. CHABOT. Thank you.

My time has expired. Thank you.

Chairwoman FINKENAUER. Thank you, Ranking Member Chabot.

I would now like to recognize Representative Angie Craig from Minnesota for 5 minutes.

Mrs. CRAIG. Thank you, Madam Chair.

Mr. Hebrink, thank you again for being here today on behalf of farm credit. I am excited to have yet another Minnesotan in Washington testifying before one of our committees and sharing your story, especially as it relates to farm economy and young and beginning and small farmers.

You mention in your testimony a number of YBS stories around farm country in Minnesota, including Regeneration Farms, which has operations in Northfield and Faribault; the Hmong American Farmers Associations, with farms in my district that grow and sell food directly to area restaurants.

In the case of Regeneration Farms, they initially applied for a loan through the SBA but didn't qualify because the business was considered a startup with no financial history and insufficient collateral. So Compeer stepped in to help them get the business running.

Can you give us a little more detail about that financing experience with Regeneration and the Hmong Farmers Association, how you think those examples can guide this Committee to make those SBA loans more accessible?

Mr. HEBRINK. You know, many pure production agricultural loans are more FSA-oriented as opposed to SBA-oriented. When you get into the case of Regeneration Farms, it is that processing aspect of their business that qualifies them for the SBA loans.

I mentioned that they are having difficulty continuing to access the total amount of capital that they would like to continue to grow their business, because we are operating within conventional underwriting standards as opposed to what we would expect to be more relaxed underwriting standards through an SBA-type program.

You mentioned the Hmong American Farmers, and Compeer supports the Hmong American Farmers. In the Twin Cities metropolitan area, we have Latino farm associations, Asian farm associations. And they become a critical part of local farmers markets. It is a microloan program that we help to get those farmers started. We have grants to help train them in their business activities, to help with their business planning and tax preparation. Through those types of programs and in conjunction with the USDA, we

have helped those communities of immigrant farmers become a mainstay in the farmers markets in the metropolitan area.

Mrs. CRAIG. That is great. Thank you so much.

And I assume access to more capital would just mean business growth for these entrepreneurs, correct? More marketing?

Mr. HEBRINK. Yes. That is oftentimes one of their greatest struggles. They can get access to a certain level of capital based on the equity or the cash flow that they have, but they need additional sources of capital to continue to grow their businesses. And I think that has been—the testimony this morning from the other witnesses supports that exact challenge.

Mrs. CRAIG. Thank you so much.

I want to turn to Mr. Keesling at this point.

Mr. Keesling, you may know that my district actually ranks in the top 50 dairy-producing congressional districts in the Nation. But it is a really tough time right now for dairy farmers.

Despite these market forces, why are you choosing to take this leap right now? And what sets your business apart? How could your practices and financing structures benefit other struggling dairy farmers?

Mr. KEESLING. Well, thank you for your contribution to the dairy industry.

I would go back to the Chairwoman's opening remarks, in that it was both not just economics but the social structure of the family farm. I am kind of putting my military retirement funding as my off-the-farm income up to bat to fund this farm and provide it for the next generation. My daughter is behind me. So hopefully she will be there with my children.

And what sets ours apart is that the family that I am purchasing this farm from did not fall victim to "get big or get out" in the 1980s and into the 1990s. Their operating loans were kept low, their families were kept large, and their ability to do manual labor did not disappear.

So I think if you have the drive and you want to work hard and you are willing to do that, you will be successful. If you find the right mentorship and you find the right program, as I did, you will be able to take over a farm and you will be able to carry it into the next generation.

Mrs. CRAIG. Thank you so much. And thank you for your contribution, and to all of you.

With that, Madam Chair, I yield back.

Chairwoman FINKENAUER. Thank you, Representative Craig.

And, with that, I am going to do just another round of questions for anybody up here who wants to ask them, just given the smaller group here today. So, with that, I will recognize myself for 5 minutes.

Mr. Hebrink, as you know, we are experiencing right now a downturn in the agricultural economy. I have seen it firsthand in my district. We have been all over, whether it is, you know, the small town of Manly, where we have had listening sessions with farmers in regards to, my goodness, the attacks on, you know, ethanol with refinery waivers that have hurt our corn growers, whether it is seeing that biodiesel tax credit expire over 18 months ago now or more that should have been passed last Congress, which I

am very hopeful we can get through this Congress to help our soybean producers, or whether it is this ongoing trade war that we have seen now the retaliatory effects for over a year and a half. You know, I just saw, actually, this morning, before I came in, there was a notice that there is an ethanol plant over in western Iowa that is shuttering its doors because of the ongoing trade war with China.

And I am concerned every single day. I know we are hearing from folks dipping into 401(k)s. We had a woman actually testify in front of this Subcommittee earlier this year saying she is telling her three sons not to go into farming. These are, you know, not unique stories.

And, you know, on top of all of this, we are seeing folks file for bankruptcy. I know, right now, Iowa, our farmers are holding more debt than farmers even in California. We just surpassed them this year, which is not something we, you know, want to do. And, obviously, farm bankruptcies across, you know, many farming regions are at the highest point in over a decade. In some places, in 2018, farm bankruptcies actually doubled from the previous year.

I am proud to be a cosponsor of the Family Farmer Relief Act. This bill raises the Chapter 12 operating debt cap to \$10 million, allowing more family farmers to seek relief under the bill. It is bipartisan, bicameral, both support from our Senators, actually, in Iowa as well, and something, you know, we need to be dealing with.

And with the net farm income down 50 percent since 2013 and, obviously, like I said, debt at the highest level since the 1980s farm crisis, family farms and the future of many rural communities are in jeopardy.

You mentioned in your testimony how some young farmers have encountered issues when trying to access, on top of all of this, financing programs through the Small Business Administration and USDA.

How do you think we can improve these programs and increase flexibilities to make sure that they are helping our new and beginning farmers navigate these new and very trying economic times?

Mr. HEBRINK. Well, thank you for the question.

As I mentioned, some of the challenges with the SBA programs has been the fees. The fees can be very substantial. I think they are over 3 percent for loans of \$150,000 and up. That is not a very large loan in many small businesses. Those loans are intended to help support small businesses, but those kind of fee levels really offset the benefits of the guarantees.

We also understand that the SBA programs are very time-consuming. Whatever we can do to streamline those programs and relax some of those standards to meet the financial realities of a beginning business would be very helpful.

Chairwoman FINKENAUER. Thank you. Thank you for that insight. I appreciate that.

And, Mr. Grimm, I will just end with you too, just if there is anything else you want to make sure that Washington hears and that this Committee hears. Because these stories that I have heard from Iowa I know you are hearing from your friends back home as well.

And, again, just the need to get this trade war with China figured out and move on.

Is there anything you would like to say to us and to the administration while you are here in Washington?

Mr. GRIMM. Help us take the risk out of farming. That is primarily what the tariffs are doing right now. It is hard for us to make decisions on how to run our farms when we don't know the real future of agriculture. And those tariffs are part of—they make it hard for us to make decisions, so—and the uncertainty for our communities.

