The mission of California FarmLink is to link independent farmers and ranchers with the land and financing they need for a sustainable future.
Dear Friends,

As word spreads from farmer to farmer, demand for California FarmLink’s services is stronger than ever. Access to land and capital continue to be top challenges for growers, and with your support FarmLink is creating solutions. The story of Kaley Grimland and Edgar Mendoza of Sol Seeker Farm is a good example. Three years ago they began working with FarmLink to secure a lease for their pastured poultry operation. With operating loans from FarmLink in 2015 and 2016 they diversified into ducks and game hens, and scaled up production from 2,000 to 4,000 broilers annually. Kaley and Edgar are now preparing to buy land.

Five years after starting our farm loan program, California FarmLink has become a national leader in small farm lending. Certified in 2013 as the first Community Development Financial Institution (CDFI) to focus on the development of sustainable agriculture, we made 50 loans last year totaling $1.8 million, with 68 percent of that amount going to Latino farmers and 36 percent to women. Eighty percent of those loans were for annual working capital and most were microloans of $5,000 to $50,000.

In 2015 FarmLink launched a farm mortgage program and we closed our first two mortgage loans. The program offers long-term loans with low down payments and interest rates, enabling farmers to invest in improvements to soil, infrastructure, and on-farm housing, and begin building equity. This report includes a story about Bertha Magaña, who used a joint FarmLink-USDA loan to purchase her 10-acre mixed vegetable and strawberry farm. In the Central Coast, Central Valley, and North Coast regions, FarmLink staff support the financial success and long-term stability of farmers with one-on-one assistance.

Operational efficiencies in 2015 allowed us to deploy 50 percent more capital in loans while keeping organizational expenses at the same level as 2014. We helped 38 small farmers secure land, and our land access and loan teams are helping farmers develop pathways to ownership and land security.

FarmLink is poised for extraordinary growth and impact in 2016. We now have a three-person loan team operating from our new office in Watsonville. The loan team provides assistance to farmers like Bertha, Kaley, and Edgar on a daily basis, and we anticipate making $2.2 million in farm loans in 2016.

We’re also proud to present a new program: Agrarian Elders and the Next Generation. Many founding members of California’s organic farming community are grappling with how to retire. One of our first steps is to assemble a cohort of new farmers and established farmers seeking to transfer their farm business to the next generation.

As FarmLink continues to expand our work with farmers young and old, we seek to invest $10 million in farm mortgages over the next 5 years, and $15 million in operating and equipment loans. We are honored by the partners, funders, and investors who have joined FarmLink on this journey and we invite you to learn about our recent activities and join us in our work ahead.

Sincerely,

Thomas Nelson, President of the Board of Directors

Reggie Knox, Executive Director
reggie@cafarmlink.org

“As a young farmer I found the information very important to me for the possibility of acquiring land from an established retiring farmer, and also to further the long term planning of my business to include thinking about how one day I will retire too.”

– Andrea Davis-Cetina, farmer
Land, Capital, and Knowledge for Beginning Farmers and Ranchers

Working with farmers, ranchers, and dedicated partners, FarmLink is creating new models for agricultural development. Our mission leads us to focus on economic opportunity, social equity, and environmental sustainability for farmers. By partnering with forward-thinking financial leaders to provide sources of capital, FarmLink has created new loan products that are making big impacts for growers. We also advocate for and work to improve new programs and policies, like USDA’s Whole Farm Revenue Protection.

Overview

Provided 344 farmers, ranchers, and landowners with individual technical assistance on land tenure, financing, and business development
- 68% were low-income farmers
- 40% were women farmers
- 51% were minority farmers

Provided 550 farmers, ranchers, and landowners with tools, training, and solutions for land and capital access, financing, business development, and farm succession through 20 workshops in seven counties

Made 50 loans totaling $1.8 million with an average loan size of $36,280
- 90% to low-income farmers
- 74% to beginning farmers
- 36% to women farmers
- 68% to Latino farmers
- 40% to former farm workers
- 82% of our loans went to organic growers

Linked 38 farm businesses with land, including 13 long-term leases
- 19 new business start-ups established land tenure
- 15 businesses expanded with increased acreage

Impacts

The impact of FarmLink’s technical assistance and financing is increasing each year.

