Hello and welcome to the first issue of the Smallholding, the newsletter of the SW Oregon Small Farms program! This newsletter will come out on a quarterly basis and include news items, farm profiles, articles, and local calendar items. If you have ideas or article submissions, please send them my way! The newsletter will be on a subscription basis after this first issue, so please see the back page for details on how to subscribe.

The SW Oregon Small Farms program is part of a statewide effort by Oregon State University to address the needs of small farmers. The goal of the program is to improve the economic and environmental sustainability of Oregon small farms by employing appropriate scale production and marketing techniques. I am one of five instructors across the state working to provide educational programs to small farm entrepreneurs and small-acreage landowners.

I did not grow up on a farm, but my great grandfather was a farmer in the Central Valley of California. He grew cotton, oranges, hay and corn on 80 fertile acres in the early 1900s. The farming genes then skipped a few generations down through my grandfather and father resurfacing in me as I reclaim my agricultural roots today.

I became interested in farming when I was an undergraduate at UC Santa Cruz. In Santa Cruz, I learned about agroecology and sustainable agriculture from leading professors in the field after which I graduated with a B.A. in 1999. From there, I took a job with the Organic Farming Research Foundation, an organization whose mission is to fund organic farming research. I left for Montana in 2003 and received a M.S. in 2005. While there, I worked on two small organic vegetable farms as well as focused my graduate research on community farming systems.

My husband and I moved to Oregon in May of 2005, taking an internship with Whistling Duck Farm in the Applegate Valley. There, we learned the ins-and-outs of running a small, organic vegetable farm including direct marketing techniques, soil management, crop planning and greenhouse production. Luckily, I landed here at OSU Extension in March. As well, my husband and I have just purchased our own small farm where we hope to create an integrated farm of crops, livestock and native plants.

So, that’s a bit about me. I feel extremely honored to work in the Rogue Valley with small farmers. I already feel at home among the many people working to keep farming a viable and sustainable business in southern Oregon.

As I work to grow the program and explore educational opportunities for small farmers, I welcome feedback, ideas and stories that you would like to share. I am here to serve you, so please let me know what I can do to help improve or expand on your small farm operation.

Enjoy the winter! -M
Is Agroforestry Appropriate for Your Small Farm?

Sam Angima

Agroforestry combines agriculture and forestry technologies to create a more integrated, diverse, productive, profitable, healthy, and sustainable land-use system that is especially beneficial to the small-scale farm. In the Pacific Northwest, the best combination integrates woody perennials like conifers and hardwoods with improved forage species and pastures for grazing animals in what is called silvopasture. Sheep or goats are most suitable due to the quantity of forage biomass available with time as the trees mature. Since forests take longer to mature, adoption of this technology can increase profitability, reduce overall risk, and increase environmental benefits from overall land management.

Most people who want to practice silvopasture usually start by asking which species of trees are suitable for the technology to work. Virtually all trees can work, but the linear arrangement of these trees will vary. Douglas fir, ponderosa pine, red alder, black walnut, black locust, maple, cherry and poplar can be used depending on your local ecology and climate. For forage species, orchard grass, tall fescue and perennial rye along with legumes such as white clover and subclover in a mixed pasture system work very well. The clovers provide high quality feed plus needed nitrogen for the grasses. At the same time, adjacent trees benefit from this nitrogen, often maturing quicker than conventional forest systems. In deeper soils, tall fescue and white clover are better choices to extend growth throughout the season when competition for moisture is strong during the drier months; whereas, orchard grass and subclover are better choices than perennial rye grass for shady conditions. For dry sites, perennial ryegrass and subclover are preferred, although total forage yields are lower.

If you are interested in starting this silvopasture system, you might ask which ones should I plant first: the trees or the forages? It will be more meaningful to plant trees into existing or recently seeded pasture so that you start with a known good stand of preferred pasture species. Due to variations in available moisture for tree use, it is advisable to have 20-30% of the planting area be weed free for the first 3-4 years of starting this system especially on drier climates. This is equivalent to a vegetation free zone of 4-6 feet wide around the tree seedlings.

