

# THE BUSY BEE

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## Finding a Farm

By John

Last week before I got off on another subject (like I do) I was talking about our dream and where we want to be in 20 years. Sometimes when I think about what we want our farm to become I feel a little bit like the boy who believes he will be a spaceman, a spy or the president. When I think about all the things we want to do, it seems so far away from where we are now but dreaming big is the only way we know how to dream. We have both accomplished many things throughout our lives by the sheer will power to do so and I fully believe that we can and will realize our dream farm. In short we want to do everything, and to get there our farm will change continually as we progress towards our end goal. There are many steps to take, but our first is to get started (check that) and the second is to become self sufficient. This means getting to at least 5 acres of vegetables. From our number crunching we figure that a certified organic mixed veggie farm should be able to gross between \$85-\$90 thousand per year. After covering operating expenses and investment into the business we should be able to draw a modest salary of \$20-\$25 thousand per year. While not much it should be enough to cover our obligations and allow us to be comfortable while the business continues to grow and capitalize. It might be fine for us, but to have a family we will need to add more acreage (as we understand it, kids are kind of expensive). We think at 7-10 acres we can provide the life we want for our kids. If a family comes upon us before that, say at 3 or 4 acres then we will just have to adapt and keep moving. At this point we there

### ON DECK FOR NEXT WEEK

Again, we don't think there will be much of a changeup next week. We will continue to have more kale and greens as we get more fall like weather, though we are hoping to have a springtime surprise next week if all goes well.

are two important things to consider. First, we are fast approaching 30 and want to start a family while we are still fit enough to keep up with them, at least for awhile. Second, we assume everything up to this point is on rented land. This leads to the convergence of two not wholly unrelated things, at least not in our context (refer to the newsletter on the power of self delusion). One, we would like to have all the kids we will have within the next five or six years. Two, if history is any teacher, we are in the midst of a classic farmland property boom or bubble if you will. The last farmland bubble triggered the farm crisis of the 1980's. Right now the farmland boom is mostly driven by record prices in conventional corn and bean commodity growing. Just consider those markets for a minute; the average conventional corn and bean farm will yield 160bu. per acre of corn and 45bu. per acre of soybean. At current prices of \$6.90 and \$13.10 per bushel respectively this will gross \$1104/acre corn and \$576/acre soy. The net would be about \$445 per acre for corn and \$200 per acre for beans. Recently there have been reports of agland selling for over \$10,000 per acre! There are a few saving graces such as there is a much better debt-asset ratio for farmers right now than there was in the 80's though farm debt level are on the rise again. The Fed's announcement that they are holding interest rates to near 0% for the next 2 years should shelter farmers and everyone else from massive interest spikes for at least a little while.

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There is also the fact that much of the land is being bought with large down payments reducing the total amount borrowed. Even with that under consideration is barely possible to cash flow a loan of \$5-8 thousand with only \$2-5 hundred dollars a year to cover it. A few bad growing years, a spike in interest rates, rapid inflation of fuel and material costs or most importantly a rapid deflation of land values could overnight, send countless farms into the red or underwater to borrow a more recent term with regards to the housing market. I am no economist but I suspect we will see the bubble burst within the next three to five years. Realizing the central cynicism to the thought, the timetable of when Lidia and I will be looking to buy land will likely coincide with a massive crash in land prices resulting in the loss of many farms. While I hate the thought of being people who swoop in and snatch up what is lost by someone else, especially a fellow farmer it is what we have to consider. We are not people who came into farming with personal savings, a benefactor, wealthy families or trust funds. We come only with our experience, work ethic, wits and wiles. The money to start this year came largely from buying things last year at auction fixing them up, selling them on craigslist and putting the difference in the farm bank account. We are pragmatists above all, and the bottom line is that we know we will never have our own farm if we have to buy it at \$10,000/acre and still need to build a home, greenhouses, pack shed, shop, roads and all the other infrastructure. Our business plan included having a profitable and successful business that would be ready to purchase land in 2015 or 2016. We planned this before we were even really aware of a possible farmland bubble. While we hope we don't see a loss of farms like we had in the 80's. I do hope that land prices reenter the stratosphere and come a little closer to Earth where Lidia and I along with all of those other fine young farmers I mentioned last week even stand a chance of getting onto land. Well I've gone of and been tangential again, but land access is one of the largest barriers to entry for young farmers and we wouldn't be good business owners if not a bit obsessed with facts and figures. Now that you know how and when we plan to get a farm maybe next week I will get around to telling you what we want to do with it once we have got it.

## Featured Item

*We don't generally think of having kale ready before the tomatoes really come on but that just the kind of year it has been. The arrival of kale signals the transition into fall. We still have 5 or 6 weeks of summer left but the kale reminds us that fall is fast approaching. Kale is a wonderfully nutritious and nutritious food with diverse uses. It goes great in soups, sautés smoothies, salads, stir fries and anything else that starts with 's'. It will keep well in your fridge in a plastic bag for about a week or blanch and freeze for long-term storage.*

## Recipe of the Week

### Baked Kale Chips

1 head kale, washed and thoroughly dried  
2 tablespoons olive oil  
Salt

Preheat the oven to 350 degrees.

Remove the ribs from the kale and cut into 1 1/2-inch pieces.

Lay on a baking sheet and toss with the olive oil and salt.

Bake until crisp, turning the leaves halfway through, about 20 minutes. Bake longer for more crispiness.



This Sphinx peed on me, who knew?