Annual Report 2018

Equity Trust, Inc.

Promoting equity in the world by changing the way people think about and hold property.
Dear Friends,

Annual reports offer a glimpse of the past year with numbers and stories. The numbers present our financial position and program results; stories introduce groups and individuals we have been privileged to support.

This year I’m struck by the story the numbers themselves tell over several years. It might start in the middle of this report, where we describe 2018’s eight loans—combined value $750,250.

While neither number is a record, both are at the high end for us and are part of a multi-year trend of increasing activity. More than a quarter of the 130 loans made over our 27-year lending history, and more than 40% of their $9 million value, were distributed in just the last five years. We keep helping more people with more funds.

Our farm preservation impact has grown even more precipitously. The permanent protection of five working farms—Good Humus Produce plus four in the Hudson Valley—IS an annual record, but one we are already likely to surpass in 2019.

Meanwhile, we continue to connect with an ever-growing network of groups building better forms of land ownership and more just economic relationships: One Farm at a Time in California; land trusts in New York’s Hudson Valley; the Black Family Land Trust in North Carolina; Southeastern African American Farmers’ Organic Network in Georgia; allies who helped organize Land Access Innovations Trainings in Ohio and Pennsylvania; and many more.

Your donations are essential to ensuring that our budget keeps pace to support continued program expansion. Thank you.

Jim Oldham, Executive Director

Front cover photos: Apple blossom, Thompson-Finch Farm, NY; Pigs eating apples, Laughing Earth Farm, NY.

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Equity Trust, Inc.

Staff:  
Jim Oldham, Executive Director  
Rebecca Fletcher, Project Manager  
Johanna Rosen, Program Associate  
Rob Crowner, Loan Fund Manager  

Loan Fund Committee:  
Madeline Cantwell  
Matt Schwartz  
Rachana Crowley  
Scott Reed

Board of Directors:  
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Farms for Farmers

A nationwide reach

From individual farms to nonprofits with regional impact, Equity Trust provides consulting and support to a range of groups doing exciting work. We work with groups at different stages, from just exploring to many years on the land. Sometimes our engagement is brief, sometimes it lasts decades.

In 2018, Equity Trust began working with Elva Svendsen, the owner-operator of Natural Borders Farm, a 60-acre farm in McDonough, NY. Natural Borders specializes in raising grass-fed beef and lamb naturally and humanely, and also a limited number of pigs, free-range chickens, and Maremma livestock guardian dogs. Elva is deeply committed to the farm’s sustainability on all levels, and is exploring with Equity Trust how to make the farm permanently affordable for future farmers and ensure that it remains a vibrant part of the regional food system and a place focused on respect for livestock, wildlife, and the land.

As our work with Elva was beginning, we achieved a long-awaited goal with another visionary farm project. After two decades, in October we were thrilled to finally permanently protect Good Humus Produce, Jeff and Annie Main’s farm in Capay, CA! Jeff and Annie began work with Equity Trust founder Chuck Matthei at a time when they were building their farm from the ground up. Over the years, they worked with Equity Trust to define the vision and to begin raising funds for a land trust to buy an easement, but a larger effort was needed. Then in 2009, the Sacramento Natural Foods Co-op, Davis Food Co-op, California FarmLink, and other partners launched One Farm at a Time to preserve Good Humus and other small working farms for future generations. By 2014 the campaign had raised the remaining funds needed, but the question remained: who would hold the easement? When no California-based land trust stepped forward, Equity Trust agreed to take it on. The farm will now always remain a place where farmers can build a life growing food for their community, as the Mains have done. And Equity Trust, as easement holder, will remain a close partner with the farmers stewarding the land.

(Continued on page 7)
Hudson Valley Farm Affordability Program

Four more farms for working farmers in the Hudson Valley

In 2018, Equity Trust’s Hudson Valley Farm Affordability Program:

- Completed protection of 4 permanently affordable working farms
- Ensured that 330 more acres will remain in the hands of farmers
- Continued half a dozen other farm protection efforts
- Assisted 7 land trusts protecting working farms in 5 counties
- Invested over $360,000 in permanent working farm protections

The protection of these four farms brought the program total to eleven permanently affordable working farms, comprising 1,486 acres in five counties!

All four of the farms protected in 2018 are secured with conservation easements that include affordability restrictions. These restrictions require that the farm forever be transferred only at agricultural value, and always to another farmer. They are designed to maintain commercial-scale agriculture serving the farmer’s community.

Hearty Roots Community Farm will stay affordable to future farmers!

