

Jean-Paul Courtens, Roxbury Farm
Protecting the Continuity of Farmland

Jean-Paul Courtens: I will share a little bit about who I am. I'm Jean-Paul Courtens. I'm at Roxbury Farm in Kinderhook, New York, which is two hours' drive north of New York City. I started my farm just as Farmer John, in 1990. And I actually started on a different piece of land than we are right now.

I just want to go back a little bit and tell you kind of a story about how I got into farming. I went to training for biodynamic agriculture. And one of the things that I learned as a lesson that was invaluable was my teacher of economics who told me that farming is a great way of losing a lot of money in a very short amount of time. I took that lesson really to heart.

And the other thing is that I don't save up money, he said, "Become good at what you enjoy doing most." And I've definitely remained faithful to that principle is that, I never really have saved up money to buy a farm. It took me about ten years before I started my own farm. I really decided I wanted to be a farmer. I went to a four-year training and then I worked at many other farms, first from farmhand to farm manager before I started Roxbury Farm.

Because I think the one foundation in which, you will be successful as a farmer is just by being an exemplary farmer. And I think we took that another step after I started wholesaling at Roxbury Farm in the organic market for one year and the market fell out under me and we started the CSA.

And so, we are now an 1,100-member CSA farm but the foundation on which we started the CSA was that the original members really wanted me to stay home, be a farmer instead of being at the Greenmarket in New York City — get up at 3:00 in the morning, be home at 9:00 at night — and

[instead] be home and basically hone my farming skills. Because it's ongoing, I'm learning every year. This doesn't stop.

I'm 54 right now, but every year, it's like okay, next year we'll get another chance at this; we'll do better next year. So, in 1999, where I was at the farm, where we were, we lost the lease to our farmlands. So, I was one of the many CSA farmers that was farming on borrowed land.

And Chuck Matthei who was already mentioned before, was a very close friend of mine. And so, the question really was, like: What am I going to do? Am I going to stop farming? I was offered a very nice job actually at the center by Patrick. And I was very tempted to do that, but then the members said, like, that they really didn't want me to stop farming, they wanted me to continue. And also, Chuck said like, "Listen, you know, this is something that a lot of farmers are dealing with. Let's see how we can resolve that."

And the thing is that what was really interesting about my first situation is that, and I really appreciate the introduction that you gave earlier, because often we think as land ownership as either you own it, or you don't own it. Either it's a nonprofit or it's private. And that's a very simple way of putting it. And Chuck really had a much more wonderful way of looking at it, a more creative way of looking at it.

And I just say, well, the same thing that John already said, just in different words where Chuck said, "Land is really a bundle of rights." For example, the equity component is just one of the part of the bundles of that right. But the right to mine, develop buildings, roads and other improvements is just not a right, the right to farm it, the right to hunt it, public access, and in our case, preserving historical and environmental

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resources.

So, when we started looking for our new farm, and Chuck basically told me, "Here, you have a blank check. Go look for a farm. We'll worry about the finances later," although the members at that point said to him like, "We'll promise we'll raise the money to purchase a piece of land. Right now, we just got to get out of the situation and find a piece of land."

I found a piece of land. And I think I had one huge advantage, I guess, over other farmers is that I'd been involved in the land trust movement for a very long time. And I was able to find a farm strategically where I knew that conservation organization were willing to purchase development rights. This is the component where you have the right to mine and develop buildings, roads. There are organizations out there who really would like to own that piece of the bundle of rights and pay money for it.

There are programs where the state actually purchased development rights with the idea that they will protect farmlands.

Chuck knew better. He said, "That's a great component. But guess what? It doesn't protect farmers." It doesn't actually protect continuity of farmlands. What actually protects continuity of farmland...because what we are seeing right now, Columbia County is considered the Hamptons of the north, of New York City, believe it or not. We have many more billionaires, per capita, in Columbia County than probably in southern California and some places. A lot of people are buying up protected farmland and protected farmland right now, so land that does not have the right to mine or develop it is fetching more money per acre than unprotected lands because all these people are nicely together and can look out from their castle to the other castle and we're actually

creating a new kind of serfdom.

