

Farm Transitions Stories

A Return to the Community

By Alex Baumhardt

Ryan Batalden grew up on farmland in southwest Minnesota that was given to his family during the late 1800s homesteading acts. When he returned to the community of Lamberton to become a fifth-generation Batalden farmer, his experience with land access was a far cry from that of his great-great grandfather's, his grandfather's, or even his father's.

"All of the other family members that wanted to farm were able to buy that land or buy land next to it, but historically where I'm at, it's just not where that's even possible," Batalden, 36, says.

As he says this, Batalden is standing on an 80-acre section of the 340 acres he rents, several miles from the very farm he grew up on. This 80-acre parcel was the first land Batalden was able to rent and it was his foot in the door when it came to getting started as an independent farmer. Batalden treats all of his land with a pride of ownership that supersedes his reality as a renter. He's established native pollinator habitat, uses cover crops to build the soil and is carving out a place in the community that he hopes will allow him to continue his family's farming legacy.

A Reverse Brain Drain

After graduating from high school in 1995, Batalden did what he says most kids that grow up in rural areas nowadays do—leave. "That's what I did because that's what you're supposed to do—get off the farm and go get a good job. We're taught to never come back," he says, adding that there was also the sense that there simply wasn't room for him on his family's home place. "There was never even any talk of me farming because I couldn't just jump in and farm some of their land—they wouldn't have enough income."

He received a bachelor's degree in com-

munications at the University of Minnesota, got an office job in the Twin Cities and, when he was ready to "crawl out of his skin" for want of the outdoors, took off backpacking in Europe for several months. When he got back to the U.S., he helped his parents during fall harvest to save some money and get his bearings. He knew he wanted to work outside and, as the season wore on, he knew he wanted to be a farmer.

"I realized that I was as excited about Sunday evening as I was about Friday evening," Batalden recalls. "I'd never had a job like that before."

But it soon became clear that lack of access to land was going to be a problem, even for someone with a farming background and deep roots in the community. In 2003, Batalden went to an auction with his father and uncle to get an idea of what land in the area was going for. The farm went for \$3,200 an acre, and Batalden's father and uncle told him it was too high a price to be buying land for.

"I'm sure that same piece would sell for \$10,000 an acre now," Batalden says.

He tried to buy land with a USDA Farm Service Agency (FSA) loan but found that such a loan cannot be used to buy land sold at auctions, which is the means by which most

of the land in and around Lamberton was being sold. When Batalden did find a private sale he could apply the loan towards, he discovered that it would take six to 12 months for the loan to come through. The family he wanted to purchase the land from at the time couldn't wait that long, especially as other offers on the land could come through faster.

"The only way I see the FSA loan program working is if you have someone that can buy land at an auction, sell it to you privately and wait that six to 12 months for your loan to come through," Batalden says (see "FSA Beginning Farmer Loans" sidebar on page 21).

During summer breaks throughout college, Batalden had worked part-time at the University of Minnesota's Southwest Research and Outreach Center in Lamberton. A few people at the center knew that Batalden was back and wanting to farm and they helped him get in touch with an absentee landowner who was interested in renting to a farmer who would take good care of the land. In 2012, Batalden renewed his lease on that original 80-acre plot for another 10 years.

The rental contract is set up through a "sharecropping" arrangement. That means that Batalden and the landowner share the expense of the fertilizer, and the young farmer covers everything else—seed, equipment, labor. At the end of the year, the landowner gets 40 percent of the crop value and Batalden receives the other 60 percent. Sharecropping was ideal for Batalden as a new farmer because he didn't have to borrow money for cash rent. During a good year, Batalden's landlord stands to receive a higher profit than if she had a simple cash-rent agreement with him. But in a bad year, she shares the risk with him.

A Competitive Advantage

Batalden's landlord is providing the young farmer this opportunity because he takes special care to treat the fields in an environmentally friendly manner. For example, Batalden is certified organic, which stands out in an area where chemical-intensive operations are often 10 times the size of his popcorn, soybean and wheat operation.

He wasn't the first Batalden to go organic. His parents switched to organic farming in the late 1990s without even telling the rest of the family.

"They had 300 acres tillable ground and 50 acres of pasture, and that was just barely enough for them to live off conventionally," Batalden says. This, along with the desire to wean their land off destructive pesticides, prompted them to transition to the organic market where they could sell their crops at a higher price.

Batalden likes organics not only because of the higher premium price he receives for his crops, but because he feels he's giving back to the land that sustains his livelihood while building the soil for future farmers who may someday find Lamberton an attractive community to live in.

