

Profile from the Field

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Nonprofit Works to Protect Farms with Legal Education

Project Title: Protecting Diversified, Direct-Market, and Value-Added Operations with Smart Business Structures, Written Agreements, and Regulatory Compliance

Coordinator: Rachel Armstrong

Location: Madison, WI

SARE Grant: \$158,660

Duration: 2013-2015

To read the full project report, go to <http://mysare.sare.org> and search for project number LNC13-348.



Rachel Armstrong of Farm Commons. Photo by Mark Pennisten.

When it comes to utilizing legal services, farmers lag behind the typical small business owner. 2010 research showed that just 16% of Illinois family farmers (with gross sales under \$100,000) had ever met with an attorney even though 68% of that group felt they had needed the services of an attorney (Endres, 2010). Yet when it comes to nationwide small business owners, 78% reported using a lawyer within the past three years (NFIB, 2005).

Rachel Armstrong has worked on farms, with farmers, at local food restaurants, and for farm-related nonprofits from the time she graduated from college. Throughout her years of farm-related work, she repeatedly ran into legal

questions; they were straightforward questions about forming businesses and hiring people, and she was surprised that she could not find reliable information about these basic issues.

Legal advocacy was needed, and Armstrong took action; she enrolled in law school and set out to start a nonprofit organization emphasizing legal education for farmers. Today, her nonprofit organization, Farm Commons, is working to foster the discussions and connections that build a strong legal backbone for farmers and their communities.

In 2013, Armstrong received a \$158,660 NCR-SARE Research and Education grant to work on long-term solutions to address the scarcity of legal services for farmers. Her goals were to raise awareness, increase knowledge, shift attitudes, change legal risk management and behaviors, train attorneys, and make connections between farmers and attorneys.

As a result of the project, Armstrong and Farm Commons reached more than 1,100 farmers with eight colorful and comprehensive print resources that use farmer stories to make the law interesting and understandable. They hosted seven workshops and three webinars, reaching more than 1,300 farmers. They also helped seven regional attorneys develop their knowledge and experience to better serve sustainable farmers. Their pre-eminent publication, a comprehensive guide, *Farmer's Guide to Choosing a Business Entity* helps farmers learn about business entity options including LLC's, C Corporations, S Corporations,

Nonprofits, and Co-ops. Through a mix of checklists, flowcharts, sample organizational documents, and more, farmers can break down their options and choose a business entity that is best suited for their unique farm operation.

Armstrong is pleased with the progress Farm Commons made through the SARE project. She says the farmers they reached made specific, identifiable changes to their business in the near term; they wrote down verbal contracts, they formed more optimal business entities, and they purchased insurance. She says these are the actions that matter in protecting sustainable farms.

“Ninety percent of the folks who used our resources made a change to their business within 2-3 months!” reported Armstrong. “The truth is that sustainable farms are innovating on many levels—as a result, they are exposed to legal risk. After using our resources, 100% of farmers said they felt more comfortable communicating with accountants, lawyers, and other farmers about the legal issue addressed. I think this is a huge contribution to sustainable agriculture over the long term because we’ve spurred the conversation. We’ve given farmers the basic tools to communicate about these issues. Having those tools will result in a lot of action over time—better discussion, better advocacy, and more resolution of the legal barriers that hinder sustainable farmers.”

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