Ben and Lindsey Shute operate Hearty Roots Community Farm on 70 acres in Clermont, NY, serving a 600-member CSA and using sustainable practices to improve the soil and ecosystem. They are also two of the founders of the National Young Farmers Coalition, where Lindsey served as Executive Director for ten years, and they have been strong public advocates for making farms affordable to farmers. Although their land was protected from development when they first purchased it, they wanted to add restrictions to their easement to ensure the property would remain affordable.
remain affordable to farmers in the future. Equity Trust partnered with Scenic Hudson Land Trust to create and fund this additional protection.

**Nemeth Farm adds to future shared farm!** Through a truly collaborative effort, Nemeth Farm was saved from being converted to industrial use when Equity Trust purchased this 72-acre farm in Hamptonburgh, NY. Working with former owner David Nemeth, Morse Pitts (owner of Windfall Farms next door), Orange County Land Trust, Scenic Hudson, and GrowNYC’s FARMroots Program, we protected the farm with a conservation easement and are helping bring it back into production. Equity Trust is now leasing the land to Windfall Farms and working with GrowNYC, Morse, and other farmers to develop a plan for cooperative management of the two farms’ combined 214 acres.

**The Farm at Miller’s Crossing expands to keep up with demand!** Affordability restrictions funded by Equity Trust allowed Chris and Katie Cashen to add land, farmworker housing, and a farm store to their organic farm in Hudson, NY, which feeds 920 CSA member families each summer and 440 families each winter, mostly in Brooklyn and Queens. The 68 acres the Cashens purchased were part of a nearly 400-acre former dairy protected by Columbia Land Conservancy (CLC) with funding from New York State and Scenic Hudson. It includes two residences renovated for farmworker housing and a 250-year old Dutch barn now restored as a farm store selling their vegetables, meat, flowers, and maple products, as well as locally-sourced bread and baked goods. Although currently part of the Cashens’ larger operation, the mix of infrastructure and land means this property could also be a viable stand-alone farm.

**Randall cattle now have a secure home at Artemis Farm!** At Artemis Farm, Cynthia Creech raises a rare heritage breed of cattle on 120 acres in New Lebanon, NY. Randall cattle are a hardy New England breed with qualities suitable for dairy, meat, and draft uses. Equity Trust temporarily acquired the half of the property that Cynthia did not yet own to protect it from being sold while easement funding for the whole property could be brought together. Funding came from New York State, the Federal Agricultural Conservation Easement Program, Scenic Hudson, and Equity Trust. The easement is held by CLC, and proceeds of its sale made it possible for Cynthia to purchase the other half of the farm property.
Equity Trust Fund

*Eight new loans in 2018*

**The Black Family Land Trust** is a North Carolina-based conservation organization that works to stem and reverse historical land loss among African American families and minority farmers, mostly in the Southeast US. In 2017, Equity Trust agreed to offer financing for people involved in one or another of their programs, and we made our first two such loans in 2018. One provided bridge financing to a landowner engaged in a USDA-funded reforestation project in Virginia; the other provided operating capital to a family farm in North Carolina.

**One Seventy-Seven** is the ownership group consisting of residents and community members who purchased our Turners Falls building from us early in 2018. When Equity Trust bought the building in 1998, it was with the intention of soon reselling it to its then-current occupants. After some turnover and almost twenty years, that goal was finally achieved. When we sold it, we left about 20% of the building’s value invested as a permanent affordability subsidy, and this loan helped the new owners finance their purchase.

**Berkshire Co-op Market** is a thriving consumer-owned grocery store in Western Massachusetts whose long-time location was recently redeveloped. We participated in a multi-lender financing package coordinated by Cooperative Fund of New England that enabled the co-op to expand and re-equip a new store as part of the redevelopment project.

**Artemis Farm** is a heritage-breed cattle farm that was permanently protected through our Hudson Valley Farm Affordability Fund. In 2015, we purchased and held the leased half of the land on which it was operating while waiting for the easement to close, which happened in June. Meanwhile, we made a cash flow loan in February, and when the easement closed, the farmer was able to repay the loan and purchase the land at an ag-affordable price.
**Jubilee House Community** runs the nonprofit Center for Development in Central America in rural Nicaragua, helping small farmers organize into cooperatives for the production, processing, and marketing of a variety of crops including peanuts, cotton, sesame, and coffee. We have made several loans over the years to support various enterprises. Last year's loan paid for the harvest and processing of peanuts and has already been repaid through sales to US and Canadian distributors.

