

# SURVEY RESULTS

## *Getting a Handle on the Barriers to Financing Sustainable Agriculture: The Gaps Between Farmers & Lenders in Minnesota and Wisconsin*

**June 2003**

This report is a product of the Land Stewardship Project.  
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and the Land Stewardship Project as the source.  
The research that serves as the basis of this report was funded through a grant  
from the United States Department of Agriculture's Sustainable Agriculture  
Research and Education (SARE) program.



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# The Farmer/Lender/Educator Surveys

## Who was surveyed & why?

Anecdotal evidence tells us already that lenders think farmer/entrepreneur business plans are poorly written with little substantiating data to show the viability of a new way of making the farm pay. Farmers charge that lenders don't know about alternative farming methods, telling them, instead, to get bigger or find a job in town.

Hunches speak volumes, but imagine what we could learn about the myths and misunderstandings if we asked specific players some pointed questions.

In 2002, targeted surveys were sent to 1,600 agricultural educators (Extension and Farm Business Management/Production instructors), lenders and sustainable farmers in Minnesota and Wisconsin. (Note: The "sustainable" farmers surveyed were picked because of their membership in various sustainable agriculture organizations.) The surveys focused on perception and knowledge about sustainable agriculture and credit-related issues. There were 567 respondents.

## Who did the survey?

Joining LSP as partners in the "Farmer-Lender-Educator Project" are Extension Services in Wisconsin and Minnesota, Farm Business Management/Production instructors, lenders, and farmers in both states, as well as a consulting economist, the Minnesota Institute for Sustainable Agriculture, and several students.

## A quick look at the results

### Sustainable ag's reputation

✓ When asked whether "Sustainable farming is equally or more profitable than conventional farming," 89 percent of farmers, 35 percent of lenders and 51 percent of educators said yes.

✓ 35 percent of lenders and 25 percent of educators said they did not have "enough experience or knowledge to answer" that question.

✓ Most lenders (82 percent) say they are open to financing sustainable farming/marketing enterprises.

✓ 39 percent of farmers say their loan officer was open to their ideas.

✓ With "1" being bright and "5" being dim, 63 percent of farmers chose 1 or 2 when rating the future of sustainable agriculture. That same question prompted 22 percent of lenders and 40 percent of educators to answer one or two.

✓ 96 percent of lenders and 95 percent of educators thought sustainable agriculture will stay the same or grow. Organic agriculture's future was rated about the same by the two groups. They also felt strongly (85 percent lenders and 94 percent educators) that women-directed farming

enterprises will stay the same or grow. And they expect to see farming become more ethnically and racially diverse (88 percent lenders and 94 percent educators).

## What do lenders want?

✓ Most lenders want three-plus years of financial records.

## What do farmers have?

✓ One-third of farmers keep records only as needed for tax purposes, 43 percent use whole farm record keeping and 2 percent do enterprise budgeting.

✓ An average of 40 percent of *all* farm loan applicants prepare financial statements and 16 percent prepare business plans, say the lenders.

## Where do farmers get loans?

✓ Half of responding farmers finance their farms through institutional loans, especially independent local banks.

## Why are loans turned down?

✓ 54 percent of lenders distinguished between sustainable and other agricultural loans. Additional reasons for denying a sustainable agriculture loan were uncertain markets, lack of business/marketing plans and poor management skills.

## How important is credit?

✓ Twenty-five percent of farmers named the lack of external funding as a major impediment to sustainable farming. The bigger issues were lack of experience (49 percent), current farm policy (43 percent), and lack of knowledge (35 percent).

## Who are the farmers?

✓ 16 percent are older than 60

✓ 61 percent are 50 years or younger

✓ 83 percent have been farming longer than 10 years

✓ 41 percent rate themselves "completely" sustainable

✓ 56 percent report off-farm income

✓ 67 percent grow crops, vegetables, berries; 74 percent raise livestock; 13 percent are involved in other on-farm enterprises

**For more information on this survey and sustainable farming lending issues in general, check out the April/May/June 2003 issue of the *Land Stewardship Letter* (pages 2, 6 and 7), [www.landstewardshipproject.org/lsl/lspv21n2.pdf](http://www.landstewardshipproject.org/lsl/lspv21n2.pdf).**

# Farmers' Survey

Percentages reflect actual responses to each question unless "No responses" statistics are reported.

## **1. Please describe your farming operation, including your major goal.**

(not reported here)

## **2. How would you describe the concept of sustainable farming: (Please indicate all answers that you think apply.)**

- The same as organic farming: 25%
- Not using chemical pesticides & fertilizers: 43%
- Using fewer external inputs: 69%
- Takes into account social and environmental responsibilities: 77%
- Builds soil and reduces runoff: 83%
- Your own definition: 39%

## **3. To what extent do you believe you currently farm sustainably?**

- Not at all: 1%
- Just beginning: 13%
- To a moderate extent: 45%
- Completely: 41%

## **4. What are the major challenges you faced in implementing the sustainable agricultural practices you have tried? (Please check all answers that apply.)**

- Lack of knowledge of sustainable farming practices: 35%
- Lack of experience: 49%
- Difficulty in finding information: 24%
- Lack of the appropriate training opportunities: 16%
- Lack of external funding: 25%
- Current farm policy: 43%
- Social pressure: 22%
- They didn't work for me: 2%
- Other: 27%

## **5. According to your own experience and that of those you know, do you think sustainable farming is:**

- Less profitable than conventional farming: 11%
- Equally profitable as conventional farming: 36%
- More profitable than conventional farming: 53%

## **6. How long have you been managing your farm for sustainability?**

- Less than 5 years: 19%
- Between 5 and 10 years: 28%
- More than 10 years: 50%
- Not applicable: 3%

7. *If you grow crops or vegetables, fruits and berry products...* 67%

8. *If you raise livestock...* 74%

9. *If you provide other products or services (e.g. day lease hunting, on-farm bed and breakfast, agro-tourism, etc.) on your farm...* 13%

10. *During the year 2001, what was your income in the following categories? (Please select the one best answer in each of parts a., b., and c. below.)*

a. Gross annual household income from *all sources*? (Gross income includes total value of farm products, government payments, other farm income, and all other non-farm income.)