Chairwoman FINKENAUER. Yeah. Thank you, Mr. Grimm.

I appreciate it, again, for you taking the time to come all the way out here. I know you guys took time away from your farms and your operations to be here, and I, again, just can't thank you enough.

And, with that, I will recognize Mr. Hagedorn for a second time as well. Thank you.

Mr. HAGEDORN. Yeah. Thank you.

I would just give a little bit different perspective. I mean, in the farm country, the farmers who I have spoken with, it has been tough for 5 and 6 years. This hasn't been just since we tried to reset these trade deals, for instance.

And, you know, in the last administration—you know, agriculture goes up and down. It is farming. We get that. But some of those regulations that they were looking to put on our farmers were going to make it pretty tough. And I think some of the things that have been done in the last couple years by, frankly, the President and some of the folks in my party getting rid of that—Waters of the United States. If we didn't do that, we would have farmers every day talking about how onerous that is and how it is driving up their cost.

ObamaCare has been a tough deal. You know, we have farmers out in our district, their premiums are through the roof, but the deductibles are so high, the insurance is worthless. And you start taking \$25,000, \$30,000, \$40,000 out of a farmer's income year-in and year-out, 4 and 5 years, for nothing—because they hope never to have to use it—that is a tough deal on the bottom line.

And, you know, the tax reform bill, I think that helped. It allowed a lot of farmers to expense their items in current years. And I haven't talked to any farmers yet that want that repealed. They think that was a good thing.

And energy prices. You know, there are some policies, I think, that have been changed, that were anti-U.S. energy, driving up the costs. And for farming and agribusinesses, that is critical. Forty percent of the cost of producing a bushel of corn is energy, so when the price goes up, guess what? The farmer is going to be a little less productive, a little less efficient. It puts the squeeze to him.

But on trade, I agree with you. Let's expand trade. Let's make sure that we pass the United States-Mexico Free Trade Agreement. Because when we do that, it is not just going to help farmers, agribusinesses, machinery, mining, everybody, right? It is going to create jobs. But it is going to give us that momentum we need to look at those other countries that we are dealing with, like Japan and China and the United Kingdom and others, and say, we can have

better agreements, we can pass these things, and we can build momentum for those deals.

And the bottom line, we want to drop down those barriers for farmers, we want to expand our markets. Because our agribusinesses and farmers are the best in the world. They can compete with anyone. But they need a fair deal. And those folks in China have been cheating us for a long time in a number of areas—dumping steel. They are dumping quartz in our district. They have been hurting agriculture. And some of it is—you know, it is not all tariffs. But I hope we can get a deal. I hope we can expand it forward. I hope we can work together on that.

With that, I would yield back. Thank you.

Chairwoman FINKENAUER. Thank you, Ranking Member Hagedorn.

Appreciate you all being here today. Again, obviously, there is a lot on your mind here today that are coming to testify. There is a lot on the minds of our farmers and folks all across the district, in my hometown, who are worried every day right now about their future.

And I have to tell you, last night I was able to smile. I keep up with a lot of folks back home—friends, family, neighbors—by Facebook. It is great to see the pictures that they are posting. And one that really made me happy, there is a young girl that lives next-door to where I grew up. That is where their family farm is. They actually live on her grandparents' family farm. And her dad works at John Deere. Her mom works for the school district as a teacher, like my mom was a—my dad is actually a union pipefitter/welder, and my mom worked for the school district in Dubuque. And her name happens to be Abby as well. And so I love keeping up with little Abby.

And yesterday I saw she won—it was her first big competition with 4-H showing cattle, and she won the novice showmanship award. And, you know, I thought of her as I was going into this meeting as well and just how much we just have to put differences aside and put our districts first, put the things that we are hearing in our district front and center when it comes to the future of both our ag economy and then rural areas in this country in general. Oftentimes they have been ignored.

And the fact, again, that you guys took the time to make sure that you were heard loud and clear, it means the world to us. You know, as we have heard, obviously new farmers and ranchers face some very significant challenges. But there are opportunities for the next generation to be part of the solutions to revitalize our rural communities and to make a life for their families and to provide a service to our country.

As older farmers leave, we know we need younger ones to take their place, maybe even little Abby one day. And we applaud each of you for doing your part to ensure that the next cohort of agriculture business can continue to produce the food, goods, and fuel that our country relies on.

We look forward to seeing how the USDA sets up the Beginning Farmer and Rancher Coordinator position that Congress called for in the 2018 farm bill. And we will do our part to ensure that the

USDA and SBA improve their outreach and assistance to agriculture entrepreneurs.

I would now ask unanimous consent that members have 5 legislative days to submit statements to the record for supporting materials.

Without objection, so ordered.

And, again, thank you all. We have a lot of work to do. And I am excited to get back home during the district work period in August and continue to hear from folks in my district.

And, hopefully, I might even get to see you, Jason. That would be great.

But thank you again for taking the time.

And without any further business to come before the Committee, we are adjourned. Thank you.

[Whereupon, at 11:19 a.m., the Subcommittee was adjourned.]

APPENDIX

25 July 2019

HOUSE SUBCOMMITTEE NOTES

1. INTRODUCTION

I am the veteran's liaison for the DGA and work on a small organic dairy in northcentral WI with my wife and daughter. I served 24 years of active duty in the Army with service in Iraq and Afghanistan. I am also an apprentice with less than one month left until graduation.

DGA is in 12 states with 180 approved Master Dairy Grazers. 45 of those are paired with apprentices. We have 30 journey grazers or graduates and over 100 apprentice candidates looking for the right opportunity in the dairy industry.

On the farm, we are members of a co-op, Organic Valley, and we are set to purchase the farm within the year. The farm has been with OV since 2005 and the value added from this co-op has been one key reason for its success or survival.

I would like to thank the members for holding such a hearing and gathering information to help shape programs and legislation for the next generation of farmers.

- A. There are three things that I would like to bring to the members attention that I have had experience with as I have worked toward being a business owner and dairy man.
 - i. Federal programs used / attempted to use (focus on FSA)
 - ii. Education and training offered vs needed. (University vs OJT)
 - iii. Community based agriculture and mentorship (New Dairy Concept)

2. FEDERAL PROGRAMS USED / ATTEMPTED TO USE

- A. 2012 - Kansas USDA/FSA to start dairy from scratch. Not enough education
- B. 2017 - Wisconsin USDA/FSA to buy existing dairy farm. Not enough experience
- C. Veteran / Beginning Farmer / Management / Education. Nothing translated to ag/dairy.
- D. Briefs well but is far from where it is intended to be. Provide clearer guidance to agency.

3. EDUCATION AND TRAINING

- A. Already had education and management experience

- B. Online was only for agribusiness very few non-resident programs
- C. Training was in classroom only not on a farm. Art and Science of farming
- D. DGA offered only real option to gain both while not postponing the desire to own / operate for 2-4 years. Financial education and business plan development.

