

‘Diversifying On-Farm Income: Opportunities to Strengthen Rural America.’
Senate Committee on Appropriations
Subcommittee on Agriculture, Rural Development, Food and Drug
Administration and Related Agencies
April 29, 2021

Testimony of Mr. Davon Goodwin
Owner, Off the Land (OTL) Farms
Director, Sandhills AgInnovation Center
Board President, National Young Farmers Coalition

Good Morning Committee Chair Senator Tammy Baldwin and Ranking Member Senator John Hoeven, the rest of the Committee and Staff. Thank you for this opportunity to share my experiences as a young farmer, director of the Sandhills AgInnovation Center in Ellerbe, North Carolina, and Board President of the National Young Farmers Coalition. Senator Baldwin, thank you specifically for inviting me to bring the young farmer voice to this important conversation on diversifying farm income.

My name is Davon Goodwin and I produce muscadine grapes, blackberries, fruit juice, and mixed vegetables on 42 acres at OTL Farms (Off the Land Farms) in Laurinburg, North Carolina. I am also the director of the Sandhills Ag Innovation Center, a food hub in Ellerbe, North Carolina, that is working to reinvigorate the local sustainable farm economy and support the next generation of farmers. I serve as Board President of the National Young Farmers Coalition because the organization helped me find my voice, share my story, and provided essential community while I was starting out as a young farmer. I also serve on the USDA Beginning Farmer and Rancher Committee.

I grew up in Pittsburgh, Pennsylvania, but have rooted myself in North Carolina for over a decade now. I hold a B.S. degree from University of North Carolina at Pembroke where I studied Biology with a concentration in botany. While in college, I enlisted in the Army Reserve where I served for six years and was deployed to Afghanistan. My truck was hit by an IED (Improvised Explosive Device). From the blast, I broke the L1 and L2 in my back and suffered a traumatic brain injury. I received a Purple Heart for my service. But after the bomb went off, I thought I wouldn’t be able to finish college. I had no reason to live. I was on many drugs to treat my injuries, and developed narcolepsy, a chronic sleep disorder characterized by overwhelming daytime drowsiness and sudden attacks of sleep. Thankfully, I found the stamina to finish my degree. And because I saw agriculture in my community, I thought that this could turn out to be a viable option for me in the future.

Since I couldn't get a job due to my narcolepsy, I volunteered on farms. The owner of Fussy Gourmet Farms in Raeford, North Carolina took a chance on me and offered me a farm manager position even though I didn't have experience in production agriculture.

Farming saved my life. Once you put your hands in the dirt, you'll never be the same again. Soil has a healing component that is almost indescribable.

I served as farm manager for four years before starting my own grapes at Fussy Gourmet Farms. But unfortunately, they wouldn't offer me a long-term lease. I planted grapes on that property that I will never get to harvest. Leasing land is precarious, especially for perennial agriculture such as grape production where you don't see fruit until year four. I looked for leases on different properties, but they would only offer a one-year lease. Because long-term leases like 10-20 years were not available in my area, I knew that I needed to purchase my own land. I couldn't invest in fruit trees and grapevines without the security that I would be on the land when it was time for harvest.

When I got started in farming, no one told me my student loans would be such a hurdle. No one talks about student loans at a farm meeting. But the reality is that my student loans were standing in the way of my land purchase. Bankers told me that I didn't have enough farm income to purchase a farm. That the only way I could get a land loan would be to have an off-farm job. So, I left Fussy Gourmet Farm and took a job at the Sandhills AgInnovation Center to save money and focus on reducing my student debt. I even delayed marrying my wife until after purchasing my farmland because her \$70,000 in student loan debt would have further exacerbated my high debt to income ratio. The barriers to farming became not just financial but personal.

In 2019, I was able to purchase 42 acres of land in Laurinburg, North Carolina. Land is fundamental, but land is just the beginning. Farming is a capital-intensive undertaking - you need land as well as tractors and equipment, plants and inputs. Having an off-farm job has been essential to capitalizing the farm, but it also keeps me away from the farm for 40-60 hours a week. Farming only in the evenings and weekends holds my farm business back from its full potential and takes a toll on my mental and physical health.

Access to Markets

I'm in one of the poorest counties in North Carolina, but that's the only place I was able to purchase land. Because of this, I'm several hours from the more lucrative markets of Charlotte and Raleigh. But I got into farming to serve my local community: to build community resilience, provide economic development and employ local people, and give our community access to healthy foods they've never had access to before. Local food builds local resiliency. The COVID-19 pandemic proved that to us. When our national food distribution networks failed us, the local farmer could guarantee access to food for their community.

That's why I'm interested in growing our market opportunity here in Southeastern North Carolina and using value-added products to help our juice reach schools and community centers. But this local food infrastructure needs government investment.

Programs like the Local Agriculture Market Program (LAMP) support local and regional markets that are critical infrastructure to young farmers like me. Providing grants to producers and state and local organizations via the Farmers Market and Local Food Promotion Program (FMLFPP) is building stronger local and regional markets. I hope this program improves to ensure more accessible participation for small and beginning producers, as well as small processors and distribution centers like Sandhill AgInnovation Center. I ask you to increase funding for FMLFPP and VAPG.

Value-Added Production has been critical to the success of my farm. Grapes last for six weeks after harvest but the juice lasts for two years. We wait nine months to get a profit from this crop, so by making a value-added product of juice, we are able to make the income last longer. The value-add has allowed us to engage with more buyers. A production facility on-farm would increase productivity and revenue diversification, and the Value-Added Producer Grant (VAPG) could make that dream a reality. But unfortunately, there are barriers for a young farmer to access the program. There is a match requirement that is out of reach for me, and often the application is open during the growing season when I don't have the time to complete the significant application. The paperwork is just too big of a barrier for a small operation like mine. I ask that you consider additional funding for this program, paired with requirements for USDA to review how they're ensuring this program is accessible to new and beginning farmers.