No response: 10%

- Less than \$40,000: 22%
- \$40,001-\$100,000: 31%
- \$100,001-\$200,000: 25%
- \$200,001-\$500,000: 11%
- \$500,001-\$1,000,000: 1%
- Over \$1,000,000: less than 1%

b. Gross annual income from *farming*? (Gross income includes total value of farm products, government payments, and other farm income.)

No response: 10%

- Less than \$40,000: 36%
- \$40,001-\$100,000: 22%
- \$100,001 - \$200,000: 20%
- \$ 200,001 - \$500,000: 10%
- \$ 500,001 - \$1,000,000: 1%
- Over \$1,000,000: less than 1%

c. Net annual income from *farming*?

No response: 13%

- Less than \$20,000: 50%
- \$20,001-\$40,000: 24%
- \$40,001 - \$60,000: 9%
- \$ 60,001 - \$80,000: 2%
- \$ 80,001 - \$100,000: 2%
- Over \$100,000: less than 1%

**11. In addition to income from farming, what other sources of income do you have?**

- None: 19%
- Off-farm income realized in the household (self, spouse or partner, children, other relatives, etc.): 56%
- Investments & savings: 27%
- Retirement income: 10%

**12. How familiar are you with each of the following terms?**

*(Please circle one answer for each term.)*

- 1 = Very familiar with and understand the concept
- 2 = Heard of the term but not familiar with the concept
- 3 = Not familiar with the term at all

	1 (%)	2 (%)	3 (%)
Cash flow	89	8	3
Owner equity	77	17	6
Debt/Asset ratio	75	18	7
Repayment Capacity Indicator (RCI)	22	34	44
Return on Investment	75	23	2
Risk rating	32	46	22
Solvency	54	30	16
Credit history	81	16	3

**13. Which of the following best describes your financial record keeping? (Please check the one best answer.)**

- Whole farm record keeping: 43%
- Enterprise budgeting: 2%
- Both whole farm and each enterprise: 21%
- Only what is needed for tax purposes: 34%

**14. How do you finance your farm business? (Please check all answers that apply.)**

- Profits from last year: 66%
- Personal savings: 31%
- Shared ownership: 6%
- Operating leases: 5%
- Credit cards: 16%
- Loans from family or other private individuals: 14%
- Loans from financial institutions: 52%
- Production contracts: 5%
- Government programs: 31%
- Other: 11%

**15. If you selected *Personal savings or Profits from last year in question 14*, why did you finance your farm this way? (Please check all answers that apply.)**

- The enterprise was small and I thought I did not need external financing: 35%
- Family has always financed it internally: 17%
- I did not think that lenders would be interested in loaning me money: 7%
- I applied for external financing and was rejected: 2%
- I don't believe in debt to finance short term operating expenses: 35%
- Other: 16%

**16. If you selected *Loans from financial institutions in question 14*, where did you obtain information on external lending organizations? (Please check all answers that apply.)**

- Contact with a lending institution: 42%
- Farming publications and newsletters: 3%
- Representatives of federal and state agencies (Extension, DNR, etc.): 2%
- ATTRA (Appropriate Technology Transfer for Rural Areas): less than 1%
- Internet: 0%
- Radio: less than 1%
- Family & friends: 11%
- Other: 7%

**17. In the past 5 years, please indicate if you have applied to any of these agencies to finance a farming, marketing, or processing enterprise:**

- Independent local bank: 47%
- Local branch of a multi-state bank: 11%
- FSA (Farm Service Agency): 7%
- SBA (Small Business Administration): less than 1%
- State Department of Agriculture: 2%
- AURI (Agriculture Utilization Research Institute): less than 1%
- State Department of Transportation: 0%
- State Rural Finance Authority: 2%
- State & Federal Conservation Program: 2%
- Other: 12%

**18. Was a financial statement a required document in applying for a loan?**

- No response: 38%
- Yes: 49%
- No: 13%

**18a. If yes, did you present a financial statement for the whole farm or only for a specific enterprise?**

- No response: 53%
- The whole farm: 46%
- Specific enterprise: 1%

**19. Was the loan officer knowledgeable about your sustainable farming/marketing practices?**

- No response: 38%
- Yes: 32% (51% of actual respondents)
- No: 14% (23% of actual respondents)
- I couldn't tell: 16% (26% of actual respondents)

**20. Was the loan officer open to your ideas about your sustainable farming/marketing practices?**

- No response: 40%
- Yes: 39% (65% of actual respondents)
- No: 5% (8% of actual respondents)
- I couldn't tell: 16% (27% of actual respondents)

**21. Within the past three years, do you feel you have a good working relationship with an agricultural lender in your bank/financial institution?**

- No response: 36%
- Yes: 56% (88% of actual respondents)
- No: 8% (12% of actual respondents)

**22. "I think that the future for the type of agriculture I do is":**

*(Please rate) Bright 1 2 3 4 5 Dim*

- No response: 15%
- 1: 40% (47% of actual respondents)
- 2: 22% (26% of actual respondents)
- 3: 12% (14% of actual respondents)
- 4: 7% (8% of actual respondents)
- 5: 4% (5% of actual respondents)

