



Celebrating 20 Years



FARM CREDIT EAST



FROM THE BOARD CHAIR & CEO

Dear Reader,

There is much to be optimistic about in Northeast agriculture. The future is being shaped not only by today's leaders, but by those just beginning their journey. Young producers are entering the agriculture, commercial fishing and forest products industries from diverse backgrounds with unique interests bringing fresh ideas and energy. The long-term strength and stability of the Northeast agriculture community is dependent on these new entrants — and that's why Farm Credit East is committed to supporting them.

For the past 20 years, the FarmStart program has helped aspiring farmers, fishermen and forest product producers turn their ambitions into successful businesses, strengthening the future of Northeast agriculture along the way.

FarmStart is one of several ways Farm Credit East invests in the next generation of agriculture. We also offer GenerationNext seminars that focus on developing the management skills and business knowledge of the next generation of leaders.

In addition, Farm Credit East offers special incentives to new and beginning farmers through our Young, Beginning, Small and Veteran (YBSV) farmer program. Incentives include discounts on Farm Credit East's financial services and training programs, FSA guaranteed loan fees, farm accounting and management software fees, and interest rate assistance.

In 2025, Farm Credit East introduced a YBSV Board Advisor role. This role provides YBSV customers with a unique professional development opportunity, while providing the Farm Credit East Board of Directors insights into YBSV customer perspectives. Each of these initiatives delivers on our commitment to developing the next generation of Northeast agriculture.

We begin this report by congratulating all FarmStart participants for their ambition and dedication. Any new business, especially one within the agriculture industry, comes with its own challenges. Through hard work and perseverance these beginning farmers have prevailed at overcoming startup obstacles.

We'd also like to thank Farm Credit East's FarmStart advisors who work one-on-one with FarmStart participants to monitor their business plan and financials. Through these extended efforts, they have assisted in the success of these new businesses, and thereby the success of the agriculture industry as a whole.

As the first-of-its-kind initiative in the United States, we were pleased that our regulator, the Farm Credit Administration, approved us to pursue FarmStart two decades ago. We also appreciate our partnership with CoBank in developing and funding the program. Finally, we give special thanks to retired Farm Credit leaders, Don Rogers and David Boone, for pioneering this program 20 years ago. And thank you to Chris Laughton and Samantha Stoddard, current FarmStart Managers,

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at a Glance

who continue to grow the program and train staff members to effectively assist startup farms.

As FarmStart celebrates its 20th year, we are proud of the entrepreneurs who have transformed ideas into thriving businesses and helped strengthen agriculture, commercial fishing and forest products across the Northeast. FarmStart has helped more than 400 participants pursue their dreams of starting a new farming operation. Behind every FarmStart participant is a story of determination and innovation, and this report highlights five of those stories. You will also find information on the challenges facing new farm businesses and information on the role FarmStart serves in their success.

The future of Northeast agriculture is being written by a new generation of entrepreneurs. Through FarmStart, we are proud to help them take the first steps toward building resilient businesses, vibrant communities and a strong agricultural future. We hope you find the stories in this report as inspiring as we do.



Sincerely,

John Knopf
Board Chair
Farm Credit East

Mike Reynolds
Chief Executive Officer
Farm Credit East



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Investing in
Your Future



Starting a business in any industry comes with challenges, but for beginning farmers, natural resource producers, fishermen and farm-related business owners, there is often a unique set of obstacles. With this understanding, Farm Credit East initiated a program 20 years ago to help talented, hard-working individuals overcome these obstacles to get a healthy start. This program is called FarmStart, LLP.

The first of its kind in the United States, FarmStart offers opportunities to early-stage producers with passion, drive and the skills to succeed with a new agricultural, fishing or forestry business venture. Many agricultural entrepreneurs often lack a business track record, collateral or credit history required by traditional banking and generally have few sources of working capital available to them. Furthermore, many new business owners lack experience in business and financial management. With this understanding, FarmStart was established to help build business management skills and provide the critical last dollar of funding to overcome the timing mismatch that makes it difficult for true startup farming operations to generate working capital.

