

# ANNUAL REPORT



CALIFORNIA  
**FARMLINK**

# 2016

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

[www.cafarmlink.org](http://www.cafarmlink.org)

# LETTER FROM THE EXECUTIVE DIRECTOR

Dear Friends,

At the core of our work at California FarmLink is a strong belief in access to economic opportunity for all farmers. Land and financing are the key resources we use to drive change and equity in our food systems.

In 2016 FarmLink expanded its impact in farming communities, getting \$2.3 million in loans deployed, helping 47 farmers and landowners develop secure leases and pathways to ownership, and partnering with social entrepreneurs and impact investors to keep land and capital affordable.

Last year, 86% of FarmLink's borrowers were farmers of color, primarily Latino, and 30% were women. Half of our land access clients were start-ups with less than three years in operation, and most are mixed vegetable operations. With FarmLink's help 25% of land access clients were able to expand operations by 16 acres on average.

Since 2011, FarmLink has loaned \$6.8 million to farmers who have limited access to commercial credit. Over these six years, our average loan size was \$37,000. Most of these loans (65%) were for annual operating costs such as seed, plants and labor. Since these loans revolve quickly we have been able to serve many farmers year after year with a relatively small loan fund.

Over the last two years FarmLink has been adding larger and longer-term loans to our portfolio – loans for farm mortgages, infrastructure and value-added processing. Farm ownership allows farmers to invest in soil health, farm infrastructure and on-farm housing, and build equity. In 2016, we helped Bertha Magana and Javier Zamora purchase farmland in Monterey County. In the pages of this report, read Javier's story and the stories of other immigrant and refugee farmers who will play an important role in the future of California agriculture.

As we expand the farm mortgage program and longer term lending, FarmLink seeks to grow the loan fund substantially from \$3.1 million at the end of 2016 to \$6.8 million by 2020. We also aim to update our land access tools to support pathways to ownership and deliver quality land lease opportunities.

Our successes in 2016 are due to the strength of partnerships, shared values, and creativity in which we bring together diverse sources of capital, share risk and expertise, identify growers needing capital, and support innovative new farming businesses.

We greatly appreciate the collaboration of our friends at ALBA, Briarpatch Co-op, Center for Land-Based Learning, CCOF, Coke Farms, Farmers Guild, Kitchen Table Advisors, Mandela Marketplace, Northern California Community Loan Fund, Santa Cruz and Monterey County Resource Conservation Districts, and RSF Social Finance. We are honored by the support of our funders, donors, and investors including USDA's Farm Service Agency and Rural Development programs.

Please plan to join us this year at one of our regional events, where we can connect and learn more about our work ahead. Thank you for your support.

Sincerely,



**Reggie Knox**, Executive Director  
reggie@cafarmlink.org

España Family Produce



# OUTCOMES AND ACCOMPLISHMENTS IN 2016

## Land, Capital, and Knowledge for Farmers and Ranchers

California FarmLink is always learning from farmers and ranchers, and our values inspire us to focus on economic opportunity, social equity, and environmental sustainability. We partner with forward-thinking leaders and institutions focused on land and capital to generate vital resources for beginning, immigrant, and limited-resource farmers and ranchers. We also advocate for programs and policies that support a vibrant future for California agriculture. Each step of the way, FarmLink is creating new models for community development in ways that advance sustainable and organic agriculture.



Ken Barrett, Starbright Acres Family Farm

During 2016, FarmLink accomplished the following:

Assisted in generating 45 land links, helping young and beginning farmers gain access to 732 acres.

Held 23 training workshops with more than 400 farmers on topics critical to success in agriculture, including financing, land leases, crop insurance, and business planning.

Provided 368 one-on-one technical assistance meetings with 165 farmers and landowners, 90% of whom were beginning, minority or women farmers.

Assisted 25 farmers with technical assistance on farm succession planning through the Ag Elders and the Next Generation project.

Introduced 190 farmers and 13 insurance agents to Whole Farm Revenue Protection, a new crop insurance product that helps to manage risks unique to diversified farms.

Disbursed 34 farm operating and land loans, totaling \$2.3 million, including 16 micro loans, with 33 jobs created and 123 jobs retained. Eighty-six percent of borrowers represent minority-owned farm businesses and 30% of loans were made to women.

Completed FarmLink's 5th year as a certified Community Development Financial Institution. During that time, it made 168 loans which have resulted in:

- 764 jobs sustained, including 196 new jobs created
- 30% average annual increase in gross business revenue by repeat borrowers
- 10% average annual increase in family income by repeat borrowers

On average, each FarmLink loan helps maintain 4.5 full-time jobs and creates 1.8 jobs.