**23. How long have you been farming?**

- Less than 5 years: 7%
- Between 5 and 10 years: 10%
- More than 10 years: 83%

**24. What county/state are you farming in?** (not reported here)

**25. What training have you had on farm finances?** (not reported here)

**26. What is your age?**

- Less than 31: 2%
- 31-40: 17%
- 41-50: 42%
- 51-60: 23%
- Over 60: 16%

## ***27. What is your gender?***

- ❑ No response: 14%
- ❑ Male: 68% (80% of actual respondents)
- ❑ Female: 18% (20% of actual respondents)



# Lenders' Survey

*Percentages reflect actual responses to each question unless "No responses" statistics are reported.*

**1. Please briefly give your opinion about agricultural lending.** (not reported here)

**2. How would you describe the concept of sustainable farming? (Please check all answers that you think apply.)**

- The same as organic farming: 16%
- Not using chemical pesticides & fertilizers: 23%
- Using fewer external inputs: 63%
- Takes into account social and environmental responsibilities: 72%
- Builds soil and reduces runoffs: 56%
- Your own definition: 15%

**3. Does your institution have a specific definition for sustainable agriculture?**

- Yes: 2%
- No: 98%

If yes, please state: (not reported here)

**4. According to your own experience and that of those you know, do you think sustainable farming is: (Please check the one best answer.)**

- Less profitable than conventional farming: 30%
- Equally profitable as conventional farming: 31%
- More profitable than conventional farming: 4%
- I lack the right experience or knowledge to answer the question: 35%

**5. How familiar are you with each of the following agricultural terms? (Please circle one answer for each term.)**

- 1 = Very familiar with and understand the concept
- 2 = Heard of the term but not familiar with the concept
- 3 = Don't know the term at all

	1 (%)	2 (%)	3 (%)
Genetically modified organism (GMO)-free	78	17	5
Organic	87	12	1
Grass-based	67	28	5
Low input	68	29	3
Hormone/antibiotic-free	73	22	5
Small scale	64	28	8
Alternative	48	42	10
Integrated Pest Management	34	53	13
Management Intensive Grazing	67	28	5
Community Supported Agriculture	35	43	22
Sustainable	47	50	3

**6. Where do you obtain information on sustainable farming practices? (Please check all answers that apply.)**

- Contact with other lending institutions: 17%
- Farming publications and newsletters: 79%
- Books and other relevant published literature: 24%
- Representatives of federal and state agencies (FSA, DNR, etc.): 28%
- ATTRA (Appropriate Technology Transfer for Rural Areas): 2%
- Internet: 26%
- Radio: 6%
- Family & friends: 11%
- Farm customers: 59%
- The University/ Extension: 57%
- Other: 5% ; membership in LSP/OCIA/SFA, speakers at bank conventions, IA and WI public television, grazing seminars, sustainable farm orgs., trial and error on my farm, Grazing Wisconsin Ag. Task force, Adult Ag management instructors, "I haven't sought information at this point."

**7. Do you think you have good working relationships with agriculture educators (including Extension, Farm Business Management/Production instructors, and vocational agriculture teachers)?**

- Yes: 69%
- Somewhat: 29%
- No: 2%

If no, why not? New to ag portfolio, not pursued this/haven't taken the time, good relationships "but little contact." "I question the Educator establishment (especially Land Grant Colleges) concept of more product always being better without regard to the bottom line, sustainability, concentrations, monoculture, etc."

**8. When considering a loan application for an unconventional enterprise, how useful or helpful are the following benchmark data to you? (Please indicate with a check mark.)**

	Very useful	Somewhat useful	Not at all useful
Market price info	82%	16%	2%
Input cost info	88%	11%	1%
Enterprise productivity	83%	15%	2%

**9. Please indicate which of the following criteria is/are important when you consider an application for an agricultural loan in general and when considering a sustainable agricultural loan. (Please check all answers that apply for each type of loan.)**

	General ag. loans	Sustainable loans
Familiarity of enterprise	80%	75%
Final output/commodities	70%	68%
Government support	62%	47%
Production management (traditional vs. sustainable)	67%	68%
Applicant's management skills	94%	90%
Case studies of similar endeavors	24%	45%
Price and/or production history for the enterprise	87%	85%
Sales contract with a potential buyer (or certified bid)	53%	70%
Price volatility	68%	64%
Presence of a marketing plan	73%	76%
Presence of a business plan	69%	70%
Applicant's equity	91%	88%
Applicant's current ratio	80%	75%
Operating profit margin	91%	87%
Current enterprise analysis	65%	62%
Current balance sheet	96%	92%
Current income statement	94%	90%
Current cash flow analysis	90%	85%
Projected balance sheet	62%	59%
Projected income statement	82%	78%
Applicant's total household income (farm and non-farm)	89%	85%

Credit report	90%	87%
Projected cash flow analysis	87%	82%
Working relationship with the loan applicant and/or family	72%	67%
Applicant's reputation in the community	48%	47%
Applicant's gender	3%	1%
Applicant's ethnic/racial background	2%	1%
Primary and secondary benefits to local economy	17%	15%
Internal risk rating system	58%	54%
General economic/industry conditions	64%	60%
Size of the loan (in terms of cost of servicing)	35%	31%
Other:	6%	4%

***10. What is the minimum number of years for which the following historical and projected financial statements should be provided, according to your institution?***

	Not required	1 year	2 years	3+ years
Historical balance sheet	2%	18%	19%	60%
Projected balance sheet	22%	55%	11%	12%
Historical income statement	0%	3%	16%	81%
Projected income statement	4%	63%	18%	14%
Historical cash flow	14%	9%	18%	59%
Projected cash flow	4%	64%	19%	13%