4. COMMUNITY BASED AGRICULTURE AND MENTORSHIP

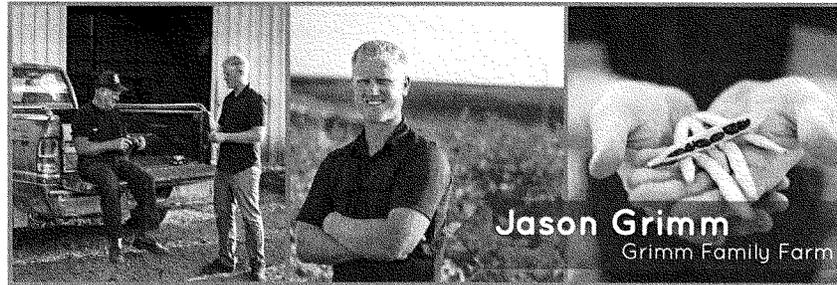
- A. Mentorship is critical when entering a new industry. BFRDP has been there since we started and maybe their focus could be on supporting the trainer as well as trainee.
- B. SBA and SCORE were not able to support agriculture businesses (tech, consulting, retail) one size does not fit all.
- C. DGA is the platform and the New Dairy Concept has potential to mimic this nationwide.
 - i. Regulations do not prevent this model
 - ii. This model enables the dairy industry
 - iii. Diversified feed systems for food security
 - iv. Builds rural communities and the environment

5. THREE THINGS NEEDED

- A. Access to capital
- B. Access to a market
- C. A network and community of dairy farms.

6. CLOSING

- A. Invest in a model that is proven to work – apprenticeships
- B. Protect the grants that are available and allocate them to better serving non-profits. Universities study but non-profits “do”. Allow incentives for trainers and mentors as they grow the next generation.
- C. Limit vertical integration of the dairy industry and regulate to protect the “Ag of the Middle” to ensure that the next generation at least has an opportunity to enter this fine example of being a true entrepreneur.



July 25, 2019

Hearing: Supporting the Next Generation of Agricultural Businesses
House Small Business Committee
Subcommittee on Rural Development, Agriculture, Trade, and Entrepreneurship

Testimony of Mr. Jason Grimm
 Owner, Grimm Family Farm
 Williamsburg, Iowa

*Testifying on behalf of the National Young Farmers Coalition and the Eastern Iowa Young Farmers Coalition

Good Morning, Committee and Staff. Thank you for this opportunity to share my experiences as a young and beginning farmer. Congresswoman Finkenauer, thank you specifically for inviting me to represent the 1st District of Iowa and for hosting this hearing.

My name is Jason Grimm. I am 33 years old. I am a beginning farmer. My hometown of Williamsburg, Iowa has a population of 3,100 and is about 30 minutes from Iowa City. My grandfather and father farm where I grew up outside of North English, Iowa, and today have a cow and calf operation and grow soybeans, corn, hay, and oats. I began farming eight years ago, and started with a specialty crop of black beans, because it matched my market demand. My family's farm also had the proper equipment, so reduced my upfront equipment costs to start with beans.

In addition to farming, I am a co-founder and treasurer for the Eastern Iowa Young Farmers Coalition and a member of the National Young Farmers Coalition, Practical Farmers of Iowa, and Iowa Farm Bureau. However, farming is my secondary income. Off the farm, I am Deputy Director at Iowa Valley RC&D, a nonprofit, located in the historic Amana Colonies where I've worked for ten years. I started the organization's Regional Food Initiative in 2009 to address strategic and system change in Iowa's food system. I coordinate the Iowa's Food Hub Managers Working Group, and am a member of the Iowa Food and Farm Advisory Council. During my tenure, I have developed the Iowa Farm to School Toolkit, created a program called Iowa Kitchen Connect and established food policy councils in Linn and Johnson Counties.

Like many other farmers in the Midwest, my family has **struggled to transition our land to the younger generation, due to high capital gains tax on farmland and student loan debt that has negatively**

impacted my ability to grow my farm business. There is a shortage of young and beginning farmers to guide agriculture into the future. However, farmers support our rural communities, provide jobs and economic activity, and feed our communities. **This hearing is timely as we continue to implement the recently passed farm bill and as millions of acres of agricultural land are changing hands.** I am reminded of this land transition, both personally and professionally, every week. I have been a part of small conversations around many dining room tables (my grandfather's included) as well as a speaker on panels at conferences around Iowa. I am also reminded of the many federal programs that have supported my farming career and the opportunities Congress has to reverse the trend of our aging agricultural workforce. **Federal loan and grant programs, especially the USDA Micro Loan Program and the Beginning Farmer and Rancher Development program, have been critical to my professional development and success.**

LAND ACCESS

Today, I'd like to tell you more about my farm business: Grimm Family Farm. It's a small farm business that I started in 2011 with the help of my wife and my family. My two young boys, Emmet, age two, and Elliot, age six, are already incorporated into farm life. Elliot loves to feed the chickens. Emmet loves to go on tractor rides with his grandpa. Soon they will be big enough to open the gates to our farm fields while riding along on the tractor, like I did, during harvest. I started my farm business because I love the challenge of agriculture, enjoy being outdoors, and have an entrepreneurial spirit. I also believe that farming can strengthen community. Farming is a tradition in my family.

Continuing that transition, I began renting a few acres of my family's land in 2011 to raise pastured poultry and grow dry beans, potatoes, and produce. When I first began farming, I sold primarily to family and friends. Today, I sell these crops throughout Eastern Iowa—to grocery stores, restaurants, caterers, school districts, and colleges. Now in my eighth growing season, like so many other young farmers across the country, I have found myself limited by the instability of growing a business on leased land without an opportunity to build infrastructure and earn equity through ownership.

My customer list grows every year and my need to increase production of my crops has led me to pursue purchasing some of my family's land or relocating my family to purchase land nearby. Owning, rather than renting, would enable me to build a facility to properly store and operate the equipment needed to clean and bag my dry beans. Such a facility could help me expand my production capacity to grow my business to a point that would potentially support a career full-time on the farm. In 2013, I approached my grandparents about buying a tract of their land but hit a roadblock. My grandparents—who I have gained a tremendous amount of knowledge from and who are now in their mid-eighties—are hesitant to sell the land because of financial advice warning them about high capital gains taxes. For this same reason, my grandparents are not selling to my dad, who currently farms most of the land and owns his own off-farm business.

As a third generation farmer, I did not expect land access to be so difficult. I thought I just needed a viable business plan and everyone would be happy to have the land stay in our family. I thought I had the best case scenario.

In the last couple years, discouraged with the set of circumstances that my grandparents face, I have turned my attention to other land that may be available near my home. I've approached landowners and mailed letters. Many of these landowners though do not want to go through a multi-year process of transitioning land to me as a beginning farmer. It is easier for them to sell property through an auction or real estate agent on the open market. When landowners do want to sell to a beginning farmer, the cost of land is out of reach for my farm business.

I believe that if I had been able to purchase part of my family's farm six years ago, or any year since then, my businesses would look a lot different today. I would have grown my line of dry beans to include pinto, kidney, and an heirloom variety of beans in addition to the black bean variety I already grow and market. I would also like to think that my business would be at a point that I could contract other farmers to grow beans for me. Today, I market my beans in Iowa City, Cedar Rapids, Waterloo, Harlan, Des Moines, and sometimes Council Bluffs and Omaha. With access to more land, I believe I would be selling product into the larger midwest market and possibly even have some value-added product lines.