## FARM CREDIT HONORS FARMLINK

FarmLink was proud to be named among the Top 10 honorees in Farm Credit's "Fresh Perspectives," on the occasion of its 100th anniversary. Honorees included leaders from across the country, selected by a panel of industry representatives for work that shapes the future of agriculture. FarmLink's honor was in the category of Financial Stewardship, and included a \$10,000 gift. Reggie Knox and Gary Peterson traveled to Washington, DC to accept the award, where they enjoyed meeting Farm Credit leaders, connecting with partner organizations, and meeting elected officials to talk about financing options for beginning and immigrant farmers, and farmers of color.

# ACCESS TO LAND AND LAND TENURE

Throughout 2016, FarmLink worked with beginning farmers and landowners to build relationships and develop strong leases and pathways to ownership. We assisted with 45 land links that totaled 732 acres, including two land purchases financed by FarmLink and its partners. This work encompasses all stages of the process: responding to more than 100 inquiries from people registering with FarmLink's online land portal, interviewing both landseekers and landowners, discussing and drafting leases, facilitating negotiations, and helping to ease transitions and terminations when necessary.

To support its long-term focus on establishing pathways to ownership, FarmLink launched a series of workshops, "Ag Elders and the Next Generation: Planning for Succession." Deliberate farm transition planning can create solid farm business opportunities. More than 100 people participated in three workshops, and the effort resulted in 25 families now working with FarmLink and its partner advisers to plan their farm successions. Work continues with the Peninsula Open Space Trust (POST), Marin Agricultural Land Trust (MALT), and others to explore the intersection of conservation and working landscapes that catalyze farm and ranch opportunities.

Feedback from farmers and landowners guides FarmLink's work and improves lease provisions such as pathways to ownership, leaseholder improvements, and resource conservation. FarmLink staff experience helps farmers and landowners anticipate challenges and issues before they arise. Clients often comment on the unique capacity of FarmLink's balanced role, looking out for the interests of both the landseeker and landowner whenever possible.



## Farmer Spotlight: Ge Moua



Ge Moua's parents were farmers in Laos, and she says that farming's "always in her blood." From 1995-2005 she farmed flowers and vegetables near Seattle, where it was easy to find land at the time. After moving to Sacramento, she had a three-year hiatus from farming, but it called her back. "I wanted my seven children to understand farming and I thought I would regret not trying it again, while I have the strength to do it," she said.

In California, she found a vastly different farmscape. Land was hard to find, and she felt people had little time for her as a small farmer. She found FarmLink with an online search, and regional coordinator Liya Schwartzman was ready to help: "Liya and FarmLink were my only connections to lease land."

Over the past five years, FarmLink has helped Ge gain tenancy on three parcels, each improving upon the prior land. Currently she's on 17 acres, with 8 acres under cultivation for 2017, growing lemongrass, mint, sweet potato, bittermelon, yam leaf, and much more. She uses a hoop house to achieve a tropical climate for some of her crops.

Ge and her husband sell at five farmers' markets weekly: two in Sacramento, including Sundays at W & 8th, two in San Francisco, and one in Vallejo. Moua Family Farm is going strong, and along with the growing, logistics, and selling, Ge is working toward long-term land tenure. She summarized, "without FarmLink there would be so many obstacles. FarmLink is there to connect me to the right people who are willing to spend time sharing their knowledge."



# LOANS AND CAPITAL FOR FARMERS

Many farmers receiving loans from FarmLink focused on expansion in 2016, both in terms of market reach as well as acreage in production. With financing for more labor, some have increased the pace of production with more complex crop rotations to increase overall production. FarmLink facilitated two breakthrough land transactions that were completed in 2016, including our largest to date (see next page). Lending increased nearly 30% to a total of \$2.34 million.

In addition to expanding farm businesses, it was also a year of transition. The loan team responded to increasing demand for financing for securing land tenure. For example, Jose Flores established more stable land tenure, and utilized FarmLink financing to cover his increased lease costs and purchase a tractor to increase efficiency. FarmLink's lending process and accompanying technical assistance help each borrower to build financial literacy and business acumen. We know that unstable land and markets can create significant headwinds for beginning farmers and access to capital can help.

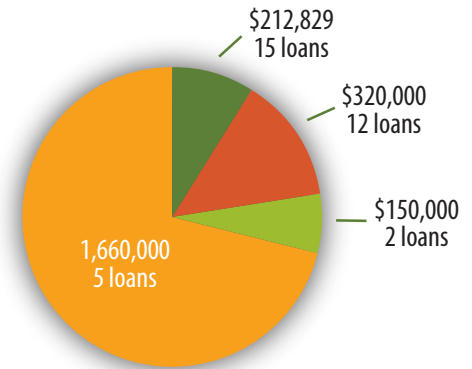
FarmLink had the opportunity to invest in staff as well, with Catherine Van Dyke joining as loan processor and Ali Robinson and Brett Melone completing the Ag Lending Institute at Fresno State and Farm Credit University, respectively. These investments have built lending capacity and are helping to guide portfolio growth to serve farmers who may not otherwise be able to access business capital.

