

**The Honorable David Scott
Chairman
House of Representatives Committee
on Agriculture
Washington, DC 20515**

**The Honorable Glenn 'GT' Thompson
Ranking Member
House of Representatives Committee
on Agriculture
Washington, DC 20515**

Testimony of Julia Asherman, Owner and Operator of Rag and Frass Farm

Re: A 2022 Review of the Farm Bill: The State of Credit for Young, Beginning, and Underserved Producers before the U.S. House of Representatives Committee on Agriculture

Date: July 14, 2022

Thank you to the Honorable David Scott and Glenn 'GT' Thompson for holding this hearing, and for the opportunity to testify on this important topic.

My name is Julia Asherman and I am the owner and operator of Rag & Frass Farm, which I started in late 2012. I farm 3 acres of certified organic vegetables and specialty cut flowers in rural central GA. I employ 5 people, 3 full time and two part time, year round. We grow and sell 12 months a year, and I do this with no off-farm income. Until this year, when I had a baby, I worked 7 days a week. Now I work 6 days a week. Farming is mentally and physically challenging but I am pleased that I found my calling, and hope my testimony is helpful to your policy decisions and to other farmers.

I grew up in the city, born and raised in Boston and went to college in Chicago. I hail from several generations of proud gardeners. As a child my family would regularly drive two hours to southern Vermont where my grandparents had family land. This land is no longer in my immediate family, but it holds a piece of my heart. It is where I learned to love the country, walk the woods, and where I formed the foundational experiences that would direct me to farming later on.

While in Chicago, I studied printmaking and metal sculpture, and dabbled in bike mechanics on the side. Indirectly these experiences lead me to farming: the tools, the creation, the problem-solving, working with my hands, and getting dirty.

While in school I realized I wanted to live in the country, to carve out a piece of land and be self-sufficient. In 2009 I graduated and took the first cheap land opportunity I found, bringing me to rural central Georgia to a run down 1970's conventional hog farm. There I set to work turning it into a sustainable market garden with trial and error. There were a *lot* of errors. The learning curve was steep, and I had many hard lessons. Unexpectedly, the benefit to not learning from a more experienced mentor is I had no one telling me what was or was not possible.

It took 3 years of 'faking it till I made it' (and books, the internet, etc) to get to a 1 acre small farm, selling at market, with customers. Initially, having not worked on a farm, I thought having one would be like having a big garden. I quickly realized it meant actually running a complex small business. I kept records, mostly so I could try to repeat my

successes and minimize mistakes. I didn't know then that the harvest and sales records would be the most important thing I created.

In early 2012, I was evicted. The land was abruptly no longer available to me, and I had to abandon the small farm I had worked the past 3 years on. I was a landless farmer. I had poured myself into creating my little farm, built infrastructure, but failed to get a clear written lease. This devastating experience was a wake up call to the risks of being a tenant farmer and the fragileness of a handshake agreement. It also planted the seeds of the benefit and security to land ownership.

I moved to a bigger and much more established farm a few hours away and worked as an employee for a season. It was one of the first certified organic farms in the state, and was 10+ acres of veggies and produce. This was a much bigger scale, with more equipment and mechanization. I was part of a 5-10 person crew and helped manage harvests, market, and planning. During this time I realized I never wanted to have tenuous land arrangements again, and I also didn't want to work on just any farm, I wanted to work on my own farm. A farmer friend suggested I look into FSA loans. My first reaction was a hard 'NO', simply because I didn't want to go back into debt after paying off my college debt. As I researched buying land, it sank in that I would never be able to own anything significant, like land, without debt.

It sounds crazy to say I found my land on Craigslist, but I did. 54 acres with an old fixer upper motel, old storefront, barn, pasture, pond, woods; in Jeffersonville, GA, a small town with 1500 people and one flashing red light.

