Jim and LeeAnn Van Der Pol are in their 60s and in the thick of farming – and are shifting their roles and ownership on their central-Minnesota farm.

Jim’s parents started out with a “team of mules and $600,” as Jim’s father liked to quip. They were children of the depression and dropped out of school to work. “My dad was raised very rough, malnourished and worked too early and too hard,” Jim says.

By the time Jim and LeeAnn came back to farm in 1977, his parents owned 480 acres – quite an accomplishment. But Jim's father had had enough of farming by then, and he and his wife promptly retired and moved to town. Jim and LeeAnn moved into their house. “My dad walked away from management when I came back. He would drive the tractor and that’s all he would do. I didn’t wish he could provide more guidance, but I probably should have. There was never an idea in his mind that he was still running things. He basically said ‘now this is yours.’

The farm was Jim and LeeAnn’s to operate, but ownership proved to be a lot more complicated. In 1979-80, Jim and LeeAnn purchased 100 acres on contract from Jim’s parents so they could improve the house and add buildings for the livestock. “We thought we should own it to be putting money into it,” Jim says. Through the years they also purchased the farm's machinery “for a pretty good price, but still we had to buy it.”

When Jim’s parents died, Jim inherited a one-fifth interest in 320 acres; his four siblings inherited the remaining interests. Jim and LeeAnn were still paying on contract for the 100 acres, although it had been converted into a mortgage because they had purchased another 60 acres from Jim’s mother. Then Jim’s two older siblings inherited the remaining interests.

A terrific opportunity opened up, though, and Jim took a job building the facilities for a low-input swine facility at the University of Minnesota’s experiment station near Morris. Jim and LeeAnn turned over a portion of his salary to Josh because the farm wasn’t able to pay him much out of the farm budget. LeeAnn and Cindy both worked off-farm jobs too, LeeAnn at a nursing home and Cindy at her parents’ garden shop.

The Van Der Pols recovered from the hog price collapse and expanded their production again, building a new hog house four years ago and adding a couple of hoop houses. They also put a lot of time and energy into starting a meat business, Pastures A Plenty, through which they now sell to stores, restaurants and direct-to-consumer throughout Minnesota. “That meat company is going to provide a lot of opportunity for those who want to work at it and in it,” Jim says. LeeAnn adds that, while “the farm checkbook sucks money all the time, like most farms do, the meat company has six figures in the checking account. Sometimes we plot how we can get money from the meat company to the farm.”

“When we started selling pork – and later beef and chicken – direct, we decided we needed a separate accounting structure for the meat business,” Jim says. “We needed the farm to be selling the farm animals into this other entity, which would pay to have them processed and to sell the products. That way, we could tell if we were making money on the farm or on the business.” They chose a subchapter S corporation, with Jim, LeeAnn, Josh and Cindy all partners in the company.

Then they formed a Limited Liability Partnership – with each family owning 50 percent – to hold the machinery, current crop inventory and breeding livestock. Before forming the LLP they had been turning over portions of the breeding livestock at the end of each year to Josh and Cindy through bills of sale that were not notarized. “Our tax accountant, Candace, told us you have to get this organized; the way you are doing it is a red flag to the IRS.”

Jim and LeeAnn’s son Josh (center) with his eldest, Jacob. Both Jacob and his brother Andrew want to farm.

LeeAnn and Cindy both worked off-farm jobs too, LeeAnn at a nursing home and Cindy at her parents’ garden shop.
Jim says, “Josh and Cindy have been here a long time, and we are trying to reward them for the effort they have put into the farm. Two years ago, we made Josh and Cindy 60 percent owners of the LLP – which we are using to edge ourselves out of the farming operation. Our plan is to keep passing over shares until we have a minor share or are out. We haven’t set this by calendar; it has to do with who is doing the work. So that has to come together.”

Now, a wonderful new complexity has emerged: “Our two grandsons are talking farming,” LeeAnn says. “Jacob is 21, and he took ag business classes for two years and is now back living with his parents and wanting to farm. Andy is 18 and went off to college this fall, but he wants to farm too.” Josh and Cindy’s youngest is “still wrapped up in high school,” as Jim says, but she’s interested in the farm too.

“It doesn’t seem like there would be room for many people on 300-some acres,” Jim says, “but we have a lot of work here. We have a lot of livestock, and it’s on the low-input side. Then there is the labor it takes to make the meat company run. We can’t keep up with it! But is there income to go around?”

**Who Does What?**

The Van Der Pol farm needs a marketer, a farmer and an accountant, and those roles are shifting as well. Right now, Cindy and LeeAnn market the meat, with Josh also doing some, and the grandchildren help pack orders. LeeAnn is the family accountant, “because no one else wants to do it. I’ve gotten confident at it. I don’t know who is going to do it when I quit. Jacob likes the machinery better. Andy has real knack for working with the cows. Neither of them likes the marketing. Jim likes marketing as well as anyone, and he’s supposed to be quitting. Marketing is communicating, and Jim is mainly our communicator.”

This has led Jim and LeeAnn to consider if any nearby family members could help with this aspect of the farm business – a development Jim says would mean “bringing [that person] in and cutting them a share. At least one of our daughters has a real knack for these things. She collects people and friends like honey collects flies. She has a small part of the business running very well in New Ulm through an informal food co-op they are trying to organize. She could have a larger role in the future; she just has to be invited in.”