The tree pattern or design sets distinguishes agroforestry practices from conventional forestry. On most commercial timber farms, trees are planted 300-600 trees/acre, thus taking care of loss due to death and commercial thinning. However, in silvopasture systems, trees are planted at lower initial densities of 200-300 trees/acre, and in this case, all the trees are nurtured to grow to maturity or harvest time.

A grid pattern is used where you maximize competition between trees and ground vegetation but minimize competition between trees. Trees are arranged into single rows or multiple rows/clusters so that wide open alleys (dependant on size of your farm equipment) for forage production are created to allow grazing, haying, fertilizing, spraying, and hay harvesting. Grouping trees into double rows or clusters creates a local forest effect enhancing growth that produces good quality timber. Usually tree species such as Doug fir trees are combined with hardwoods to take advantage of their different growth habits and nutrient requirements.

When you finally introduce livestock, there is a high chance of trees being browsed by animals. This does not kill the tree but will slow growth, especially conifers that have a strong terminal leader. At this time, it is advisable to hay the forage for the first 1-4 years to give trees a chance to root and develop. However even after the initial years, it might be a good idea to protect your seedlings with a mesh or solid tube or electric fencing. It is most important to use rotational grazing in a silvopasture system to get good forage utilization and reduce tree browsing.

Lastly, it is advisable to prune trees to increase the value of saw logs and reduce tree/pasture competition while improving movement within the system. Pruning the trees also will reduce competition for water resources by the complex system. Studies have shown that tree growth will exceed 10% when forages are managed properly to balance water relationships in a silvopasture system.

[Agroforestry information: Dr. Steven H. Sharrow, Professor, & Rick Fletcher, Professor, Oregon State University].

Sam Angima is part of the Small Farms faculty in Lincoln County, Oregon.

Thinning of trees allows grass to recover for grazing.
Farm Profile: Long Mountain Land & Livestock

Pam and Charlie Boyer raise sheep and hay on 60 acres outside of Eagle Point. Their farm slopes slightly upward toward Long Mountain from Agate Road with barn, house, green pastures and farm equipment scattered around the yard. What is unique about their farm is the way they raise and finish their lambs.

Pam and Charlie have a herd of 30 Dorset/Texel cross ewes and each year, they boast a 200% lamb crop. Since 1992, there have only been two years out of fourteen that their lamb yields have been less than 200%. Their lambs and ewes are fed grass and hay harvested from their tall fescue and white clover pastures. They only feed supplemental corn and soybean meal to the ewes during the last six weeks of their pregnancy and through the first six weeks after birth. They do this to maintain the ewes weight and keep them milking at a high level.

Pam and Charlie rotate their lambs and ewes every three days for six months of the year on four acres. When the forage growth is fast April through July, the animals move through 11 permanent paddocks of high-tensile electric fencing, which is 24” high with three wires. In July when the cool season grasses begin to decline in production, Pam and Charlie add eight temporary paddocks to the rotation in order to extend their grazing season. During the spring, Pam and Charlie hay the temporary paddocks to keep the grass productive and vegetative until the sheep are turned in. In October, the lambs and ewes go out onto the hay fields until shearing and lambing February through April. In terms of design, their paddocks are rectangles—25’ wide and 350’ long—with an alleyway alongside in which they open one pad-

dock gate to let the sheep in to graze. Mowing is sometimes required in the 11 permanent paddocks during the spring when the forage growth is highest in order to maintain palatability of the grasses.

Every two years, Pam and Charlie take a soil sample of their fields to assess their nutrient base. In general, they will fertilize their fields if they have the resources to do so, but in some years, they forgo fertilization. Charlie has not seen any short-term effects from not fertilizing in some years. By adding white clover to their pasture mix, they are assisting with the nitrogen fertilization process. The organic matter content is also high with their mixed species pasture, which in turn promotes beneficial soil organisms. They do not have any weed problems because of their intensive rotational grazing system. They do have to battle creeping buttercup occasionally as it comes onto the farm with the irrigation water. They are able to manage the buttercup with an herbicide, which has been applied twice in fifteen years.

The demand for their grass-finished lamb is very high. As a retirement farm, Pam and Charlie are not interested in expanding their herd, but they do think there are many opportunities for new small farmers to get into producing high quality lamb for the local market. Pam and Charlie direct market 50% of their lamb through word of mouth, which they say they will most likely increase this next year. They sell any remaining lambs to a buyer from the Willamette Valley. In general, Charlie says they have worked out their production and marketing system so that the sheep and hay pay for themselves.