**Saint Francis House** is our local (New London) partner in the Francis Fund for Southeastern Connecticut. Last year, it helped found the Southeastern Connecticut Community Land Trust, a potential steward for properties that have benefitted from Equity Trust/Francis Fund loans in the past or will in the future. As the CLT was getting on its feet, Saint Francis House purchased a two-family home on behalf of the CLT with this loan. It will be repaid upon the sale of the home to a low-income buyer.

**New London Homeless Hospitality Center** is a human services nonprofit offering a variety of programs affecting the homeless in southeastern Connecticut. They have received several loans from the Francis Fund to acquire and renovate homes for use as transitional and affordable housing for the people they serve (and two other loans related to their headquarters). This newest loan financed their purchase of three adjoining lots where they will build three new affordable duplexes.

**Important Loans Repaid in 2018**

We’re proud to report that some very meaningful loans were repaid last year. Our loan to **Good Humus Produce** was repaid when the easement we helped create was finalized (see page 1). **Crimson & Clover Farm**, operating on a long-term groundlease at a community farm that we helped organize, repaid a loan that was secured by a mortgage of its leasehold interest. **H.O.M.E., Inc.**, a collection of enterprises serving a very low income population in Maine that was an early proponent of CLTs, repaid a loan that enabled it to provide affordable housing. And the funds **Equity Trust** invested to purchase the building that became our office in Turners Falls, MA, were returned to the Equity Trust Fund when we sold the building (see page 4).
Sharing Our Work

Equity Trust is committed to providing training, sharing information, and networking to promote alternative forms of property ownership based on principles of social justice, equity, and environmental sustainability.

In 2018, we continued our partnership with the National Young Farmers Coalition to encourage more land trusts to address land access and affordability through **Land Access Innovations Trainings**, including:

- A workshop for Ohio land trusts, organized with the Coalition of Ohio Land Trusts, Ohio Ecological Food and Farm Association, and other local partners (February 14, Columbus, OH).

- Trainings for Pennsylvania farmers (March 20, Prospect, PA) and land conservation professionals (October 10, Pittsburgh, PA) organized with the Pennsylvania Association for Sustainable Agriculture and other local partners.

- **Farmland Conservation 2.0: Tools and Tips for Keeping Farmers on the Land**, a webinar produced and distributed by the Land Trust Alliance (available by request).

In addition, in 2018 we:

- Helped plan the **Pioneer Valley Grows Forum** on immigration, food access, land access, and the local food system, and led a breakout discussion on innovative models of land tenure (April 7, Holyoke, MA).

- Participated in a **Community Land Trust Charrette** with forty-five CLT practitioners to evaluate the state of the CLT movement and identify shared goals for future collaboration, including the need for social justice messaging and community organizing, and more expansive applications of the CLT model “beyond housing” (October 1, Pittsburgh, PA).

- Led the **Working Together to Keep Farmland in Farming** workshop at the annual Regional Conservation Partnerships Network Gathering, along with several partners (November 15, Amherst, MA).

**Farms for Farmers (continued from page 1)**

Last year, Equity Trust had the opportunity to support Southeastern African American Farmers’ Organic Network (SAAFON) as they developed and implemented a survey to identify the assets and needs of the farmers with whom they work. Many of these farmers are stewarding farms that have been in the same Black family for over 100 years; SAAFON was established to help them connect with one another, build collective power, and model alternative ways of living in the 21st Century. The network aims to pilot models to reverse Black land loss, support Black land succession, and develop a regional community land trust.

Equity Trust has also been advising All Farmers as they seek secure land tenure for the autonomous groups of refugee and immigrant farmers in the Springfield, MA area whom they support with training, needs assessment, and resource development. Once appropriate land is identified, Equity Trust will help the farmer groups and All Farmers develop land use arrangements to protect affordable and secure land access over time.

We’ve consulted throughout the year with groups developing a variety of projects but inspired by similar values and objectives. For example, we spoke with people creating an educational and research center for regenerative practices on 128 acres in Ohio, and met with a California group developing a model combining regenerative land stewardship with working lands, education, and residential uses on 172 acres in California. Consulting through our Farms for Farmers program allows us to share concepts, models, and experience. Sometimes that leads to deeper relationships and collaboration, sometimes not. Either way, each group incorporates what we have to share into its work as best suits its particular situation, and each adds to the richness of thought as to how to collectively share and care for the earth.