**11. In your lending experience with all sorts of farmers,**

**a. What percentage prepares financial statements? (Please check all that apply.)**

- Avg.: 40%
- My clients are required to prepare one with me: 60%

**b. What percentage do you feel is familiar with financial terminology?**

- Avg.: 57%

**c. What percentage prepares a business plan? (Please check all that apply.)**

- Avg.: 16%
- My clients are required to prepare one with me: 16%

**d. What percentage prepares a marketing plan? (Please check all that apply.)**

- Avg.: 15%
- My clients are required to prepare one with me: 4%

**12. What is your bank's minimum loan threshold for agricultural lending?**

- My bank does not have one: 95%
- \$ range: \$1,000 - \$2.5 million

**13. How has it changed in the last 5 years?**

- Not applicable: 66%
- Increased: 7%
- Stayed the same: 24%
- Decreased: 3%

**13a. If it has changed, what was the main reason?**

- Not applicable: 64%
- The main reason:

The main reasons for a decreased threshold included: loss of small farms, losing bigger farms to bigger lenders consolidation , declining farms , economics , low milk and crop prices.

The main reasons for an increased threshold included: Board members don't understand ag. or reasons for loans, increased size of banks and capitalization, servicing costs, risk management, tight cash flow, cost of doing business, profit squeeze, bank buyout.

**14. Do you think you have good working relationships with farmers who consider themselves engaged in sustainable agriculture?**

- Yes: 46%
- Somewhat: 37%
- No: 17%

If no, why not? set in ways and not open to change, unaware of such clients (28 such comments), "they are low equity/low profit.", no opportunity to work with them., respondent's own unfamiliarity with it, "not funding sustainable agriculture", there are very few so engaged., no experience with customers in this field, low profitability and unable to find long term sold markets for organic products.

**15. Are you open to financing a sustainably managed farm/marketing enterprise?**

- Yes: 82%
- Somewhat: 18%
- No: 0%

Comments: needs profitability or adequate net assets til (it is) profitable, risk factor, they must be profitable and meet credit standards,

need for solid business plan, must be a size where return to bank is econ. Feasible weathering start-up costs in transition to sustainable. “We look at every loan.” “Proof is in the pudding.” Depends on manager-owner, provided #8, #9, #10 are met (benchmark data, criteria related to cash flow, planning, credit history etc.).

**16. In the past 5 years, has your bank received applications from farmers who you characterize as sustainable farmers/marketers?**

- Yes: 61%
- No: 39%

Comments: Very limited, organic (2), CSA, grazing. “None has so ID’d themselves as sustainable” (2). “Wouldn’t know one if I received one.”

**17. In the past 5 years, what were the three main enterprises for which farmers submitted loan applications to your institution?**

- Enterprise 1: Dairy
- Enterprise 2: Cash crops
- Enterprise 3: Beef

**18. Were any of the farmers who submitted loan applications for the 3 enterprises listed in Question 17 using what you think of as sustainable management/marketing practices?**

	Yes	Somewhat	Not sure	No
Enterprise 1	28%	25%	8%	39%
Enterprise 2	17%	26%	11%	46%
Enterprise 3	15%	21%	13%	51%

**19. In general, what are your three most typical reasons for denying an agricultural loan?**

- 1) cash flow
- 2) equity
- 3) credit

**20. What are your three most typical reasons for denying a loan that you think of as sustainable agriculture? (Please check all answers that apply.)**

- Same as my reasons listed above: 63%
- My institution does not make a distinction between sustainable and other ag. loans: 46%
- Typical reasons include (if different from those in *Question 19*): markets for products are new and uncertain (2), lack of business and marketing plan, poor management skills.

**21. Do you receive outside funding for agricultural loans (e.g., Farm Service Agency, Federal Home Loan Bank)?** (not reported here)

**21a. If yes, how do these funding sources react to sustainably managed enterprises?**  
(not reported here)

**22. Please complete this statement: “Bank examiners generally are \_\_\_\_\_ towards sustainably managed enterprises.”**

- Favorable: 1%
- Neutral: 92%
- Unfavorable: 7%

Comment: applies to all agriculture, skeptical of all farmers

**23. About how many agricultural loan applications does your institution process each year?** (not reported here)

**23a. Please indicate what (approximate) percentage of these loans are characterized as operating, intermediate, and long-term.** (not reported here)

**24. Please indicate the percentage of agricultural loans you have serviced during the past 12 months according to the following size ranges.** (not reported here)

**25. For what institution/agency do you work?**

- Independent local bank: 62%
- Local branch of a regional or national bank: 18%
- FSA (Farm Service Agency): 7%
- SBA (Small Business Administration): 0%
- AURI (Agriculture Utilization Research Institute): 0%
- State Rural Finance Authority: 0%
- Other: 13% (Farm Credit Services, 20; credit union, 4; cooperative)

**26. Your position or title at work:** mostly ag. lenders, some VPs and bank presidents.

**27. What is the approximate size of the territory that your bank/ local branch or organization serves?** (not reported here)

**28. Do you have a role in determining your institution’s policy towards agricultural lending?** (not reported here)

**29. How long have you been an agricultural lender?**

- Less than a year: 1%
- 1 – 5 years: 11%
- 6 – 10 years: 13%
- 11 – 20 years: 28%
- more than 20 years: 47%



**30. What is your educational background?** (not reported here)

**31. What is your farming background? (Please check all answers that apply.)**

- None: 8%
- Raised on a farm: 74%
- Worked on a farm: 42%
- Was a farmer: 15%
- Am a farmer: 30%

**32. In the past 5 years, what classes or workshops related to sustainable agriculture have you attended?**

- None: 75%
- I have attended the following (please list the subjects and who offered the session):  
(not reported here)

**33. If you work for a chartered financial institution, how does your bank fulfill its Community Reinvestment Act (CRA) requirements?**

- Not applicable: 47%
- We do the following: 53%

Extensive investment in small business lending, #1 Ag bank in the state.