Recently, I have connected with one landowner about an hour away from where my family lives. She has been operating her farm for 25 years and does not have any heirs to take over her land. This season, I am renting an acre of land to grow potatoes in exchange to providing labor. It's just a one year commitment so both parties can determine if we would like to continue the discussion about farm transition. We have discussed transitioning land, but selling outright would be challenging for her as well because of the taxes incurred through the sale. My wife and I are also unsure we want to relocate to another community and another school district. The school district our oldest son attends is the same one that I grew up in—and many of our family and friends' kids attend school there as well. Our church community is located in Williamsburg too.

I urge you to explore creative solutions to this land transition challenge. Examples include tax provisions for land sold or rented to beginning and socially disadvantaged producers, which has been successful in Minnesota, or a tax break on the capital gains tax incurred on farmland sold to beginning or socially disadvantaged producers. These tax incentives could help level the field for beginning farmers and give them more negotiating power when discussing purchase or renting land.

STUDENT LOAN DEBT

Next, I'd like to also speak to you about student loan debt because of the significant barrier it poses for young and beginning farmers. A 2017 National Young Farmer Coalition survey of 3,500 young farmers across the country found that student loan debt is one of the top challenges faced by young farmers. It was a close second to their biggest challenge, access to land.

I went to Iowa State University and graduated with honors with a degree in Landscape Architecture and Environmental Studies. My wife, Hannah, went to Iowa State as well and graduated with a degree in Marketing. Our education story is not unique. Neither is our student loan debt. Together since 2009, we have worked to pay off over \$30,000 in student loans.

Six years into paying off my student loans, I learned about the Public Service Loan Forgiveness (PSLF) Program. I was excited to learn about this program because I was working for a local non-profit and was eligible to have my student loans forgiven after working for a non-profit for 10 years. I quickly learned, however, that the six years of paying for my student loans did not qualify because I was on the graduated payment plan instead of a qualified payment plan. Even though I paid more than the program required per month on my loans, I wasn't able to count 72 monthly payments towards the plan.

My wife and I decided at the time that the best option for us was to forget the PSLF program and just buckle down and consolidate my loans to get a better interest rate. It is disheartening to think that last month was my 10 year anniversary at the Iowa Valley RC&D, the non-profit where I still work. Instead of moving forward debt-free through PSLF, I have \$12,000 remaining on my student loans. Without student loan payments, I could have been investing those payments into a mortgage or equipment loan payments and growing my farm business.

Even though I will not personally benefit from farmers being included in the Public Service Loan Forgiveness program, I think it is important that the Small Business Committee supports the Young Farmer Success Act [H.R. 3232] to include farming as a career option in the program. I also urge you to support fixes to the Public Service Loan Forgiveness program, so that the program is more transparent and navigable for graduates and actually provides forgiveness for those individuals enrolled. Student loans should not be a burden that slows down the growth of a farm business or hinders a farm enterprise from being a viable option.

LOCAL AND REGIONAL FOOD AND FARM PROGRAMS

Lastly, I would like to address the importance of several federal programs that have meaningful and measurable impact for young and beginning farmers. My career with the Iowa Valley Resource Conservation and Development (IVRCD) has afforded me the opportunity to become familiar with, apply for, and implement USDA and Iowa farm program funding. I am in a strong position to speak about these programs because I have seen their success from several perspectives. These programs have helped me personally in my farm businesses and I have used them professionally to support the next generation of agricultural businesses in Iowa.

The first **USDA program** I applied for was the **USDA Microloan program**. I worked with my loan manager, Mary Glaspie, at my local **USDA Farm Service Agency (FSA)**. This program was first available in 2014 and was meant to assist beginning farmers who needed a small loan of under \$50,000. The loan was also based on credit and farming experience and didn't require the experience as a sole proprietor like other FSA loan programs. Thanks to the loan manager at FSA, I was able to secure my first loan of only \$5,500. However, this small loan helped me purchase a tiller for my tractor and processing equipment for my pastured poultry business. I paid off this loan easily and this equipment has had a huge impact on my business. FSA staff also helped me use the NAP Crop Insurance program for my black beans. This program is for crops not covered by the federal crop insurance program like corn and soybeans are in Iowa. I have never had to use this program, but it has been worthwhile knowing I was covered in case of a crop loss.

Early in my career I partnered with Practical Farmers of Iowa to use the **Beginning Farmer Rancher and Development Program (BFRDP)** to bring over 20 workshops to beginning farmers in my region. These workshops covered business planning, marketing and merchandising, food safety and more. As a member of Practical Farmers of Iowa (PFI), I have also benefited from BFRDP funds through their **Savings Incentive Program**. The two-year program matched me with a mentor, facilitated the development of a five year business plan, and helped me direct funds toward the purchase of seed cleaning equipment and a tine weeder for my black bean enterprise. I was able to best assess my resources, was supported in conducting market research, and able to develop enterprise budgets for each part of my farm business. I am so thankful for this program and for the BFRDP funds that made it possible. My participation in this program had a very positive impact on my farm business and was an experience that would have otherwise not been available to me.

Through Iowa Valley RC&D, I have also used USDA's **Farmers Market Promotion Program**, **Local Food Promotion Program**, and the **Farm to School Grant Program**. Each of these projects has allowed me to learn more about the struggles faced by my beginning farmer peers and find ways to assist them to overcome these challenges.

Through the Farmers Market Promotion Program, our organization has developed a series of handouts to be used by beginning farmers when they first begin selling at a farmers market. With this funding, our staff has also been developing a Handbook for Market Managers to better equip them to support beginning farmers as they start their businesses. We are also hosting a social media coaching program to assist beginning farmers to effectively use online marketing to build their businesses and keep pace with the dynamic world of social media.

At Iowa Valley RC&D, I have been co-coordinating the Iowa Food Hub Managers Working Group in Partnership with Iowa State Extension and Outreach. We were awarded a Local Food Promotion Grant and a Sustainable Agriculture Research and Education (SARE) Grant to support the Working Group. Over the Working Group's five year tenure, we have assisted the group to develop a shared warehousing and cross-docking network across the state to assist farmers of all types to market and distribute their products to a larger distribution region. This network assisted me to expand my geographic sales network from a 50-mile radius to 250-mile radius.

An important and growing market for my business is the school districts in my region. Since 2011, I have been working to assist area school districts increase their local procurement of food direct from regional farms. In the last two years, I have worked closely with the Cedar Rapids Community School District to introduce black beans onto their menus. Through recipe development, student taste tests, and finally full production in the cafeteria, we implemented a rice and black bean menu item this past April in Cedar Rapids. Funds that I have received from the **USDA Farm to School Grant Program** have helped me build my network with area school districts, introduce school food service to other beginning farmers, and inspire students in the classroom by introducing them to a real farmer! Farm to School has been a great way for me, as a beginning farmer, to scale up to a wholesale customer.

