

RSF quarterly

WWW.RSFSOCIALFINANCE.ORG

INSIGHTS INTO INVESTING, LENDING, AND GIVING

1002A O'Reilly Avenue
San Francisco, CA 94129
415.561.3900

「beyond organic?」

How
reciprocal
relationships
are at the root
of sustainable
agriculture

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INVESTING, LENDING, AND GIVING | INSPIRED BY THE WORK OF RUDOLF STEINER

 FOOD & AGRICULTURE

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LETTER FROM DON

Appreciative Inquiry

I am particularly excited about our newsletter this quarter, for several reasons:

First, I come from a long line of Quaker farmers in the Philadelphia area. Through the topics discussed here, I feel a direct connection to my ancestral roots as well as with the roots of our work here at RSF... our reason for being. One of my deepest hopes is that my young daughter, Sabine, will know what it's like to grow her own food, to familiarize herself with a particular plot of land over many seasons and many years. In our backyard in Oakland, California this summer, 20-month-old Sabine has picked fresh strawberries, tomatoes, corn, artichokes, beets, lavender, broccoli, and basil. Under the guidance of my wife Jennifer, she has watered and cultivated the soil around these plants. Two of her first words were "bee" and "snail". This is thrilling to me!

Second, over the past two years, I have been seeking opportunities to learn more about biodynamic agriculture from those who are longtime practitioners. John Peterson and Dewane Morgan offer unique perspectives on the subject here, born from their decades of experimentation with biodynamic approaches. It's clear that biodynamic agriculture is a way of life for them—a way of understanding how all the elements of our world are interrelated. For our staff picnic in July, we visited Filigreen Farm in Mendocino County, California. We learned there the specific ways that the biodynamic

preparations are mixed with water. *How* they are mixed is essential to the positive results. In a similar way, we believe *how* we work with money is just as important as the resulting impact of the projects we support.

And, third, this has been a difficult year in many ways. It has been much harder to do certain things than I thought it would be. Humbling is a good word to describe it. Sometimes it's not enough to be committed with good intentions; you have to dig deep, make difficult choices, and work extremely hard to push through to the other side. So I very much appreciate what Dewane says (p. 5): "It's also a matter of attitude. For example, you could say, 'That plant is really suffering. It's doing poorly.' Or you could take the opposite perspective and really admire how well the plant is doing in adverse conditions. I've found that by recognizing how well something is doing, and by complimenting its ability to survive, you can really affect the overall health of the farm." I love the generosity of spirit embodied in this approach. I have come to know this form of appreciative inquiry, and I believe it to be important to any endeavor—whether it's teaching a child how to nourish a tomato plant or determining how best to support our clients.

Everyone who contributed to this wonderful newsletter has helped "harvest" a compelling and thought-provoking read, and I thank you all. I'm very thankful too that we are able to facilitate the flow of money to food and agriculture projects—it has a grounding effect that is much needed in these times.

As always, thank you for being a part of the RSF community and please contact me directly with any feedback you may have. 🌀

With respect & peace,

Don Shaffer, President & CEO



2008 FOOD & AGRICULTURE HIGHLIGHTS

Number of new grants: 50

Grants in dollars: \$1.1 million

Percentage of total new grant making: 8.3%

Number of new loans: 21

Loans in dollars: \$12.4 million

Percentage of total new loans: 46%

► REIMAGINE MONEY BLOG

Ted Levinson writes about bringing RSF borrowers together to discuss, in Rudolf Steiner's words, "human mutuality" in the economic process: <http://rsfsocialfinance.org/borrower-gathering>



 **INSIGHTS**

A Holistic Approach...

By John Bloom, Director of Organizational Culture
and Gary Sprague, Communications Manager

There was a time when farms and farmers were considered the cornerstones of culture. A reminder of this view resides in the lobby of the US Capitol Building, where the following 1840 quote from Daniel Webster is inscribed on the wall:

When Tillage begins
Other Arts follow.
The Farmers, therefore,
are the Founders of Human Civilization.

If we take this statement seriously, then the current state of our food system certainly gives cause for alarm. Since Webster's time, agriculture has more and more come to resemble another branch of industrial manufacturing. The goal of most farming is simply to maximize the yield of food per acre, regardless of the social or environmental consequences. Output alone is the measure of success, and this is reflected in, and reinforced by, our wider consumer civilization. Many have come to demand more quality in greater quantity at ever lower prices. The qualities and requirements of production and labor are no longer visible or valued.