I don't know, but we are chartered./ We follow CRA regs.

Lend to lower income farm families

Large holding company, several approaches

95% of all loans go back into our communities

All of our local lending can be considered CPA

Ag loan portfolio helps

Crop loan specials

We try our doggondest w/ WHEDA, FSA & B&I Guarantees.

Utilize FSA and State guaranteed loans. Loans to beginning farmers, Amish and students.

Beginning/Young farmer program

Revest in local economic development

Loans to low income citizens.

We have a high loan/deposit ratio. Community involvement.

We practically own Main Street!

FSA Guaranteed Loans & WHEDA loans for residential housing

Loans to low income individuals, use of programs through WHEDA and Farm Service Agency. Received outstanding rating.

Done State wide - not local

Enough to obtain an "outstanding" rating.

Big farm loans, WHEDA crop, small business, low down payment house loans, PSA/SUA loans, micro loans, block grant funded loans

We work w/ governmental agency to assist in lending.

Significant lending and deposit services to small business and small farms in the market we serve. Community contributions and volunteer efforts to employees in those communities.

We lend to any and all credit worthy applicants in our communities, regardless of loan size. We encourage economic activity and entrepreneurial. With the use of FSA & SBA guaranteed loans.

Utilize FSA Gty's to help finance lower income families and farm loans have been made to women.

Provide equal financing opportunities to all social groups including but not limited to Amish & Mennonite farmers.

Participate in a wide variety of local Ag groups including extension, young farmers, PDP.

We are a community bank - owned by many shareholders, land, individuals, organizations & corporations for personal & business purposes; accept deposits from individuals, organizations & corporations. Involved in many community activities, etc. You didn't leave much space & weren't specific in this question! We have a CRA policy that addresses this and we are examined.

FSA guarantees State agency guarantees bank sponsored farm customer seminars.

Provide Ag loans, All mortgage loans and consumer loans. (can't read)

Farm Forum - sponsored with adult farm mgmt. Have had speakers on sustainability. I am also on a board with sustainable members on it.

Many farm loans use of who FDA & FSA guarantees to support farm customers.

Most of our loans are local residential. Also a high amount of consumer credit.

Public events. (can't read) I have spoken to co-ops, lender groups, large farm gatherings.

FSA guarantee loans, employees volunteer in the community. WHEDA crop loans.

FSA guaranteed loan programs, many with interest assist low income housing programs

We make a lot of our loans to low & moderate income farmers & consumers.  
Use WHEDA & FSA loans & Guarantees.  
We lend to our community, including farmers

**34. Please complete this statement: “I think that the future for sustainable agriculture is \_\_\_\_.”**

(Please circle the one best answer.) **Bright 1 2 3 4 5 Dim**

- No response: 24%
- 1: 3% (3% of actual respondents)
- 2: 19% (25% of actual respondents)
- 3: 43% (57% of actual respondents)
- 4: 9% (12% of actual respondents)
- 5: 2% (3% of actual respondents)
- No opinion: 18%

**Comments:**

Small farmers in general have a dim future, whether sustainable agriculture, niche market, organic, or conventional.  
Until society places a value on small farmer the future will remain dim.  
It is a rich market by most standards.  
Large farmers won't change over from more conventional practices.  
Major producers will continue with products that defy mother nature.  
If profitable, and realistic / very bright (several referenced need for profitability).  
All the ropes & regulations will kill any good idea.  
I feel it has a definite future. We will have two groups of farmers “sustainable” & large or factory middle will be gone.  
Will depend on the marketing abilities, financial understanding and profitability.  
I think federal (can't read) support programs & free trade policies favor multi-nationals over family farmers.  
Hard to compete w/conventional, must be excellent marketers.  
I have had NO loan applications for sustainable Ag customers in 28 years of lending!  
The enterprises must provide an economic return and standard of living to the owners without subsidy from the government in excess of existing programs.  
Our region shows more emphasis on organic farming rather than sustainable. Prices for organic products are much better.  
Some dairy farmers are better utilizing grass and rotational grazing on operations. This fits younger farmers with limited capital.  
A sustainable Ag farmer will survive and prosper if he/she is good at what they do. The same as traditional agriculture.  
The cost/price squeeze is killing Ag.  
Is a viable option for people to think out of the box to remain in Ag in someway.  
I believe we need to take a more active role in protecting our resources and environment.  
It's just a different management system—it's as good or bad as the manager.

**35. The future of agricultural production in this region will include: (Please check all answers you think apply and rate each one as more, the same, or less than now.)**

	<u>More</u>	<u>Same</u>	<u>Less</u>
Conventional agriculture	19%	53%	27%
Biotechnology	82%	16%	2%
Organic	43%	51%	6%
Sustainable	45%	51%	4%
New farmers	7%	21%	72%
Women-directed	24%	61%	15%
Ethnic/racial diversity	17%	70%	12%
<b>Other:</b> part time farmers depending on city jobs (3) corporate farms more capitalization on-farm marketing specialization specialty crops more concentration and integration, assuming no change in public policy more land reverted to hunting and conservation easements vs. development.			