By early 2013 I had moved to the property with a sales contract, a business plan, and FSA loan application. When I moved I had \$2000 in my bank account, my 1994 Chevy, two dogs and a cat. I was lucky and found a real estate attorney who took interest in my plan and drafted my purchase and lease agreements for a bargain. I borrowed a tractor from one of my 'old man friends'. I disassembled and moved greenhouses that I got cheap from out-of-business nurseries, and put them up again. During the winter of 2012 when I moved to the land, I had no working electricity, no well or running water, and no heat. It was very rustic, I was resourceful, and I got crops in the ground 3 months later. I did not use any operating loans to get off the ground, I saved my debt for the land, and hobbled along for a few years, reinvesting as I went.

I was a tenant on the property (with a frequently renewing sales contract) for four years before closing on the property in 2017 with an FSA Direct Ownership Loan for \$75,000. The land had a lien on it, had underground storage tanks from an old gas station, and the seller was in a foreclosure/bankruptcy process, all of which added years to the process. By the time I bought the farm, I was fully in business growing on 3 acres. During the time that I was waiting to buy the land, I was farming and keeping records. These production and sales records, along with the records from the first farm I managed, were the most important factor in accessing USDA credit. I had no money for a down payment, all I had was experience and proof that it could be done.

So far the story sort of sounds like the 'American dream'. However, in hindsight, my success with FSA has been due to a few specific lucky factors:

I am a persistent and stubborn person—not the giving up type. I stuck with the paperwork, the county loan officers, and did my homework enough that I could make it

work, and sufficiently negotiate the deal with both the seller and lender. However, most farmers are busy and use their time strategically. Any program that requires significant frustrating paperwork and a lot of effort, for what is essentially a gamble, is not really geared toward being accessible to most farmers, most of the year. The cost of wasting time right now can outweigh the hypothetical benefits down the road. Having the right documents and records at your fingertips during the right time of year is a must, to make everything come together. Even then, a lot depends on the loan agent's understanding of the type of operation you run. Beginning farmers often do things differently from the farmers my loan officers are used to working with: we are more likely to be organic or sustainable; we are more likely to be diversified; we are more likely to be smaller scale (with more focus on specialty crops); we are more likely to be direct market; we are more likely to be women, queer, people of color; and we are more likely to be first generation.

Luckily, I was able to successfully navigate the timeline. I was able to secure a lease in addition to a sales contract, and this was because the seller was motivated to sell. The property was on the market for a while, it was not in a desirable or populated area, and the condition of the buildings was poor. I was the only person interested in it, and that was great for me and the seller. If I had been trying to buy a property in better condition, in a different area or facing any type of development pressure, it would be unlikely that the seller would wait for me and my FSA process, which took months. The current process is slow, with many steps going back and forth, and no pre-approval. Farmers easily lose out on potential properties by not being able to act fast. I have known several farmers who have not been able to use FSA loans to purchase for this reason.

My land was cheap. I paid \$75,000 for 54 acres. It was a small, comparatively easy first ask. Everything I claimed in terms of yield, price, budget, etc. was foreign or unbelievable to my loan officers. It would have been very difficult to get them to take me or my farm seriously if I didn't have the records to prove what a small farm can produce in food, or what it can gross in sales. Additionally, as you know the FSA requires 150% equity on a purchase loan—if my property didn't appraise at 150% of the sales price, then FSA would have taken a lien on my truck or tractor—which was pretty much all that I owned at the time. And I bought my tractor with cash, so adding a lien to the most important equipment I owned for land collateral would have been a tough pill to swallow. While my story is one of success, I am sharing it today because it highlights how precarious and fortunate my experience was. As a country, we can't expect farmers to find suitable land for a steal the way I did. We are looking at the impending transition of more than 40% of farmland, and this crisis of land access will only become more acute if we do not address it head on. Farmers like me across the country need access to good farmland, and to have secure tenure. Making sure that good farmland stays or gets into the hands of farmers must be a priority. Making sure we always have new farmers to replace those who retire is a priority. We need to focus this next Farm Bill process on policies that enable equitable land access and transition, and access to credit is at the heart of this issue.