FARMING SHOULD BE A CAREER OPTION FOR YOUTH IN THE FUTURE

When I explored career paths in high school and entered college at Iowa State University, I didn't think a career in farming was an option for me. While pursuing degrees in Landscape Architecture and Environmental Studies, I discovered that agriculture and our food system was extremely diverse and had an enormous impact on our communities. I saw the gaps in our regional food system that were being filled by imports from outside our state. This included access to Iowa grown vegetables, legumes, fruits, value-added products, and even the businesses that support these types of on-farm enterprises such as meat processors, canners, co-packers, grocers, grain/seed cleaning, equipment dealers, marketing and sales brokers, and trucking. After earning my degree, I decided I wanted to pursue a career that would reinvigorate Iowa's food and agriculture industry and provide new opportunities for Iowa's farmers and small businesses. After a few years working off the farm and interacting with local grocers, institutions, and other purchasers of food, I discovered there was an opportunity for me to fill a need by starting my own farm business.

I am honored that today I am representing beginning farmers in Iowa. Every year, graduating high school students look for viable and interesting careers. America needs farmers. I hope that farming can be an option for young people now and into the future.

Testimony of Meri Lillia Mullins, Longmont, CO
on “Supporting the Next Generation of Agricultural Businesses”
before the House Small Business Committee
Subcommittee on Rural Development, Agriculture, Trade, and Entrepreneurship
July 25, 2019
Washington, DC

Introduction

First, I would like to extend my thanks to Chairwoman Finkenauer, Ranking Member Joyce, and the Members of the Subcommittee for the invitation to testify here today. Thank you for holding this hearing and for the opportunity to provide a perspective on the challenges and opportunities faced by the next generation of farmers and ranchers, such as myself.

My name is Meri Lillia Mullins. I am a first-generation farmer, and manager of Lighthearted Ranch in Longmont, Colorado - a 42-acre ranch where we raise goats, meat birds, laying hens, grow fruits and vegetables, and manage 15 honey bee hives. Over half of the property is under intensive land restoration using periods of rest and grazing to restore the native grasslands back to productive grazing conditions.

In addition to farming, I work full-time off the farm, and volunteer with Mad Agriculture, a local nonprofit who works with farmers to restore soil health while thriving economically through farm planning and policy work. I am also a member of the National Young Farmers Coalition and our local chapter, the Flatirons Young Farmers Coalition.

Farming Background

As a first generation farmer, I did not grow up on a farm, but I came to farming through my education and early career. I have a Bachelor’s degree in Chemical Environmental Engineering from the University of Toledo. Throughout college, I worked on environmental education in urban schools. I desired to connect kids to the environment. Following college, I realized that everyone can connect to the environment through food and everyone has a direct impact on our agricultural system. I began to direct my advocacy work toward agricultural science and soil health education. This led me closer and closer to farmland and farmers. I connected with the local agriculture community through Mad Agriculture and the Flatirons Chapter of the National Young Farmers Coalition. I began to gain an appreciation for the integrity of farming, the technical aptitude that is required, and the adaptation and resilience that farmers and ranchers must have.

I decided to put my background in science and technical skills to use towards a meaningful and challenging farming career. I began seeking farm labor opportunities to gain more hands on experience in farming. I quickly realized that farming was not as romantic as it seemed. Farm labor jobs paid much less than minimum wage. In many cases, they offered an exchange for housing or food, but even with these benefits, they were still paying under minimum wage with stipends of around \$400 per month. Without housing provided, the wages offered were \$12 per hour without health insurance, but in Boulder County the average housing is a minimum of \$1,000 a month. I simply couldn’t afford to learn how to farm and cover my living expenses, while paying down my student debt. Farming full-time was no longer a possibility for me. My next best option was to find somewhere I could volunteer or work part-time on a farm while keeping my day job, to at least continue building my farming experience. It was almost two years ago now that I was presented with the opportunity to apprentice with the ranch manager of Lighthearted Ranch. She was looking to train someone to take over the ranch

management, and I jumped at the opportunity. I moved into a small trailer on-site to begin learning from her.

The ranch is owned by a woman who is interested in supporting young people in pursuing agriculture, but is not a farmer or rancher herself. It was an amazing opportunity for me to dive into agriculture and learn about running a ranch without taking on the financial risk myself. I have now been managing the ranch for about a year. I was chosen as the successor because of my interest in land restoration and my connections to the local farming community that I could lean on for support. In addition to our goats and birds, we have two horses, a small orchard, a 2500 square-foot vegetable garden and 15 honey beehives. Over half of our property is currently under land restoration due to the degraded quality of the land due to previous management. The rest is in production or kept in native perennial cover.

I manage the ranch, but my current payment is housing and land use, and this is also the case for two other ranch hands. We all have other sources of off farm income. While this is a wonderful learning opportunity, managing the ranch full-time while working full-time and staying deeply involved in our strong agricultural community through the Young Farmers chapter and Mad Agriculture takes its toll.

I rarely have a day off. I spend weekdays working in town. In the mornings, evenings, and weekends, I work on the ranch. I frequently take farm calls at work and regularly have to run home from town to attend to something urgent on the ranch. Through this experience, I have been humbled and gained a deep gratitude for lifelong farmers and ranchers, who must be on call 24-7 to the needs of the farm and the community¹. I am not unique in working off farm, over 60% of US farmers have off farm incomes.

Farming with Student Loan Debt

Farmers work day in and day out to feed our families and our communities. I would love for this to be my life's work. The unfortunate reality is the risk is too high with my student debt burden and without inheriting any land. The current condition of the ranch I manage now is not conducive to turn a living profit in the next few years. This is the common state of any land that is potentially affordable for a young single person. Land that is more productive, with healthier soils, are sold at a premium. Agricultural land in Colorado on average is over \$1,400 an acre². Purchasing enough land to have my own operation is not feasible since \$500 of my monthly income is tied up with student loan payments.

My only pathway to farming now is to continue in my current job, so that I can ensure my monthly payments are made on time, and farm in my spare time. But my current workload is not sustainable long-term. I am faced with a few options; face burnout by working and farming full-time; farm full-time and forgo any health insurance and retirement planning while accruing more interest on my loans; acquire massive debt purchasing my own farm to attempt to defy all odds to make a living farming for myself; or quit farming altogether and just keep my day job. None of these are viable options that lead towards a successful and long-term agricultural career.

Without any financial cushion or inheritance, the chances of me quitting my engineering job to pursue farming full-time at this point is pretty slim. While the barriers to entry into an agricultural career are high for first generation farmers, one way to support beginning farmers is through student loan forgiveness. My student loan debt is currently the largest obstacle that I face in my pursuit of farming. This is the reality for many talented, passionate young individuals across the country. I have experience in conservation planning and using NRCS programs through work with Mad Agriculture. I have also attended multiple education and community building events through our local Young Farmers chapter,

¹ USDA National Agricultural Statistics Service. 2017 Census of Agriculture

² USDA National Agricultural Statistics Service. Land Values, 2018 Summary. ISSN 1949-1867

and have spent many hours learning from other farmers around the world. Without congressional support, our aging rural farm community is at risk of losing these gifted young farmers to other industries.