**36. What is your age?**

- 31-40: 17%
- 41-50: 68%
- 51-60: 25%
- Over 60: 5%

**37. What is your gender?**

- Male: 88%
- Female: 12%

# Educators' Survey

Percentages reflect actual responses to each question unless "No responses" statistics are reported.

**1. In the past 5 years, what were the three main topics for which farmers sought your help/advice?**

1. Financial management/analysis
2. Farm management
3. Marketing

**2. In the past 5 years, what were the three main enterprises for which farmers sought your help/advice?**

1. Dairy
2. Corn/soybeans
3. Hogs/alfalfa

**3. How would you describe the concept of sustainable farming: (Please check all answers that you think apply.)**

- The same as organic farming: 8%
- Not using chemical pesticides & fertilizers: 11%
- Using fewer external inputs: 64%
- Takes into account social and environmental responsibilities: 71%
- Builds soil and reduces runoffs: 52%
- Your own definition: 35%

**4. According to your own experience and that of others you know, do you think sustainable farming is: (Please check the one best answer.)**

- Less profitable than conventional farming: 24%
- Equally profitable as conventional farming: 43%
- More profitable than conventional farming: 8%
- I lack the right experience or knowledge to answer the question: 25%

**5. In the last 5 years, have you encountered \_\_\_ interest from farmers on topics related to sustainable agriculture?**

- More: 43%
- The same: 45%
- Less: 12%

**6. Of the farmers in your geographic work area, what percentage are involved in what you consider to be sustainable agriculture? Avg.: 24%**

**7. Does your college or university have a specific definition for sustainable agriculture?**

- Does not apply: 16%
- No: 62%
- Yes: 22%

**8. How supportive of sustainable agriculture is your college or university?**

- Does not apply: 11%
- I can't tell: 24%
- Actively supportive: 35%
- Somewhat supportive: 28%
- Not at all supportive: 2%

**9. How familiar are you with each of the following agricultural and finance terms?  
(Please circle one answer for each term.)**

- 1 = Very familiar with and understand the concept
- 2 = Heard of the term but not familiar with the concept
- 3 = Don't know the term at all

	1 (%)	2 (%)	3 (%)
Genetically modified organism (GMO)-free	90	8	2
Organic	92	7	1
Grass-based	67	24	9
Low input	80	18	2
Hormone/antibiotic-free	87	9	4
Small scale	81	14	5
Alternative	75	19	6
Integrated Pest Management	75	21	4
Management Intensive Grazing	78	17	5
Community Supported Agriculture	54	31	15
Sustainable	69	27	4
Cash flow	91	7	2
Owner equity	92	5	3
Debt/Asset ratio	92	6	2
Repayment Capacity Indicator (RCI)	67	25	8
Return on Investment	93	6	1
Risk rating	75	19	6
Solvency	90	7	3
Credit history	92	7	1

**10. Where do you obtain information on sustainable farming practices? (Please check all answers that apply.)**

- Does not apply: 3%
- University/Extension: 82%
- Collaboration with research centers: 33%
- Farmers: 61%
- Farming publications and newsletters: 62%
- Books and other relevant published literature: 49%
- Representatives of federal and state agencies (FSA, DNR, etc.): 28%
- ATTRA (Appropriate Technology Transfer for Rural Areas): 20%
- Internet: 55%
- Radio: 5%
- Contact with lending institutions: 3%
- Others, please specify: 8%

MN Dept. of Ag.  
Land Stewardship Project  
Sustainable Farming Assoc. of MN.  
Iowa State  
Practicing farmers  
“So few requests, no need for information.”

**11. Do you think you have good working relationships with farmers who consider themselves engaged in sustainable agriculture?**

- Yes: 59%
- Somewhat: 30%
- No: 11%

If No, why not? Don't know or work with any. “Out in left field.” “Not much activity, no requests in area.”

Viewed as conventional with nothing to offer.

**12. Do you think you have good working relationships with agricultural lenders?**

- Yes: 83%
- Somewhat: 14%
- No: 3%

If No, why not? Don't work with them much, haven't taken the time, not part of my work responsibilities, skeptical of banker motives, no lenders in NE MN!

**13. In your work experience with all sorts of farmers,**

**a. What percentage prepares financial statements? (Please check all that apply.)**

- I don't know: 16%
- Avg.: 67% (63% response rate)
- My students/program participants are required to prepare one with me: 37%

**b. What percentage do you feel is familiar with financial terminology?**

- I don't know: 9%
- Avg.: 58%

**c. What percentage prepares a business plan? (Please check all that apply.)**

- I don't know: 81%
- Avg.: 21%
- My students/ program participants are required to prepare one with me: 8%

**d. What percentage prepares a marketing plan? (Please check all that apply.)**

- I don't know: 85%
- Avg.: 25% (13% response rate)
- My students/ program participants are required to prepare one with me: 7%

**14. In the past 12 months, what sorts of outreach or promotional activities have you organized, in terms of event numbers and people reached? Please also indicate if information was included pertaining to what you consider to be sustainable agriculture.**

- Outreach or promotional programs are not part of my work: 11%
- See below: (blanks indicate results not reported here)

	# of activities	# of people reached (est.)	Sustainable agriculture information was included.
Meetings & presentations			41%
Individual consultations			44%
Volunteers trained			7%
Radio, TV programs			13%
Newsletter, newspaper articles			29%
Publications distributed			15%
Agency contacts			17%
Other activities, please list:			

**15. Do you work with campus-based faculty or experiment station researchers on research projects that they conduct in your geographic work area? (not reported here)**

- No
- Yes

If Yes, please briefly describe the research of the past 5 years:



**16. What types of agricultural research have been conducted in the past 5 years in your geographic work area by faculty from your state university and/or researchers at your nearest agricultural experiment station? (Please check all that apply.)**

- I don't know: 28%
- Conventional production management: 62%
- Organic production management: 22%
- Sustainable production management: 41%
- Conservation and/or wildlife management: 25%
- Financial management: 34%
- Human resource management: 13%
- Marketing strategy and management: 73%
- Other, please specify: Dairy, grazing. "I don't record this information." "No Extension agent."