While loan limits did not play a factor in my land purchase, I applaud Congress for increasing the limits in the 2018 Farm Bill, making land value a bit less of an access issue. However, loan limits certainly still affect many farmers in other areas, particularly near more populated areas. For me, that was not the foremost barrier. For farmers across the board, the lack of a pre-approval combined with the burdensome slow process, and the luck of the draw in finding a local loan officer with the necessary training, openness, and desire to meet the spirit of the law, are all salient challenges to

be addressed. One of the great things about FSA is the ability to make annual payments, which reflects the seasonal cash flow of most farmers. If there was loan pre-approval, it would better reflect the seasonal workload. Farmers could get approved in their off seasons, instead of whenever they find the land, which could be in a very busy time.

I also applaud Congress and the USDA for the creation and implementation of the microloan program, especially as a way to open doors to underserved and beginning farmers. Not all loans are of equal size or risk. Last year I applied for a \$50,000 Direct Operating Microloan to purchase a bigger more reliable delivery truck. We did successfully get the loan and get the vehicle, however, the process was nearly identical to a Direct Operating Loan. I filled out the same paperwork, gave the same financial, crop planning, and cash flow projections as I did when I purchased the land. I did ask my loan officers if there was an expedited process since it was a microloan. I was told that since I was already in business, they would need the full paperwork of any operating loan. Essentially, my application process for this microloan (in terms of which documents I would need to supply and to what level of detail) was no different than any operating loan (up to \$400,000) that I might apply for. This is not in keeping with my understanding of the stated purpose of the microloan program, and would certainly be a barrier to any farmer not already familiar with FSA loan processes.

Another considerable factor in accessing land is student debt. While I *did* have student debt upon graduation, I had a 'reasonable amount', which I was able to pay off before borrowing from the FSA. We know from surveys conducted by the National Young Farmers Coalition, that most of the new farming generation is likely to be college educated. If I still had debt to manage, I am not sure if I would have been able to make the numbers work for the loan, let alone start a farm at all. This is a hugely critical issue for young farmers like me, and is an even greater challenge for young farmers of color. It is challenging enough to enter a physically and financially risky profession that requires intense capitalization. For new farmers entering farming with immense debt, they face a real risk of failure or incredible hardship, if they are able to move forward at all. At the same time, I believe that I would not have been successful in my land access journey without my college education, and if I was not college educated, I doubt I would have been able to navigate the loan processes with FSA effectively.

Farmers don't dream of a life filled with debt and financial stress. Access to credit can help us get our farms off the ground but we still need basic quality of life things afforded to most other working people: health insurance, basic risk mitigation, family leave, being able to send our kids to college, rural high speed internet, and a protected natural resources and climate to work within. The old timers say "The quickest way to end up with a million dollars farming is to start with two million."

To my surprise, despite my long repaid Federal student loans, despite my two current FSA loans, and despite my Farm Credit loan, I still do not have a credit score. Apparently federal and farm credit debt do not contribute to credit scores. This means that regardless of my good standing on my loans, I still have no credit history, and if I were to go to a traditional lender, they may not lend to me, or I might pay the highest interest rate on the least favorable terms. I don't understand why this is the case or how you can remedy it, but I work hard to pay off my debt, and my federal credit counting for nothing seems to cut me out of opportunities. Furthermore, since USDA has an increasing commitment to beginning and underserved farmers, if our federal debt could

help us build traditional credit, we would be more independent and have more options available to us.

I ask that the next farm bill consider these issues.

Establish clear processes and structures to implement a pre-approval mechanism for Farm Service Agency Direct Farm Ownership Loans, so that farmers who have identified available land and gathered necessary supporting information do not lose out on farm ownership opportunities simply because they need to utilize USDA's help. Further, I recommend that USDA index Direct Farm Ownership Loan limits to inflation, so that farmers can bring competitive offers to the table.