We need to ensure that we have a strong population of young and beginning farmers in this country. Currently, the average age of a farmer in Colorado is 58, and nationally, farmers over 65 outnumber farmers under 35 by six-to-one. Farmers provide a valuable public service. Agriculture meets one of our most basic needs — producing the food we eat. We also steward nearly one billion acres of land, about half of the land area of the United States, providing valuable ecosystem services and protecting natural resources. Lastly, we support rural economies, providing jobs and income that have helped these communities weather population decline and the Great Recession. As the nation faces a crisis of attrition within the agriculture sector, it is essential that we help a new generation of growers succeed.

I urge that you do everything in your power to support the next generation of farmers and ranchers by addressing student loan debt for farmers such as myself. Thank you again for the opportunity to be here today. I look forward to your questions.



**Testimony of Rod Hebrink, President and CEO
Compeer Financial
on behalf of the Farm Credit System
before the Subcommittee on Rural Development, Agriculture, Trade and
Entrepreneurship, U.S. House Committee on Small Business
July 25, 2019**

Chairwoman Finkenauer and members of the House Subcommittee on Rural Development, Agriculture, Trade and Entrepreneurship, thank you for the opportunity to testify today. My name is Rod Hebrink and I'm the President and CEO of Compeer Financial. Compeer is a proud member of the Farm Credit System. We provide loans, leases, risk management and other financial services to farmers and rural communities throughout most of Illinois, Minnesota and Wisconsin, with headquarters in Sun Prairie, WI. As a cooperative, we're owned by our farmer customers and focused on championing the hopes and dreams of rural America. Our mission connects us with thousands of farmers throughout the Midwest who are passionate about agriculture and are determined to pursue their dream – including farmers exploring niche agriculture, entrepreneurs looking for new opportunities, folks who weren't raised on a farm or those just entering the industry.

Compeer serves over 42,000 member-owners and customers focused on feeding and fueling the world. Our clients represent the diversity of Midwestern agriculture ranging from dairy, swine, grain, and renewable energy to pumpkins, potatoes, cranberries and timber.

Young, beginning and small farmers (YBS) are a vital part of our mission. Today these farmers make up 72 percent of our primary loan holders. These are clients who are under age 36, have been farming for ten years or less, or generate \$250,000 annual gross income or less.

Nationally, all Farm Credit institutions make extraordinary efforts to support YBS farmers and ranchers. Unlike other kinds of lenders, Farm Credit institutions are required to report specifically on their YBS lending activities. Each year, the Farm Credit Administration compiles data on Farm Credit YBS lending and reports it to Congress.

Based on reports from the Federal Farm Credit Banks Funding Corporation:

- Farm Credit made 46,682 loans to young producers (under age 36) in 2018 for a total of \$9.8 billion. Those are actual new loans originated in 2018 and amounted to 19.5% of all the new loans made by Farm Credit last year.
- Farm Credit made 62,330 loans to beginning producers (10 years or less experience) for \$13.4 billion in 2018. Nearly a quarter (24.2%) of all loans made by Farm Credit last year went to beginning producers.
- Farm Credit institutions made 114,817 loans to small producers (less than \$250,000 in annual sales) for \$12.4 billion in 2018, representing nearly half (44.6%) of all loans made by Farm Credit last year.

To put Farm Credit's lending to small farmers and ranchers into perspective, at year-end 2018 Farm Credit had just over 900,000 loans of all kinds outstanding, and slightly more than 450,000 of those loans outstanding were to small farmers and ranchers.

Please note that the numbers above cannot be combined. A single loan to a 25-year-old rancher in her third year of ranching with annual sales of \$100,000 could be counted in each of the young, beginning, and small categories. We report this way for two reasons: our regulator requires it and, more importantly, it is the most accurate portrayal of who we serve.

Farm Credit institutions go beyond just providing loans to YBS farmers, in many cases offering special incentives, education, and other support to these producers. Farm Credit

organizations nationwide provide training and host seminars on topics such as intergenerational transfer of family farms, risk management techniques, and establishing and maintaining effective business plans.

We engage across the spectrum with those entering agriculture, whether they are focused on conventional, organic, sustainable, local food-related operations, direct-to-retail, or other emerging business models.

As part of our mission, we're committed to this market; this group of farmers faces barriers in securing the financing they need when compared to peers who are more experienced and have larger operations. YBS farmers are less likely to have the credit histories, capital and other resources necessary to obtain traditional loans. They need our support.

Compeer and other Farm Credit Associations give these YBS farmers a better chance at success. Like our counterparts throughout Farm Credit, Compeer Financial offers specific credit-related services and programs as part of our YBS efforts which include special loan pricing, starter loans, character loans and personal loan guaranty. We also have a *Beginning with Compeer Financial Grant Program* and provide educational and outreach efforts targeted at these farmers throughout the year. In addition to in-house YBS programs, Compeer partners with institutions, government agencies and private entities that offer credit and other services to those who qualify as YBS farmers and ranchers.

I'd like to bring these farmers, our partnerships and their utilization of these important programs to life for you today through a few customer stories including a logger, an aeroponics producer and a unconventional chicken operator. What connects these three producers – and many others – is that our current economic uncertainty is driving many producers to become entrepreneurs in order to grow or even maintain their businesses. They are looking outside the conventional areas of farming for new opportunities. These niche areas are unfamiliar and the producers, along with Farm Credit, are looking for credit enhancements and guarantees along with responsive programs to help these producers navigate these new, and often profitable, markets. For example:

Living Greens Farm (livinggreensfarm.com), located near the line between Congresswoman Angie Craig's 2nd Congressional District and Congressman Jim Hagedorn's 1st Congressional District, in Faribault, MN, grows fresh greens and herbs aeroponically, 365-days a year in a controlled environment.

Aeroponics is a revolutionary, planet-friendly, vertical indoor farming approach using no pesticides; it's a farming method of growing plants by suspending their roots in the air. Roots are spritzed with a nourishing mist –no soil and very little water are used. Living Greens Farm uses a computer system to control elements such as light, temperature, humidity and CO² to grow lettuce, herbs and microgreens.

Founder Dana Anderson launched Living Greens Farm in 2012 after working out of his garage for three years. As a beginning farmer, Dana struggled to find capital because he was looking for cash flow-backed financing versus asset-backed lending. Dana had met with a Compeer loan officer but, due to the nature of his business, SBA and USDA programs weren't viable options because the cost of accessing the programs was too high and he had limited collateral. Thankfully, the Compeer loan officer was able to help him network to find equity capital to move forward. The downside for Dana and Living Greens Farm is equity capital is much more expensive and the business gives up a lot as a trade-off for financing.

Today, Living Greens Farm employs about 30 people and they completed their first expansion last October, increasing growing space from 5,000 square feet to 45,000. They sell their lettuce and microgreens to local retailers such as Lunds and Byerly's, Kowalski's and some Hy-vee stores. They're predicting a profit of \$4.5 million for next year and, long-term, Compeer will look for ways to continue helping and partnering with them.