FarmStart is proud to celebrate its 20th year. With more than \$20 million invested in more than 400 participants since inception, the program has supported beginning Northeast farmers as diverse as American agriculture itself. 20 years into the program, 267 participants have graduated, many of whom have moved on to traditional Farm Credit East loans.

Through these investments in promising agricultural ventures, FarmStart has helped to fulfill Farm Credit East's vision of a vibrant, entrepreneurial agricultural community.

BEGINNING FARMERS IN THE NORTHEAST

Beginning farmers are an important part of the Northeast agriculture community. Whether returning to a family farm, starting their own operation or becoming part of a venture that has no next generation to take over, the continued progress of new farmers remains vital.

According to the 2022 Census of Agriculture, 33% of farms nationally are operated by beginning farmers, and every state in the Farm Credit East territory (except New York) exceeds this average. Over 40% of Rhode Island farms, 38% of Maine farms and 39% of New Hampshire farms are operated by beginning farmers, ranking these three states among the top five states in the country for this measure.



FarmStart was established to help build business management skills and provide the critical last dollar of funding to overcome the timing mismatch that makes it difficult for true startup farming operations to generate working capital.



The number of beginning farmers in Rhode Island grew by a remarkable 43.7% between 2017 and 2022. Beginning farmers in New Jersey, Massachusetts and New Hampshire grew by 39.2%, 15.04% and 15.3% respectively during the same five-year period.

It is worth noting that beginning farmers are not always “young” farmers. While the USDA defines young farmers as those under 35 years of age, the average age of beginning farmers in the Northeast is over 47 years old in all but one state. New York is the exception, where the average new farmer is 43.8 years old.

It is important to acknowledge that beginning farmers who have returned to multigeneration farms

or joined existing operations may be undercounted in the census. However they’ve entered agriculture, beginning farmers’ success can be attributed to the Northeast’s constantly evolving marketplace.

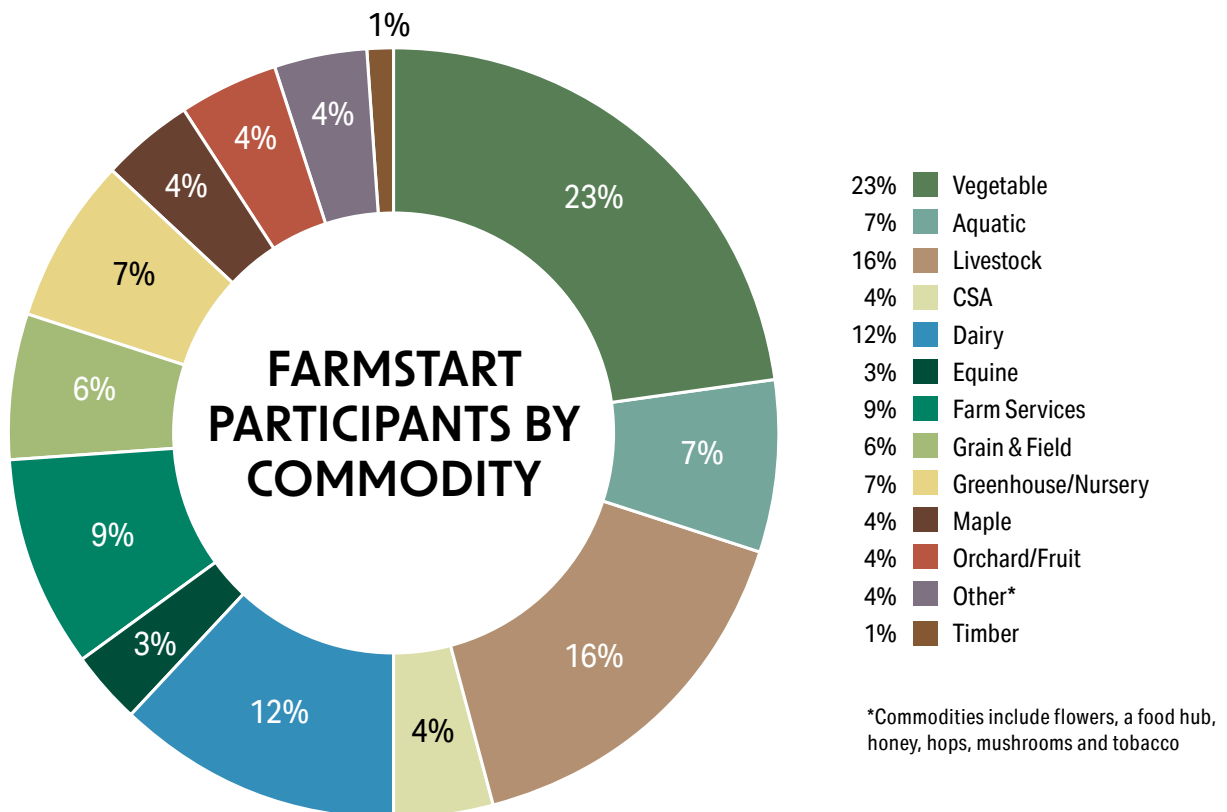
New energy and new ideas have contributed to the growth of agriculture in the Northeast, and in many cases young entrepreneurs have developed strong ties with consumers as part of the local food movement. The push for local continues to grow, with the value of goods sold locally up 7% in the Northeast over the last five years. In 2022, 15,000 of the region’s farms participated in direct-to-consumer sales, exceeding \$630 million in total value. Northeast farms account for 12.9% of all farms nationally participating in direct sales, underscoring the importance of this marketing outlet in the region. While many beginning farmers serve direct-to-consumer markets, others have engaged in more scalable operations that may serve commodity or institutional markets, reflecting the diversity of the region’s agriculture.