Thank you for listening to me and to the voices of farmers, even if we are small or young farmers. The Farm Bill touches everyone in this country, and your policies have an incredible impact on the direction our farms take. Please consider the big picture urgency for the nation's farmers, and the subsequent opportunity to make agriculture thrive. Our work is dangerous, risky, and exhausting, and we persist despite sacrifice and challenges, forgoing benefits many people enjoy.

Many small, beginning, and underserved farmers feel largely invisible to most consumers, overlooked by most of society, and overlooked by our government. We feed and clothe communities and steward our nation's most precious resources for the future. Our resilience is a matter of national security. Yet many of us survive with luck, willpower, and with little tidbits of USDA support sprinkled in. Young farmers, beginning farmers, and underserved farmers need policies that acknowledge inequities, lift the burdens, give us pathways to success, open doors, watch our backs, and instill equity into agriculture.

Sincerely,

Julia Asherman
Owner and Operator of Rag and Frass Farm

Julia Asherman

ragandfrassfarm@gmail.com

Training and Experience

On-going consultation with Ellen Polishuk (Plant to Profit) and Debbie Dangerfield (Dangerfield Consulting) via Georgia Organics Accelerator Program, 2020 to present

SCRUB Project, Billy Mitchell, Produce Safety Coordinator of National Farmers Union in partnership with UVM Extension Food Safety Specialists

- SWOT Analysis of Rag & Frass food safety protocol
- Creation of formal food safety plan and plans and implementation of some packing shed improvements

Know Your Costs To Grow Web Tool Class 2020, Tanya Murray, Farm Viability Specialist of OregonTilth

- Online class using and understanding farm cost tracking tool hosted by OregonTilth in partnership with Oregon State University.
- Several hours of video demonstration, followed by hourly check ins regularly over the next year to follow-up on use.

“The Farmers Edge” Online Class 2019-2020, Julia Shanks of Kitchen Table Consultants and author of *The Farmer’s Office: Tools, Tips, and Templates to Successfully Manage a Growing Farm Business*

- 10 week online course designed for farmers
- Covered QuickBooks and basic accounting and bookkeeping, reports, and how to understand the numbers to make decisions for growth and profitability.

In Depth QuickBooks Training 2019, Debbie Dangerfield, QB Pro, CPA, and owner of Dangerfield Consulting, a financial consulting firm specifically for farmers.

- All day course plus several hours of virtual class and one-on-one consulting
- Covered setting up the books for effective management, chart of accounts, invoicing, reconciling, basic taxes, lots of specific troubleshooting

Mastermind Class November 2020, Ellen Polishuk of Plant to Profit Consulting, author of “Start Your Farm”, monthly contributor to “Growing For Market” magazine, and previous farm manager of Potomac Vegetable Farm in VA.

- Second year of 3-day mastermind (same group as previous year, though virtual due to pandemic) following up and diving deep on all topics related to our farms.

Mastermind Class November 2019, Ellen Polishuk of Plant to Profit

- 3 day in-person gathering in Virginia of 10 experienced farmers selected from around the country (FL, VT, GA, PA, WI, LA, VA represented) with Ellen covering everything from labor, production, marketing, and business. We basically talked shop for 72 hours.
- Monthly informal hour and half group calls with all mastermind farmers and Ellen covering everything under the sun, from 2019 until present day.

Produce Safety Grower Training and Certification in 2017, offered by the Produce Safety Alliance, National Young Farmers Coalition

- Full day class resulting in required food safety certification.

- Covered general best practices as well as in depth coverage of the Food Safety Modernization Act (FSMA) policy and requirements.

