

LIBERTY PRAIRIE CONSERVANCY

Sustainable Agriculture RFP Lessons Report

January 5, 2009

Project Background: In December 2007, the Liberty Prairie Conservancy (LPC) purchased the 34-acre Casey Farm on the north edge of Libertyville in Lake County, Illinois. Twenty of the 34 acres the LPC now manages at Casey Farm have long been leased out to a local farmer who grows corn and beans in conventional row crop agriculture. We extended the prior lease to that farmer for the 2008 growing season, but we decided that our mission compelled us to have the land managed with practices that were better for the land and water. Consequently, we developed an RFP through which we hoped to find a farmer whose farming methods in 2009 and beyond would be compatible with our land stewardship goals. The rest of the report describes our experience with this process. This experience is pertinent to the growing interest in promoting sustainable agriculture in Illinois because not every potential sustainable farmer will be able to buy his/her own farm. Landowners who are seeking to attract sustainable farmers will need to be prepared to make arrangements that are different from the usual arrangements for conventional row crop agriculture.

RFP Description: We wrote the RFP (which is included with this report) after consulting with organic farmers Matt and Peg Sheaffer of Sandhill Organics in Grayslake as well as Mike Sands of the Liberty Prairie Foundation. The Sheaffers and Mike Sands helped us understand what features would be important to small, sustainable farmers. Our main purpose in the RFP was to seek out a farmer whose farming practices on this piece of land would minimize or completely prevent erosion and the use of toxic chemicals or fertilizers while promoting biodiversity. One of the interesting features of the RFP was the requirement that the farmer provide a business plan so we would understand how financially sustainable the farmer's overall operations would be. The Liberty Prairie Conservancy was willing to entertain discussions regarding improvements to infrastructure that may be necessary. The only existing infrastructure on the property was an old barn that has been long used to store old implements and other items owned by the Casey family. Because of the terms of the purchase from the Casey family, we could not be sure if the barn would be immediately available to an organic farmer and so access to the barn was not part of the RFP's terms. The RFP offered a five-year lease with the potential of a longer-term lease in subsequent years.

RFP Distribution and Response: We distributed the RFP to 18 individuals and organizations, including local agricultural channels (like the Lake County Farm Bureau and local farmers we know) as well as sustainable agricultural channels in the state and the region like the Michael Fields Institute. Two farmers submitted proposals by the deadline of September 15. One was the farmer who had been leasing the land previously and farming corn and beans. This farmer proposed continuation of corn and bean agriculture with some assurances about the minimization of negative environmental impacts. The other was a young farmer who has been learning organic, sustainable farming through the Prairie Crossing Incubator Farm program operated by the Liberty Prairie Foundation. He planned to raise a wide diversity of vegetables organically and to sell them through a Community Supported Agriculture (CSA) system. We had several meetings with the second farmer as he had many questions and issues that he needed to resolve about the exact details of how he could obtain the infrastructure he needed and how the infrastructure costs might be shared.

Final Leasing Decision: The LPC board and staff ultimately declined to enter into a lease agreement with either farmer. The conventional farmer's proposal did not adequately address our goals of reducing or eliminating negative environmental impacts on the land and water. Declining to enter into an agreement with the organic incubator farmer was a more difficult decision as the farmer's methods would clearly have achieved our land health objectives. However, it became clear that the farmer needed a substantial amount of infrastructure that did not currently exist, and our organization was not in position to make or cost-share those infrastructure investments at this time. As described already, the barn was not something we could provide immediate access to, and as a small non-profit with limited resources we could not afford to make large investments in the site's infrastructure. Consequently, we and the farmer mutually decided that a lease arrangement would not work out.

Our board subsequently decided to plant the 20 acres in hay for at least three years. This will, for starters, begin to heal the land and through provisions in the lease agreement, will end the use of pesticides and fertilizers on the land. Also, if the field is eventually converted to organic, the years of chemical-free hay farming will count toward the three-year chemical-free transition that is required before farmland can be certified organic.

Comments and Lessons: We learned a number of lessons from this experience:

#1. Limited Availability of Soil-Friendly Farmers: We were disappointed by the fact that only two farmers made proposals in response to the RFP. In retrospect, we believe this was a function of several factors. First, there are still a limited number of farmers in the area with the knowledge and willingness to carry out soil-friendly, sustainable farming. Second, as the second lesson will detail further, we could not, at this point, offer the infrastructure an organic vegetable operation would need.

#2. Infrastructure is Very Important for Organic Vegetable Farming: As we've already described, the organic farmer made clear to us that he would need significant infrastructure upgrades. These included irrigation (which would also have required the drilling of a well), a facility for a tractor and other equipment, hoop houses, and a cold storage facility. On-site housing facilities would also have been preferred. This is in stark contrast to the local corn-and-beans farmer who required none of that thanks to the capital-intensive, mobile equipment that he owns and the nature of the crops he grows.

How to provide that infrastructure on land that will be leased is an important issue for the future of sustainable farming in Illinois. For the Liberty Prairie Conservancy, investing or even sharing the cost of the infrastructure the organic farmer needs was not financially feasible at this time. On the other hand, if a landowner would like the farmer to bear the cost of making infrastructure investments, then it is critical that the landowner offer a long enough lease period. Five years is simply not enough time to justify these types of investments that will stay with the land if the leaseholder changes. Guaranteed buy-backs or other forms of cost sharing may be necessary. This may be an opportunity to tap into socially responsible pools of money that would be seeking a return on investment paired with earth-friendly impacts.

#3. RFP-Issuer Needs to be Very Clear on Goals and Limits: Any organization or person who has farmland and wants to lease it out for organic farming needs to know what their goals and limitations are in terms of finances, expected return, etc. This is especially the case in terms of infrastructure investments.

#4. Potential for More Demand on Landowner's Time and Energy: As we thought through how an organic CSA farm operation would operate on land we leased, it became clear that we should expect to devote more time and energy to managing and dealing with land use issues. A corn-and-bean farmer might be on the land less than 10 times in a year and would generally need very little assistance or monitoring. An organic vegetable farmer might be on the land almost every day during the growing seasons and would likely need to address issues that come up with the landowner fairly frequently. And if the site is also a CSA pickup point, then there would also be more public use of the property. We don't mean to portray these points as negative. Greater contact with the farmer and the public, for example, would likely help to build a greater sense of community. Nevertheless, the landowner should be aware of these aspects of organic farming before entering into an arrangement.

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