Supporting aspiring young farmers entering the Northeast’s diverse marketplace with a plan for success is incredibly important. While notable strides have been made, it is important to continue the dialogue on efforts that provide opportunities for young individuals to successfully get started in agriculture, fishing or forest products. Programs such as FarmStart, LLP have been created for exactly this purpose — to give the next generation a healthy start.



FARM CREDIT EAST'S FARMSTART

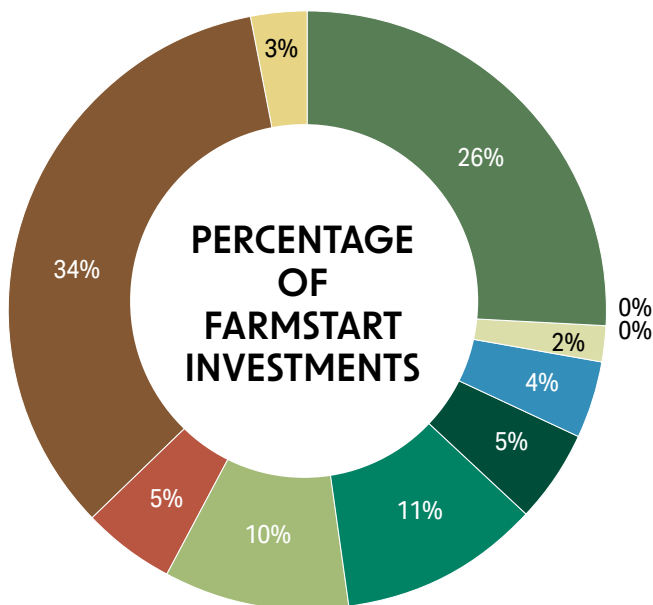
The following charts illustrate the demographics of Farm Credit East's FarmStart customers, which closely align with the diversity of the Northeast's commodities. We also provide breakdowns of participants by investment size and state.