Diversification as Risk Management

Farming is a risky undertaking. When I tell the banks about my farm and desire to provide for my local community, they ask me if I'm willing to take a gamble on that. We must decrease risk for new entrants to agriculture. You shouldn't have to bet your life for the farm.

The most important risk management tool on my farm is crop diversification. We have to diversify so we can spread our risk out over the entire farm. I should point out that one of the reasons for that is that in North Carolina, Muscadine grapes are not insurable with the Risk Management Agency in my county and the Noninsured Crop Disaster Assistance Program (NAP) does offer lower premiums for me because I'm a beginning farmer, a qualifying veteran, and a Black farmer, but it's another bill that I can't afford. Whole Farm Revenue Insurance is better designed for more established farmers.

The reality is that with climate change intensifying, diversification of crops/products will save the family farm. My farm is about an hour and a half from the ocean. When hurricanes

come, they wreak havoc on the farm. Our grapes ripen during hurricane season. If we have nothing but grapes out there and a hurricane comes through, we're in serious trouble. Crop diversification is a way to make farming less risky. More diversification lets me sleep better at night.

Investing in Young Farmers and Farmers of Color

If we can't make agriculture more viable for young people, then we cannot guarantee the future of agriculture in this country. If we need 100,000 farmers over the next 10 years to replace our aging farmer population, we'll need to address the barriers that young farmers face. Young people and people of color want to farm, we must invest in their operations and ensure they can access programs designed to help them.

When you're allocating money, please invest in the Farming Opportunities Training and Outreach (FOTO). The Beginning Farmer and Rancher Development Program (BFRDP), provides competitive grants to nonprofits and universities for beginning farmer training opportunities. Current funding allows only 25% of applicant projects to be funded, and I know from my work at the National Young Farmers Coalition that many more projects are not submitted because of the matching requirements and onerous application.

The Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers Grant Program (also known as the "2501 Program") that provides federal grants to organizations that work with farmers of color and veterans like me must also be funded to the maximum permissible levels. This program is particularly important as we consider the history of discrimination at USDA and the current reality that 95% of farmers are white.

Other USDA programs, like Rural Development grants and funding for the USDA Rural Development, need further investment. Our rural communities are slipping away, and we need further investment to prevent school closings and consolidation because of population decrease. Invest in young farmers like myself so that we are able to return to these rural communities, especially in the South that has been left behind since the Civil War and where hundreds of Black farmers have lost their land and livelihoods. If we don't invest in thriving rural communities and make farming viable business, Black farmers will continue to decline. That is why we also need funding and administration action on enacting the 2018 Farm Bill Relending Program to Resolve Ownership and Succession in Farmland. This fund would help cover legal costs and succession plans to secure land ownership by farmers of color. To stem the tide of land falling out of the ownership of farmers of color, and to resolve heirs property challenges, I ask you to fund this program generously and to hold USDA accountable to implement it.

Access to Credit and USDA

When I started farming, I asked other farmers how they could afford to do this work. I was told not to use USDA programs at all, that I could get myself into trouble working with USDA. But USDA loans are low-interest and are meant for farmers who can't get credit with traditional banks. When I first went to FSA and said I wanted to farm, the loan officer said, "We will never fund perennials, that's not going to happen." There was a lack of understanding about non-traditional operations. They were used to financing hog and chicken farmers. We need to improve the cultural competency of USDA staff so that they are prepared to talk with Black farmers, young farmers, and those starting diversified and non-traditional businesses.

For years, I tried to use alternatives to USDA loans. I've used Kiva loans and GoFundMe, but there is a limit to crowdfunding. The company Steward approached me to offer me financing but at a 7 or 8% interest rate. The USDA Microloan, offering up to \$50,000 at between 1-2% interest rate is perfect for me as a young farmer, but the application is too intimidating. The National Young Farmers Coalition found in a 2017 survey that 40% of farm owners found USDA applications too burdensome.¹ I would like to see USDA modernize its services and put the application process online. Quicker turnarounds are also needed.

As I mentioned earlier, student loan debt is a huge barrier for young farmers accessing credit to build their farm businesses. Our monthly student loan payment is \$1,000. That could be an equipment payment or another land payment. My wife is a nurse, and we're committed to the health of our community. We're not looking for a handout, but an acknowledgement of this commitment to our community and to our public service. Another aspiring farmer in my community said he could never farm because of his student loan debt. If young people are saddled with student loans, how will we replace our aging farm population?

Cooperative Extension and Technical Assistance

Another primary support to my farm business is having technical assistance from my local Cooperative Extension. I talk to Extension on a daily basis. Funding for Cooperative Extension has stayed relatively flat over the last ten years, and should match the investment made to the Agriculture and Food Research Initiative (AFRI) that provides competitive research, education, and extension grants. This on-the-ground assistance is a lifeline for my farm and countless others.

Conclusion

As I look back at my journey in agriculture, it has been one of struggle and perseverance. When I drive through my rural community all I see is farms disappearing left and right, and I often ask myself where this country will be if we lose our small farmers. There is no shortage of young

¹ Ackoff, S., Bahrenburg, A., Shute, L., 2017. Building a Future With Farmers: Results and Recommendations From the National Young Farmer Survey: https://www.youngfarmers.org/wp-content/uploads/2019/03/NYFC-Report-2017_LoRes_Revised.pdf

farmers committed to guiding agriculture into the future, but we must invest in their success. The work that I do is not just farming but advocating for other small and beginning farmers like me. I thank you for listening and hosting this important hearing. I appreciate the opportunity to highlight my farming experiences and the challenges affecting young farmers of color like me.