

An IDA Program For Pennsylvania -Opportunities and Challenges-

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Agenda

- Introduction
- IDA research – findings
- PA farm sector overview
- Focus group questions
- End: 5:00 pm

** This meeting will be recorded*

Introduction

Name	Organization	Position/Background
Lynn Kime	Penn State Extension	Extension Associate
Darlene Livingston	PA Farm Link	Executive Director
Karen Gardner	Nat. Young Farmers Coal.	PA Policy Associate
Shawn Frantz	Ag Choice Farm Credit	Ex. Loan Officer & Ass. Region Man.
Johanna Rohrer	Mid-Atlantic Farm Credit	Division Marketing Specialist
Mike Firestine	Fulton Bank	Senior Vice President
David Poorbaugh	Farm Service Agency	PA Farm Loan Program Chief
Lauren Feldman	Farm Service Agency	Farm Loan Program Specialist
Phil Stober	PA Department of Ag	Chief of Econ. Development
Justin Clapper	PA Farm Bureau	Young Ag Profess. Comm. Dir.
Aaron DeLong	PASA	Delaware Val. Program Mang.
Benjamin Bartley	Ecosystm. Ser. Mkt. Const.	Project Manager (former Ext.)
Russ Thorenson	Nat. Yng Farm Farmer--	Beginning Farmer
Tacumba Turner	Nat. Yng Farm Farmer--	Project Coordinator
Drew Manko	FB YAP Farmer	Farmer at the Ross Farm
Simon Itle	FB YAP Farmer	Farmer at Vale Wood Farms

Learning from previous programs:

Interviews: California Farm Link, Groundswell Center IDA, Minnesota Land Stewardship program, Practical Farmers of Iowa.

- *Why was the program established?*
- *What worked and what didn't work?*
- *What are your recommendations for an organization that would like to establish an IDA program?*
- *Do you know of any other IDA/similar programs?*

Learning from previous programs:

Advantages of IDAs:

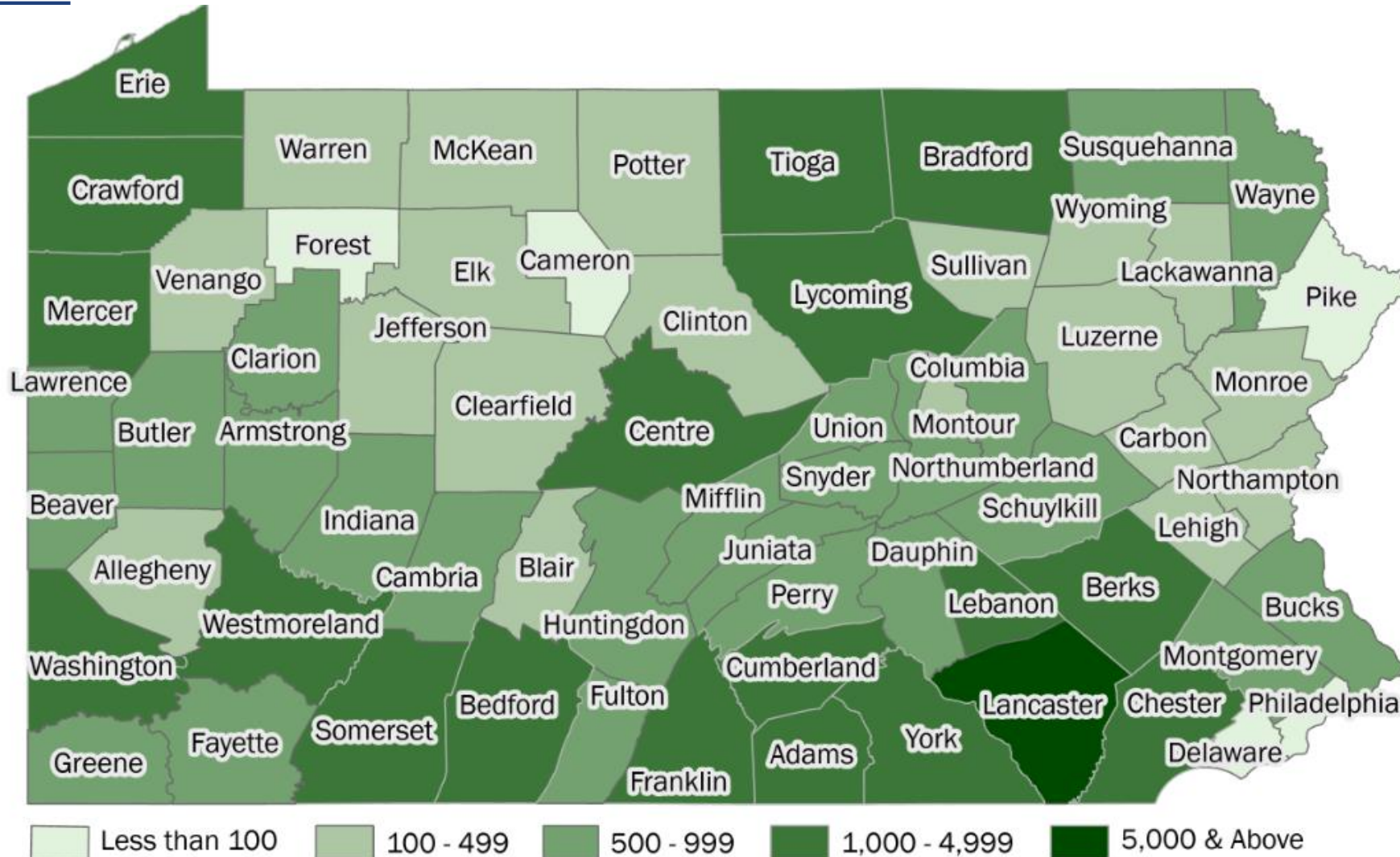
- Small grants, access to capital
- Networking/educational opportunity
- Target specific groups of farmers (young, beginning, socially disadvantaged)
- Create visible community impact of organizations that administer and financially support the program

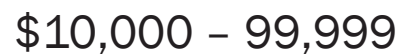
Disadvantages of IDA's:

- Administration costs (set up, execution, fundraising)
- A small number of farmers benefit/year (highly dependent on design)