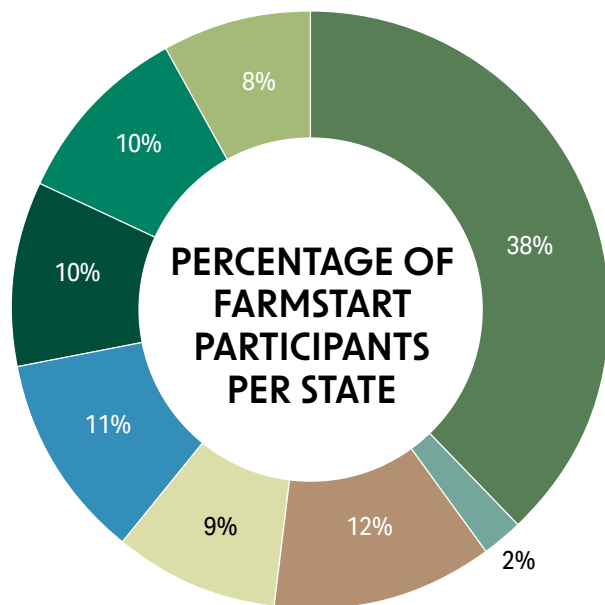
PROFILE OF SUCCESSFUL FARMSTART PARTICIPANTS

FarmStart surveys all graduates of the program. From these survey results emerged the following six characteristics and tools to be successful in a new farm business:

- 1 Drive:** You and your management team need to work hard and have a strong work ethic. Starting a new business means risk, sacrifice and learning new skills in the first few years.
- 2 Recordkeeping:** Being a good manager is as important as being a good producer. You either need to love paperwork as much as you love machinery, plants or cattle, or you need to be able to outsource your recordkeeping.



4% Less than \$10,000
 5% \$10,000 -19,999
 11% \$20,000 -29,999
 10% \$30,000 -39,999
 5% \$40,000 -49,000
 34% \$50,000 -59,000
 3% \$60,000 -69,000
 26% \$70,000 -79,000
 0% \$80,000 -89,000
 0% \$90,000 -99,000
 2% \$100,000 or more



38% NY
 2% RI
 12% VT
 9% CT
 11% MA
 10% ME
 10% NH
 8% NJ

- 3 A plan:** Develop a written business plan with a first-year monthly cash flow spreadsheet. Know when and where the money comes from to get you started.
- 4 Support network:** Starting a business means cultivating information and building a support network of friends, advisors and neighbors who can help and provide resources. Along with Farm Credit East's mentor/advisor relationship, this can be a lasting benefit to your business.
- 5 Available off-farm income:** Having off-farm income can provide a financial buffer and mitigate risk to your business.
- 6 Marketing and sales skills:** Understanding your market and setting realistic sales goals can help keep your business on track.

MEET FARMSTART PARTICIPANTS

JAMES BROWN

New Moon Nursery



Woodstown, N.J.
2010 FarmStart Graduate
Nursery



Scan to watch a
short video interview
with James

“

What I liked about Farm Credit East is they're only dealing with agriculture. There's a lot of ins and outs that a commercial bank just isn't going to understand.

”

James Brown's journey in the horticultural industry began at 14. Starting with early jobs, he eventually established his own wholesale nursery business: New Moon Nursery. "I never intended to be a horticulturist – I never went to college for this," said James. But his passion for plants has been the foundation of his success.

After renting several facilities in the early years of their business, James and his wife, Kimberly, decided it was time to pursue financing for their own property. "What I liked about Farm Credit East is they're only dealing with agriculture. There's a lot of ins and outs that a commercial bank just isn't going to understand, that they understand," said James.



The Browns worked closely with their loan officer to establish their business with the help of FarmStart. "This was a very big move for us," said James. "We almost tripled the size of our nursery overnight." Shortly afterwards, the 2008 financial crisis hit, and according to James, "that's when Farm Credit really stepped in and gave us the wiggle room we needed to be successful."

Nearly two decades later, James reflects that the industry perspective he has gained through his Farm Credit East relationship is what he values most. "I'm a farmer, not a banker. When I'm in the bushes of the day-to-day, our loan officer is in the drone in the sky looking at the bigger picture."