## Lending 2016 – Portfolio Breakdown

### LOAN SIZE

- Less than \$25,000
- \$25,000 to \$49,999
- \$50,000 to \$100,000
- \$100,000 and greater

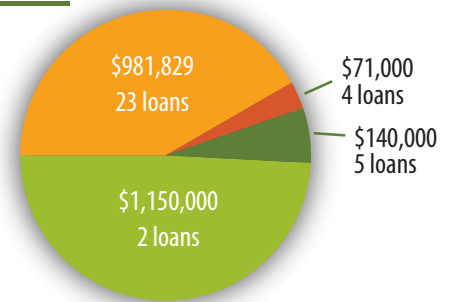
Average loan size: **\$37,275**



### LOAN PURPOSE

- Advances on Receivables
- Operating Loans
- Equipment
- Farm Mortgage

Total of loans: **\$2,342,829**



## Farmer Spotlight: Gildardo España



Gildardo España was born in Mexico and emigrated in the 1990s. He began working for Mariquita Farm and gradually grew his responsibilities. In 2005, Gildardo started farming on his own with support from Mariquita, and España Family Produce was born, operated with his sister Rebecca. They have been in business for more than ten years with a stable land lease and good markets. Over the years, the partnership with Mariquita helped support Gildardo's farm, growing into an unofficial joint venture. But due to a death in the Mariquita Farm family, Gildardo found that he needed business financing. He obtained his first operating loan from

FarmLink in 2016 and has proven to be a solid borrower. He is soft-spoken, yet always proactive and straightforward.

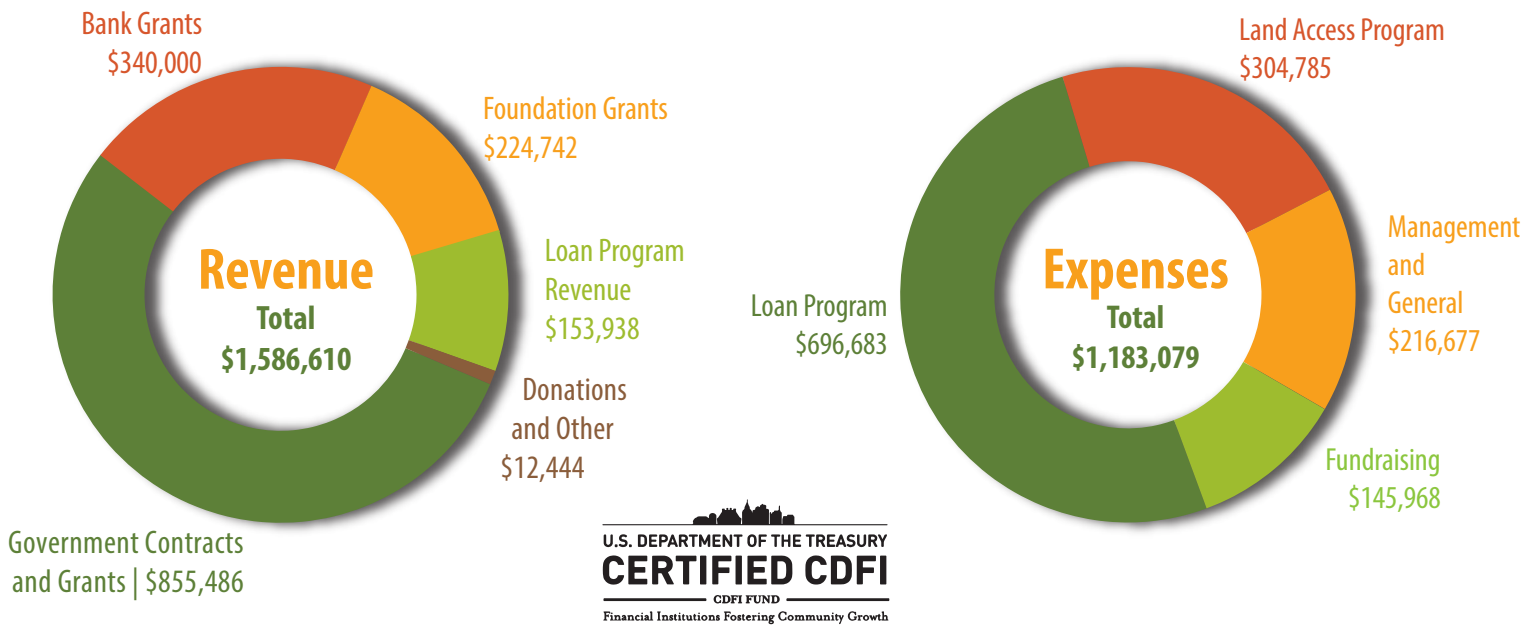
The stability afforded by FarmLink's lending has helped Gildardo maintain his operation on 34 certified organic acres near Hollister. In 2016 he solidified new markets, selling directly to high-profile restaurants in Carmel and Big Sur. Most recently, Gildardo forged custom-growing arrangements that enable chefs to source rare and unique specialty items vital to their menus.

