

INTERVIEW WITH SALLY DODGE

Iroquois Valley Farms

Interviewer: Welcome to Women Invested. Today we're talking with Sally Dodge. She is the North East Community Development Manager and board member at Iroquois Valley Farms, a food and farm land impact investment company that provides land access for organic farmers. Sally was an early promoter in the local foods movement in the North East, connecting chefs with farmers and setting up farmer's markets in Vermont. Sally is a farmer, entrepreneur, and conservationist. She serves on the board and investment committee of the Cleveland H. Dodge Foundation. Sally, we are so excited to talk with you today.

Sally: Thank you so much.

Interviewer: Yeah, so our first question is - tell us about Iroquois Valley Farms, how it creates this positive impact with soil, with farming, farmers, and food.

Sally: So Iroquois Valley Farms started with one farm in 2007 and a couple of good friends in Illinois, Dave Miller and Stephen Rivard... Steve is a physician and Dave was a banker. They became really concerned about the amount of cancer and diseases from toxic chemicals in our country and decided that they wanted to figure out a way to support more organic farmers in the United States. And so this idea was hatched to buy farms and lease them to organic farmers and that way grow the pool of younger farmers as well because we do have farmers in America whose age is sort of creeping up and I think the average age of the United States farmer is somewhere in the late 50s or early 60s.

So in 2007 they had one farm and then added very slowly. I think in 2010, 2011, in 2013 by that time maybe they were about 10 or 12 farms. We never buy the farm without having the farmer come to us first. So we buy the farm with the farmer in mind. If it's a conventionally managed agricultural land, we will help that farmer through the three-year transition period to become an organic farmer by limiting the amount of the payment that they need to pay to us and then we begin to ramp up once they are able to sell their products.

Our farms are funded by socially responsible investors, and it's a wonderful combination because these investors are very committed and principled people who want to see healthy food, healthy soils, for a healthy planet and so

their money goes to buy the farm. Many of our investors wish they could be a farmer themselves and have found that maybe they will not be but now they will own our farms through ownership of shares in Iroquois Valley Farms.

We consider ourselves really to be a food and farmland company that our emphasis is on crops that are grown on our farms. Successful farmers are really important. After seven years of us leasing to a farmer a farmer may then buy the land from Iroquois Valley Farms. In fact, over the time we've only sold one farm to a farmer partly because we're still a young company and we've been in business since 2007. We're now up to 32 farms and growing rapidly. Our investors are...

Interviewer: Accredited. Yes, uh-hmm.

Sally: And in fact this year we're going to be moving to a restructure, which is going to really help us because we will be able to then have investors who do not have to have the million dollars plus the value of their homes to be accredited investors. And so that will mean millennials will be able to invest in our company, more millennials.

We're really looking forward to that because there has been kind of a little bit of a bottle neck because we could only have certain kinds of investors up to now. And so the idea is taking off. A lot of our workers are simply becoming better known in the farm community so that the farmers come to us and then also in the financial advisor community and we hope that it will be better known as we reach the streets structure.

Interviewer: And, Sally, I'd love to hear what brought you to this work? How did you get here?

Sally: Well, I've been a farmer all my life. My mother farmed in Vermont. She had a little beef operation, chickens, and cows, and I grew up on that farm, went away to school in college, came back with my then husband, and we started a beefalo farm. Beefalo is a cross between beef and buffalo and we had about a hundred head of beefalo in the '70s and '80s. I parted with my husband during that period and continued to farm for another six or seven years after we parted. And then at that point my children were in high school and I just decided it was time for me to do something else.

I've always been an entrepreneur of one kind or another. I started little businesses or I put on events. And then this farming operation had so many teases to it that I did everything from creating a catalogue for our maple syrup to putting on farm events and marketing everything. I mean, we went from

breeding the cow, having the calf, growing up the calf, you know, turning it into a hamburger, and then had to take the meat around, and had to sell the meat.

At that time, I didn't really realize, when we went into business, what had happened to the farm economy? You don't just have a cow and sell the meat at the local grocery store. So I got very involved with food co-ops and other kinds of businesses that could manage the meat then I got involved with those restaurants and came to understand what restaurants require in terms of meat.