So, conservation easements are an interesting tool. But because it only addresses one part of the bundle of rights, it hasn't actually protected farmer. So, when Chuck came to me, he said, "What we really need to do," he'd been banging on the doors of the conservation or the land trust movement for years and them not listening.

He said, "We need to find tools to protect farmland." And he said the only way we can do that is with a resale restriction. Nevertheless, I was able to find a piece of land. And because we did need to raise money, I did get an organization involved to purchase the development rights. So, the total project was \$600,000. And then they threw in about \$200,000 in purchasing the development rights, which allowed us to raise the money for the first 150 acres of our property.

So, part of the conservation easement, that they wanted to have access to the Kinderhook Creek, and that was the part that we did. When this was all said and done, the members then had to raise the remainder of the equity component. So, we were set out to raise the other \$400,000 that was remaining.

But what happened was is that we tried to raise that \$400,000, and that was much harder than we thought. It was not that easy.

We had 650 members at that point. And Chuck thought like, "Well, a lot of them are in New York City. That's going to be a piece of cake, all that money in New York City." Well, guess what? People who are a member of a CSA in New York City don't have the money to have a second home in Long Island, all right? So, they're not wealthy. Because

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they're... if you're gone out of the summer months in New York City, you're not going to be a member of a CSA.

So, it was really, really hard to raise that money. But we did raise about \$250,000. And then the question was, what are we going to do? Well, there's a house and a barn on the property. And what we ended up working out is that my wife and I then purchased the house from Equity Trust subject to a resale restriction, and the members bought the remainder of the land through the charitable donations through Equity Trust, who then turned around and gave my wife and I a 99-year ground lease.

Have you lost me yet? I know it's really complicated. That's why I wrote it down. We own the farm business, we always held the farm business, which mean we own the tractors, you know, we employ people. We are a for-profit business. We live in a house that is subject to a resale restriction.

That means that if I sell my house, I have to sell it to another farm because the land underneath is actually owned by Equity Trust. So, I went to the bank and tried to get a leasehold mortgage. You think they gave me a mortgage? They did. The local bank did. Took some education. But you can. When you explain to them that nobody in New York City owns the land underneath their house, they get it. It's a very common thing. A leasehold mortgage is not that unusual.

Now, of course, what is a little bit of a weakness in this model is that if we would foreclose, Equity Trust needs to have the money in the bank to purchase it before the bank purchase it, because the bank would only hold the mortgage if the house would not be held restricted to a resale

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value.

That is something that in order to protect that this land and the house will only be available to future farmers, we really need to keep it somehow within farmers and make sure that there is this other party out there, Equity Trust or something else, that if the business forecloses, that they can purchase it back.

If you think about it, we have really three parties. We have the private ownership in the sense whereby we have the right to farm this land. We have equity or some equity in the house and the building and all the other improvements that we have built on the property so far. And then we also have the community at large represented in two ways, through Equity Trust and through OSI. Through OSI, Open Space Institute, with the protection of the land in perpetuity because Equity Trust really is a community loan fund.

They could put a public housing project on the property if they were to protect it. But Equity Trust protects that this will always be available to future farmers at an affordable rate. So, what is an affordable rate? Depends greatly on the farming environment, on the economic climate in which we operate our farm. But if Chuck would not have insisted on selling the house to us subject to a resale restriction, we bought it for \$150,000 in 2000.

After September 11, 2001, the housing market of upstate New York went up. We are actually assessed in our property value for \$350,000. That's not the value right now that a farmer could buy their house for, but that is because Kinderhook is a quaint little village. It's in the registry of historic places. And a lot of people want to live there.

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So, you see that in a course of ten years the value of our home went up quite a bit. Just a little bit more, there's an ownership here, my wife and I have the lease in our personal name. We have the farm business that is represented through an LLC to protect, that if the business fails, there's an additional level of protection that it doesn't default to the lease.