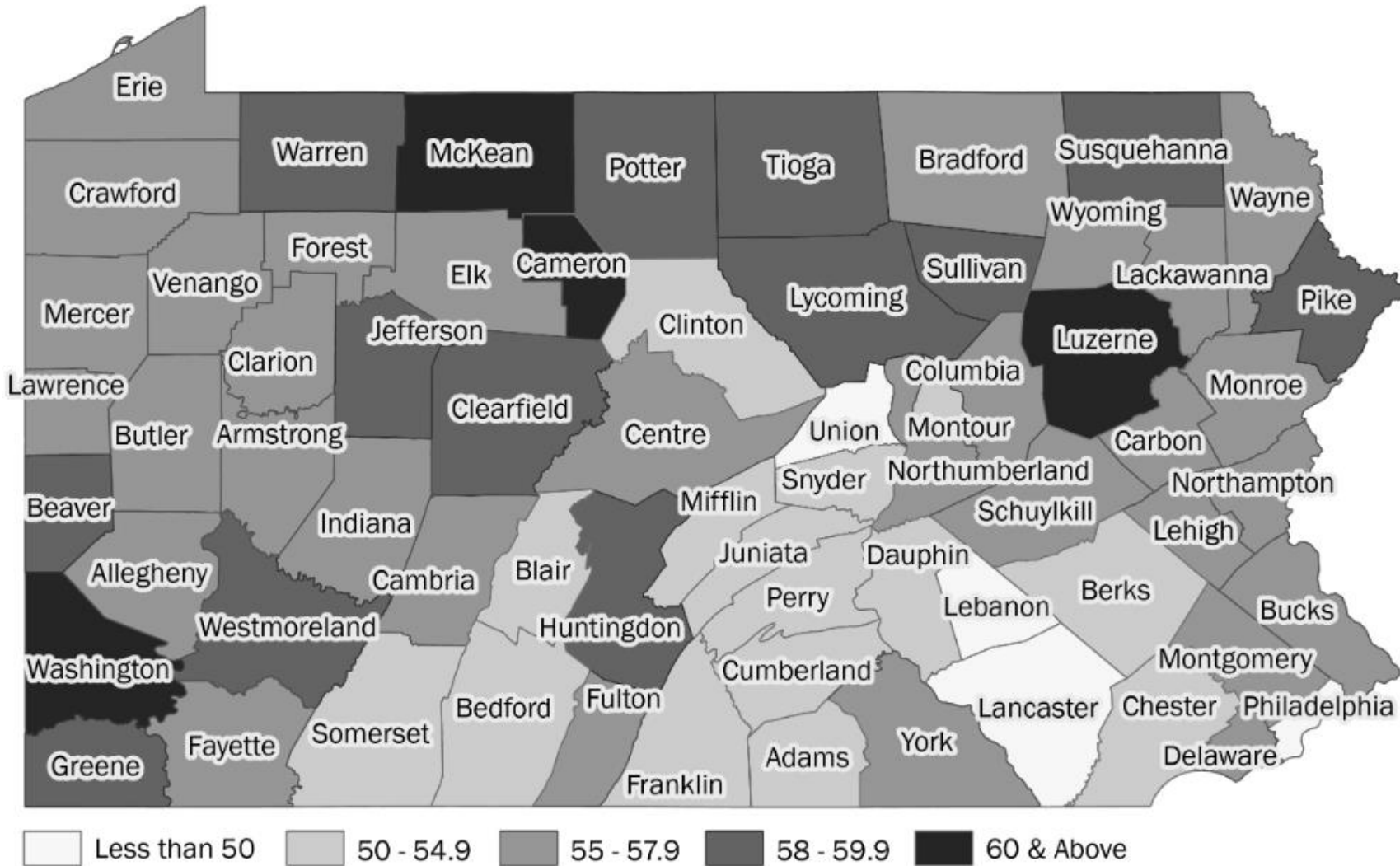
“Carrot vs stick approach” → IDAs are a useful tool to encourage producers to participate in education & networking events

Number of farms by County, 2017





Average Age of Producers by County, 2017



Youngest producers:
Philadelphia (42.5 years),
Lancaster (46.6 years)