So once I had stopped farming, I was still looking for something to do in the farm community and I got this idea to put on a Taste of Vermont in which I paired local organic farms, not just organic but local farms, with chefs. And at that time they didn't know each other and they didn't know, the farmers didn't know what the chefs needed, and the chefs didn't know that the farmers were all around and I thought I was just going to raise a little bit of awareness but in fact the thing just took off and blossomed into what we know now as The Local Foods Movement in Vermont.

Interviewer: So when was that Sally that you did the Taste of Vermont and started that?

Sally: I think the first one was in 1989. I did another one in 1991 and then I went on the board of the Vermont Land Trust as a result of that and in fact I remained either on that board or as on their capital campaign committee for 18 years. So I really got a wonderful education in land conservation and land trust and what they do.

And so I have to say I'm proud of an event that I put on for the National Land Trust Alliance Rally in Shelburne, Vermont for a thousand people and we put together an amazing meal with 55 chefs and farmer combinations and it was just a great, great celebration. That was a lot of fun, and then a bunch of things grew out of that, The Farm Fresh Network, and then the growth of farmers' markets. So that is what brought me to all the pieces that have to do with farm marketing and understanding the farm economy much, much better.

And so when this opportunity came along to join Iroquois Valley Farms, it just seemed like an obvious outcome and a way to put together the skills that I had grown over many years and it's just been a wonderful experience to be with Iroquois Valley Farms.

Interviewer: Tell us about what you feel like Iroquois Valley Farms the unique contribution in the work either sustainable agriculture or social responsive of investing. What do you feel is so special?

Sally: Well, the good thing about Iroquois Valley Farms is that we are slow money kind of investment. So the investor doesn't get their money back for at least seven years. So the money is pretty liquid for that long period of time which means that we know that that money is going to be there for a period and the farmer also has the security of knowing that that farm is going to be his or her farm in perpetuity. I mean, for as long as the farmer wants to be there, they can either buy the farm after seven years or they can continue to lease.

Lease security is huge for farmers. There are other land acquisition companies that will go in and maybe they'll hold the land for 10 years but then they will turn that around for their investors and the farmers left high and dry. That's pretty unique about Iroquois Valley Farms, is that we really offer a secure long-term-forever lease to our farmers. Now, the thing about organic farming is that it's good for the earth and it's good for soil.

And at Iroquois Valley Farms we have really come to concentrate on the importance of building the soils and now we're working on carbon sequestration technique so that the carbon that's in the atmosphere goes into the soil and through encouraging practices that include ending deep tilling of the earth, and planting extensive cover crops, and trying not to disrupt the soil microbe and fungal sub structure in the soils that we will be able to sequester more carbon. And there are now a large group of people who believe that we could turn climate change around in under 20 years if everybody started using those practices. So we think we're good for people's health and we're good for people's food.

Interviewer: Those are some critical issues you've just named that for me address even the question I want to ask you which is what would you say to an investor about why it's important to invest like this. You've hit on so many great important issues already but is there anything else you would add speaking to an individual person thinking out, "Hmm, why should I invest like this?"

Sally: Well, if we think about traditional investing and we look at our portfolio, for instance I'm in the investment committee of a family foundation and we meet with the financial advisors every quarter and what we talk about is, "Is this stock going to do well, and is that one going to do well, and what are we doing in pharmaceuticals, and what are we doing in commodities or one sort or another," and that to me is like going to a casino. It doesn't strike me as a kind of investing that really takes into consideration what is doing the best good for our country and our world.

The whole idea of investments that make a difference is kind of lost these days. I'm hearing from our Iroquois Valley Farms investors that they don't like that either and that they're really trying to invest in things that support their passions. And one of the things I'll say is that as you give your investor time and things, you usually do that, it's something that you're generally very interested in and passionate about. So often if you look at the things that you care the most about, those are the things you should invest in, and that's pretty much what I think about investing.

In terms of women investing, I think women tend in many ways to have a passion for children, for education, for healthy food, and general health, and for the help of the planet, and so if they can be thinking about those things and trying to figure out a way to invest in those things, that's a good way to go.