Pam and Charlie became interested in the sheep business back when they were considering a career change and looking for a ranch in the West. Through his work with the US Forest Service and BLM, Charlie observed that on the open range, sheep were easier to manage and if you managed them, their impact on the land was less than other livestock. This led them into an analysis of the costs of raising sheep and found that it would be cheaper and easier to raise sheep than cattle. Talk to Charlie and he will tell you what kind of money sheep can make on a small-scale as compared to cattle.

Over the years, Pam and Charlie have found a farming system that works for them—one that provides enjoyment, supplemental income and keeps their working farm alive and well. When asked what advice he has for new farmers, Charlie suggests “Get involved in training opportunities, and I don’t mean going back to school, but talk to other ranchers, go on tours, ask a lot of questions. See how others are doing it.” Charlie recommends choosing an enterprise based on information gathered from ranchers and farmers while learning as much as you can. Raising sheep is a good supplemental business for small farmers and all it takes is a bit of creativity, ingenuity, research and some hard work.☼

Pam & Charlie's herd graze on fresh grass in September at their Eagle Point farm.
Tax Benefits Increase for Land Protection

Generous landowners who donate voluntary conservation agreements, also known as conservation easements, to a land trust are inspired by many things: they love southern Oregon, they feel connected to their land, and they wish to leave a legacy for future generations. This inspiration is at the heart of the work of the Southern Oregon Land Conservancy, a regional land trust serving five counties in southwestern Oregon. But for some landowners, donating a conservation easement to a local land trust is a major financial decision, and the recent expansion of the federal income tax benefits just made that decision a little more enticing.

Congress recently passed a new law in effect during 2006 and 2007 that enhances the tax benefits of protecting private land for many landowners. Conservation agreements that benefit the public by permanently protecting important conservation resources and meet other federal tax code requirements, can qualify as a tax-deductible charitable donation. The amount of the donation is the difference between the land's value with the agreement and its value without the agreement.

The new legislation improves the tax incentive for conservation agreements by allowing conservation donors to deduct up to 50% of their adjusted gross income in any year (up from 30%); deduct up to 100% of their adjusted gross income if the majority of that income came from farming, ranching or forestry; and continue to take deductions for as long as 15 years (up from 5 years) after the initial deduction.

Typically, farmers and ranchers in southern Oregon are not making much money. But they're sitting on land that is rapidly increasing in value as more and more people are looking to buy their own piece of the wide open spaces.

The old tax break gave them some extra cash, but not enough to really help. For example, under the old law, a landowner with a net income of $50,000 who donates a conservation easement worth $1 million would be able to deduct $15,000 in the year of his donation and for each of five years thereafter: a total of $90,000 in tax deductions.

That's probably not enough to keep most farmers and ranchers who can't make ends meet from selling out when offered millions of dollars for their land.

Under the new law, that landowner could claim a total of $400,000 in tax deductions; and if he qualified as a farmer or rancher, could double that, for a maximum of $800,000 — not quite equal to the value of the donation, but still a significant chunk of change.

The new law will make it easier for those in our community to build on their love of the land and permanently protect the natural resources of our beautiful southern Oregon. The Southern Oregon Land Conservancy expects the number of conservation agreements donated to increase through 2007 as a result of this new legislation.

The Land Trust Alliance (LTA) led the effort to get Congress to approve this new law. LTA is a national organization that sets national standards for conservation organizations, provides training and networking opportunities, and represents the land trust community in Washington, DC. The Southern Oregon Land Conservancy, based in Ashland and Bandon, has been a member of LTA for seven years and protects over 4,200 acres of land through their conservation easement program.

If you would like to learn more about conservation easements and the new tax benefits, contact the Land Conservancy at 482-3069 or visit them online at landconserve.org.

Diane Garcia is the Executive Director of the Southern Oregon Land Conservancy.

