

Annual Report 2019



Equity Trust, Inc.

Promoting equity in the world
by changing the way people think about and hold property



Dear Friends,

Attempting to look back and report on last year’s work is somewhat daunting in the midst of this year’s global pandemic. The events of the last several months make so much that happened immediately prior to the appearance of Covid-19 seem remote and less significant. Yet the current crises—medical, economic, social—also provide a lens that gives our work greater clarity and meaning.

As the impacts of the pandemic highlight the many forms of inequality in our nation, the urgency of Equity Trust’s mission to promote equity in the world is all the more evident. Our Equity Trust Fund serves as a vehicle for people of greater means to share their assets so that those of lesser means can build equity in economic resources like property; the ten loans the Fund made in 2019 are concrete examples of the impact this approach can have.

One of the clearest lessons of the pandemic is the vulnerability of the corporate, big-ag-dominated food system. As awareness about the value of local food systems grows, the fifteen affordable working farms that our program has helped establish in the Hudson Valley will make both a significant contribution to food needs in that region and provide a model for how communities across the country can preserve farmland for food production and contribute to more sustainable and equitable ways of feeding ourselves.

In this new moment, alternative forms of property ownership and equitable economic relations are needed more than ever. Equity Trust remains firmly committed to helping them grow. Thank you for sustaining our work.

Jim Oldham, Executive Director

Front cover photos: Dig Inn Farm and Rise & Root Farm, both at Chester Agricultural Center, NY.

Equity Trust, Inc.

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Farms for Farmers

Equity Trust's work in 2019 was diverse and interesting, responding to requests from farmers, land owners, land trusts, and visionaries across the country including in California, Colorado, Florida, Hawaii, New York, Ohio, Oregon, Pennsylvania, Wisconsin, and in our own backyard in Massachusetts. We advised retiring farmers searching for ways to pass their farm on as a legacy for future generations, established farmers seeking security through

long-term lease arrangements with land trusts, and new farmers exploring approaches to sharing farmland.

We helped one land trust with its first conservation easement containing an option to purchase at agricultural value (OPAV—a resale restriction that protects affordability) and shared information with others about land protection strategies and alternative ownership structures.

We participated in conversations with a growing number of allies exploring the potential of community land trusts dedicated to holding and stewarding farmland. We provided pro bono assistance to organizations supporting immigrant and refugee farmers seeking secure land tenure, and responded to inquiries from people investigating how to clear title to tribal members' land, establish a land trust to protect sacred sites, and save a farm owned by a Native American family from development.

In 2019, Equity Trust also offered guidance for a variety of exploratory projects as they sought funding, project design, and potential partners. These included one group seeking to protect a former blueberry farm and transform it into a community farm and food hub, and another working to develop a plan for an intentional community featuring peer support for differently-abled residents, affordable housing, a farm, and multiple enterprises onsite. We consulted with people interested in promoting and protecting regenerative agriculture including through an education center and a land trust. In these ways our program, centered on affordable farms for farmers, ranges well beyond, to protect communities' local food sources, the earth, and future generations.



All Farmers, MA (© www.allfarmers.world)

Equity Trust Fund

We made ten new loans in 2019

The Black Family Land Trust works to reverse historical land loss among African American families in the Southeast US. Under a partnership begun in 2017, Equity Trust is offering financing for people involved in BFLT programs. Three loans were made in 2019: two providing bridge financing to small farmers awaiting USDA grants for infrastructure improvements (high tunnels), and one to prevent the loss of family land to a tax lien.



African American-owned farmland, NC
(© www.bflt.org)

Koinonia Farm, founded in Georgia in the 1940s, was a pioneer in the property stewardship movement, emphasizing the sharing of communal resources, racial equity, nonviolent resistance, and cooperative work. Its illustrious history includes the incubation of Habitat for Humanity, among other highlights. Our loan will enable the residents to expand their pecan orchard and renovate the facility where they make pecan goodies sold worldwide to friends and supporters.