HUDSON FRYE

Frye Fisheries

Fishing has always been a part of Hudson Frye's life. Growing up in New Bedford, Mass., he was out on boats at a young age, learning the trade long before owning a boat of his own. After high school, Hudson was ready to pursue his dream but at 18, with little credit, his options were limited. With the help of Farm Credit East's FarmStart program, Hudson was able to buy his first boat.

As with many in agriculture, fishing isn't simply Hudson's job, it's his way of life. Having a partner like Farm Credit East supported him to start his own business and provides him with the confidence to keep doing what he loves. "It feels good knowing that they have my back no matter what. They work with you to get through it all," said Hudson.

For Farm Credit East, helping young entrepreneurs like Hudson isn't just about financing; it's about setting them up to thrive. FarmStart advisors help participants create and execute a business plan for long-term success. "We try to be forward thinking for our customers," said Katelyn Landers, Farm Credit East loan officer. "We want to build the relationship for years to come."

Years after graduating from FarmStart, Hudson now owns and operates several boats. "My relationship with Farm Credit East is more than just a bank. They understand that you have changes and that some years are bad, some years are good," said Hudson. "They understand fishing."

New Bedford, Mass.
2021 FarmStart
Graduate
Scallops



Scan to watch a
short video interview
with Hudson





Concord, N.H.
FarmStart since 2026
Sunflower oil

GREG & AMBER POLLOCK

Sunfox Farm

Established in 2019, Sunfox Farm may be best known for its sunflower oil, but that's just one part of the operation. Owners Greg and Amber Pollock cultivate 60 acres of sunflowers, corn and pumpkins, while also raising chickens for both eggs and meat. In addition to their farming activities, they welcome visitors through a variety of agritourism events held throughout the year.

As fertilizer and other input costs continued to rise, Greg began looking for financing. With the help of Farm Credit East's FarmStart, Greg and Amber were able to cover operating costs and refinance equipment, allowing them to focus on growing the business.

Sunfox Farm also found value in their knowledgeable FarmStart advisor who helped them plan their next steps. "Any advisor that you can talk to and bounce ideas off of is incredibly valuable, especially for a young business," said Greg.

They continue to diversify their operation by adding new products, from herbal teas and spices to salad dressing and marinades. They also host events on the farm. With their seasonal festivals and farm-to-table dinners, they encourage community members to eat local and connect farmers, consumers and the land.

"We love what we do and have this amazing added benefit of

being in a community with outpouring support for our events and products," said Amber. Greg noted, "beyond food, we grow smiles as well!"



TORI PENNINGS COSIMANO & STEPHEN PENNINGS

Pennings Farm Cidery

Warwick, N.Y.
2020 FarmStart Graduate
Cider



Scan to watch a
short video interview
with Tori & Stephen

Tori Pennings Cosimano and her brother, Stephen, grew up immersed in their family's orchard and farm market. When the time came for Tori and Stephen to make their own mark on the Pennings Farm legacy, they decided to start the cidery. Ready to start their own venture but looking for financing and business guidance, the

Pennings turned to Farm Credit East's FarmStart.

In 2016, FarmStart helped Tori and Stephen purchase the equipment needed for cider production. With their FarmStart Advisor, the Pennings siblings developed a business plan and began cider production.

"FarmStart gave us a structure that helped us get the business off the ground," said Stephen. "FarmStart led us through the process, and we felt like we were in good hands the whole time."

10 years later, over a dozen orchard grown hard ciders are on tap and canned year round at Pennings Farm Cidery. The cidery taproom offers tastings, dinner and outdoor music entertainment, making it a popular destination in the Hudson Valley.

The Pennings siblings are always diversifying their operation to adapt to weather and market changes. "Farm Credit East is great in supporting us when we have those new ideas," noted Tori. "They really care about our business, family and agriculture."