Interviewer: One of the things for me that stands out about the Iroquois Valley Farms even reflected in the name is what you've kind of spoken about already which is really this long term approach. The whole business model is set up to have a long term relationship not only with the land but with the farmer which creates all this positive impact in so many ways that you've mentioned. And that is so special I think about how Iroquois Valley is designed like you said versus other types of investing which really the extreme of that is the worst of Wall Street which is fast turn around and highest gain in very short amount of time.

Sally: We have something called the law of the farm, and the law of the farm means you have to do all the things that need to be done to make a farm healthy. And the love of that is long-term stuff. You plant a tree and it might be 40 years before you would either harvest it for timber or reproducing amounts of nuts that you want or whatever. You also have to keep track. Farmers keep track of the weather and the seasons, and you have to plant at the right time, you have to harvest at the right time. I think that we've lost sight of that in our business in America, an awful lot. I do love that about Iroquois Valley Farms and our investors also are saying that they think that it's really good to have this slow money attitude about our investments.

Interviewer: We were going to ask you why you feel like Iroquois Valley Farms matters in the bigger world and you've definitely answered that already in some ways. I know there're other ways that it matters that I've heard you and Dave Miller talk about like watersheds, it's something that you all are very conscious of. Can you talk about some of the other ways that Iroquois Valley really matters in the bigger world?

Sally: Well, one of the things that I think it's really important and it's a little bit off your question but it's the power of intention. I think that every one of us can

have, through the things that we do or the ways in which we act, the intention of spreading our plan to do good out into the world and as Iroquois Valley Farms has grown and has become better known, we are really seeing that we are having an effect on how people think about farming, how people think about the importance of, just what you said, Carrie, the fact that if we build our soils, if we build up the microbes in our soils, develop the tilth of our soils, we will be having a big effect on water, for instance. We grow cover crops - we can retain, I think it's something like 14 times as much water per cubic foot of earth.

So in at least drought problems that we're having everywhere are going to become bigger and bigger unless we pay attention to how we're keeping the water in the ground. How we are trying not to have agriculture runoff. We want to stop the pesticide use. We want to stop the synthetic fertilizer use because those are all things that are polluting our environment. So, overall Iroquois Valley Farms is trying to help our nation stop polluting, and conserving water, and valuing the wealth of our soils.

Interviewer: So tell us what states the farms are currently in or some of the states just to get an idea.

Sally: Oh yeah, I do have it in front of me, here. We are in New York, Illinois, Indiana, West Virginia, Maine, Kentucky, Michigan...I don't think we have one in Ohio yet but we will.

Interviewer: Okay, yeah.

Sally: We have many, many in the Midwest, mostly Illinois, Indiana, and then we have two farms in New York, one in Maine, those are our North East farms. We're looking at another one in New York soon. We build these little pods where people start to know who we are and so then we become more popular in a given area. It's just by chance that our New York farms right now we have one which I'm pleased to say we just got a conservation easement on that farm yesterday. We were able to sell the development rights for that farm which we're really happy about. So it will be a farm that will never be developed. In that little community, we're looking at several other farms. As the farmers start to hear about us they come to us.

Interviewer: Some of the partners that the farmers source to...

Sally: Like Organic Valley?

Interviewer: Valley, yes. Can you tell us a little bit about that?

Sally: Well, the way in which we've sort of found our farmers so far is that we go to organic farming conferences and at those conferences we meet up with some of the other vendors that are at the conferences. So through Organic Valley we have been able to talk with them and they now are on board and several of our dairy farmers sell to Organic Valley. So now we hear from farmers through Organic Valley.

We're also working with a creamery that creates yogurt in New York State called Maple Hill Creamery. They're doing a great job with us. We don't actually have a Maple Hill customer yet but we will very soon. And then in terms of in the Midwest, I don't know the names of the co-ops but our crop farmers there are selling to some local organic grain co-ops.

Interviewer: Isn't there at least one in the farmers in Indiana supplies organic black beans to Chipotle?

Sally: Yap it does, and I'm not sure how we found that market. Another one of our farmers is a meat farmer and he sells a tremendous amount of meat: beef, pork, chicken, lamb, and other meats at the Chicago area farmers market. So he's doing really well.