An Investment in the Future

Batalden's commitment to stewardship has opened up another door to farmland access. Five years ago, he got an e-mail about



The LSP-MISA *Farm Transitions Toolkit* is at www.landstewardshipproject.org/farmtransitionstoolkit, or order one at 800-909-MISA (6472).

Farm Transitions, see page 15...

a private investment company called New Spirit Farmland Partnerships based out of Milwaukee, which focuses on connecting investors to early stage projects concerned with land stewardship and ethical farming. One thing the initiative does is to link socially-minded investors with sustainable farmers who need capital to purchase land.

“It just seemed way too pie-in-the-sky. I thought, ‘There’s no way this is going to work,’” Batalden recalls. “Nobody just calls you up and says, ‘I want to spend a huge amount of money on you.’”

But one investor did just that. She bought 160 acres in the Lamberton area and in 2008 gave Batalden a 15-year, cash-rent lease. Then, in 2010, she bought another 100 acres to rent to Batalden. He pays a “very fair rent” to her (Batalden says he is charged less than what a landowner would probably ask for at a rental auction) and she has likely seen the value of the land double since she bought it, given the rising price of land in the area. In order to expand his farming operation, Batalden discovered that outside private investment was not only a good option, “It was the only option.”

Batalden’s rental of the farmland he uses is mutually beneficial for he and the landowners. The landowners get to have someone care for their land, build the soil and keep invasive weeds out while the young farmer, who supplies all of his own equipment, gets access to prime cropping ground

in his community.

Farming with Foresight

It’s not just the price of the rental rates that provided Batalden a leg-up when he was getting started—the length of those leases has also helped. The long-term leases he has are rare among the farmers in his area

• • •

The long-term leases Batalden has are rare among the farmers in his area who are typically renting on a year-to-year or three-year basis. Long-term leases give him the confidence to invest in conservation measures, among other things.

• • •

who are typically renting on a year-to-year or three-year basis. Batalden feels more secure with his long-term leases, which give him the ability to work towards projects that will develop over longer periods. For example, he’s built a four-acre native pollinator habitat with money from the USDA’s Environmental Quality Initiatives Program. Batalden also has a contract with the USDA’s Conservation Stewardship Program that supplies him with the resources to have a soil-friendly crop in his rotation, to buy seed for cover crops and to purchase some necessary equipment needed to carry out these projects.

The long-term leases provide security

in the immediate future, but Batalden does wonder about his post-farming plans. “Your retirement is your land when you farm,” he says. “I don’t own any land; I’m not building any equity.”

He and his wife Tiffany have invested in mutual funds, stocks and bonds in preparation for retirement, but Batalden has his heart set on truly owning his own land one day. Still, he says, “I can’t take out a 25-year-loan based on income projections on record crop prices, because there are not going to be record prices for 25 years in a row.”

A Farming Family’s Future

Batalden’s parents are in their 60s and still actively farming. Retirement is not on the forefront of their minds, but in 2013 they started a dialogue with their children about transitioning the land and different scenarios that could come-up in the future. Most of Batalden’s siblings are farming and he feels they would all be excellent candidates for taking over their parents’ operation one day. He realizes the importance of this conversation for farmers everywhere.

“Typically a couple retires, they rent their land, they pass away and their kids, who are no longer living in the farming community, inherit it and sell it at auction,” he says.

What’s often not a part of this scenario is the conversation where an older couple talks to their children about what would become of the farm once they’re gone, what they want their legacy to be on that land and whether or not they should start looking for a new farming family with similar values to look after it.

“By the time I’m ready to retire or am semi-retired, I hope I’ve built up the soil and that I have a system that will allow someone else to come in and take it over,” Batalden says. “Not everything I do out here is perfect, but I have to ask myself, ‘What’s the best I can do?’”

When Batalden realized he wanted to be a farmer, he knew it had to be in Lamberton. He couldn’t imagine farming without his dad, and the equipment, mentorship and support his family has provided him were a great advantage. His best advice for new farmers looking to get started is to go to the communities they’re considering living and working in and start knocking on doors.

“There’s no great database of absentee landowners,” says Batalden. “Some people may just turn you away, but you may knock on the door of someone who knows someone who can help. Anyone who tells you that they got into farming without any help is lying — or they have a bad memory.” □



Ryan Batalden: “Not everything I do out here is perfect, but I have to ask myself, ‘What’s the best I can do?’” (Photo by Alex Baumhardt)