And then, then there's other stakeholders as well.

So where are we right now? So right now, we actually ended up purchasing more land. Now the farm is 390 acres. We were able to continue to... it's almost like a negative subdivision that we're going through.

Even the first acquisition, 150 acres, which is very interesting, was four lots that were all slated for development. So, we were able to do that. And then we purchased little lot and little lot and little lot. The last lot we're going to be purchasing 70 acres this December, was actually purchased by a lawyer, who ended up not developing it, selling it to Open Space Institute. Open Space Institute, restricting the development rights on it and now able to sell it to us.

So, we have a chunk of land right now, we have a viable farming business. And we're looking at, like, what about next generation. I know that my daughter, who is 20 right now, is interested in farming, which is really great, which is beautiful. And we also have employees that have been with us for, you know, between seven and ten years. And they're looking at wanting to have more responsibility.

So, what we have discovered in succession planning is that the models are all out there, you know, creating LLC or anything like that whereby

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they become partners. But the most important conversation that we actually are having right now with them is — with the help of Chris Schaffer from RSF Social Finance, or used to be RSF Social Finance — to talk about the social component of that.

Because from being an employee, becoming a co-owner, is a huge step. And it's actually clear that not all of our long-term employees are going to be co-owners. Some of them actually would just want to have equity outside the farm. And they don't want to be the risk takers. They actually like the idea that we're taking the risk. So, some of the people will want to come on the farm as being a co-owner. And other people say like, "I'm very happy."

So, I'm so glad that we didn't assume that, let's become an employee-owned business or something. First of all, we're too small for that. We only have 15 employees. Successful employee-owned businesses are usually 50 employees or more. And to create a partnership with our employees, it's really only for the people who are really wanting to be part of that.

So, one of the things that I have discovered is that for the last two years I've started stepping back. In order to actually make them grow into this procession of leadership, I actually have to step back. And, this has been a very interesting process for me. I started with not harvesting anymore. And then I started not doing a lot of fieldwork anymore. And my last status right now, I've taken on a job. I'm working off the farm.

So, [that was] initially kind of a shock for most of the people. It's like, I'm still going to be around, I'll still help you make all the decisions. But I am working off the farm on another passion I have, which is farmer training.

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It's a transition that I think, not just about passing equity, but it's really also about passing leadership.

If I would stay on the farm on a daily involvement, I don't think I can create the space that is needed for them to socially fill that. So, I feel like I'm 54 right now. It's going to take at least six years, maybe ten years for that transition to fully happen. I think if I would wait until I'm 65, I would've waited too long. And that's my sense. That's at least how I feel.

We purchased another property, which is interesting because it's a 100-acre property that was the first...that was actually one contiguous piece. What happened there is that, that was part of the original Martin Van Buren Estate. He was the eighth president of the U.S., if anybody knows that. He was the only Dutch-speaking president.

This is the property right next to us, OSI purchased that on behalf of the National Park Service with the intention that it's going to be farmed forever.

And as we realized how bureaucratic organization the National Park Service is, that most likely once they would own it, this relationship would disintegrate between Roxbury Farm and the Park Service. And OSI really wanted to see a viable partnership. So, what they ended up doing is strike a balance there, whereby they helped the Martin Van Buren superintendents, help them draft the conservation easement whereby there is some historical protection of the property.

For example, if you want to dig anywhere deeper than three feet, we're going to have the archeologist come over and take a look in the hole that we just dug. But otherwise it's not a lot of restrictions on it. But we are

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working with them as far as protecting the property in perpetuity. It allows us to purchase it quite handsomely because so much restrictions we're putting on it. But we got everything we wanted because really the only thing you can do with it is farm it at this point.

But we're working very closely with them. They have a new superintendent, and we actually have a very close working relationship. And they are now looking at Roxbury Farm as a way to also achieve their overriding mission of teaching what Martin Van Buren did in the 1850s as an experimental farmer. And I really feel that what our farming practices are, are really a demonstration of that. So it is, actually became, a really good thing.