**17. Do you conduct on-farm trials or demonstrations?** (not reported here)

- This sort of activity is not part of my job description.
- No
- Yes

If Yes, please briefly describe the trials or demonstrations that you have conducted during the past 5 years:

**18. If you obtained funding specifically for your on-farm trials and demonstrations during the past 5 years, what were the sources? (Please check all that apply.)**

(not reported here)

- Not applicable
- Private industry
- Foundation grants
- Government grants
- University/college funds
- Commodity group/farm organization

**19. Do you think you have a role in determining your college's or university's programming and research agenda?**

- Yes: 69%
- No: 31%

**20. Your position or title at work:** (not reported here)

**21. How long have you been an agricultural educator?**

- Less than a year: 1%
- 1 – 5 years: 22%
- 6 – 10 years: 12%
- 11 – 20 years: 22%
- More than 20 years: 43%

**22. What geographic area do you work in? (Please check the one best answer.)**

- County: 27%
- Cluster (group of counties): 42%
- Multiple townships: 5%
- District: 19%
- State: 4%
- Multi-state: 2%
- Nationwide: 1%

**23. What is your educational background? (not reported here)**

- Bachelors degree: *major*- \_\_\_\_\_
- Masters degree or higher: *major field*- \_\_\_\_\_

**24. What is your farming background? (Please check all that apply.)**

- None: 10%
- Raised on a farm: 75%
- Worked on a farm: 51%
- Was a farmer: 26%
- Am a farmer: 34%

**25. In the past 5 years, what classes or workshops related to sustainable agriculture have you attended?**

- None: 49%
- I have attended the following (please list the subjects and who offered the session): 51%  
Several **grazing seminars sponsored by UW, NRCS and local producer groups** UWEX conservation tillage workshops and seminars  
Grazing UW River Falls  
Several offered through **UWEX SARE** program  
**Center for Rural Affairs** sponsored offering  
Sustainable Ag meetings  
Grazing, **ACRES conf.**  
Grazing - professional organization - raising hogs in **hoop houses** - **National Pork Producers** (I have attended continuous where sustainable Ag is part of topics)  
Couple of field days, meetings sponsored by a **local elevator that handles organic and non-GMO grains**  
**HRM Classes** - in Plainview, MN  
Intensive Rotational Grazes - **West Central (Morris)**  
Rotational grazing - **MDA**  
Grazing-**LSP** last summer Midwest grazing conf. **Dubuque University** **Organic-extension**  
**Ag risk mgmt**, U of M **marketing, tax seminars, dairy strategic planning, crop field days, financial**  
Morris-Hoop buildings Open house at the Research Center Aug. 1st.  
Heard speakers on subject at conference of our own.  
**Pasture walks**, sustainable farming, annual meetings, tours, conventions, etc.  
**NPPC - Low input pork production**  
Financial planning/**commodity marketing**  
Grazing Dairy  
**U of M Ag courses** 12 credits  
**MW Organic Conf.**, Grazing conf., Holistic Management Training  
UW update for ag agents; **riparian grazing workshops**, WI Grazing Conf. sessions.  
**Organic university SARE, conservation tillage NACAA**  
**Small Farm Conference** offering sustainable ag, organic conference, statewide sustainable ag introduction  
Attended several programs, just can't think of the names at this time.  
Organic milk production offered by US-Extension, (2) Upper Midwest Organic Conference, Various grazing workshops offered through **Extension**

Lots of grazing meetings, Upper Midwest Organic Conference, Farm meetings

**By my own definition of sustainable agriculture, nearly every class or workshop I attended** provided some sustainable agriculture information.

Many in MN, promoted by the MN **Sustainable Farming Association**, the U of M Extension Service and private industry focusing on livestock, crop and vegetable production and strategies.

**Organic veg. Production, Iowa State**

2-3 grazing conferences per year

**Iowa state sustainable ag conference - marketing, organic soybeans**

**Organic University, Iowa State University**

NC-SARE "Linking People, Places, and Community" Morris, MN

State and regional grazing conferences (extension and Grassworks), organic farming conference (**MOSES**), family farm conferences (**extension**), organic dairy seminar (**CROPP**), soil ecology workshop (extension)

Several Regional and National SARE workshops of various types SFA programs - attended and conducted grazing workshops- SFA, LSP, **SWCD**, Extension

A couple of sessions on rotational grazing, A series of meetings on **weed biology**

Midwest Sustainable Ag Conference, St. Louis, MO

Organic workshops in St. Cloud 2000, 2001, 2002

**I don't record this information**

Too numerous to list

My memory for this sort of thing is not very good, in the context of my life today. National Alfalfa Production seminar, **U of M Crop Pest Short Course** annually, **Soybean Weed Management Study Group**

Extension Staff Development, **Sustainable dairy tour**

Grazing and organic conferences

**University of MN-Lamberton Field Day 2002**

## ***26. Are you interested in staff development in sustainable agriculture issues?***

No: 27%

Yes: 73%

If Yes, what topics most interest you?

Grazing

Zone till planting of corn in heavy soils, cover crops and being effective and practical

Any area!