Natural Borders Farm is a grass-fed beef and lamb operation in central New York run by a farmer seeking to permanently protect her land as an affordable farm using Equity Trust's model. Our loan refinanced her bank mortgage, freeing up some cash to invest in farm infrastructure to facilitate the lease of some of her land to a younger farmer who could eventually purchase the farm affordably in a transition to permanent protection.

Nutwood Farm is a regenerative agroforestry farm cultivating a wide variety of edible perennials—including hazelnuts, chestnuts, walnuts, pecans, butternuts, and heartnuts—for local distribution in Western Massachusetts. Once the farm is producing at a commercially viable rate, it could provide a missing link in the local food system for years to come. Our loan refinanced their seller-financed acquisition loan and leveraged options, held by Equity Trust, that would lead to permanent affordability protection.



Nutwood Farm, MA

New London Landmarks is a historical preservation nonprofit renovating a noteworthy downtown New London, Connecticut home that it will resell with an affordable deed restriction, breaking the customary link between historic preservation and gentrification. Our Francis Fund loan financed some construction work while the organization awaits the sale of affordable housing tax credits.



Affordable historic home, CT

Riverland Farm is a organic vegetable farm on permanently protected land in Western Massachusetts whose owners received a loan from Equity Trust in 2011. At the end of 2019, their farm manager entered into an agreement to acquire the business’s assets. Our loan financed the purchase of the intangible aspects of the business, including goodwill and customer base.

Hart's Mill Ecovillage and Farm will use a limited-equity ownership model in the intentional community it is building in North Carolina. Our loan enabled the planners to do some predevelopment work on land they purchased in 2017. In turn, that work is expected to draw new ownership investments and eventually leverage construction financing.

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 sesame and will be repaid through sales to US and Canadian distributors.

Loan Committee Welcomes New Member

We are pleased to welcome Darrin Vander Plas to the Equity Trust Fund loan committee, which is responsible for reviewing and deciding on requests for loans. Darrin is a loan officer with USDA’s Farm Service Agency, where he underwrites and services loans to farmers in Western Massachusetts. Before that, he spent two years in the Peace Corps in The Gambia as an agricultural extension agent. Darrin strengthens the loan committee’s capacity in terms of experience with farm businesses and financing and on loan underwriting.



Hudson Valley Farm Affordability Program

Over six years, the Hudson Valley Farm Affordability Program has ensured that fifteen farms in New York's Hudson Valley, comprising 2,260 total acres, will always be available to working farmers for an affordable price. These farms range in size from 20 to 444 acres, and are located in six Hudson Valley counties from Orange County in the south to Washington County in the north. They include dairies, pastured meat operations, diversified vegetable production, fruit farms, and more. In addition to preserving working farms, these projects have helped new farmers get on land, supported retiring farmers passing on their farms, prevented the sale and disappearance of much-loved farms, supported the financial stability and continuity of multi-generational farms, and helped sustain the agricultural economy of the Hudson Valley.

Five more affordable farms in the Hudson Valley

In 2019, our program helped to facilitate and fund the protection of five farms, comprising over seven hundred acres, to ensure they remain permanently affordable for working farmers. They include:

Featherbed Lane Farm: 62 acres in Saratoga County where Tim Biello works the land with draft horses, raising a variety of crops and livestock that he sells directly through a community supported agriculture (CSA) sales model. The farm is protected with a conservation easement, held by Saratoga PLAN, that protects the land for agricultural use and includes a resale provision ensuring that in the future, the property can transfer only to working farmers and for no more than its agricultural value.



Featherbed Lane Farm, NY

Hepatica Farm: 100 acres in Washington County, where Arthur Kraamwinkel and Melanie Seserman aim to build a diversified, biodynamic farm selling poultry, pork, lamb, vegetables, and dairy directly to consumers. The Agricultural Stewardship Association holds the

easement that protects this farm from development and keeps it affordable for future farmers.