- Loans enabled farmers to:
  - create 55 new jobs and retain 261 jobs
  - increase revenue for the majority of repeat borrowers
- Financing and land tenure assistance led to a median increase of 10 additional acres for farmers and ranchers served

Key Partners

Powerful collaborations with key partners throughout the state enable FarmLink to reach and assist farmers and ranchers, and foster their economic growth and positive changes.

Agricultural Institute of Marin
Agriculture and Land-Based Training Association (ALBA)
Alameda County Conservation Partnership
American River Conservancy
BriarPatch Co-op*
California Certified Organic Farmers (CCOF)
California Small Farm Conference
Center for Land Based-Learning
Cienega Capital*
Comerica Bank*
Community Alliance with Family Farmers (CAFF)
Ecological Farming Association (EcoFarm)
El Pájaro Community Development Corporation
Feed the Hunger Foundation*
Grange Farm School
Kitchen Table Advisors
Land Trust Alliance
Mandela Marketplace*
Marin Agricultural Land Trust
Mendocino Farm Bureau
Mendocino Wine Growers
Michigan State University Center for Regional Food Systems
National Young Farmers Coalition
Natural Capital Investment Fund
Northern California Community Loan Fund*
Organizations and Transactions Clinic of Stanford Law School
Peninsula Open Space Trust
Rabobank, N.A.*
Resource Conservation District of Santa Cruz County
Shreveport Federal Credit Union
Soil Born Farms Urban Agriculture and Education Project
Sonoma County Agricultural Preservation & Open Space District
Sonoma County Farm Bureau
Sonoma Farm School
Sonoma Land Trust
Sonoma Wine Growers
The Farmers Guild
UC Berkeley
UCSC Center for Agroecology and Sustainable Food Systems
University of California Cooperative Extension
USDA Rural Microenterprise Assistance Program*
Wells Fargo*

* lending capital partners
Secure land tenure is the cornerstone of the farm. Land access goals for 2015 focused on land transactions, employing FarmLink’s one-on-one direct assistance for farmers. With the development of the farm mortgage program, land and loan program staff worked together to help farmers act on opportunities to access land. Here are some highlights:

- Facilitated 38 leases and purchases
- Facilitated the closing of our first two mortgage loans; in one case, FarmLink staff helped the buyer and seller develop a short term lease with a purchase option which resulted in a successful farm transition
- Helped plan and produce the Growing Our Farms Forum as part of the Sonoma County Food Systems Alliance, bringing together 200 farmers, landowners, policymakers, and community members to understand obstacles and explore tools and solutions to increase affordable and sustained land access for farmers and ranchers
- Revised and updated FarmLink’s extensive menu of lease clause options in collaboration with the Organizations and Transactions Clinic of Stanford Law School to better assist farmers and landowners to develop customized sound leases
- Initiated FarmLink’s long-term farm succession project, Agrarian Elders and the Next Generation, to provide business transition services to preserve the legacies of farmers approaching retirement and enable beginning farmers to harness the wisdom of agrarian elders
- Deepened relationships with land trusts and other conservation partners to foster increased land access for farmers and ranchers

Farmer Spotlight: Eisenhut Family Farm, Building a Legacy

California FarmLink has made small organic farming a possibility for us.
— Steven and Bryanna Eisenhut

For John and Cynthia Eisenhut it was time to retire in the country as they had always dreamed. For their son Steven, his wife Bryanna and newborn son Casper it was time to move away from the city and start a farm business. It was a great opportunity for the family to purchase property in Placer County and begin a farming legacy.

Steven reached out to FarmLink for guidance on how to structure a lease that would allow their fledgling farm project to grow while protecting each family’s long-term interests. Steven and his family will ultimately inherit this property, but they needed security for the operation’s investments in the land and to allow his parents to flourish in their retirement.

Steven and Bryanna secured a 20-year crop-share lease on 25 acres of family land, including the 100-year-old farmhouse they call home. The Eisenhuts now spend their time developing the farm and gathering around the kitchen table for family dinners.
FarmLink’s loan program continued to make great strides in 2015. Lending volume grew by more than 70 percent, from $1.1 million to $1.8 million, which dramatically increased the economic viability of 43 farms and ranches. Most of the loans FarmLink has made since starting the program in 2011 have been short-term operating loans; in 2015 these represented 70 percent of the funds that we deployed. Our lending products must evolve to meet the needs of farmers and ranchers, including options to finance the purchase and refinance of farmland. In 2015 FarmLink began offering farm mortgages, closing two farm mortgage loans in the second half of the year.