Annual Southern Sustainable Ag Working Group (SSAWG) Conferences, 2012-2017

- Huge range of topics covered from marketing, production, weed management, fertility, equipment, variety selection, specialty crops, livestock, labor, and finances.
- Most classes 1.5 hrs long, sometimes with all day or half day intensives on specific topics.
- Included local farm tours (the conference was held in different cities across the SE region such as Chattanooga, Lexington, Mobile, and Little Rock)

Annual Georgia Organics Conferences, 2010-2018

- Again, all topics covered within organic and sustainable farming, however specific to GA.
- Hosted in different cities around GA, and included local farm tours (Atlanta, Athens, Columbus, Tifton, Jekyll Island)
- Often full or half day intensives lead by specialists, including UGA plant pathologists, soil and weed scientists, GA farmers and out of state guest presenters.

Association of Specialty Cut Flower Growers (ASCFG) Conferences, 2016 and 2018

- Only national USA-grown specialty flower grower conference, hosted every two years in different cities around the country (Michigan and North Carolina they years I went) with local farm tours, tradeshow, and classes.
- Classes covered production, marketing, and business related to commercial cut flower production only.

Speaking Experience

Formal presentations in 2016, 2017, and 2018 at Georgia Organics Conference on “Farm Hacks” and “Farm Hacks 2.0”, “Crop Rotation and Cover Crops”, “Record Keeping” and “Small-farm Startup”

Formal presentations at SSAWG Conferences in 2016 and 2018 on “Record Keeping” and “FSA Loan Programs/Farm Credit”

Presentations at LowCountry Local Small Farm Conference (Charleston, SC) on “Small-farm Startup” and “Recordkeeping and Buying Land”

Other related experience

Producer Representative on the **Administrative Council of Southern SARE** (Sustainable Agriculture Research and Education), 2017-present

- SARE is USDA funded Ag research, and ranks and awards the grant funding for 1862 and 1890’s land grant institutions for research specifically related to sustainable agriculture. It also awards grants for on-farm research, grad student research, and NGO/non-profit research and education. Grants range from smaller \$15,000 on-farm projects to \$400,000 projects. The AC serves up to three 3-year terms and is made up of farmers, foresters, NGO reps, institution reps, agronomists, specialists, and USDA reps.
- Southern SARE covers grants to states from VA to TX, and Puerto Rico and the US Virgin Islands.
- Sitting on the AC not only gives me a glimpse into sustainable Ag projects and innovations big and small across the region, but insight into how USDA functions long term to affect farming in the US.

Education

2009 BFA from the School of the Art Institute of Chicago in Sculpture and Printmaking

- Basic woodshop experience including using table saws, band saws, chain saws, joiners, and planers.
- Extensive metal shop experience including fabrication and welding (oxy/acetylene, MIG, TIG), plasma cutting, grinding, bending, forging, etc.
- Extensive foundry experience including mold making and casting aluminum, bronze, and iron.
- Extensive use of pneumatic, corded and cordless power tools for wood and metal.

**Committee on Agriculture
U.S. House of Representatives
Information Required From Nongovernmental Witnesses**

House rules require nongovernmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. **Name:** Julia Asherman

2. **Organization you represent:** Rag & Frass Farm LLC and the Middle GA Young Farmers Coalition (part of National Young Farmers Coalition)

Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:

I have been farming full-time for the last 13 years. I am a first generation farmer who transplanted to the rural south, taught myself to farm and slowly built a small farm business from scratch. I purchased the land I farm on in 2017 with an FSA loan, after 7 years of farming as a tenant.

I am a self-taught farmer who started with only my home gardening background, common sense, and a lot of trial and error. I farmed as a tenant from 2009-2012 in Roberta, GA. It was a very steep learning curve, figuring it out on my own, using observation and research gave me a more solid foundation than I think any formal education could.

When that tenancy ended abruptly, I went to work for an established and large vegetable farm in Sylvania, GA. Here I refined my understanding of horticulture, and was exposed to a much larger scale of production and equipment.

In November 2012 I moved to Jeffersonville, GA to start Rag & Frass Farm, which I still operate today. In 2017 I purchased the property with an FSA loan. In 2018 my partner and I purchased the neighboring property with an Ag Georgia Farm Credit Loan. I have farmed fulltime with no off-farm income since the beginning, and now I employ 3 fulltime and two part time workers most of the year. I grow and sell year round at two farmers markets, sales on the farm, and through an online store. In 2021 I applied and received an FSA microloan to buy a new larger delivery vehicle.