Risk Management at Wolf Gulch: A Work in Progress

-Maud Powell

All small producers face a variety of risks in their farm businesses. When Tom and I bought Wolf Gulch in 1998, we had enough savings to build the necessary infrastructure and pay the overhead of running the farm for two years. We were fortunate enough not to face the daunting risk of financing the initial farm set-up. We had capital to pay for early expenses like deer-fencing and pond building, which are vital to a farm’s success. We also invested in a tractor with tracks instead of wheels to minimize compaction on the land. We imported a Keyline plough from Australia in an effort to build topsoil and increase the water storage capacity of the soil. While infrastructure financing was not a problem, the land itself presented us with numerous challenges. These included limited late-season irrigation and mountainous soil with variable fertility. In addition, marketing, production and labor represented areas in which we had limited experience.

During the 2000 and 2001 seasons, we grew two acres of vegetables for two farmers’ markets and teamed up with a neighboring farm’s Community Supported Agriculture (CSA) program.

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News & Resources

- **Organic Fertilizer Calculator** now available on the Oregon Small Farms website. This calculator helps you compare fertilizer costs, nutrient values, and nitrogen availability, so you may plan a cost effective program that avoids excessive or deficient fertilizer application. [http://smallfarms.oregonstate.edu/](http://smallfarms.oregonstate.edu/)

- **FUNDING ALERT!** Are you thinking about how you can add value to your agricultural product by working with other producers and creating a new product or reaching a new market? Or are you interested in renewable energy systems or installing energy efficiency improvements on your farm? **The USDA wants to help you secure a grant for this work.** Contact Wendy at THRIVE for more info: 541-488-7272.

- **OSU IPM Resource Guide** available through Oregon State University. This publication lists resources for growers of any size or crop, and is appropriate for a wide variety of production systems. It includes suggestions for getting started in IPM and provides contact information for experts, labs and other services to growers in the Pacific Northwest. The document can be downloaded at: [http://extension.oregonstate.edu/catalog/](http://extension.oregonstate.edu/catalog/)

- The **Alternative Farming Systems Information Center** website has been updated at [http://afsic.nal.usda.gov](http://afsic.nal.usda.gov). Find information on sustainable agriculture, alternative marketing, farm energy, alternative crops & organic production.

**Risk Management continued from page 4**

We hired two interns to help us with the farm. Despite our best intentions and hard work, we found that we were not making enough money to cover costs. With limited water and farmable land, we realized that we could not expand our productive fields by more than another acre or so. To top it off, 2001 was the driest year in southern Oregon history, with only six inches of rainfall in our valley. During the summer, our ponds dried up and we irrigated off our domestic well. The seal in the pond walls cracked during the drought and never held water again. Disheartened, we realized that it was time to regroup.

The next year, our risk management strategy was to find other sources of income. Tom obtained his irrigation contractor’s license and started his own business and I went back to school hoping that a graduate degree would help me find a good job. During the summers of 2002 and 2003, we scaled back and grew vegetables for one store and two restaurants. Tom’s irrigation business flourished and provided us with a steady income. I finished my degree and received a few small research contracts. We felt more confident about supporting a rural lifestyle, but unsure as how to expand the farm business without risking financial stability.

In 2004, we joined the Siskiyou Sustainable Cooperative and started growing for their CSA program. This was a great move for us because it gave us a ready-made market to sell to, allowing us to know exactly what crops and how much of each to grow. We learned which crops thrived in our microclimate, and focused our efforts on those particular vegetables. In 2003, Tom took on his first organic seed contract with Seeds of Change. At this point, we decided to bite the bullet and line our ponds. We acquired a lot of debt, but we felt the cost was justified because water was a limiting factor in growing our farm business.

The following year, we took on the job of running the Cooperative’s CSA. As the CSA coordinators, Tom and I became responsible for not only growing a significant portion of the crops, but also for the marketing, overall production planning, packaging, distribution, and membership services of the CSA. The salary provided by the coordinator position allowed us to focus more time on our agricultural endeavors. In 2005, we also took on our second seed contract with Seeds of Change. Like the CSA, seed contracts minimized our marketing efforts during the busy growing season enabling us to focus most of our attention on what we love to do most: grow vegetables. It also helped us manage our financial and production risk.

This past season, we grew two acres of vegetables for the CSA and six seed contracts. We continue to coordinate the CSA and also maintain our other jobs. Our goal now is to phase out non-farm related work in the next five years, while building the farm business slowly in order to minimize financial risks. As our acreage is limited, we focus on growing high-value crops and always work to improve our soil fertility. This winter, Tom and I look forward to learning new ways to manage risk on our farm through OSU Extension’s business planning and risk management course.