As part of the transition process, Jim and LeeAnn are consciously downsizing their roles. “We wanted to avoid the old scenario of the 70-year-old doing all the farming, but he’s still ‘the boy’ because the 90-year-old owns everything and makes all the decisions,” Jim explains. “I’m not picking out the seed now. The last two tractors we bought I had no say in. Josh, Cindy – and now Jacob, somewhat – make those decisions. I’m not agreeing with all those decisions either. There’s an old Amish story where the older man is asked, ‘How do you get along, two families on the same yard?’ The older man says ‘you get out there and cut weeds and keep your mouth shut.’”

**Different Transition Strategy Than the Parents**

Years ago, Jim’s parents decided to split up their land equally between farming and non-farming children, but Jim says he and LeeAnn aren’t sure that’s a good idea. “Our two daughters and our son are all going to inherit something,” Jim says. “We want to be fair to the kids, but if it’s divided equally like it was for us, what happens to the farm? If we can make it work, our thinking is that there is inheritance for everyone, but Josh is going to get access to his sooner.”

“”We haven’t decided about transferring title and reserving a life estate for ourselves, but are looking at that favorably. And we are looking at gifting a certain amount per year. If we were to gift 80 acres to our farming partnership, the people who own that [right now, 60 percent Josh and Cindy] could go

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to the bank and say ‘we have 80 acres here free and clear that we want to use to get a mortgage to buy more land.’"

The 8 acres that include Jim and LeeAnn’s house and livestock buildings need to go to whomever is farming the farm, Jim says. But LeeAnn adds that is tricky too. “Our girls like coming here and their children do too. So it’s difficult to say Josh can have all that. I don’t know how that will all play out in the future.”

The Van Der Pols also differ from Jim’s parents in their approach to “retirement.” Jim reports that getting out of farming completely was hard on his father’s health. “He didn’t have a real good retirement, and I think that’s because he walked away from the farm. He fished awhile for the first couple of summers, and then sat there until he passed on.”

LeeAnn says she and Jim “can’t think of ourselves moving to town,” and Jim agrees. “I don’t know what we would do. That looks like the cemetery to me,” he says. “Who knows what’s coming and how incapacitated we’ll get, but I plan on working as long as I can.”

They have started to travel a lot, including four European visits, and they attend a variety of conferences, sometimes sharing as speakers what they have learned. They are mentoring the grandsons as well. “I’m trying to teach Jacob and Andy how you think through a major thing that needs to be done,” Jim says. “For example, you know you have 25 head of sows that are going to start farrowing in 10 days. How are you going to get that all done? Who needs to be moved from which building to make way for the newly weaned pigs, and where will they go? Where will the weaned sows go? When will farrowing be cleaned? And so forth.

“The same with getting in the field. In the spring, there may be geese floating around out there, and mud and snow in the grove. In a month you want to have corn planted. How are you going to get there from here? What comes first, second, third and fourth? That’s how you do everyday management. The people who are really able to get a big task done are the people who are able to break it up into small chunks in the proper order. Schools and the Internet don’t teach this. You learn that by watching someone else do it. I learned by watching my father and mother both.”

What is the Van Der Pols’ vision for the farm 30 years from now? “I’d like to see lots of people here,” LeeAnn says. “In the ‘80s, all of our neighbors were leaving. We thought: Do we really want to stay in this environment? Should we leave too?”

“That decade really changed things around here,” Jim says. “All the farms around us were farmed by people living in those buildings. Now none of them are. Thirty years from now, I hope this farm has a lot of people on it like it has now. They could be family members, they could be friends, whatever is needed to make the farm run. There are a lot of enterprises we haven’t gotten into yet. The farm could be even more diverse than it is now.”

Teresa Opheim Transitions to a Consulting Role with PFI

Teresa Opheim, former Executive Director of Practical Farmers of Iowa, left the PFI staff at the end of January 2017. For the past year, she has served as a staff member and director of Practical Farmers’ Farm Transfer Program. She will continue to work on farm transition issues with PFI on a consulting basis.

“I am passionate about farm succession,” Teresa says. “And have learned so much from all those members who have been willing to share their stories – people like Tom and Irene Frantzen, Dan and Lorna Wilson, Charlotte Shivvers and Martha Skillman, and so many more.”

Teresa moved to Minneapolis in 2016, when her husband Rich secured a teaching job at the University of St. Thomas. Since then, she has been keeping up with PFI friends through field days, conferences and PFI’s discussion lists. She also has made new Minnesota farmer friends and has become active in promoting sustainable agriculture in her new state. Beginning Feb. 1, 2017, she will become Senior Fellow with Renewing the Countryside, a Minnesota nonprofit organization that works on farm transition issues.

In addition, Teresa is managing a federal grant for Iroquois Valley Farms, a social impact company that helps farmers get secure access to farmland. Through that grant, the company will develop Soil Restoration Notes, a short-term debt vehicle for investors to purchase, which will in turn allow the company to reduce the rental rate they provide their farmers who are transitioning land to organic production.

“There are many of us who want a financial return with our investments, but also want those investments to follow our values as well. Iroquois Valley Farms is a great example of one of those ‘social impact’ companies.”

Iroquois Valley Farms made its first investment in Iowa late 2016, when it provided mortgage funding to PFI members James and Julie Petersen.