

Sustaining Farming on the Urban Fringe



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Crisis Fatigue and Ag in the Middle

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This month, we discuss our program designed to move “Ag in the Middle” farms toward sustainability through analysis and education. We touch on barriers to program implementation under conditions of “doing more with less.”

You’re not alone in feeling that not a day goes by without some unexpected crisis occurring that negatively impacts you and your family. *Crisis fatigue* is a weariness with emergencies and stress about personal and institutional futures. It leads to shortsighted behaviors including denial, inability to take action, choosing actions that are expedient but not right, and impermanence syndrome.

Ag in the Middle farms embody our core values as a society. As we have stated on multiple occasions, they are a linchpin for sustaining *all farming* that feeds urban populations.

A program to strengthen Ag in the Middle farms has value for all. Presentations about the program have been met with enthusiasm by agricultural, academic, and political communities. However, the call to support Ag in the Middle farms through our program of detailed analysis and education, risks going unanswered for reasons tied to crisis fatigue.

Targeting Special Issues of Farming on the Urban Fringe

The USDA defines Ag in the Middle as smaller farms with \$100,000 to \$250,000 in sales. As a state with the special problems of

farming on the urban fringe, we define Ag in the Middle farms as full-time owner operators who derive their livelihood income solely from farming, and generate about \$250,000 to \$1,000,000 in annual sales.

Our Ag in the Middle farms wrestle with where and how to sell products. The marketing structure these farms find themselves mired, turns out to be more important than the size of the farm in acres, or annual sales. Ag in the Middle family farms operate in the narrowing space between vertically integrated global commodities and local direct markets.

Ag in the Middle farms are too small, individually, to successfully compete efficiently selling to commodity markets; too large or poorly positioned to directly market enough products to local consumers; and too intense in management demands for the owner operators to have off-farm income. Ag in the Middle is a marketing structure problem; a dangerous financially squeezed place too many family farms find themselves.

NJ Ag in the Middle farms represent

- one third of all cropland
- one quarter of all farmland
- one quarter of all ag products sold
- one fifth of all the value invested in ag equipment, buildings, and land.

There are about 500 Ag in the Middle farms in the state of New Jersey. More than 2,200 NJ small and beginning farmers aspire to become Ag in the Middle farmers.

Program Actions

The most important actions to take are *voluntary* strategies and tactics on the farm. Building on the foundation of the Rutgers Cooperative Extension funded program “Ag Re-Engineering Initiative” our Ag in the Middle program would further develop and make available to a wider number of NJ growers, these actions:

1. Farm Business Financial Management

Farmers have the opportunity to participate in small group workshops and/or one on one consultation to perform a detailed financial analysis of the farm and farm-related enterprises. The program analyzes all components of the farm business enterprise including: balance sheets, data banks for cost of production, income and expense statements, cash flow plans, long-range planning, year-end analysis and a enterprise analysis. Financial ratios are generated and measures of financial performance reported to participating farmers.

The financial component helps the producer answer three questions: “Where am I?” “Where do I want to be?” and “How can I get there?” Then the ag leader works with them to evaluate: “Is the business sound?” “Is the farm going in the right direction?” and “Will the farm have a repayment capacity in the future?”

The software to analyze farm financial performance is FINPACK. FINPACK planning and analysis components shed light on three major financial indicators: profitability, liquidity, and solvency. FINPACK was developed by the Center for Farm Financial Management at University of Minnesota.

2. Risk Assessment Planning

Risk assessment is performed in cooperation with the NJ Crop Insurance Education Initiative. It focuses on five risk areas identified by the Risk Management Agency of the USDA: Production Risks; Marketing Risks; Financial Risk; Legal Risk; and Human Resource Risk.

3. Problem Solving Teams

Problem solving teams are critical for Ag in the Middle farm success.

Based on the financial evaluation and the risk assessment options appropriate for the producer, a farm-family problem solving team will be selected to address priority issues. The purpose of the team will be to provide diverse expertise on the management issues that make a difference between farm success and failure. Problem solving team members focus on the development and implementation of clear and compelling farm and family goals.

Initial meetings deal with developing strengths, weaknesses, opportunities and threats (S.W.O.T.) to the current operation. Team members are selected by the farm family and may include an agricultural lender, veterinarian, nutritionist, crop consultant, extension educator or other related advisor as appropriate.

Actions for Ag in the Middle Farms

See Companion Handouts

Implementing the Program: Moving Ag in the Middle Toward Sustainability

Ag in the Middle farms represent many core societal values and are integral to the agricultural health of all farms in proximity to urban populations. A program to strengthen them is of high value to everyone, now and in the future. The call to save Ag in the Middle farms risks going unanswered for reasons tied to crisis fatigue. Without intervention, these farms and the benefits they provide, will likely disappear in the next decade – an outcome we will later regret.

We know how to help Ag in the Middle farms but there are barriers to implementation including staff availability and basic funding. We would like to see this program staffed and funded. What’s your opinion?