Percentage of Female Producers, 2017

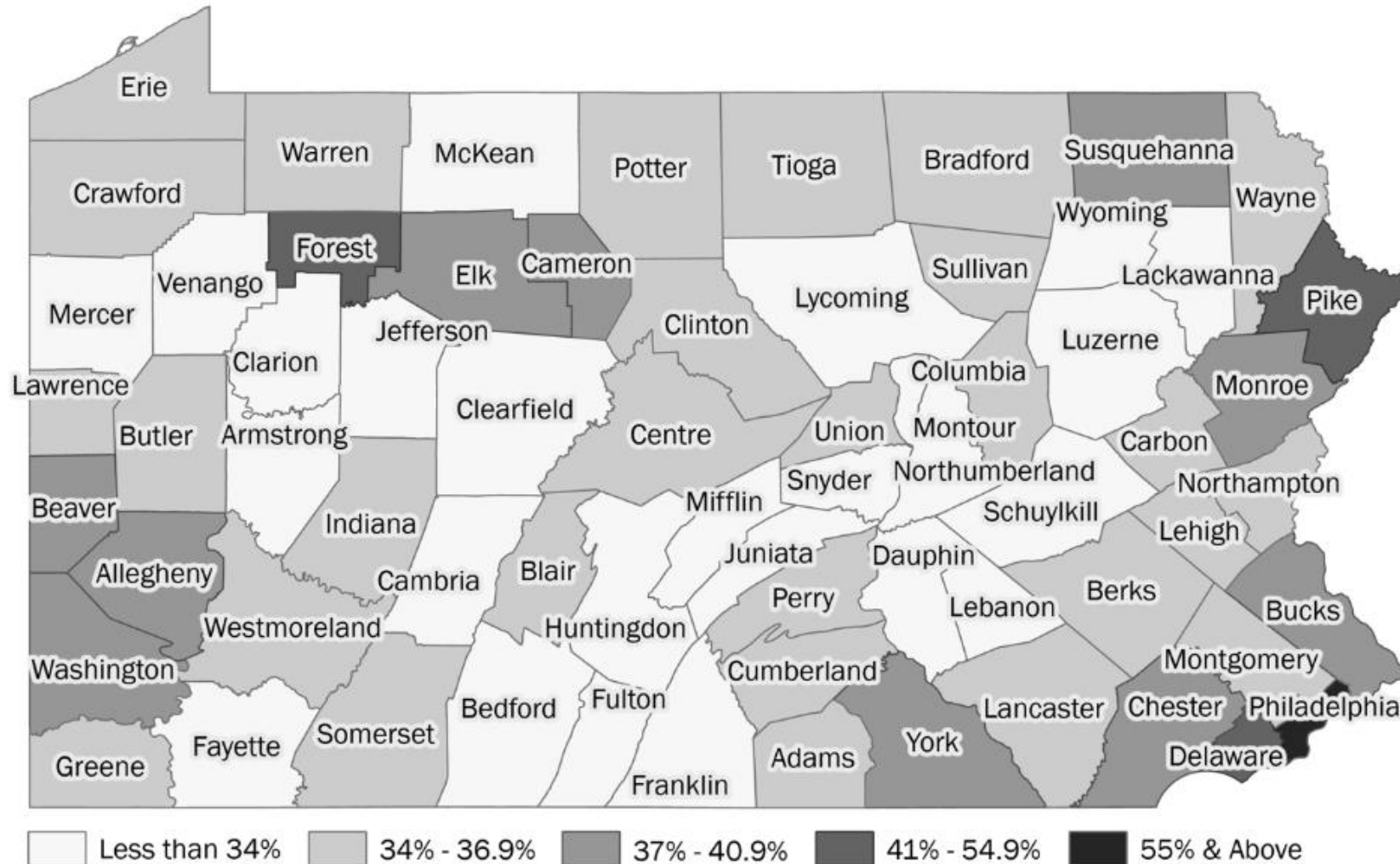
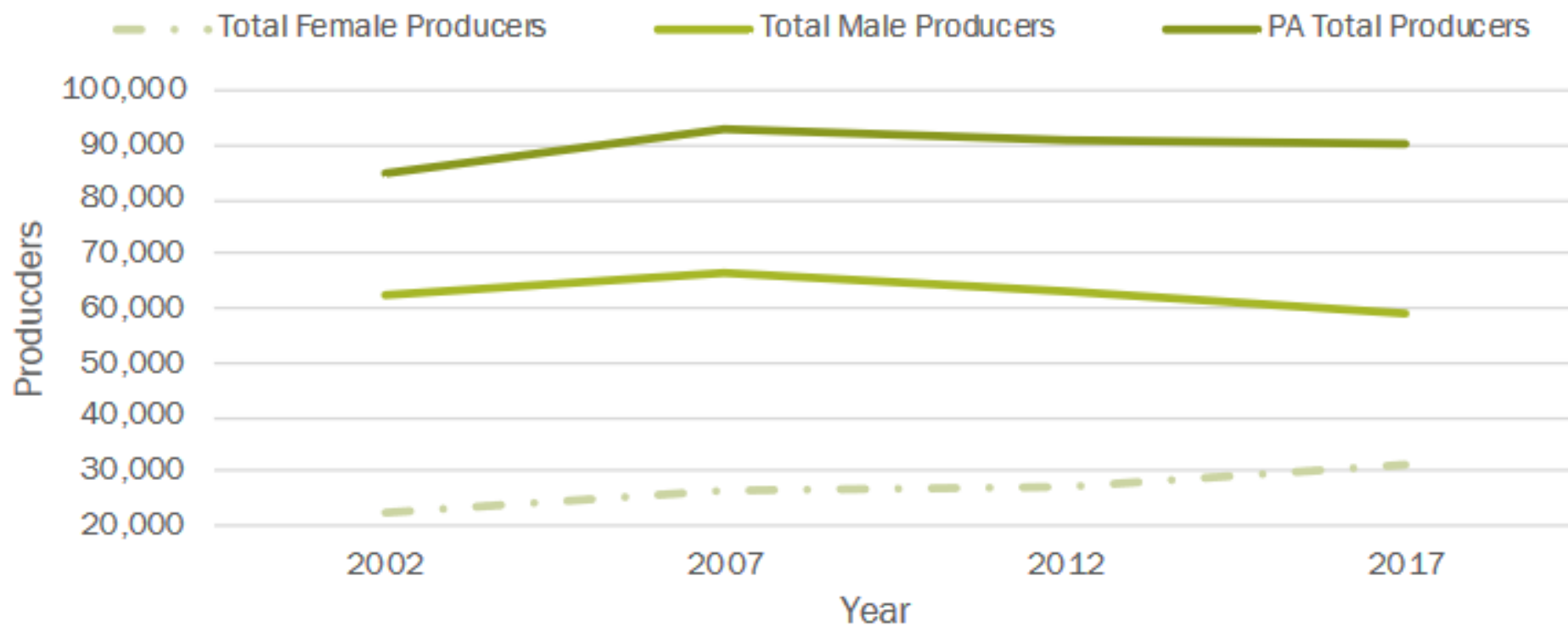




