

# Loudoun Incubator Farm

## A platform to launch new farmers

A group of farmers with experience in intensively-managed high-value animal and vegetable crops proposes the establishment of an incubator farm in western Loudoun County. The incubator farm is designed to provide individuals who are seeking a career in farming a way to transition from jobs as interns, employees, or managers to becoming independent, commercial-scale farmers. We recognize the long standing barriers to starting new farm operations, and also the opportunity to expand agricultural production to meet the growing demand for local food.

The Loudoun Incubator Farm combines our farming and mentoring experience with the technical and organizational expertise of the Piedmont Environmental Council, a 501(c)(3) charitable organization. We believe this a powerful partnership, one that makes a Loudoun incubator farm a practical, achievable, and financially sustainable project.

### The Need

- The demand for local food is increasing in the Washington DC region, with room for new animal, fruit, and vegetable producers to emerge.
- Workers and managers with experience gained on existing farms are ready to establish new farms in the region. Farming is a capital intensive business. A farmer needs access to land, water, infrastructure, and equipment. Land prices within reach of lucrative metropolitan markets in the Washington, DC, metro region are an impediment to ownership. An aspiring independent farmer may have adequate experience to succeed, but little capital and no business record to qualify for loans.

### The Answer

We propose the acquisition of a 100-200 acre farm in Loudoun County where five to ten experienced farmers each may lease five to ten acres for a three-year period, sharing use of provided equipment and infrastructure.

- Each farmer will operate an independent business, accumulating capital and creating a track record needed for access to credit that will allow the establishment of a permanent farm elsewhere.
- Oversight and consulting will be provided by a hired manager with a history of successful production of high value crops or animal products using sustainable methods.

### The Program

Applicants seeking to use the farm's site and infrastructure will provide a description of a minimum of three years' previous farming experience; references; a budget projecting income

## DRAFT

and expenses; a listing of capital and equipment brought for own use; and a detailed management plan that includes labor, marketing, and production practices for up to 10 acres. Growers selected to join the farm will sign a lease agreement for one year, with renewal anticipated for two additional years.

Participants will benefit from the (1) use of prime farmland within reach of metropolitan markets, (2) access to infrastructure and equipment, minimizing the need to use limited start-up funds; and (3) access to experienced farmers and fellow growers.

Farmers will handle their own finances, including procurement of supplies and small tools, insurance, and permits. They will hire their own workers and create their own marketing avenues. They will be responsible for all income and employment taxes related to their operations. They will secure their own vehicles and housing.

A new farmer in the metro region can expect to gross \$15,000 – 20,000 per acre from vegetables or other intensively grown crops, and in subsequent seasons double those amounts.

Costs to each farmer will be a flat fee per acre rented and usage fees for facilities and equipment. We estimate the total leasing cost to be approximately 10% of the farm renter's gross income.

A salaried coordinator will oversee the application and selection process, organize the maintenance of the greater property and capital resources, and serve as mentor to the growers. The entire farm property will be managed according to sustainable agriculture Best Management Practices. Farmers will be required to employ ecological methods exclusively. All materials used for fertility and pest control will be non-toxic and otherwise environmentally sound.

After completing three growing seasons, farmers may choose to apply for land and equipment loans from the USDA Farm Service Agency (FSA) beginning farmer loan program, Farm Credit, or other lenders. In short, successful growers will be ready to buy, lease or manage independent farms.

The program will assist farmers in finding land for long term lease or purchase by working with organizations such as the Piedmont Environmental Council (PEC) and state Land Link programs. PEC has expertise and on-the-ground knowledge of local landowners, farmers, and other professionals to aid producers in securing farmland.

### **How is this project unique in the region?**

- This farm is not a training farm for beginning farmers, nor is it a demonstration farm for agro tourism and educational purposes.
- Each farmer will lease a sufficient number of infrastructured acres of prime soils, in reasonable proximity to good markets, to allow a living to be generated from farming.

