

Successful Farming on a Land Cooperative

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written for [Land For Good](#)

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In the spring of 2002, I found the classified ad seeking a new member shareholder in the Wellspring Land Cooperative (WLC). The NOFA-VT newsletter in which it appeared had blown out of my mailbox and had suffered what looked like weeks of rain awaiting its discovery. Indeed, in hindsight, it feels like fate urged me to clean up the messy yard that afternoon after having biked home from yet another information-filled, yet tiring day as a farmer's apprentice.

Within a month, my future-husband Parker and I had signed the legal papers and were preparing to move to Marshfield, Vermont as new WLC members so that I could begin my dream of starting my own farm-business. Leading up to that point, there had been the visit to the farm. Next came a series of get-to-know-you potlucks and questionnaires, phone calls, and a business/legal-focused meeting with the two households who comprised the land co-op founders and current residents. This informative and orienting process familiarized us with the other co-op members and the WLC-defined decision making process and [structure](#).

Though the sequence of events might have seemed fast, and the risk of joining a land co-op with strangers daring, Parker and I were prime candidates. For a few years we had talked about our interest in joining a land co-op for the benefits of like-minded community and alternative forms of land ownership. Plus, when we realized the financial realities of solo-ownership our stomachs clenched.

The founders of WLC had already owned the land collectively for around 8 years, with 3 households being shareholders in the cooperative. One of the households had decided to purchase property of their own and was in the process of selling their share in the co-op and their house on the property. Up to that point, two households of the cooperative had farmed the land: one founder-resident who would continue to plant an acre of cabbage, and the household leaving the cooperative. Thus, the members of WLC were seeking a new member who would ideally farm the land. Parker and I were to be the "new" third household to join, taking over the lease on the agricultural land of the departing resident. The adults in the remaining two households had off-farm jobs and yet were committed to living on an operating farm and supporting it through intrinsic and financial support via sharing in the taxes and the other costs of owning the land. This was our joint purpose as stated in the bylaws: "to protect this agricultural land for current and future use".

Wellspring Land Co-op was, and is, for me as a farmer a dream come true. In the land cooperative structure, the land is owned

What to Consider Before Forming a Land Cooperative:

- Be clear about your financial situation.
- Be clear about your level of flexibility and tolerance for compromise.
- Be clear about what you will give up and what you will gain. Recognize the challenges and limitations up front.
- Honestly define your short and long term business and life goals.
- Discuss these issues with your potential fellow members and look to see if you are compatible and are approaching the cooperative with compatible parameters.
- Identify and record your common mission, purpose and values for forming a land cooperative.
- Get a good lawyer to help create strong legal, financial and decision making documents and be sure to include an exit strategy in your collective agreements. Hope for the best, but plan for the worst.

collectively but the “improvements” such as housing and barns are owned by the individual members of the cooperative, who in turn lease the land underneath these improvements from the cooperative. To become member-owners in the 187 acre farm, we needed to purchase what is known as a “capital certificate”, valued at just over \$27,000 in 2002. At less than \$90,000 in 2002, the purchase price of the 1200 square foot house was also very affordable and we were able to get a “first time homebuyer” mortgage through the VT Housing Financing Authority (VHFA). The low buy-in cost for the cooperative, and our reasonable mortgage on the house, made our purchase unusually affordable in comparison to similar properties in the area—we could not have purchased a similar farm for anywhere near this cost.

A few years later I was able to secure an equipment loan from the Vermont Community Loan Fund using our house as collateral. Since I do not have a farm-operation with high capital demands, my limited equity in real estate was not an impediment to reaching my business goals. The infrastructure already existing on the property was a huge boost and included a small greenhouse, certified organic fields, storage barn and two-stage walk-in cooler all available to rent from my new neighbors (the original co-op founders retain ownership over the pre-existing outbuildings on the property). An equally important benefit of joining an existing cooperative was and is the support and encouragement of our fellow co-op members which included introduction to our new community and a network newcomers rarely have access to so quickly.