Filigreen Farm,
a biodynamic farm,
in Mendocino,
California

Organic food, the fastest growing sector of the food industry, is a crucial step in addressing this destructive and unsustainable trend. Yet as anyone involved in organic food production will tell you, the ballooning size of the organic market does not necessarily equate to a large-scale reconsideration of our agricultural values. At one end of the organic market are those who buy organic because they know it is healthier for them or their children. They don't particularly care about

how or where it was produced; the certification label is what matters. This is known as consumer-based value. At the other end of the spectrum are those that support organics because it is part of a whole system that goes beyond the farm "product" to address soil renewal, the vocation of the farmer, the quality of animal life, and a just economic system. This is so-called production-based value.

Often the issue of scalability—how to achieve mainstream commercial or buy-in for sustainable agriculture—creates a point of tension between consumer-based value and production-based value. Some people believe the emphasis has to be on consumer-based value in order to achieve scalability, while others believe the focus has to be on production-based value. This creates an artificial dilemma and is a distraction. Both approaches are necessary. Food should be healthy, affordable, and accessible for consumers. It also needs to be produced in a way that includes humane treatment of animals, preservation of land, and sustainability of its farmers.

At RSF, we strive to support projects that recognize and honor the full web of relationships that are vital to healthy food, animals, land, and people. This includes supporting organic production (e.g. borrower Numi Tea, but also biodynamic agriculture (e.g. borrower Flower Essences Services, urban/rural exchange and education (e.g. grantees Pie Ranch and People's Grocery), and local and regional food systems (e.g. borrower SPUD and grantee Mercy Corps Northwest's Refugee Agriculture Project).

Underlying all of these practices is a common thread of re-establishing awareness and appreciation of that connection between agriculture and civilization that we once considered so fundamental as to merit memorializing in the hall of our nation's legislature. As John Peterson writes in his essay on page 4, truly sustainable agriculture requires fostering genuine relationships between all the elements and people that make up our food system. If we fail to take this systemic and diversified approach, instead getting caught up in maximizing economic value, then it will not only be agriculture that is unsustainable, but our human culture also. 



 GUEST ESSAY

Towards Community

By Farmer John Peterson

“Mr. Peterson, what hope does your CSA agribusiness model offer to the green movement?” the moderator of the Green Forum at the International Documentary Film Festival of Amsterdam inquired of me. I was one of three members of the discussion panel.

“It’s not agribusiness we’re talking about. It’s *agriculture*.”

“It’s agribusiness, Mr. Peterson. Proceed.”

“It’s *agriculture*. You are not entitled to strip the cultural aspect out of growing food, out of farms. Farms are meccas of cultural activity, beacons of social life, and they are also producers of food. They are not *exclusively* producers of food.”

“It’s agribusiness that you do, Mr. Peterson. Proceed.”

There were about a hundred people in the audience. Tension was mounting.

“I’m going to stop your whole forum discussion right now. It’s not going one step further unless you refer to CSA as agriculture. It’s agriculture. Call it agriculture or we stop.”

Long silence.

“Okay, Mr. Peterson, we’ll call it agriculture.”

This perception that culture does not reside within agriculture, that food and farms are commodities and strictly components of business, is widespread in the world. This perception needs to be transformed into one that embraces the cultural, the artistic, the social in agriculture, so that agriculture can be enlivened with heart, with the warmth and richness of feeling. Embracing the cultural will lead to the farmer regaining status as the steward of natural processes, and his or her knowledge will be received into the world as wisdom, and our earth will receive sustenance. Embracing the artistic will empower the farmer to create harmony in our landscape and farmsteads, and our earth will receive beauty. Embracing the social will lead to healthier and more robust communities based on farms, and our earth will receive joy.

Farms make up much of the land mass of the earth. If they aren’t taken care of properly, if those farms and their farmers are not taken care of, if land is seen



Farmer John happy at harvest

primarily as a commodity that is growing food for people and *it had better be the right food at the right price*, then healing of the planet cannot happen.

Relationship is key to turning the planet around: relationship to one another, relationship to the land, the animals, the plants, the minerals, the heavens, to the spiritual world. Deep strong personal connection to farms is essential to transforming the planet. This connection must be to the *beings* of farms, not the *idea* of farms; to the *actual* farmers, not the *idea* of farmers. I travelled the world for almost five years with the film about my farm and my life, *The Real Dirt on Farmer John*. My mission was to get people excited about farms, to

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CLIENTS IN CONVERSATION

Dewane Morgan

In conversation with Elizabeth Ü,
Strategic Development Manager

Despite the current arid economic conditions, 2009 has been a banner year for RSF in terms of both inquiries from new investors, and new accounts opened; we feel that it's because our unique approach to financial relationships is so appealing compared to that of traditional financial institutions. Your experience with good harvests despite several years of drought sounds remarkably similar.