Figure 1. Number of Producers by Year: Pennsylvania,
2002-2017



Source: USDA Census of Agriculture, 2002, 2007, 2012, 2017

SDRF – Pennsylvania (Ag Census)

	Farms with principal producer	Land in farms (acres)
Black or African American producers	63	1,329
Asian	59	7,903
Hispanic	512	46,684
Female	17,971	1,771,913

Focus Group Questions

- 1) Based on your experience, do you think there is a need for an agricultural IDA program in Pennsylvania?
- 2) Who would be the target group for an IDA program in PA?
 - a) How does your organization/do you define new and beginning farmers? (Length of farm experience)
 - b) Socially disadvantaged/minority farmers, young farmers
 - c) Type of farm
 - d) Location
- 3) What are the existing resources (educational and financial) available to the above-identified group(s)?
 - a) Are they competing or complementary to a potential IDA program?
- 4) How would an IDA program be beneficial for the group of farmers described above?
- 5) Who could potentially administer an IDA program in Pennsylvania?
- 6) Financing
 - a) Who would provide the funds?
 - b) What would be the maximum savings amount?
 - c) What would be the restrictions on spending the funds for farmers?
 - d) What would be the follow up to ensure program success?

Based on your experience, do you think there is a need for an agricultural IDA program in Pennsylvania?

Who would be the target group for an IDA program in PA?

- How does your organization/do you define new and beginning farmers? (Length of farm experience)
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- Location

What are the existing resources (educational and financial) available to the above-identified group(s)?

- Are they competing or complementary to a potential IDA program?

Educational IDA Topics Suggested (CA Farm link)

Goal Setting: Setting and achieving year-by-year financial and family goals

Personal Budgeting and Credit: If you don't understand your personal financial situation, your business is doomed.

Cash Flow: Understanding income and expense projections and how to create effective and comprehensive cash-flow projections. Includes understanding how to incorporate savings into your cash flow.

Monitoring System: Setting up a monitoring system to make sure you stay on track with your cash flow plan.

Financial Management: Creating a well-constructed accounting system with QuickBooks and other accounting software.

Financial Record Keeping: How to track and adjust monthly expenses and income using select systems (QuickBooks, Quicken, and Excel). Also: Know what is useful to track for enterprise budgeting.