**Value added enterprises**, truck gardening - farmers market

**I need to be led to what I need to know.**

The **economics** of sustainable Ag, possibly **marketing**

**Coop type organization of producers**

**How to make sustainable farming MORE profitable than traditional farming**

Sustain corn/soybean-MDA

Profitability working with area farmers on looking at production alternatives

**Grass based**, direct marketing, organic, soil fertility

Intensive pasture Rotation/Grazing Beef and Dairy

Biological

The general concept of sustainability; how to educate and promote commodities without check-off programs

Conservation/Grazing, **organic**, direct marketing

Livestock related

Conservation tillage, low input systems

Alternative ag, soil conservation, **direct marketing**

**I have a feeling not of the type you would want to present** (he indicated NO on this question)

**Those that will be fairly easy for the growers to see, touch and adapt fairly easily without much change in machinery or time management**

Soil health

Defining the issue

Emphasizing the profitability picture and not just dealing with highest conventional production issues

**Fruit and vegetable production**

Crop and soil ecology, nutrient cycling, grazing systems, **holistic management, family farm systems, agro forestry**

Organic production-profitable enterprises

Economical sustainable Ag

Organic production

Crop Production, Alternative Crops & Livestock, Marketing

No-till profitability in heavy soils

Crops, Rangeland

**Financial performance of non-traditional enterprises**

Economics and profitability of sustainable systems

Organic Crop Production, and marketing of the product

**Precision Ag**, tillage/seedbed prep, identity preserve/marketing /contracts

**Practical real life production practices with standardized economic analysis**

Dairy Production

Dairy grazing and related information

Economics of sustainable ag

**27. Please complete this statement: “I think the future of sustainable agriculture is \_\_\_\_\_.” (Please circle the one best answer.)** **Bright 1 2 3 4 5 Dim**

- No response: 11%
- 1: 14% (16% of actual respondents)
- 2: 26% (29% of actual respondents)
- 3: 30% (53% of actual respondents)
- 4: 8% (9% of actual respondents)
- 5: 4% (4% of actual respondents)
- No opinion: 7% (8% of actual respondents)

**Comments:**

The consumer will have to foot the bill or it may not happen. Food prices need to rise as % of total disposable income or we need to extract money for the practices via taxes and subsidies. The American consumer demands large volumes of low-cost safe food. They also do not want to be taxed. Politics unfortunately is the method that typically is used to solve this biological and scientific issue. (2)

Not enough successful stories, incentives - current gov't programs support crops and top production. (4)

I live in light tourist area - they seek chemical free pesticide free produce and meat. (1)

Farmers in my area are keyed into profitability and practicality of an enterprise or method of producing a profit. So far what we have seen in the area of “sustainable agriculture” offers little of either. The average family living expense for farm families in central Minnesota is over forty thousand dollars. We need real opportunities for families to make that kind of money. (note that in F survey, ~75% of respondents reported a gross household income of >\$40,000. 60% reported gross annual income from farming >\$40,000. And ~16% reported net annual income from farming >\$40,000.) (4)

It has to be profitable to be sustainable. (3)

Farms must get rewarded financially for using a sustainable system. (3)

Must show profit potential. (2)

1. We cannot continue high usage of petrochemical & mined mineral inputs. 2. Corn/soy MDND crop production is not feasible today without gov. subsidy, much less in the future. (1)

My view is that everything involved with farm is sustainable related. (1)

an alternative to “traditional” agriculture production. (3)

I think the direction in the future of Sustainable Ag needs to be determined by people in production Ag not legislates and politicians. (2)

Not much fever for it. (3)

If Land Stewardship changes, if mission follows a mission to include livestock modernization. (1)

Must be done correctly to have any future. (3)

Only sustainable business's survive over time. (5)

Only well-fed people can afford to be overly philosophical about how they get a potato out of the ground. (2)

**28. The future of agricultural production in this region will include: (Please check all answers you think apply and rate each one as more, the same, or less than now.)**

	More than now	Same as now	Less than now
Conventional agriculture	12%	46%	42%
Biotechnology	85%	13%	2%
Organic	63%	33%	4%
Sustainable	62%	33%	5%
New farmers	23%	28%	49%
Women-directed	46%	48%	6%
Ethnic/racial diversity	45%	49%	6%
<p><b>Other:</b> If you had a column titled "I don't know" I would have checked that all the way. <b>GPS, computer activities</b> impact of <b>Hmong/Asian</b> groups. <b>Larger farms; smaller part-time farms</b> <b>Grass based farming</b> <b>Conventional producers are already getting into organics</b> where it makes sense. General Mills, etc. will buy their way into the market and leave the ex-hippies behind wondering what happened. Ag is a tough business if you are weak or make a mistake it will chew you up and spit you out very quickly. As long as the consumer wants cheap, fast food and farm policy remains the way it is farms will continue to grow in acres farmed by fewer farmers. I feel that farming is becoming a mature business and <b>with that maturity comes consolidation</b>. I think the number of farms in rural America will continue to decline and acres farmed per farmer will continue to increase. This will continue to be profit driven and will operate on a very small profit margin.</p>			

**29. Please complete this sentence: "Current U.S. agricultural policy is \_\_\_\_\_ towards sustainable agriculture."**

- Favorable: 20%
- Neutral: 36%
- Unfavorable: 30%
- I don't have an opinion: 14%

**30. Please complete this sentence: "Agricultural resources and funding currently \_\_\_\_\_ sustainable agriculture."**

- Ignore: 3%
- Inadequately support: 42%
- Adequately support: 25%
- Strongly support: 5%
- I don't have an opinion: 26%

**31. What is your age?**

- Less than 31: 7%
- 31-40: 16%
- 41-50: 40%
- 51-60: 35%
- Over 60: 2%

**32. What is your gender?**

- Male: 91%
- Female: 9%