Matthew Wayrynen is a beginning farmer who has been able to expand his business despite challenges in obtaining financing. The 37-year-old logger and beef farmer lives in McGregor, MN with his wife, Kindra, and their 2-year-old son, Reino. They have a 100-acre farm with 40 head of beef cattle, and rent another 200 acres of hay ground. Matt is an

entrepreneurial-minded fourth generation farmer and a third generation logger. Logging is Matt's main source of revenue and he produces 6,000 to 8,000 cords of wood annually.

Two years ago, Matt decided to switch from conventional or tree length logging to cut-to-length logging, which would increase his operating season and chances of finding skilled labor. Logging is a capital intensive industry. With that switch, Matt needed to make a \$250,000 capital investment into his logging business. Matt would have been a perfect candidate for the 7(a) SBA program and the lower interest rate that comes with the guarantee program would have provided great relief for Matt as a young logger. However, the fees associated with initially accessing and then continuing to use the SBA 7(a) program are high, making the program less competitive in many cases – which was the reality for Matt. Instead, Matt received a traditional loan from Compeer without a guarantee from SBA or USDA. Thus, the interest rate reduction was not available for him to access in the early stages of growing his business.

Reginaldo Haslett-Marroquin operates an experimental research and training farm in Northfield, MN. A native of Guatemala, Reginaldo received an agronomy degree from the Central National School of Agriculture and is the architect of Minneapolis's Sustainable Food and Agriculture program. Reginaldo, his wife and three children live in Northfield in a house financed through Compeer Financial.

Last year, Reginaldo and three local farmers started Regeneration Farms, LLC (regenerationfarms.com) with \$100,000 of their own equity and an operating loan from Compeer. While Regenerative Farms initially applied for a loan through SBA, they didn't qualify because their business was considered a start-up with no financial history and insufficient collateral. Compeer was able to partner with Regenerative Farms on operating loans through the *Emerging Markets Lending Program* which is a true character loan program that does not require sufficient collateral.

In 2018, Regeneration Farms had two contract producers who raised chickens they aggregated and sold under their Tree-Range chicken brand. Fast forward one year and

Regenerative Farms is focused on scaling up their poultry production because they were approached by a pasture-based livestock company from the West Coast to produce, process, freeze and ship 35,000 chickens. In order to meet this contract, they requested and received another operating loan from Compeer. The company is experiencing great success and demand for their product is rapidly growing; however, they're challenged with limited options for affordable financing to meet the current demand and create brand awareness to ensure they continue to grow their business.

Compeer's relationships with YBS farmers, like those I've shared with you, not only benefit the farmers themselves as they see their businesses succeed but they strengthen our rural communities and local economies through employment, public school enrollment, tax growth and consumerism.

While I've shared stories today that bring to life some of the current challenges Compeer experiences in working with our customers to utilize guarantee loan programs, I also want to highlight some successes. Compeer has a number of customers using both SBA and USDA FSA loan guarantee programs and, without them, wouldn't be where they are today.

We used the SBA 7(a) loan program to help finance agribusinesses customers such as Tangletown Gardens (tangletowngardens.com), a wholesale and retail nursery and garden center with locations in Minneapolis and Plato, Minnesota. They used an SBA guaranteed term loan for equipment and permanent working capital for the business. Due to their financial situation, the ability for this customer to access SBA loan guarantees was imperative for the viability of their business.

Loan guarantee programs offered through USDA's Farm Service Agency are also important lending tools for Compeer to help provide financing for young and beginning farmers. As a sales officer from Compeer's lending team recently stated, "Without the FSA Beginning Farmer Down payment Program, these beginning farmers wouldn't be able to finance land purchases on their own. They'd have to rely on family or other means for the necessary capital, which then isn't viewed as really being on their own."

Farm Credit's cooperative structure – where local customers own their Farm Credit institution and elect their boards of directors – helps ensure that Farm Credit institutions are deeply in tune with the needs of their customers. I'd like to also take this opportunity to share stories from across the Farm Credit System because each institution is unique, with its programs and products specifically tailored to support local customers. For instance,

- AgChoice Farm Credit offers extensive programs for young, beginning and small farmers in central, western and northern Pennsylvania. Their “SmartStart” provides interest rate reductions for participation in educational activities, and the recently-launched “SmartStart EXPRESS” helps start-up farmers apply for smaller loans with a shortened application process. AgChoice also supports financial literacy of young and beginning farmers through its popular “AgBiz Masters” educational program which combines online modules with in-person meetings over a two-year program. In 10 years, the program has reached 1,325 farmers.

Dennis Meyers, Franklin County, Pennsylvania, is a young producer, a fifth generation dairy farmer and participant of AgChoice's AgBiz Masters program. Reflecting on his first year of the two-year program, Dennis notes that, “AgBiz gave me knowledge of what a lender looks for in business records and management. As we opened our line of credit, it helped me better understand the process. While taking classes such as AgBiz Masters might not make or break your career, you always learn at least one new thing to take home to your business.”

- Farm Credit East has a number of programs that support the next generation of agricultural businesses. Like many Farm Credit institutions, Farm Credit East has a variety of incentives for YBS farmers, and several years ago extended those benefits to veterans. Those incentives include interest rate assistance and payment of USDA guarantee fees, and discounts on the financial services that businesses need to be successful, like business consulting, tax preparation, recordkeeping, payroll and consulting. Those incentives have totaled over \$1.3 million over the last three years.

Farm Credit East also created “FarmStart” to help beginning farmers raise money to begin their businesses. Separate from Farm Credit East’s traditional lending, FarmStart invests in entrepreneurs in agriculture, forestry or fishing who might not qualify for traditional credit. The investments can be for up to \$75,000 for working capital and other start-up costs, and are repaid at the end of five years. Since inception, Farm Credit East and its partners have invested almost \$14 million in 300 businesses across the Northeast through FarmStart.

Farm Credit East believes that strong business and financial management skills are critical in a startup’s success and is helping beginning farmers improve their skills via its “GenerationNext” seminar series. GenerationNext provides training on finance, human resources, marketing and general business management topics as well as providing young producers the chance to network with one another.

Oz and Rob Thorndike are brothers and partners in Thorndike & Sons Inc. ([facebook.com/Main-ly-Trees-and-Thorndike-and-Sons-Inc](https://www.facebook.com/Main-ly-Trees-and-Thorndike-and-Sons-Inc)), a contract logging and timberland management business in Strong, Maine, that recently participated in GenerationNext. Said Oz, “The course covered important topics for any business owner. It provided the tools to make good, educated business decisions.”

- Mississippi Land Bank is committed to meeting the needs of YBS farmers and ranchers and recognizes the need to support these operators to ensure a strong agricultural community for the future. Support of YBS lending activities is a priority in the Association. Additional employee time and other resources are combined with the most liberal application of the Association’s underwriting standards possible to meet the credit needs of YBS farmers and ranchers. In addition, the Association actively supports other programs, events, scholarships and educational activities that benefit young people who will become the agricultural providers of tomorrow.