Interviewer: I wanted to ask you, what do you feel like when you look in the space of sustainable agriculture investing, what would you like to see in the space that you're not seeing yet or would like to see exponentially more of?

Sally: I'd like to see the end of Roundup and the end of GMOs that are used the way they are today. I'm not saying all bio-technology is bad but I think that...we right now have six mega co-operations that control over 70% of the food in United States, and they would love to control that food all around the world. And that is really, really bad for people in the world from our point of view. It's the family farmers that are going to grow the food and we really need to grow organic healthy food for people.

If you look at how ill many Americans are it's from really bad food, and pesticides and toxic exposure. And then we look at our health care system, and it doesn't address the problems, it addresses the sickness rather than the wellness of people. At some point in the future we have to get back to where people eat real food and healthy food and that's what we're headed for.

With Iroquois Valley Farms, one farm at a time, it's very small steps but as I say the power of intention makes a big, big difference and we're seeing a huge demand for organic food products so much so that Costco, which is an interesting company, is actually out there helping to do the kind of work Iroquois Valley Farms is. They're trying to get money into the system so that

more farmers can get on the land to grow organic products, and we're actually getting ready to start talking with Costco about what they are doing now. That's a good investment too.

Interviewer: You've done just such amazing pioneering work in this space...

Sally: I know and that's a good thing to share. It doesn't need all that much to do something. It's just, you just have to get up and do it. I started a farmers market in our town. I was actually running a small museum at that time and teaching kids how people did things in oldie timey days. And so then we added a garden at our little museum and all these neighbors came out to help in the garden and then we added the farmers market and that just gave so much vibrancy to the community.

And then somebody said, "Why don't we have a winter farmers market?" I said, "Oh, that's a good idea." So we put up a winter farmers market and now there are winter farmers' markets all over the state of Vermont. We have a fabulous one in my community now and it just takes a little bit of doing. Again, if you have the passion to think that it's a good idea. It doesn't matter if you fail. You'll learn from that too. But we've had lots of little successes that have turned into big successes. I'm pleased to say there are many more farmers' markets in America now than there are McDonald's.

Interviewer: Oh wow, I haven't heard that.

Sally: It's really good news.

Interviewer: No. Oh, how wonderful.

Sally: My husband said that I should tell you stories but I don't know, I'm not really sure whether the stories are good for this interview or not. But I will say that entrepreneurship goes back for many generations in my family as just philanthropy. And if we can combine what we would like to support with philanthropic gifts also in business, and that's a good thing to say about Iroquois Valley Farms.

If I give money to my local land trust to help young farmers, to help the land trust get up young farmers get on the land, the land trust can help maybe six farmers a year. But if I invest my money in an organization like Iroquois Valley Farms, and there are lots of investors, we're going to aggregate a lot more than what our land trust would, not that the land trust isn't important, but we're able to get many more farmers on the land over a period of time by making an investment rather than just a gift. I mean people at different levels with what size gifts they can give but at my level making an investment of my IRA, which

was just sitting there doing not very much, I could still feel like I wasn't going to part with that money completely.

Interviewer: Your investment with Iroquois Valley Farms is through your IRA?

Sally: Yeah, yeah and it seems like a really good thing. It could have been sitting in an account that was making very little money and now it's in an account that I don't mind if it doesn't make much money. It's doing really good work with that money, and so that's what makes me happy. And I'm happy to be working for the company that's doing that good work.

Interviewer: Well, we're so appreciative, Sally, of getting to have this opportunity to talk with you and to hear about what you're up to. I'm so impressed with the impact that you've been making through your work and through all your life projects you've taken on. Sustainable and organic agriculture is something that really is a very important thing to many of my clients and also to me personally.

I'm here in Hawaii and somehow most of my closest friends are organic farmers and/or ranchers including my husband. So this is a topic near and dear to my heart besides the fact that of course we all eat every day and I like to eat organically. We so appreciate what you've been doing. You're a wonderful model both in your personal work and the work that you're doing with Iroquois Valley. So thank you so much for taking time with us today.

Interviewer: Thanks, Sally.

Sally: Thank you. Thank you very much. As we say in Costa Rica, where we just took a trip, Pura Vida. That means a pure life.