Farmer's Daughter: 196 acres in Orange County where Trish and Matt Southway produce meat, eggs, and vegetables for their highly popular farm stand in Otisville, NY. The Southways previously rented the land and were able to purchase it after it was protected with an easement, held by Orange County Land Trust, that limits its resale price to agricultural value and requires the owners to continue to farm it.



Farmer's Daughter Farm, NY

Thompson Finch Farm: 197 acres in Columbia County where Marnie and Don Maclean run one of the largest and oldest organic you-pick strawberry operations in the Northeast, and also grow blueberries, apples, and organic vegetables, each year serving more than 1,000 customers from New York and surrounding states. The land is preserved as an affordable farm through shared-equity ownership: Columbia Land Conservancy owns the land while the farmers own the farm infrastructure and have secure use of the land under the terms of a long-term ground lease. An agricultural easement, held by Dutchess Land Conservancy, provides an additional layer of protection.

Chester Agricultural Center (CAC): 165 acres in Orange County, where seven organic farm operations lease land. It was formed in 2014 in the Village of Chester, with the goal of preserving Chester's black dirt—highly fertile soils formed in an ancient glacial lake—and converting it to organic growing practices while providing affordable long-term leases to beginning-level farmers. In 2017 the CAC expanded its goals to include promoting greater fairness and equity for farm workers, and working with local stakeholders to redevelop a thriving community.

CAC also decided to transition from investor ownership to nonprofit status to better meet these goals. The sale of a conservation easement, funded by the federal Agricultural Land Easement Program, Scenic Hudson Land Trust, and Equity Trust, was key to making this possible. As with our other projects, the CAC easement, held by Scenic Hudson, also ensures that the land will always be used for farming, and that any future sales will be at a price a farmer can pay with their agricultural earnings. In the meantime, under CAC leases, a wide range of new and growing farm businesses have secure and affordable access to the land.

Hudson Valley Farm Affordability Program

CAC's current lessees are: **Rise & Root Farm**, whose mission is to bring healthy, affordable, locally grown food to New York City residents, particularly those living in low-income communities; **Sun Sprout Farm**, whose certified organic vegetables reach consumers via farmers markets and wholesale distribution; **Dig Inn Farm**, supplying restaurants in New York City and working to better understand where our food comes from and how it's grown; **Field & Larder**, whose organic produce and strawberries are sold at Newburgh and Beacon farmers markets; **Grandpa Farm**, a Latinx-owned and operated farm that specializes in organic produce sold at Newburgh and NYC Greenmarkets; **Gilded Farm**, an incubator farm owned by Brandon Horton and supported by Dig Inn Farm where he interned in 2019; and **Rubi Farm**, owned and operated by Manuel Garcia, a participant in GrowNYC's FARMroots Beginning Farm program who is starting his first year at the CAC.

Sharing Our Work

Each year, Equity Trust promotes exploration, understanding, and implementation of alternative forms of property ownership based on principles of social justice, equity, and environmental sustainability. In 2019, we:

- Contributed an article to the Spring 2019 issue of *Communities* magazine focused on Community Land: "Preparing the Ground for an Innovative Farm Community—Orange County, New York." With Jack Hornickel, of project partner GrowNYC's FARMroots program, we tell the story of a collaborative project at Windfall Farms, still in progress as part of our Hudson Valley Farm Affordability Program.
- Presented on panel of practitioners at "Protecting Farms for the Future: The Law and Practice of Agricultural Conservation Easements," a Continuing Legal Education workshop hosted by American Farmland Trust and the Pace-NRDC Food Law Initiative in Kingston, NY (April).



Chuck Matthei in Colorado c. 2000. Our work builds on his legacy of support for grassroots social change.