Five years ago, Marshall Bartlett, then 24, joined his family's 147-year-old farming operation in the North Mississippi town of Como, eager to launch a new business model — producing and selling pasture-raised pork, beef and lamb directly to consumers and restaurants. Together with his brother Jemison Bartlett and sister May Leinhart, he launched Home Place Pastures (homeplacepastures.com) in 2014. Home Place's meats quickly became popular with foodies and chefs from New Orleans to Nashville, Tenn. With success came growth opportunities, leading Marshall to Mississippi Land Bank in 2018. "Marshall and his family were right in line with the farm-to-table movement that we support," says his loan officer, Scott Crockett of the Senatobia branch. "We're also trying to help people get started, especially young farmers like Marshall. He has set a great example for this community." With financing in hand, the family expanded its cattle herd, consolidated existing debt and improved its USDA-inspected on-farm processing facility. "Working with Mississippi Land Bank was a breath of fresh air," says Marshall, who now has 16 full-time employees, more than 600 pigs and a retail outlet. "We needed a bank that would take the time to understand what we are doing. We are not a conventional row crop or cow-calf operation, and our vertically integrated business model was unfamiliar to most lenders. "The Land Bank team came to our farm and allowed us to share our vision with them. They treated us like family and quickly helped dial in our financing needs."

- American AgCredit offers mission driven programs to serve the credit needs of YBS producers, including those emerging markets that include small and medium producer or aggregators (farm-related service) who sell products through local and regional food systems via shortened supply chain. Their programs provide alternate financing and guarantee options for farmers and ranchers who may not qualify under normal lending requirements (lack of agricultural production history; weak capital and/or liquidity positions; weak capacity or limited credit history), including governmental guarantee programs such as Farmer Mac and FSA loan guarantees.

One example is Berry Patch Farms, a Certified Organic Farm located south of Brighton, Colorado and operated by Tim and Claudia Ferrell. Tim is a retired minister, and Claudia a former physician. They have been in business since 1991. The working farm where they live and earn their living is just 40 acres in size.

Originally the Ferrells leased farm ground. In 2004, American AgCredit provided the financing for the purchase of the land they work today. Although this customer is considered 'Small' under the YBS definition, their approach to farming is anything but. Tim and Claudia have a unique direct to consumer business model. They are one of the few operations that allows consumers to pick their own organic strawberries, currants, cherries, plums, basil, flowers and pickling cucumbers. The on-site Farm Store provides a selection of already harvested produce as well as roasted chilies, melons, tomatoes, squash and zucchini. In addition to the U-pick and Farm Store, Berry Patch Farms sells produce through Community Supported Agriculture, or CSA shares. In a CSA, the consumer, known as a shareholder, purchases a share during the farm's off season from the farmer in exchange for fresh produce during the growing season. The practice of selling shares of a future crop is an innovative way for farmers to mitigate the risks inherent in growing fruits and vegetables while obtaining the capital needed to get the crop planted.

- Supporting the next generation of agriculture is an important part of the mission of Farm Credit Services of America. Serving a territory that covers Iowa, Nebraska, South Dakota, and Wyoming, Farm Credit Services of America is committed to meeting the unique financing needs of YBS producers. In fact, despite the downturn in agricultural prices, Farm Credit Services of America last year reached an all-time high lending into young, beginning, and small farmers with more than \$6 billion of credit extended to over 25,000 YBS producers. The association's "YBS Producer Program" meets the evolving needs of today's young, beginning and small producers through long-term relationships and a proactive focus on sound financial services, advice and educational opportunities.

Matt Riniker is an example of the next generation entering agriculture with support from Farm Credit. Matt always knew he wanted to be part of his family's feedlot and grain operation in Guttenberg, Iowa. While most YBS producers qualify for credit using conventional underwriting standards, Farm Credit Services of America established special outreach credit programs called "AgStart" and the "Development Fund" to support those YBS producers not quite ready for credit on commercial terms. Matt, through AgStart, received his first loan from Farm Credit Services of America at the age of 17. Five years later, he owns some of his own farmland and a couple hundred head of cattle.

Compeer's objective, and that of the Farm Credit System, is to provide YBS farmers with sound, adequate and constructive credit and related financial services to help them be successful. Whatever the case and whatever the story, Compeer Financial and Farm Credit are committed to maximizing their resources and partnerships – including those with FSA and SBA – to support agricultural operations of all sizes and types. Today, we're asking you to consider some of the barriers including: high fees, eligibility requirements and the time-consuming process to using these programs, so YBS farmers can access them even more often to keep the next generation of agriculture viable.

On behalf of Compeer Financial and the entire Farm Credit System, I want to thank you for the opportunity to share a snapshot of our business with you. More importantly, on behalf of the farmers and communities we serve, I want to thank you for your time today. As a partner in their success, it's a pleasure to be able to share their stories and the impact they're making each and every day. We're honored to partner with them to champion the hopes and dreams of rural America.

Opening Statement of Ranking Member Joyce
Subcommittee on Rural Development, Agriculture, Trade,
and Entrepreneurship
Hearing: “Supporting the Next Generation of Agricultural
Businesses”
Remarks as Prepared for Delivery
July 25, 2019

Thank you, Madam Chairwoman. Today, our subcommittee will examine the difficulties affecting America’s new and beginning farmers.

In my home state of Pennsylvania, we are proud of our agricultural sector. I am pleased to say that my district alone is responsible for 18% of Pennsylvania’s agriculture sales and is home to over 8,000 farms. 97% of the farms in my district are family farms, but many are struggling with the decision to either pass their farm down to the next generation or encourage their children to explore other careers which may have an easier path.

I am impressed by the entrepreneurial spirit of the 2,741 new and beginning farmers in my District, but we need to see that number grow. PA-13 is the number 1 Congressional District in the state for milk from cows; sheep and goats’ wool and milk; total cattle; and market value of fruits, tree nuts, and berries. We rank in the top 100 of Congressional Districts for total number of producers and total number of farms, market value of agriculture products sold, total sales of livestock & poultry, the value of sales of poultry & eggs, and the number of cattle, calves, sheep, and lambs. Even more impressively: we are in the top 50 Congressional Districts for the value of sales of fruits, tree nuts, berries, milk from cows, sheep and goats’ wool and milk, total number of milk cows, and land in orchards by acres.

But our future as an agricultural districts jeopardized by the fact that of the over 14,000 producers in my district, not even 2,100 of them are under the age of 35 and nearly 4000 of them are 65 and older.

Communities in my district and across the country rely on our nation’s 2.2 million farms. Of these, 88 percent are small, and only 20 percent are operated by new and beginning farmers and ranchers. One U.S. farm will feed about 165 people annually. With a projected global population of 9.7 billion by the year 2050, the world’s farmers will need to grow approximately 70 percent more food than they are currently producing. Yet my state alone lost over 6,100 farms over the last 5 years. Mounting demand for food, population flight from rural areas, and an aging farm population prompts a fresh evaluation of opportunities and support systems available to new and beginning farmers.

Today’s witnesses will discuss their experiences in the farm industry and give us some insight into what programs work best for

new and beginning farmers and ranchers. I look forward to their testimonies.

With that, Madam chairwoman, I yield back.