Naugatuck, Conn.
FarmStart since 2024
Vegetables

Sunset Farm, located in Naugatuck and Milford, Conn., is a USDA certified organic farm that grows a diverse range of fruits, vegetables and flowers on over 25 acres. The farm grows crops for its retail farm stand, Community Supported Agriculture program (CSA) and local farmers markets. They also sell fresh produce to local public schools and independent grocery stores.

As first-generation farmers, Kaitlyn Kimball and her husband, Larry Passeck, have a great passion for sustainable and regenerative farming practices. They began farming in 2019, when Kaitlyn was a high school English teacher, and Larry was a carpenter and welder, building sets for Broadway productions.

Kaitlyn first heard about Farm Credit East's FarmStart program through friends who are also FarmStart participants. "They recommended we apply, and we are so glad we did," she said. The process was straightforward, and they were thrilled to receive an investment. "Having access to a line of credit has been an invaluable tool for our business, especially as we expand and take on more employees," Kaitlyn explained.

FarmStart has provided Sunset Farm with the flexibility to cover their spring payroll and purchase necessary supplies, which has been crucial for their cash flow. "It's a great tool to help us grow and succeed," Kaitlyn noted. She added, "We are grateful for the support from Farm Credit East and look forward to continuing our partnership."

KAITLYN KIMBALL & LARRY PASSECK

Sunset Farm





Investing in your future

FarmStart invests working capital in Northeast agriculture ventures that show promise of success. This investment functions the same as an operating line of credit. It is intended to provide the critical last dollar of funding to overcome the timing mismatch that makes it difficult for true startup farming operations to generate working capital. Along with working capital, the program enables farmers to establish a positive business and credit history during the early stages of their business.

WORKING CAPITAL

FarmStart provides a working capital investment in startup or transitioning agriculture businesses. FarmStart helps recipients learn the discipline and skills of effective cash flow management as they develop a successful track record of credit use. The program provides working capital of up to \$75,000 initially, and an interest rate at Wall Street Journal Prime. After showing a year of progress, participants can access an additional \$50,000 if they need it to grow their business, for a total investment of \$125,000. Funds must be repaid within 5 years of the initial investment.

KNOWLEDGEABLE ADVISORS

A FarmStart advisor works with each recipient. This advisor provides substantial consulting and financial planning to help young entrepreneurs stay on track toward achieving their business objectives and establishing a positive business and credit history. FarmStart advisors work only with agricultural entrepreneurs and therefore know the ins and outs of the industry enabling them to provide instrumental advice to these startup agricultural businesses.



FarmStart gave us a structure that helped us get the business off the ground.