Dewane: Yes, this part of Minnesota has been in a drought since 2002. This year we had only 6.8 inches of rain between April 1st and mid-July, less than half what we would normally get during that period. And yet my farm does not show the stress of the drought. Unlike other farms, I had one of the best grain crops I've ever had this year!

What do you think has contributed to this surprising success?

Dewane: A lot is due to the biodynamic practices I use. I've been able to increase the depth of my topsoil beyond what would be possible with conventional or even organic practices. It's also a matter of attitude. For example, you could say, "That plant is really suffering. It's doing poorly." Or you could take the opposite perspective and really admire how well the plant is doing in adverse conditions. I've found that by recognizing how well something is doing, and by complimenting its ability to survive, you can really affect the overall health of the farm.

This is similar to how RSF views our borrowers. Unlike traditional lenders, we're not content to offload "difficult loans." We prefer to treat all of the borrowers in our community as true partners, working closely with them so they can continue to effect positive social impact through their success. In many cases, this involves making connections to other resources within the RSF community. We help them foster relationships with other borrowers, mentors, vendors, or other investors.

Dewane: In farming, it's of utmost importance to connect new farmers to land that is available for farming. We need a new view of the value of land, in the same way that RSF fosters a new view of the spiritual value of money and financial transactions.

It must be hard for aging farmers, facing retirement, to consider selling carefully-stewarded farmland to developers.

Dewane: This is a very important question: what is going to happen to the land that has been in organic or biodynamic production for a generation, or more? When I first started farming biodynamically 33 years ago, I had to start from scratch. I used to wonder what happened to all the farms that were started in the 40s . . . they were close to the cities, and were subdivided, sold, and eventually paved over. Is this the trajectory that we want to continue into the 21st century?

For those of us that are not farmers—retiring or aspiring—what can we do to help protect farmland from development?

Dewane: I would like to see more people make gift money available to land trusts.

How does a land trust work? What problems are they designed to solve?

Dewane: When I first started farming in 1972, land cost \$84 an acre. Now, that same land costs \$2,200 an acre. I cannot raise more cattle or more grain on that land; its carrying capacity has not grown in proportion to its cost. This restricts me from buying more land, which would make my farm more economical and it makes the land completely unaffordable for new farmers.

The rising price of land is due to its development value, not its agricultural value. When a farmer

> “Clients In Conversation” continued from page 5

donates the development rights to a land trust, or if a land trust can buy the development rights from the farmer, it takes the speculative value out of the land. It makes the land more affordable, as its price is based on the agricultural value only. The land trust then puts an easement on the land, protecting it from future development.

Some land trusts can receive gifts of land itself, in addition to managing the protective easements.

Dewane: Yes, Yggdrasil Land Foundation does that, allowing a community of people to have a stake in the productivity of land, which is rented under favorable and fair conditions to farmers. This approach takes farmland out of the private realm and brings it into the community realm.

I hope that more people will consider agricultural land trusts in their giving plans. Combined with actions such as shopping at a local farmers market or participating in a CSA program, this is yet another investment in the future of farming. ↻

DEWANE MORGAN is an investor in the RSF Social Investment Fund and a biodynamic farmer. He raises vegetables, raspberries, eggs, and meat for a 100-member CSA (with a waiting list) on 400 acres in Park Rapids, MN. Dewane is also a trustee of the Yggdrasil (pronounced ‘IG-dra-sil’) Land Foundation, a land trust incorporated in 2000 as a supporting organization to strengthen the work of three distinct nonprofit organizations: RSF Social Finance, the Biodynamic Farming and Gardening Association, and the Michael Fields Agricultural Institute. Founded with the vision of securing land for use as biodynamic and organic farms, Yggdrasil holds four properties totaling over 340 acres.

www.yggdrasilandfoundation.org
www.biodynamics.com
www.michaelfieldsaginst.org

ELIZABETH Ü is an investor in the RSF Social Investment Fund and Strategic Development Manager at RSF. As a Food & Society Fellow, a program of the Institute for Agriculture & Trade Policy, Elizabeth works to illuminate the relationship between social finance and sustainable food systems.

www.foodandsocietyfellows.org

> “Towards Community” continued from page 4

let people know that farms are in the *middle of somewhere*, not *in the middle of nowhere*. I shared that farms are magical places, where people and nature meet, that they are often cultural meccas.