Maud Powell runs Wolf Guch Farm with her family in the Little Applegate and also works part-time in the Small Farms program.
Ten Things I Learned from Buying a Small Farm

—Melissa Matthewson

Most recently, my husband and I purchased a small farm in southern Oregon—ten acres in the Applegate Valley, a mixture of pasture, woodland, hills and weeds. We were delighted when we went into escrow and could not wait to be on the land mapping out our ideas and dreams. We did not expect the process to take six months and turn into an arduous and exhausting real estate bonanza. Despite the work it took to land the property and receive the warranty deed in the mail, I have learned a tremendous amount about buying a small farm and in turn, it has helped in my work as a small farm extension agent. Many of the inquiries I receive are from people who are interested in buying a farm (or who already own one) and they do not have the knowledge necessary to make appropriate decisions. Now, I have experience and knowledge to draw on when I give advice. I was in the same boat as many new landowners when I started, but it was only because of due diligence that we were able to work out many of the hidden challenges that went along with buying a small farm. Here are some of the things I learned along the way.

10. Find a Quality Farm/Rural Land Real Estate Agent

Many real estate agents are knowledgeable only about city property and turnkey house buying, so find an agent who knows about farming and the details that are important like soil types and water rights. A good real estate agent will take the time to seek out critical information and guide you in decisions regarding zoning, easements and other complicated issues. Rural real estate is complex, so finding a good agent experienced in land purchasing is a necessary investment.

9. Proximity to Markets

How close is the farm to your local markets and distribution channels? If you have to drive fifty miles before you reach your local farmers’ market, is it worth the cost, energy and time associated with the distance? Are there other farms in your neighborhood that also have to make the commute?

8. Land History—Cultural and Physical

What sort of people lived on the land and what are the stories associated with the buildings? For instance, our farm is the location of an old ghost town, an early stopping place for horse teams that found its place in our pasture and on our hills. See if you can find out about the previous land management practices. From a local neighbor, we learned the history of the water usage, flood irrigation, cattle and hay ground. As well, scratched into a cabinet door in the barn, we found an old recipe for mixing DDT—“good for lice and flies.” The stories we inherit with the land influence the way we engage with it.

7. Infrastructure

Is there a barn or other outbuildings on the property? Does the farm come with any equipment or fencing? It is important to know what your investment will be once you buy the place, i.e. will you have to fence the pastures or build a barn? Our farm came with fenced pastures, a barn, irrigation pumps and seasoned firewood. These are all assets to your new home and workplace.

6. Site Evaluation

If possible, visit the farm a couple of times while in escrow to evaluate the site for your farming purposes. Check the slopes on the land, which will in turn affect your management options. Does the farm have good sunlight exposure? Is the farm located in a high valley that has its own microclimate? What about flood zones? If you are thinking you want to grow fruits or vegetables, you’ll want to know that you have solid ground with access to full sunlight for production of your crops.

5. Easements/Encumbrances

Make sure you read the entire title report and the full attachments that go along with it. Get your title officer to explain any incongruities. After reading through our title report, we found a number of confusing easements included with the land that required review by a lawyer. Typical easements include road, power and irrigation easements. Know who can come onto your property and to what extent. Hire a lawyer if need be. The less surprises you have after you close, the better.

4. Neighbors

Neighbors are an important asset to country living. Make sure you try to meet your neighbors beforehand, if possible, and get on good footing before you buy. A neighbor who does not like you from the beginning will end up being a thorn in your side. On the contrary, a good neighbor is indispensable in the rural setting. There will be times when you need them.

3. Tax Status & Zoning

What are your property taxes per year? What is the farm’s zoning class? We ran into big problems on this front. According to local zoning laws, our farm is exclusive farm use, which means the farm falls into a special tax assessment program, which has us paying less property tax per year than other properties. This special tax, of course, is dependent upon active farming. Unfortunately, the previous landowner had stopped farming the property and the farm fell out of the tax program. We can reapply for the special tax assessment as long as we prove that we are farming the property once again. In general, it is tough to permanently lose the special farm tax status unless some drastic changes were to occur on your land, i.e. you turned it into a gravel pit. The lesson is to check in with your county tax assessor to see where you stand and know the limitations for development or use depending on your zoning status.