Chester Agricultural Center, NY

- Moderated a farmer panel about farmland affordability at a screening of *The Biggest Little Farm* hosted by Greenbelt, Essex County's Land Trust, in Brookline, MA (April).
- Presented on community investment opportunities with the PVGrows Investment Fund and other peer lenders in Northampton, MA (June).
- Gave a "lightning talk" about our work as one of several featured organizations at the Greater Quabbin Food Alliance's Spring Gathering in Orange, MA (June).
- Co-taught a webinar on preemptive purchase rights for New York land trusts with the National Young Farmers Coalition, Columbia Land Conservancy, and Scenic Hudson (November).
- Participated in American Farmland Trust's *On Solid Ground Forum* in Albany, NY, which highlighted several of our Hudson Valley Farm Affordability Program projects (November).
- Co-sponsored Leah Penniman's talk and workshop on Land Reparations, held in Northampton, MA as part of the Karuna's Center's workshop series, *Engaging Peace: Reparation and its Forms*. Other co-sponsors included Resource Generation, Western Mass Showing Up for Racial Justice, Abundance Farm, and Land for Good (December).
- Collaborated through the *Forever Farmland Initiative* with a group of organizations working to protect farmland in Massachusetts' Connecticut River Valley (ongoing).



STATEMENT OF FINANCIAL POSITION on December 31, 2019
(with comparative totals for 2018)

ASSETS	2019	2018
Current assets:		
Cash and short term investments	2,997,040	3,861,332
Accrued interest receivable, net	129,524	114,838
Pledges receivable	2,105	3,400
Other receivables	1,702	5,046
Net loans receivable-current portion	<u>2,269,361</u>	<u>3,689,367</u>
Total current assets	\$5,399,732	\$7,673,983
Noncurrent assets:		
Net loans receivable-noncurrent portion	697,070	1,067,809
Donated and acquired real property	<u>397,342</u>	<u>397,342</u>
Total noncurrent assets	\$1,094,412	\$1,465,151
Total assets	\$6,494,144	\$9,139,134
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	4,352	7,100
Accrued interest payable	97,976	31,660
Advance funds received	16,344	83,844
Other current liabilities	45,070	24,209
Loans payable-current portion	<u>2,201,253</u>	<u>4,117,088</u>
Total current liabilities	\$2,364,994	\$4,263,902
Noncurrent liabilities:		
Loans payable-noncurrent portion	<u>2,235,155</u>	<u>2,208,907</u>
Total noncurrent liabilities	\$2,235,155	\$2,208,907
Total liabilities	\$4,600,148	\$6,472,808
Net assets:		
Unrestricted	112,422	126,978
Temporarily restricted	1,781,574	2,539,348
Total net assets	\$1,893,996	\$2,666,326
Total liabilities and net assets	\$6,494,144	\$9,139,134



**STATEMENT OF ACTIVITY For the year ended December 31, 2019
(with comparative totals for 2018)**

	2019			2018
	W/out donor restriction	With donor restriction	Total	Total
REVENUES and OTHER SUPPORT				
Contrib. and grants	116,739	97,123	213,862	848,408
Interest income	230,011		230,011	266,062
Donated services	43,388		43,388	45,205
Property revenues	994		994	31,425
Loan loss recovery	0		0	22,493
Program revenues	19,676		19,676	14,116
Net assets released from restriction	<u>854,897</u>	<u>(854,897)</u>	<u>0</u>	<u>0</u>
Total revenues and other support	\$1,040,349	(\$757,774)	\$507,931	\$1,227,708
EXPENSES				
Programs:				
Farms for Farmers	1,087,167	0	1,087,167	859,585
Equity Trust Fund	117,372	0	117,372	107,496
Land Stewardship	<u>40,580</u>	<u>0</u>	<u>40,580</u>	<u>44,824</u>
Total programs	\$1,245,118	\$0	\$1,245,118	\$1,011,905
Mgmt. and general	30,133	0	30,133	29,350
Fundraising	<u>5,009</u>	<u>0</u>	<u>5,009</u>	<u>3,903</u>
Total expenses	\$1,280,260	\$0	\$1,280,260	\$1,045,158
Change in net assets	(\$14,556)	(\$757,774)	(\$772,330)	\$182,550
Net assets - beginning of year	\$126,978	\$2,359,348	\$2,666,326	\$2,483,775
Net assets - end of year	\$112,422	\$1,781,574	\$1,893,996	\$2,666,326