— Stephen Pennings
Pennings Farm Cidery

BUSINESS PLAN

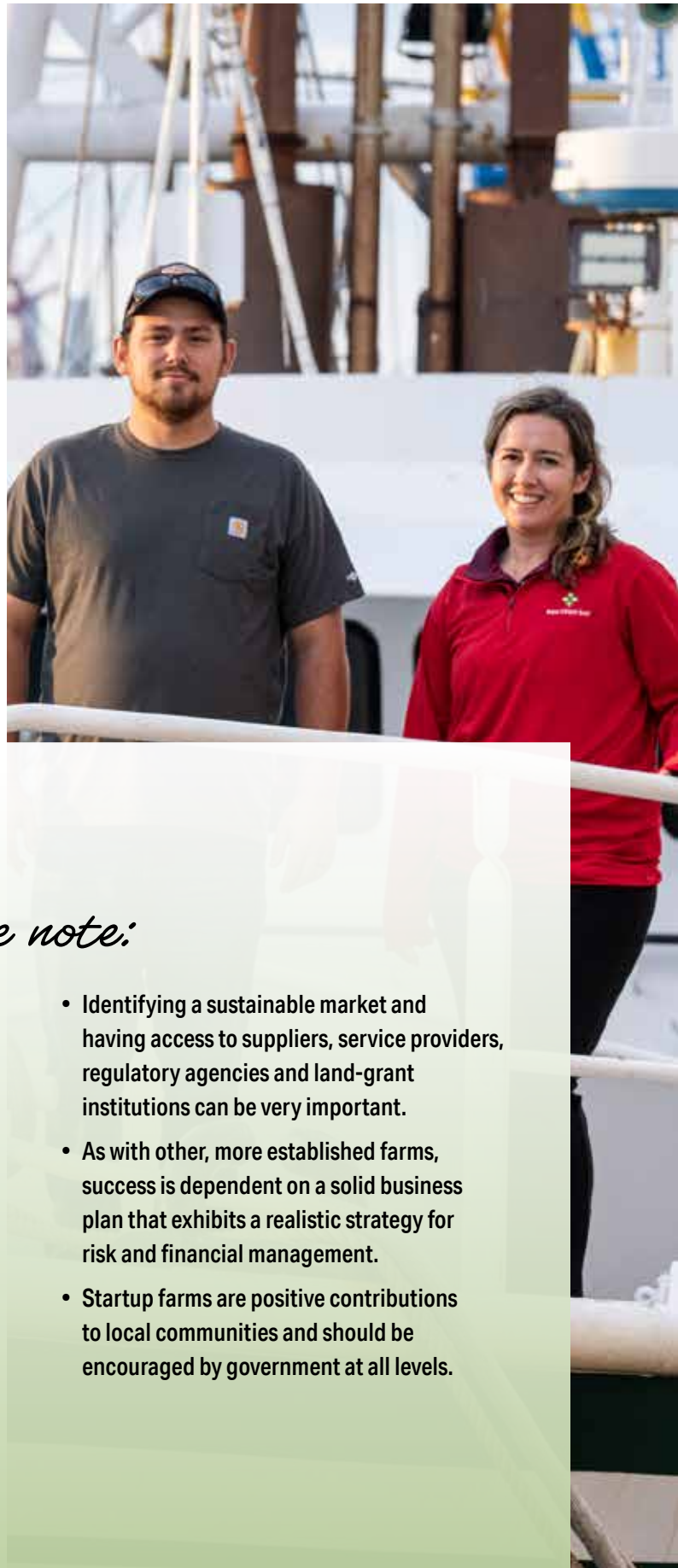
All FarmStart applicants are required to submit a business plan along with their application. This plan will help organize the new entrepreneur's mission and business goals, as well as define how to distribute their FarmStart funds. The business plan will serve as a guiding resource for the first few years of their startup business.

WHO IS ELIGIBLE?

Any beginning farmer, fisherman, forestry producer, farm related business owner and/or cooperative with great promise for success, but minimal track record to date and limited financial resources is eligible. Candidates are expected to be entrepreneurs or cooperatives with very little accumulated net worth and few financial resources. Candidates should have at least two years of relevant experience and be in the early startup phase of operation or making major changes in the first several years.

HOW TO APPLY

An applicant must submit a FarmStart application, current balance sheet, income statement, monthly cash flow budget and a business plan, along with two personal references. A standard credit bureau report will be run on all candidates. The business plan demonstrates that he/she will have the ability to successfully use their investment. Recipients are not required to use any other loan or financial service from Farm Credit East, however, a FarmStart investment may be combined with other sources of financing for your enterprise.



FINAL NOTES

Based on 20 years we note:

- Agricultural entrepreneurship is strong in the Northeast.
- Supportive resources available to beginning farmers have grown in the Northeast. Examples include interactive farm planning tools, training programs and financial services.
- Social media has enabled farmers to market their products to consumers and to connect with similar producers to share in each other's learning and new business growth.
- Growth of marketing channels for small-scale, limited-resource farmers has allowed startup farms to meet consumer needs and develop niche markets.
- Identifying a sustainable market and having access to suppliers, service providers, regulatory agencies and land-grant institutions can be very important.
- As with other, more established farms, success is dependent on a solid business plan that exhibits a realistic strategy for risk and financial management.
- Startup farms are positive contributions to local communities and should be encouraged by government at all levels.