Jeff Main, Good Humus Produce, CA
### STATEMENT OF FINANCIAL POSITION on December 31, 2018
(with comparative totals for 2017)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and short term investments</td>
<td>3,861,454</td>
<td>3,856,688</td>
</tr>
<tr>
<td>Accrued interest receivable, net</td>
<td>114,838</td>
<td>66,997</td>
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<tr>
<td>Pledges receivable</td>
<td>3,400</td>
<td>4,200</td>
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<tr>
<td>Other receivables</td>
<td>5,046</td>
<td>4,872</td>
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<tr>
<td>Net loans receivable-current portion</td>
<td>3,689,367</td>
<td>3,486,179</td>
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<tr>
<td><strong>Total current assets</strong></td>
<td><strong>$7,673,983</strong></td>
<td><strong>$7,418,935</strong></td>
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<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loans receivable-noncurrent portion</td>
<td>1,067,809</td>
<td>1,215,998</td>
</tr>
<tr>
<td>Donated and acquired real property</td>
<td>222,742</td>
<td>417,509</td>
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<tr>
<td><strong>Total noncurrent assets</strong></td>
<td><strong>$1,290,551</strong></td>
<td><strong>$1,633,507</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$8,964,534</strong></td>
<td><strong>$9,052,442</strong></td>
</tr>
</tbody>
</table>

|                      |       |       |
| **LIABILITIES AND NET ASSETS** |       |       |
| **Current liabilities:** |       |       |
| Accounts payable      | 7,100 | 8,715 |
| Accrued interest payable | 31,660  | 32,426 |
| Advance funds received | 83,844 | 82,500 |
| Other current liabilities | 24,209  | 19,933 |
| Loans payable-current portion | 4,117,088 | 3,864,441 |
| **Total current liabilities** | **$4,263,902** | **$4,008,015** |
| **Noncurrent liabilities:** |       |       |
| Loans payable-noncurrent portion | 2,208,907 | 2,560,651 |
| **Total noncurrent liabilities** | **$2,208,907** | **$2,560,651** |
| **Total liabilities** | **$6,472,808** | **$6,568,666** |
| **Net assets:**       |       |       |
| Unrestricted          | 126,978 | 131,786 |
| Temporarily restricted | 2,364,748 | 2,351,989 |
| **Total net assets**  | **$2,491,726** | **$2,483,775** |
| **Total liabilities and net assets** | **$8,964,534** | **$9,052,442** |
# STATEMENT OF ACTIVITY
For the year ended December 31, 2018
(with comparative totals for 2017)

<table>
<thead>
<tr>
<th>REVENUES and OTHER SUPPORT</th>
<th>Temporarily Unrestricted</th>
<th>Restricted</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contrib. and grants</td>
<td>123,431</td>
<td>550,377</td>
<td>673,808</td>
<td>795,115</td>
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<tr>
<td>Interest income</td>
<td>57</td>
<td>266,005</td>
<td>266,062</td>
<td>178,671</td>
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<tr>
<td>Donated services</td>
<td>45,205</td>
<td>0</td>
<td>45,205</td>
<td>39,817</td>
</tr>
<tr>
<td>Property revenues</td>
<td>0</td>
<td>31,425</td>
<td>31,425</td>
<td>22,737</td>
</tr>
<tr>
<td>Loan loss recovery</td>
<td>0</td>
<td>22,493</td>
<td>22,493</td>
<td>15,810</td>
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<tr>
<td>Program revenues</td>
<td>11,736</td>
<td>2,380</td>
<td>14,116</td>
<td>8,927</td>
</tr>
<tr>
<td>Net assets released from restriction</td>
<td>859,921</td>
<td>(859,921)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total revenues and other support</strong></td>
<td>$1,040,349</td>
<td>$12,759</td>
<td>$1,053,108</td>
<td>$1,061,077</td>
</tr>
</tbody>
</table>

## EXPENSES

### Programs:
- Farms for Farmers: 859,585 0 859,585 181,670
- Equity Trust Fund: 107,496 0 107,496 43,783
- Land Stewardship: 44,824 0 44,824 124,868

**Total programs**: $1,011,905 $0 $1,011,905 $350,321

- Mgmt. and general: 29,350 0 29,350 25,882
- Fundraising: 3,903 0 3,903 3,019

**Total expenses**: $1,045,158 $0 $1,045,158 $379,222

### Change in net assets
- ($4,809) $12,759 $7,950 $681,855

### Net assets - beginning of year
- $131,786 $2,351,989 $2,483,775 $1,801,921

### Net assets - end of year
- $126,978 $2,364,748 $2,491,726 $2,483,775