Splitting the cost of a 187 acre farm, which is also conserved in perpetuity by the Vermont Land Trust, enabled me to start a farm-business without incurring a high amount of debt. The farm is also enrolled in Vermont’s Current Use property tax program which keeps property tax on the farm and forest land low and affordable. Property taxes, insurance, and other cost of land ownership, collectively called “carrying charges”, are split equally by the members who further keep the cost of ownership low. The low amount of debt and low carrying costs subsequently enabled me to more quickly achieve and maintain a rate of profitability difficult to attain in small-scale agriculture.

Many other individuals considered buying our house and becoming WLC members prior to our arrival, but all walked away. Why? Too non-traditional? Too financially and personally risky? The standard land ownership model of single-owner is familiar. All decisions by the single owner are made independent of others, which is important to some people. Further, if and when the land is sold, a large investment is potentially recouped. With cooperative or collective ownership, a small financial investment is made and a small return on investment can be expected. Both models have pros and cons.

In our experience at WLC, when it comes to decision making, the best analogy I can make is to that of a condo association. There

Challenges & Lessons:

Have Strong Legal Documents

We didn't know our fellow co-op members very well when we joined them. To many this would pose too high a risk. For us, the [legal documents](#) and several lengthy face-to-face meetings put us at ease. The founding co-op members created very comprehensive and thoughtful binding legal documents with the help of an experienced lawyer. These have proven vital to both our comfort in joining and the solidity of the land co-op itself. Since its founding the WLC has experienced one household's divorce and subsequent remarriage, and one household changing ownership completely. The WLC by-laws provide for how these events and other such issues are addressed both legally and financially so that both the cooperative and the individual interests are protected as much as possible.

are some things that require collective input such as forest management plans, road maintenance and other relatively mundane issues that all country landowners must address. But as the farmer who farms the land as a business, I have autonomy in my operation, and day to day decisions that don't affect my fellow co-op members do not require their involvement. However examples of collective discussions related to the farm-business include: where to site the compost pile; approval to tile drain land; where to put a new greenhouse; where should CSA customers park; where to locate a pick-your-own area.

Our homes are clustered relatively close together on the property. As neighbors living in close proximity we deal with the same issues any adjacent dwellers do: cats and dogs fighting; lawn mowing hours; and, happily, surprise birthday parties. But, we aren't involved in each others' affairs on a day to day basis. We are good, caring neighbors, with our busy lives and individual relationships between us. Living on a land co-operative is much less "hippie" than I ever expected. We share a riding lawn mower and the taxes, borrow a cup of sugar and an egg, enjoy leftovers and the periodic BBQ, but not nearly as often as we might like. This is the reality.

It would be unrealistic to say there have been no limitations. WLC's land base doesn't allow for a larger operation due to drainage and slope issues. Pick-your-own hours on the farm are limited in order to allow for sufficient privacy. Parking space for farm customers is somewhat confined. But none of these issues are a deal-breaker for me.

For me the pros eclipse the cons. I often say to my husband that buying into the land co-op was the smartest thing we ever did. Our monthly expenses are low; more of the farm profits go straight into my pocket; the community welcomed us with open arms because we were part of something already in existence; and not insignificantly, there is usually someone around willing to care for the greenhouses for the weekend while Parker and I get away. Due to these financial and immaterial benefits alike, we have more financial flexibility and choices in our lives. It is only up to us to take advantage of them.

One of my guiding principles for my farm business is to keep overhead costs low. Collective land ownership combined with land conservation and the Current Use Property Tax Program has worked for me. I'd do it all over again in a heartbeat.



*(Left) Mimi Arnstein
(Center) Wellspring Farm pick your own flowers, CSA pick up stand and barn.
(Right) Greenhouses and fields at the base of Lord's Hill at Wellspring Farm.*



Challenges & Lessons:

Iron out the Farming Details

For three or four years I rotated fields with another member of the cooperative who grew cabbage for his sauerkraut business. We met regularly to discuss sharing equipment, agreed upon annual compost rates and cover cropping and such. With only about 5 acres of land good for vegetable production, it wasn't easy to rotate with an acre and a half of brassicas. One year I rented a neighbor's field to plant my brassicas since we were seeing signs of clubfoot on our own property. That year, my broccoli and cabbage were stunted and suffered from insufficient fertility on new land. This was a cost of sharing a limited land base with another grower.

Nuts and Bolts:

For more information on the history and legal and financial structure of the Wellspring Cooperative read the [Basics of Wellspring Co-Op case study](#).