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BEDFORD, NH

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BRIDGETON, NJ

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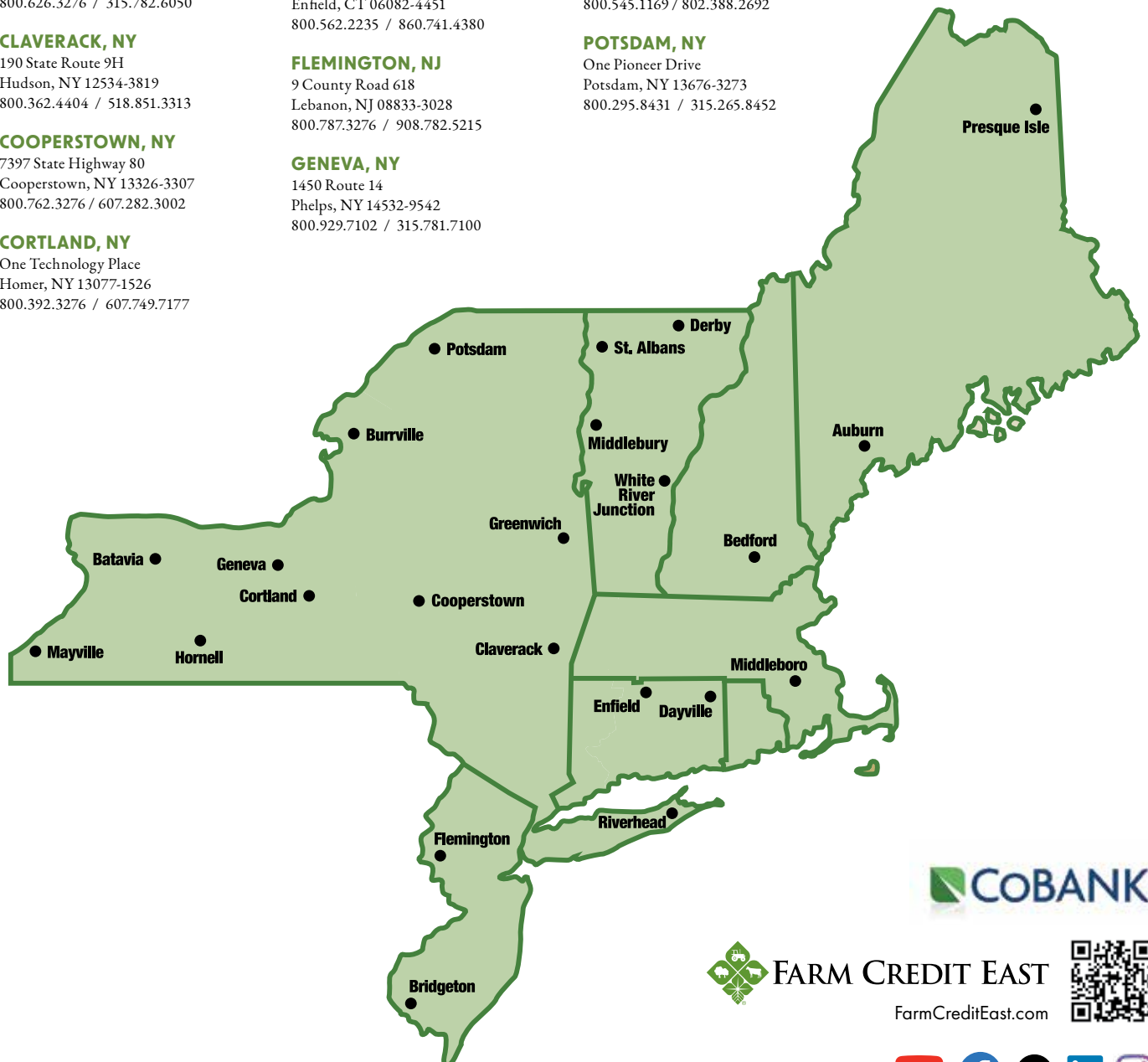
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