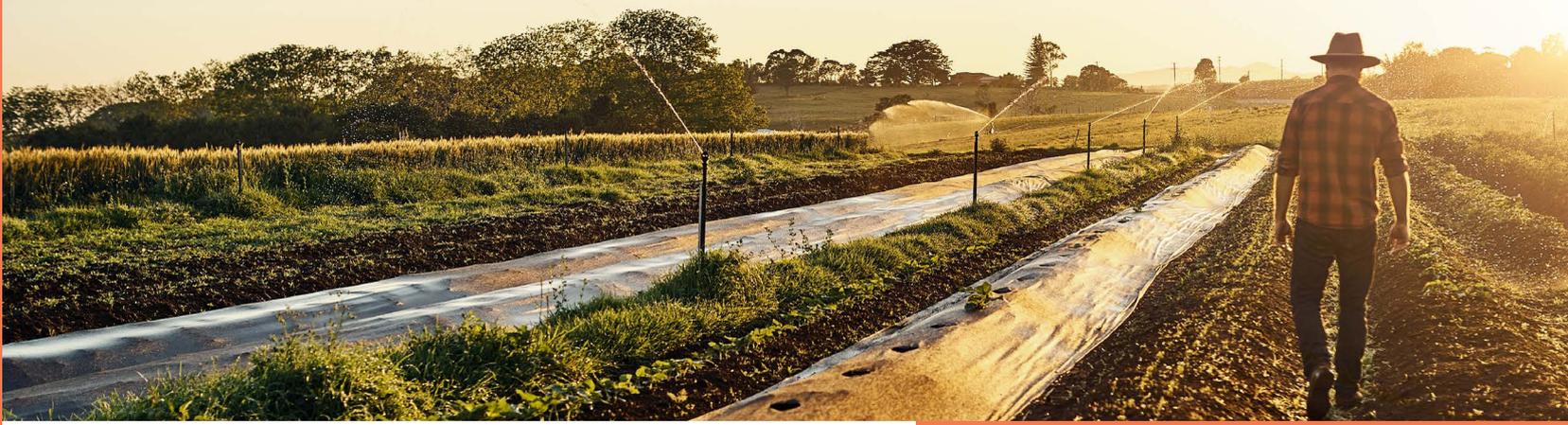




BEYOND GRANTS

Entrepreneurial Strategies for Funding Beginning Farmer Initiatives

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Executive Summary

In 2012, the average age of Michigan farmers was 57 years old. That average has been on an upward trend for at least 20 years.¹ Even more concerning is the disproportionate number of young farmers compared to the older generation. In 2012, there were only 6,500 Michigan farmers under the age of 35 and 21,000 farmers who were over 65.² Numbers like these lead to many questions, such as: Who will grow our food in the future when the older generation of farmers retires? And what will happen to their farmland? There is a growing need to train beginning farmers to continue Michigan's farming legacy as the previous generation exits the industry.

One key strategy to ensure continued investment in training Michigan beginning farmers is the establishment of a sustainable fundraising program that does not rely solely on grants. This report, generated by conducting an environmental scan and reviewing case studies of current beginning farmer initiatives across the U.S., explores self-sustaining entrepreneurial fundraising strategies and activities.

Overview of Entrepreneurial Fundraising Activities

Entrepreneurial fundraising for non-profits is sometimes referred to as "earned income" fundraising, which includes sales of goods and services.³ Successful entrepreneurial fundraising strategies capitalize on an organization's assets, including people, skills, property, and experience.⁴ Beginning farmer initiatives tend to have similar assets: land, equipment, and people with agricultural skills. They also may share similar types of supporters. Thus, it is not surprising that many beginning farmer organizations have comparable non-grant fundraising strategies.

An environmental scan of beginning farmer initiative websites shows sales of plants and food-focused social events as very common types of entrepreneurial fundraising strategies employed by beginning farmer organizations. Some programs also use athletic events, sales of clothing and accessories, crowd funding, membership campaigns, and sponsorships to supplement grant funding.

¹ USDA NASS Ag Census Survey data 1997-2012

² 2012 Ag Census

³ For non-profits: Sales of goods or services must fall within certain IRS guidelines if the organization wishes to maintain its 501(c)(3) status. The sales either cannot be ongoing (i.e. a one-time event), must fit with the mission, must be produced or donated entirely by volunteers, or the products benefit members only.

⁴ Bray, Ilona, J.D., Effective Fundraising for Non-Profits (NOLO, 2016)

Lessons In Entrepreneurial Fundraising For Beginning Farmer Initiatives

In speaking with development directors of seven beginning farmer initiatives across the U.S., both mature and new programs, several lessons emerged. Five programs focused on farm to table events, one held an annual bike ride as well as a farm to table event, and one had tried many strategies, including a plant nursery, informal events, and formal food-focused events.



Refining a fundraising strategy to raise money may take several years



Increasing community support and involvement is very important and may be the primary benefit the first several iterations of an event



Securing sponsorship from other businesses is crucial



Having paid staff to plan and execute the fundraising strategy yields better results



Recruiting committed volunteers is important



Planning an appropriately sized event can help retain staff & volunteers

Steps To Design An Entrepreneurial Fundraising Strategy

1. Determine your budget

List current costs and income and determine the shortfall that fundraising needs to cover.

2. Describe your fundraising goals

- ✿ Are they purely financial? Is this an older organization that is well-supported and well-known in the community but in need of cash flow?
- ✿ Is publicity important as well? Is this a new organization that has not yet reached everyone in the community who might be interested in your work?

3. Identify assets

Assets include staff (their skills, experience, and knowledge), volunteers, members, clients, and property.

- ✿ Is there something the organization is already doing that could be transformed into a fundraiser? (e.g. research that could be put into publication, products that are available to members that could be offered to the public, etc.)
- ✿ Estimate staff, volunteer, and/or equipment availability

4. Understand what drives supporters

To care about your mission and how to capitalize on that. It's important to attract the audience that will be the most supportive of beginning farmer initiatives: most likely people that have an interest in food, plants, health, and the environment.

5. Understand what customers want or need

Think like a business and do market research.

- ✿ Where is the gap in the marketplace?
For example:
 - Is there a need for a county-wide bike ride or is there a similar event already being held every year?
 - If you offer t-shirts for sale, what sets them apart in the marketplace? The material? The design?
 - Is the farm to table event being held on a weekend without any other similar events or holidays or will it face competition from the start?

6. Draft a business plan

Submit it to all involved to get feedback and buy-in.

7. Finalize plan

Including calendar, expenses, detailed responsibilities & time expected from all involved. (Include a "funding back up plan" if at all possible, to prepare for inclement weather, cancellations, low turnout, etc.)

8. Decide how you'll measure success

Identify the metrics, so you can be sure to adequately track them during the campaign. You could choose, for example: Total money raised, memberships gained, number of attendees or customers, and low cost per dollar raised.

9. Recruit sponsors

Consider setting sponsorship levels with specific benefits.

10. Begin marketing

11. After the event/campaign

Assess, refine, replicate. For annual events, the key is to learn from year to year, evolving the program to function as efficiently as possible.



The environmental scan and case studies of beginning farmer initiative fundraising programs included in this report indicate that there are entrepreneurial fundraising strategies that can work well, but it is important to keep in mind that they can take several years to evolve into successful fundraisers. Having support funding for the first several iterations of a fundraising pilot program may greatly increase the likelihood of its eventual success and self-sustainability.



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