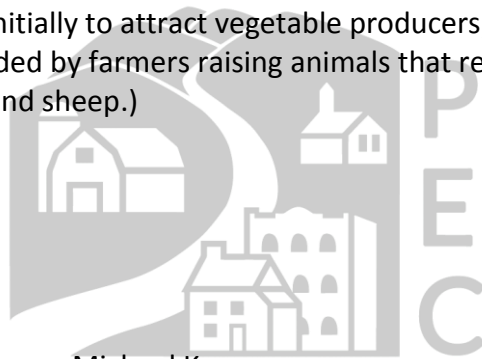
## DRAFT

- After initial start-up costs for land, equipment and infrastructure, the operation of the incubator farm will be financially self-supporting through rental income from farmers.

### Summary of resources needed

- **Land:** A property with 50-100 open acres in prime farmland soils. The group is exploring three possible routes to land acquisition:
  - Long-term lease with an existing farm owner who would like to host the program.
  - Conservation buyer who acquires a suitable farm to become its host.
  - Outright acquisition/purchase of a suitable property, through grants and donations.
- **Infrastructure:** Deer fencing, wells and water distribution, internal roads, pole barn for equipment storage and washing/packing, heated and ventilated green house, and coolers.
- **Equipment:** Tractors, primary and secondary tillage implements, specialty vegetable equipment, and mechanical shop tools.

The farm will be structured initially to attract vegetable producers, with the intention of adding facilities and equipment needed by farmers raising animals that require limited acreage (laying hens, broilers, turkeys, pigs and sheep.)



### For more information

Ellen Polishuk  
703-727-2996  
ellenorganic@gmail.com

Michael Kane  
703-371-4373  
mkane@pecva.org

Chip Planck  
540-882-3996  
cplanck@rstarmail.com

# DRAFT

## About our group

The Loudoun Incubator Project will be managed through its initial phases as a project of the Piedmont Environmental Council, a 501(c)(3) non-profit organization, under the leadership of its core members that include:

- Chip and Susan Planck, owners of Wheatland Vegetable Farms, were full-time vegetable growers in Northern Virginia from 1973 through 2010. The Plancks used ecological methods exclusively on their more than 20 acres of crops, selling at numerous Washington, DC metro area producer-only farmers markets. They hired college and post-college students as seasonal workers. Today, 25 of their 250 former workers are now full-time vegetable farmers.
- Ellen Polishuk is a lifelong farmer, in spite of growing up in Reston, Virginia. She has a Horticulture degree from Virginia Tech. She is one of three owners of Potomac Vegetable Farms, managing the Wheatland location. She is also a teacher and consultant, working with Midwestern BioAg, spreading information about biological soil management and profitable vegetable production.
- Forrest Pritchard is a seventh generation grass farmer, managing 500 acres of diversified pastured livestock. He is the author of *Gaining Ground: A Story of Farmers' Markets, Local Food and Saving the Family Farm*.
- Matt Mulder is the Director of Development and Communications at the Arcadia Center for Sustainable Food and Agriculture. Matt has spent the last 15 years working on sustainable agriculture programs in the DC area. As Director of the Accokeek Foundation's Center for Agricultural and Environmental Stewardship, Matt developed beginning farmer training programs and helped to establish a certificate program in sustainable agriculture at the University of Maryland.
- Hana Newcomb has worked full time since 1980 at Potomac Vegetable Farms (PVF), the Northern Virginia farm her parents, Tony and Hiu Newcomb, established in the 1960s. The vegetables, herbs, and cut flowers grown at PVF are available at farmers markets, through PVF's 550-member CSA, and at the roadside stands that are found at PVF's farms in Vienna, VA and Wheatland, VA. Today, Hana is one of three owners of PVF, managing the Vienna location.
- Michael Kane is PEC's Land Conservation Officer for Loudoun and Northern Fauquier County. At PEC, Mike works with landowners and others to conserve the cornucopia of natural, historic, scenic, and agricultural resources in Virginia's Northern Piedmont. Prior to coming to PEC, Mike designed and implemented several land conservation programs for the County of Bucks, PA as well as managed the Loudoun County PDR Program.
- Don Loock is the Agriculture and Rural Economy Program Manager at The Piedmont Environmental Council. Before this he was PEC's Land Conservation Officer for Rappahannock and Clarke County where he worked with landowners to conserve

# DRAFT

important natural, cultural and historic resources through conservation easements. Throughout his tenure with PEC he has been involved in developing agricultural programming including helping start and teach PEC's 'Exploring the Small farm Dream' program for beginning farmers and securing private and public money for conservation improvements on agricultural lands.