I started my farm from scratch with very little, and built it to a working small business. I have taken advantage of the programs open to me, and I have experienced the challenges to making them work for me.

- 3. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee: _____ please see attached sheet**

- 4. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:**

I am appearing on behalf of the National Young Farmers Coalition, which is have been a member of and a local chapter leader within (Middle GA Young Farmers) for several years. I have been both Secretary and then President of the Middle GA Chapter within the last 4 years.

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY.

Truth in Testimony Disclosure Form

In accordance with Rule XI, clause 2(g)(5)* of the *Rules of the House of Representatives*, witnesses are asked to disclose the following information. Please complete this form electronically by filling in the provided blanks.

Committee: Agriculture

Subcommittee: _____

Hearing Date: 07/14/2022

Hearing Title : _____

“A 2022 Review of the Farm Bill: The State of Credit for Young, Beginning, and Underserved Producers”

Witness Name: Julia Asherman

Position/Title: Farm owner/operator at Rag & Frass Farm

Witness Type: Governmental Non-governmental

Are you representing yourself or an organization? Self Organization

If you are representing an organization, please list what entity or entities you are representing:

I am representing myself and on behalf of the National Young Farmers Coalition, of which I am a member.

FOR WITNESSES APPEARING IN A NON-GOVERNMENTAL CAPACITY

Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.

Are you a fiduciary—including, but not limited to, a director, officer, advisor, or resident agent—of any organization or entity that has an interest in the subject matter of the hearing? If so, please list the name of the organization(s) or entities.

I am the sole owner of Rag & Frass Farm LLC, and a co-owner in the Middle GA Growers Cooperative LLC, which is a producer-owned and managed aggregation cooperative.

Please list any federal grants or contracts (including subgrants or subcontracts) related to the hearing's subject matter that you, the organization(s) you represent, or entities for which you serve as a fiduciary have received in the past thirty-six months from the date of the hearing. Include the source and amount of each grant or contract.

FSA: 2019 Organic Cost Share- \$750, 2020 Organic Cost share- \$550, 2020 CFAP2- \$10443.70, 2021 Organic Cost Share- \$550, 2022 PRS (Pandemic Response and Safety Grant)- \$20,000
 NRCS: 2021 EQIP \$959.92 paid (of \$8108.92 obligated), 2019 EQIP \$2450 paid (obligated in 2014)

Please list any contracts, grants, or payments originating with a foreign government and related to the hearing's subject that you, the organization(s) you represent, or entities for which you serve as a fiduciary have received in the past thirty-six months from the date of the hearing. Include the amount and country of origin of each contract or payment.

none

Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.

- I have attached a written statement of proposed testimony.
- I have attached my curriculum vitae or biography.

* Rule XI, clause 2(g)(5), of the U.S. House of Representatives provides:

(5)(A) Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof.

(B) In the case of a witness appearing in a non-governmental capacity, a written statement of proposed testimony shall include— (i) a curriculum vitae; (ii) a disclosure of any Federal grants or contracts, or contracts, grants, or payments originating with a foreign government, received during the past 36 months by the witness or by an entity represented by the witness and related to the subject matter of the hearing; and (iii) a disclosure of whether the witness is a fiduciary (including, but not limited to, a director, officer, advisor, or resident agent) of any organization or entity that has an interest in the subject matter of the hearing.

(C) The disclosure referred to in subdivision (B)(iii) shall include— (i) the amount and source of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) related to the subject matter of the hearing; and (ii) the amount and country of origin of any payment or contract related to the subject matter of the hearing originating with a foreign government.

(D) Such statements, with appropriate redactions to protect the privacy or security of the witness, shall be made publicly available in electronic form 24 hours before the witness appears to the extent practicable, but not later than one day after the witness appears.