2. Soils

Accessing your soils information before closing on the farm is also a good...
Upcoming Extension Programs

- **Thursday, January 11th, 3:00—8:00 p.m., Raising Goats for Meat and Weed Control, $25**
  Topics: goat nutrition, pasture management, marketing, weed control and much more! Speakers: Shelby Filley, OSU Extension Regional Livestock & Forage Specialist; Melissa Matthewson, OSU Small Farms Extension; Suzanne Willow, Willow-Witt Ranch; Manda Doffing, Tri-R-Ranch; and Angie Boudreau, Rogue Community College. Location: OSU Extension Auditorium, 569 Hanley Road, Central Point. To register, call Sheila at 776-7371. Pre-registration required as space is limited.

- **Saturday, February 17th—Small Farms & Farm Direct Marketing Conference in Corvallis, Oregon.**

- **Mondays, February 5—March 12, 4:00—8:00 p.m., Farming with Confidence: A Risk Management Course for Beginning Specialty Crop Growers, $105**
  Design a risk management strategy and business plan for your small farm this winter! Classes will consist of lectures and panel discussions by experienced farmers and agricultural professionals. Topics include direct marketing, business and financial management and whole farm planning. Participants will also be led through hands on exercises and worksheets that will culminate in a preliminary business plan. For more information, call Melissa or Maud at 776-7371. Location: OSU Extension Auditorium, 569 Hanley Road, Central Point. In partnership with the USDA-Risk Management Agency.

Want to add your event or meeting to this list? Submit your information via email to melissa.matthewson@oregonstate.edu

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idea. The NRCS web soil survey is available online and is very easy to use. You can type in the farm’s site address and bring up an aerial map of the property. From there, you can view all sorts of information related to your soils including classification, type, drainage class, and yield data for various crops and livestock (hay, animal units per acre, vegetables, etc.). It is a tremendous resource and important to know what your soil limitations may be before buying your land. Also, if you are interested in organic production, it would be wise to test your soil for residues and other heavy metals that may inhibit your ability to grow organically. This can be expensive but worth the investment.

1. Water
   If you plan on farming, this is by far the most important resource to consider before you buy a farm. Water rights law is very complex and making sure you understand your rights and usage is extremely critical. Talk with the water master in your county. Read the water certificate and understand what it means in terms of usage of water and area allowed for irrigation. Know if your rights are currently valid and active. Landowners must irrigate at least once every five years in order to retain the validity of their rights. Also, what are the water sources on your property? Do you have an irrigation ditch and an association that manages the water? It is also important to know what year your rights date back to. Senior water rights always get the water first in times of drought. Do you have ponds, creeks, or wells that you are legally able to irrigate from? Many landowners do not know that you can only irrigate up to a 1/2 acre from your well for residential purposes only. Also, what is your drinking water source? If from a well, test your water for metals and other contaminants. Your water may be high in lead or arsenic and treatment may be necessary. By far, the most common problem in rural real estate transactions is when a buyer does not understand the complexity of water law.

In general, do your homework. Use your state and county resources and be willing to spend some extra time and money for peace of mind. Knowledge is everything.
Newsletter of the SW Oregon Small Farms Program.

We’re on the web!
HTTP://EXTENSION.OREGONSTATE.EDU/SOREC/

Newsletter Subscription

After this first issue, the newsletter will be available electronically, so if you would like to receive the newsletter by email, please contact Sheila Lee at OSU Extension to get on our email list. You can reach Sheila at 776-7371 or lee.s@oregonstate.edu.

Unfortunately, we do not have the funds to send the newsletter out to every farmer’s mailbox, but we recognize that not everyone has access to the internet. If you would like to keep receiving a paper copy of the newsletter on a quarterly basis, please subscribe for $5/year to cover postage and printing costs. You can cut out the following registration form and send it back to us at OSU Extension and we’ll make sure you get a copy sent straight to the farm!

We want to continue providing you with excellent, research-based small farms information and educational materials as much as possible. Please feel free to contact us whenever you have questions or concerns. Thank you for your support!

YES! I want to receive a paper copy of the Small Farms newsletter on a quarterly basis. Sign me up!

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