

Tools for Transition Project¹
Bryan and Theresa Kerkaert
Certified and Transitioning Crop Land
Take-Home Message: Change Your Mindset



Photo: Margaret Wiegelt

It's hard to find a more enterprising, determined couple. Bryan and Theresa Kerkaert began crop farming five years ago. They are giving organics everything they've got and then some. Together they are transitioning approximately 500 acres of rented land – a collection of scattered parcels that vary by soil type, topography, distance, and management history. Much of the land is former Conservation Reserve Program (CRP) acreage while other parcels were what Bryan calls “low-to-no input” organic ground. All of the Kerkaert's rented acreage is located 30-50 miles away from their seven-acre farmstead. Bryan and Theresa find themselves regularly needing to fine tune land management strategies as they continue to learn about farming and organic crop

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production. They also are forced to simultaneously rework cash flow plans as lease arrangements and market prices fluctuate.

Getting Started: Bryan has long had an affinity for plants. “I was always growing something – little seedlings in my room when I was a kid,” Bryan says. He was born and raised “in town” (Marshall, MN) but regularly visited and helped out on land farmed by his grandfather and uncle. Theresa grew up on a dairy farm near Marshall.

Bryan and Theresa met in high school and married after college in 1991. They rented and eventually purchased seven acres of land from Bryan’s uncle where they built their “dream home.” Bryan worked for his uncle full-time, assisting with fieldwork, cattle management and farm chores. At the same time, he and Theresa built a hog nursery barn. In 2001, struggling to make ends meet, Bryan quit working for his uncle and bought a manure hauling business. “The hauling business was in bad shape when I first started,” says Bryan. “In a couple of years, I turned it around. Took it from three trailers to six trailers. We haul in a 40 mile radius around Marshall. Customers are happy.” They eventually built one more hog barn and diversified their businesses to include a truck wash in town. “But my passion always remained crop farming,” explains Bryan.

Motivation to Transition: When asked why they decided to “go organic,” Bryan responds, saying “Organic opens up opportunities. When we farm conventionally, our opportunities are the same as that for 99 percent of the other farmers. But we’re in the one percent category when we grow organically and that opens up a lot more opportunities.”

Bryan was able to capitalize on those opportunities through his manure hauling business five years ago. The business put Bryan in touch with organic crop farmers who were “experimenting” with the use of manure for fertilizer. Each time Bryan was hired to apply manure, he had the opportunity to talk with organic farmers – to learn about their rotations, to observe successes, watch “some mistakes,” and to begin dreaming about his own crop farm.

Opportunity knocked in September 2007 when Bryan met two brothers who lived 35 miles away and who had been “low-input” farming. “They wanted to test out the use of manure for fertility,” Bryan recalls. “I think I was brought in to settle a bet.” The brothers had planned to spread manure on a small parcel – only six of 160 acres. Bryan convinced them that manure was needed on all the land and offered to delay his spreading payment until after harvest when the brothers would be able to see the benefits of the manure application. Later that same year, the brothers turned over management of their land to Bryan – offering him a long-term rental agreement. Bryan borrowed equipment from a friend – a well-established organic farmer – and began farming organically.

Transition strategies: Today Bryan farms a total of 1,300 acres – including the original 160 acres on long-term lease. He rents all of the land (a mix of short-term and long-term leases) and has transitioned approximately 40 percent of it (land under long-term lease). While he'd love to farm everything organically, Bryan explains that he can't plan crop rotations on land under one-year leases. "I don't know if I'll have that land next year, let alone five years from now," Bryan explains. Much of the organic land was former CRP that certified right away.

Bryan tries to treat each rental location as a field in his rotation. This allows ~~Bryan-him~~ to make efficient use of his equipment; he schedules field work to minimize equipment movement. Bryan does clean the equipment before moving from one field to another. "We're required to do this when going from a conventional field to an organic field," says Bryan. "But we choose to do it when going from an organic field to a conventional field – because of weed seed that we'd be bringing with us."

Bryan's dad helps with some of the field work. Other tasks, such as cutting, raking and baling hay that Bryan is unable to perform himself (due to lack of equipment) is custom hired. Some of the employees from the manure hauling business are utilized in the farming operation during the cropping season. In the past he also has hired immigrant labor to walk fields for weeds throughout the growing season.

Challenges: The Kerkaerts have overcome several financial- and production-related challenges, including the management of widely dispersed rental acreage. Most recently, they've struggled with issues that are common to most organic farmers, including how to: 1) acquire favorable operating loans, 2) obtain crop insurance, and 3) successfully transition CRP land.

"Bankers did not understand organics at first," explains Bryan. "Bankers are very familiar with conventional but not organic. In order to get financing, we had to contract all of our corn and use that to cash flow."

Crop insurance too has been a challenge, particularly for small grains. The Kerkaerts use a combination of conventional insurance (for corn and soybeans) and the Non-Insured Crop Disaster Assistance Program insurance (for small grains). The Risk Management Agency (RMA) provides insurance for organic and transitional crops at conventional prices. RMA will insure damage caused by insects, disease or weeds if recognized organic farming practices fail to provide control. Bryan, however, expects that crop insurance decisions will become easier in the future for organic farmers. For the first time, in 2012, the Kerkaerts were able to insure certified organic corn and soybeans with RMA at projected organic prices.

Finally, Bryan has been disappointed with his transition experience on CRP acreage. He acknowledges that there is a learning curve when transitioning land but suggests that challenges become exacerbated when tilling up CRP ground. "There's a reason that the

land was put in CRP,” says Bryan. “Nutrient availability has been really low. We’ve worked hard to make sure that fertility is available at the right time.” In Bryan’s experience, the CRP land didn’t produce well until the third year following initial tillage.

After overcoming many hurdles, the Kerkaerts face one final challenge: rental costs. Land prices in their area have gone up by 25 percent annually over the past few years. This has become a significant cash flow issue for the Kerkaerts. Their solution: negotiate long-term leases and eventually find a farm of their own to purchase.

Success stories: The Kerkaerts feel that the worst is behind them. When asked what they are most proud of, Bryan and Theresa don’t have to think long. “When we began farming the low-to-no input organic land it was end-to-end weeds,” Theresa says. “And, now, we have good looking fields and we did it all organically.” Bryan’s also proud of the fact that “we didn’t take any farmland away from another farmer who was depending on land.” In other words, the Kerkaerts have been intentional about acquiring land from farmers who were offering rental acreage for the first time [such as CRP]. “We didn’t go to auctions and outbid someone who’s been farming land for 20-30-40 years,” explains Bryan.

Goals: The Kerkaerts fully intend to continue farming organically but say they’d like to do so only under long-term lease agreements or, ideally, on farm land of their own. “Five years ago, we had to learn the agronomics of how to farm organically,” says Bryan. “Now we need some land security. We’d like to buy a farm and pay for it before we retire.” The Kerkaerts are actively looking for a farmstead with land so that they can eliminate the drive time to fields and the financial uncertainty associated with rental agreements.

Advice: “Your transition years are loss years,” says Bryan. “You have to change your mindset when switching to organics – you have to think long term about rotations and really plan ahead – for productivity and cash flow.”