# DRAFT

## Loudoun Incubator Farm --5 Year Projection of Annual Income and Expenses\*

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
<b>Number of Rented Farm (Spaces) <sup>1,2</sup></b>	<b>0</b>	<b>3</b>	<b>5</b>	<b>7</b>	<b>10</b>	
Land Rent <sup>3</sup>	\$ -	\$ 12,375	\$ 20,625	\$ 28,875	\$ 41,250	\$ 103,125
Water Fees <sup>4</sup>	\$ -	\$ 12,984	\$ 21,641	\$ 30,297	\$ 43,281	\$ 108,203
Facility Leases <sup>5</sup>	\$ -	\$ 7,620	\$ 12,700	\$ 17,780	\$ 25,400	\$ 63,500
Equipment Rental <sup>6</sup>	\$ -	\$ 19,890	\$ 33,150	\$ 46,410	\$ 66,300	\$ 165,750
<b>Total</b>	<b>\$ -</b>	<b>\$ 52,869</b>	<b>\$ 88,116</b>	<b>\$ 123,362</b>	<b>\$ 176,231</b>	<b>\$ 440,578</b>
Start-Up Costs -- Infrastructure and Equipment <sup>7</sup>	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Permanent Improvements & Infrastructure	\$ 95,000	\$ -	\$ -	\$ -	\$ -	\$ 95,000
Equipment / Rolling Stock	\$ 60,925	\$ -	\$ -	\$ -	\$ -	\$ 60,925
Contingency	\$ 15,593	\$ -	\$ -	\$ -	\$ -	\$ 15,593
Operating Costs						
Personnel <sup>8</sup>	\$ 57,303	\$ 60,070	\$ 60,070	\$ 60,070	\$ 60,070	\$ 297,583
Energy & Utilities	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 75,000
Maintenance / Capital Replenishment	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 70,000
Insurance	\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,800	\$ 19,000
Admin	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 22,500
Taxes	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700	\$ 3,700	\$ 18,500
Contingency	\$ 4,915	\$ 5,054	\$ 5,054	\$ 5,054	\$ 5,054	\$ 25,129
Annual Land Cost Estimate <sup>9</sup>						
Annual Lease Payment	\$ 8,550	\$ 8,550	\$ 8,550	\$ 8,550	\$ 8,550	\$ 42,750
Annual Property Taxes	\$ 247	\$ 252	\$ 257	\$ 262	\$ 267	\$ 1,285
Insurance	\$ 1,500	\$ 1,530	\$ 1,561	\$ 1,592	\$ 1,624	\$ 7,806
<b>Total</b>	<b>\$ 285,032</b>	<b>\$ 116,455</b>	<b>\$ 116,491</b>	<b>\$ 116,527</b>	<b>\$ 116,565</b>	<b>\$ 751,071</b>
<b>Net Income / Loss</b>	<b>\$ (285,032)</b>	<b>\$ (63,586)</b>	<b>\$ (28,376)</b>	<b>\$ 6,834</b>	<b>\$ 59,666</b>	

<sup>1</sup> Assumes average size of farm or plot rented is 7.5 acres, with 66% used for production and 33% left fallow

<sup>2</sup> Assumes that Incubator Farm will have space for 10 farms or plots, though Incubator Farm will not be fully occupied until Year 5

<sup>3</sup> Assumes rent for "farm ready" plots will be \$500 per acre plus flat fee of \$375 per farm for overall farm management.

<sup>4</sup> Water usage charge will be \$ .001 per gallon plus base fee of \$255 per farm plot

<sup>5</sup> Growers will be charged for cooler space, dry storage space, and greenhouse space

<sup>6</sup> Growers will have opportunity to have access to a wide range of equipment as part of land lease, but will pay separate rental for access for tractors

<sup>7</sup> Start-up costs include construction of basic infrastructure (deer fencing, dry shed, greenhouse, hoop house) and essential equipment

<sup>8</sup> Operating costs include funding for Manager and one part-time employee to operate the farm and Incubator Program

<sup>9</sup> Land cost estimate assumes that Incubator Farm can begin by renting approximately 190 acres at prime lease rate of \$45 per acre plus property taxes.

\* A detailed income and expense for start-up and operation of the Incubator Farm is available upon request