Independent, beginning, and minority farmers and ranchers face many barriers to obtaining loans, including limited experience, collateral and credit history, and non-traditional marketing and business models. These growers also lack access to the safety nets that have served more traditional farmers and ranchers since the era of the Great Depression. FarmLink has worked for 16 years to help farmers overcome these barriers, and in 2015 we initiated a strategic integration of our land and capital access programs to provide even more effective support for farmers to grow sustainable farm businesses, expand their access to land and capital, and create economic success for their families and communities. The story of Bertha Magaña and her family, below, exemplifies FarmLink’s unique expertise in assisting farmers to work towards secure land tenure in well-planned and attainable steps.

**Farmer Spotlight:** Bertha Magaña’s Path to Farmland Ownership

Bertha Magaña worked as a farm laborer for more than 30 years before launching Magaña Farms in 2011. Despite her production experience, access to markets, good credit, and significant equity in her home, Bertha faced several challenges including access to capital and land. Thanks to a community referral, Bertha connected with California FarmLink and received a $10,000 loan that first year. Over the next few years FarmLink provided Bertha with two additional annual operating loans.

In 2013, we helped Bertha negotiate a lease structured to facilitate future landownership. In 2015 the landowner decided to sell, Bertha called FarmLink for support, and we recommended the USDA Farm Service Agency (FSA) Down Payment Program. Bertha received a direct Farm Ownership Loan from FSA, combined with an FSA guaranteed loan with FarmLink. As a result, California FarmLink was able to support Bertha in achieving her goal of farmland ownership, providing the opportunity to build equity and long-term stability for the business.

**Farmers of Color**

Although there are about 800 active Community Development Financial Institutions nationwide, only a few benefit small and low-income farmers. With support from the Michigan State University Center for Regional Food Systems and the W.K. Kellogg Foundation’s Food and Community Initiative, FarmLink participated in a national learning community with CDFIs that also lend to farmers of color.

The goal was to share and improve outreach and lending strategies and practices, enhance partnerships with farmers, and network with other CDFIs to increase capital access among farmers of color. For more information, see the CDFI Farmer of Color Capital Access National Project report on our website.

We are thrilled to continue this work in 2016, engaging with CDFIs from across the country who are interested in supporting agriculture. We are working with the USDA and the National Sustainable Agriculture Coalition to make recommendations for federal programs and policies in the interest of maximizing support for small, low-income and immigrant farmers who represent the future of agriculture.

**Lending 2015 – Portfolio Breakdown**

**LOAN SIZE**

- Less than $25,000: 24 loans, $257,990
- $25,000 to $49,999: 4 loans, $357,500
- $50,000 to $99,999: 5 loans, $677,500
- $100,000 and greater: 17 loans, $528,000

Average loan size: $36,000

**LOAN PURPOSE**

- Advances on Receivables: 8 loans, $211,000
- Operating Loans: 36 loans, $1,287,490
- Equipment: 2 loans, $172,500
- Farm Mortgage: 3 loans, $150,000

Total of loans: $1,820,990
"I can confidently say that we would not be here operating this business without the support of FarmLink and Northern California Community Loan Fund. FarmLink has supported our business with operating loans for a number of years. 2014 was a difficult year for the business, and we didn't have the savings to reinvest that we normally do, at the beginning of the 2015 season. The loan that we obtained from FarmLink and NCCLF enabled us to start the 2015 season with the necessary capital, and it has been a much better year for the business."

— Octavio Garcia
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Loan Program Consultant

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California Farmlink is an equal opportunity provider, employer, and lender.
Thank you to all of our generous 2015 funders!

Major Funders

- Bank of the West
- Clif Bar Family Foundation
- Comerica Bank
- Community Development Financial Institutions Fund
- Community Foundation for Monterey County
- Community Foundation for San Benito County
- Community Foundation Santa Cruz County
- Farm Aid
- Gaia Fund
- Clarence E. Heller Charitable Foundation
- W. K. Kellogg Foundation
- Monterey Peninsula Foundation
- North American Development Bank
- New Belgium Family Foundation
- Orchard Hill Family Fund
- Rabobank, N.A.
- The 11th Hour Project
- UNFI Foundation
- Union Bank
- USDA Risk Management Agency
- USDA Rural Development
- Wells Fargo
- Western Extension Risk Management Education Center

303 Potrero Street
Suite 29-201
Santa Cruz, CA 95060
info@cafarmmlink.org
831.425.0303