Enterprise Budgeting: How to determine whether each crop or product is making you money or costing you.

IDA Topics Suggested

Risk Management: Diversification of crops, business structure selection, good cash-flow management, and crop insurance. Also: personal risk management.

Reinvesting In Your Farm: Where and what to reinvest for future business growth, such as most efficient equipment for your products and to save you time.

Management: Managing your employees and your time, organizing logistics to be as efficient as possible.

Planning for Retirement: Yes! Farmers Can Do It! Saving and investing for your future after farming.

Tax Preparation: Can You Do It Yourself? A CPA answers questions about farm taxes, including how depreciation works.

Keeping the Books: Down-to-earth bookkeeping practices.

QuickBooks Basics: A companion workshop to “Keeping the Books,” this hands-on session digs into the basics of using this popular accounting software to get farm finances under control.

QuickBooks Level II: This 6-hour follow-up program allows participants time to develop a budget; manage inventory; create financial statements; customize reports, forms and invoices; analyze income and expenses; understand payroll options; use import, export, and synchronization features; and customize QuickBooks options to specific farm-business needs.

Business Basics: Getting started with business planning.

Advanced Business Planning: Creating a complete business plan that will impress a lender and help you better understand your business.

Borrowing Money: Understanding debt, debt ratios, credit, and what lenders are looking for. (How do they analyze your financials for decision making?) Also, how to approach a lender with your business plan.

Credit Counseling: What is credit, and why should you care? Also, how to repair your credit and what financing options are available if you have bad credit, or no credit.

IDA Topics Suggested

Farm Financing: What are your options? How to set yourself up well for future financing. Also, understanding lenders, and alternative farm financing.

Bankable Farms: This lender-farmer educational program focuses on familiarizing lenders with diversified smaller-scale niche farms to help farmers gain access to farm-operations-tailored financing. course introduces producers to lenders. If interest dictates, more than one session covers the various needs and characteristics of diversified vegetable growers, fruit farmers, and grazers.

Legal and Tax Implications of Choosing the Right Business Structure: Legal implications of business structure (sole proprietorships, partnerships, LLCs, different types of corporations), taught by an attorney. An accountant covers the tax implications of the various structures. The course can also cover liability and other topics.

Marketing: General marketing principles, as well as specific direct-marketing options; advantages and challenges of each option. How to market products for maximum business success.

Managing Business Growth and Making Critical Decisions about Growth Investments

Physical Resources: What do you have and what do you need? It's important to think about this in terms of near-future and long-term.

Holistic Financial Management (See *Holistic Management Handbook* below in Books)

Helpful Organizational Structures: How to organize as a group of farmers, including structures that help farmers, especially small-scale farmers, work together to reach diverse markets.

PSU Resource: Beginning Farmer

- **Exploring farming:** not yet sure if it's right for you. You may (or may not) own land, but have not yet taken any steps to develop an agricultural business.
- **Planning:** Committed to starting a farm in the next two years but haven't yet begun production.
- **Start-up:** Already farming for 1 to 2 years, still exploring and learning what is and isn't going to work for your particular operation.
- **Young Next Generation:** If you are taking over the family operation, developing your new enterprise and innovating production practices.
- **Next Generation Hispanic:** If you want to develop your agricultural career toward skilled labor, management and ownership. La mayoría de los oportunidades aquí son en Español y en Inglés.
- **Establishing:** Farming for 3-7 years.
- **New Women Farmers:** In addition to courses and workshops for all new farmers these opportunities are designed specifically for women farmers.
- **Innovating:** Are you considering transitioning your farm to a new enterprise? For example from dairy to beef. Are you considering adding a value added enterprise?

PSU extension & PSU Center for Agriculture and Shale Law

Source: [Penn State Extension](#)

How would an IDA program be beneficial for the group of farmers described above?

Who could potentially administer an IDA program in Pennsylvania?

Financing

- Who would provide the funds?
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Contact

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Net Cash Farm income per farm by County, 2017