Gildardo is now looking for property to purchase, and FarmLink is poised to help. He commented, "The support and flexibility that FarmLink provides has been critical to the ongoing success of my business. They helped me transition to a formal business loan, and have been flexible as I've worked through severe damage from winter storms."

## RABOBANK DELIVERS \$1.5 MILLION THROUGH COIN

In 2016, Rabobank provided a \$1.5 million loan for FarmLink's loan fund at 0% interest over five years. The capital will allow FarmLink to provide loans to first-time borrowers and farmers and ranchers who would not otherwise qualify for business loans. The loan was made possible through the California Organized Investment Network (COIN), a state program that incents investment in Community Development Financial Institutions. FarmLink's partnership with Rabobank to generate capital for underserved farmers and ranchers prompted the COIN program to add sustainable agriculture as a new area for qualified investments.

# 2016 FINANCIAL SNAPSHOT



For more information please write to [info@cafarmlink.org](mailto:info@cafarmlink.org) for our 2016 audited financial statements, or visit [www.cafarmlink.org](http://www.cafarmlink.org).

## Farmer Spotlight: Javier Zamora



In 2016, FarmLink assembled its largest land transaction and farm mortgage so far, which resulted in Javier Zamora’s purchase of the 195-acre Triple M Ranch in Monterey County, where 60 acres are in organic production and most of the rest in a conservation easement. With each new land transaction, we are building knowledge and partnerships to help farmers develop pathways to ownership.

Since launching JSM Organics in 2012, Javier has stood out as one of the most enterprising beginning farmers in his region. He grew up in a farming family in Mexico, but didn’t start farming on his own until after working for many other types of businesses. With training at the Agriculture and Land-Based Training Association (ALBA) and assistance from Kitchen Table Advisors, he has established a successful business selling direct to retail, at farmers’ markets and through wholesalers. Javier grows a diverse mix of more than 30 organic vegetables, berries, herbs and flowers.

Javier was very resourceful in setting up his farm. He established three small farm sites, but it was difficult to allocate labor and equipment among them. The Triple M Ranch will allow him to gradually consolidate his production and establish better crop rotations. He purchased the ranch from ALBA, and Javier now provides leases for the beginning farmers who are operating there. He is inspired to uphold stewardship of the farm as a model for conservation while leasing to beginning, limited-resource growers.

FarmLink worked with key partners to assemble capital for this opportunity: RSF Social Finance, USDA Farm Service Agency’s Farm Ownership Down Payment Loan, and Farmer Mac serving as a secondary market for a portion of FarmLink’s loan. The secondary market option frees up capital in the loan fund for deployment to other farmers. FarmLink is grateful for all the partners that put together this deal as a model for future ownership opportunities.

Javier says, “I’m really blessed that I was able to take advantage of what’s available for us to succeed. So one of my goals now, and it has always been, is to help others, and show them how to access the people, programs and organizations that are willing to help you.”



# BOARD AND STAFF



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**Angela Reed**, Comerica Bank  
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## Staff Team 2016-2017

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**Karen Adler\***  
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**Camila Bobroff**  
Programs and Admin Associate

**Ellen DeSimone**  
Finance and Operations Manager

**Jonathan Harrison**  
Chief Financial Officer

**Tamela Hudson**  
Loan Portfolio Manager

**Austin Lewis\***  
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**Mika Maekawa**  
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**Kerry McGrath**  
North Coast Program Coordinator

**Brett Melone**  
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**Ali Robinson**  
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**Frederick Smith\***  
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**Eric Winders\***  
Development Program Manager

**Liya Schwartzman**  
Central Valley Program Coordinator

**Catherine Van Dyke**  
Loan Processor

**Nathan Weller**  
Grants and Programs Manager

## Consultants

**Herb Aarons**  
Loan Program Consultant

**Anthony Chang**, Kitchen Table Advisors  
Farm Mortgage Development

**Deborah Nares**  
Conservation Partnerships Manager

\* No longer with FarmLink

# THANK YOU TO ALL OF OUR GENEROUS 2016 FUNDERS!

## Major Funders

Bank of the West  
BAE Urban Economics  
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  
Farm Credit  
Gaia Fund  
Globetrotter Foundation  
Clarence E. Heller Charitable Foundation  
Jamesland Fund of the San Francisco Foundation  
Monterey Peninsula Foundation  
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Say Hay Farms



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