

Jean Yeager: Now we're talking with Wali Via of Wintergreen Farm, from Noti, Oregon, about your particular transition story. How'd that go?

Wali Via: So far so good.

Jean Yeager: Great.

Wali Via: The structure that we had on our farm was an LLC. There were six members: three couples. One couple had bought the farm in 1980, then my wife and I joined up in about 1986. And another couple came on as employees, worked with us for a long time, and came into membership— I don't know, maybe five years ago, something like that.

Jean Yeager: Just stock membership in the LLC?

Wali Via: Yeah, the way we do it, we can have unequal ownership, but we decided to have equal decision-making. All of our decisions have been made by consensus despite the fact that I believe our rules allow for voting in certain cases.

But we've just— that's just our nature, is, I think, to work things out that way. Anyway, what happened is there's two older couples and one younger couple. And we were looking at how we would transition the farm going forward.

The older couples were ready to start moving back, taking on less. We still wanted to work some, but not as much as we were. It was extremely important to us that our farm organism that we'd built over so many years remain intact. So that was one element that we wanted to ensure.

Jean Yeager: You want to say a word about the— that ethos of that farm organism? Sustainable?

Wali Via: Yeah, well, you know, we try to have a very integrated farm organism that minimized inputs— quite diverse. You know, we have animals, we have grasslands, we have wetlands, we have oak groves. We've got vegetable crops, herb crops, bees, plus horses and sheep. And it's quite diverse.

Jean Yeager: So the first part was sustaining that.

Wali Via: Sustaining that, and our rotations were very important. That's been very critical. We had a five-year rotation for maybe 30 years.

Three in— cultivated, you know, like row crop situation or sometimes a perennial herb. And then two years in pasture, where our cattle would go over it. And then we just recently transitioned, which was quite a process, into a six-year rotation. Adding a third year for our grassland, which feels really good. That way a vegetable family won't see the same ground for at least six years, which really cuts down on a lot of problems.

So we looked at a lot of different models.

Well, maybe I'll just step back here a moment. Another guiding principle that we're trying to work in was obviously continuing the farm into the future. And as the elder couples moved out of positions of management and responsibility, we wanted to also divest ourselves of the potential risk of that. Interestingly, all— you know, all three families are unrelated. Our children weren't interested in carrying on the farm, though they were incredibly attached to the farm. The younger couple, we'll see. They've got a couple of pretty interested boys that they may just, but we'll see. That will be their transition issue.

So what we finally settled on is— you know, because there is a lot of economics involved, you know how that works. Oh, we also — the other

issue, I guess — was that we wanted, the elder couples wanted to stay on the land. You know, that was our home.

Jean Yeager: Okay, right.

Wali Via: We didn't want to up and move and just hand it over. All three couples do have homes on the land. The solution that we found that we're now just — we just transitioned into, I believe, in February, so this was our first growing season — was that the elder couples bought out the younger couple, okay. And then sold them the vegetable end of the operation, which includes our CSA of about 500 members and — you know, we do farmers markets, maybe four or five, six farmers markets — and some wholesale and some restaurant sales. And the elder couples retained the cow-calf operation that we had going.

But the farm is operating exactly the same in terms of rotation and the integration, the fertility cycling and that integration between the croplands and the livestock continues forward. The hope is that in a couple more years they'll be in a position to then buy out the cattle as well, and then we can take a further step back.

We would then just be continuing on in the role of landlords, 'cause we're leasing the ground to them. Obviously it's a very loving situation between all parties. I think that— oh, I should also mention that I still work, and so does my wife, doing some things within the vegetable operation. And then, technically, we're employees.

Jean Yeager: You're contract.

Wali Via: At that point, yeah, right. But we're given an extreme amount of freedom to judge how much we're working, when and doing what.

Jean Yeager: So let me see if I understand. The LLC still is in operation, but the LLC is now contracted or leased—

Wali Via: They're — what we did — the elder couple kept the old LLC and then the younger couple created a new LLC.

Jean Yeager: I see. Okay.

Wali Via: And so we sold the vegetables to the other LLC.

Jean Yeager: Right. Now have trust issues come into a particular situation for the eventual death of the older couples? How— what will happen to the land when that eventuality comes into play?

Wali Via: Right. And of course nobody knows for sure—

Jean Yeager: Yeah, sure.

Wali Via: But we had— both elder couples had long, good conversations with all of their children. All of our children grew up knowing the younger couple, because they were working on the farm when they were in middle school and high school. And so they have a good relationship with them. They love the farm. They want to see the farm continue. When the four elder members die, then they will take over ownership of the farm.

Jean Yeager: Your children.

Wali Via: Our children will. And, at least at the moment, it looks like they would be absentee landlords in that case. So that's a little twist. That has some advantages and some disadvantages. The advantages is, all of a sudden there's two more residences on the farm—

Jean Yeager: There you go, right.

Wali Via: —that potentially could be rented out to more farmers.

Jean Yeager: Income generating—

Wali Via: Right.

Jean Yeager: —anyway.

Wali Via: Right. Yeah, so the you know, and in terms of upkeep, for our responsibilities as landlords when they take that over, they'll have to deal with that however they deal with it.

Jean Yeager: Right. So let me ask you kind of a final question: With regards to how you guys came up with this plan, were you— did you seek out professional advisors? Was this an approach that you created out of yourself? Or what would you recommend to someone who's looking at creating a succession imagination or plan for themselves?

Wali Via: We looked at a lot of options. And some— some were completely original and therefore probably quite problematic. You know, whenever you're on the pioneering end of something, it's not easy. The final deal — when we had the concept, what we wanted to do — then we went to lawyers and talked to our CPA to work out the final detail. And in this case, it was as simple as a sales contract.

Jean Yeager: How about that?

Wali Via: Yeah. And then in addition to the sales contract, we have a list of agreements. And those agreements talk about our expectation for the care of the land, our consideration for their future, you know, so that there's a written-down sense of trust about what will happen in terms of the relationship going forward.

I was having a good discussion with Beth Corymb today, and you know, a lot of farmers that are getting older are of course struggling with this. And she's had some of the same experiences that we had — so we got to cry and laugh about that— around finding the right match of young people to come in and take over, or assist.

And it's a very common story to put a couple of years into a person and then have them leave. That just happens over and over, and you're really back at square one. And we had that experience, because our original concept was to replace the two elder couples with two other families so there'd be two more carrying on. And that just didn't happen.

That wasn't— that didn't happen. So what we did have, we were fortunate in the younger couple, they came in, like I said, as employees. And one has been with us for 19 or 20 years now and the other for, like, 16 or something. And they were married on the farm and their kids were born there and everything—

Jean Yeager: Wow.

Wali Via: —so they're—

Jean Yeager: So that can be — the employee coming into the operation early — can be an actual long-term transition strategy.

Wali Via: Yeah. So you know, as I was responsible for a lot of the personnel on the farm. I would always keep an eye out for people coming in. Like, I'd always ask, you know: What are you planning on doing in five years? You know, and if there was an opening, then that would be something that could be nurtured, you know, or just be kept aware of.

And you know, see where that leads. But it's not a sure thing. And I think

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the key is to start early. If you wait till you're 65 to start looking around, it's gonna be tough. But if you start thinking about it when you're 45 or 50, I mean in our case we were probably 42 years old when Chris showed up.

Jean Yeager: Start early.

Wali Via: Start early.

Jean Yeager: Thank you, Wali.

Wali Via: Yeah, you bet.