Community Supported Agriculture and Biodynamics were the corner posts of my presentation. Notice how they are both based on relationship.

Community Supported Agriculture is a relationship between shareholders and farmer based on a socio-economic covenant, in which the shareholders and farmer agree to share in both the risks and benefits of food production.

Biodynamics is an approach to agriculture, pioneered by Austrian scientist and philosopher Rudolf Steiner, that strives to deepen the synergistic relationships between the minerals, plants, animals and people on the farm.

What is the way *Beyond Organic*? The way is *Towards Community*, towards relationship, relationship with one another, with the minerals, plants and animals, with our land, and with the cosmos: deep relationship, the sort of relationship that comes from being close to these elements, from working with them, observing them, and interacting with them. This connectedness, when based in love and understanding, will provide guidance on what to offer and what to do. This is a spiritual reality, a cosmic result that we can manifest concretely through relationship, through our attention on and our interest in one another and our surroundings. Out of true relationship, we will find solutions to our problems today. ↻

JOHN PETERSON is a lifelong farmer and the subject of Taggart Siegel’s 31 award-winning documentary film *The Real Dirt on Farmer John*, which has been seen in theaters worldwide. He is the author of *Farmer John’s Cookbook: The Real Dirt on Vegetables*. Farmer John runs Angelic Organics, one of the largest Community Supported Agriculture farms in the U.S.

www.AngelicOrganics.com



CASE STUDY

In Full Alignment

By Bette Mc Donnell, Editorial & Events Manager
and Kipp Stroden, VP Business Development,
Essential Living Foods

While most travelers to Peru would be sure to visit the Amazon rainforest and the Incan ruins of Machu Picchu, few would ever realize they were missing one of the most spectacular sights this country has to offer: Topara Farm. Hidden in an Andean coastal desert about two hours from Lima, these 350 acres appear to be a miracle of nature. The farmland is a lush and beautiful sight filled with abundant pecan trees, bright red chili peppers and a forest of fledgling fruit trees. How did such a dry, mountainous desert give birth to a lush and productive farm? And how is it that all of this beauty and productivity is created organically? The answers lie in three essential elements: the gift of water from high in the Andes, the ancient Incan wisdom that teaches how to harness that gift, and the people willing to nourish that gift. Those people are the Bederski family, the founders and owners of Topara Farm and their supportive customer and partner in the US, Essential Living Foods (ELF), an RSF borrower.

A Peruvian of German descent, Klaus Bederski, bought the farm in 1969 with a vision of growing pecans. Along with his sons, he developed the farm over the years and employed local people to work the land side by side with him and his family. Then, in 1998, torrential mudslides devastated the entire area, wiping out this rich farmland and bringing anguish to the farm workers and their communities as they saw their livelihoods disappear. Most of Topara Valley was covered in 10 feet of mud. All that remained was the farm house and a grove of pecan trees. As Klaus' son, Stefan, kept looking at the rich mud that covered the fields he realized that this too was a gift from the Andes. "I took the flood as a message from nature. While we had been using ancient irrigation methods, we had been using modern farming practices of fertilization. "We hadn't



Stefan Bederski at Topara Farm

been farming in full alignment with nature," he says.

Stefan knew of the growing movement of organic farming and realized that by moving in that direction, his family could support the natural lifestyle that they believed in and, at the same time, ask for a better price for a high-quality organic product. The added gift was that the mudslides allowed them to convert from conventional to organic farming methods in just a single season as the fresh mud made all of their soil "virgin" and chemical free.

A couple of years into Topara's organic phase, a serendipitous meeting between Klaus and Christopher Daugherty, a naturopathic doctor, led to Christopher founding ELF with Topara as its first supplier. From this initial partnership, ELF has since deepened its mission of providing the highest quality organic, sustainably farmed foods while contributing at least 1% of its profits to farming communities to help support housing, schooling, and health care. Developing cooperative and respectful relationships is a cornerstone of ELF's mission as it recognizes the interdependence of those that grow the food, those that bring it to market, and those that eat it. Now, with the help of a loan made possible by RSF's investors, ELF sources from Africa, China, and many South American countries and has created a U.S. market for Topara's pecans along with superfoods (extremely nutrient-rich foods) such as goji berries, golden berries, and wild jungle peanuts. ELF sells these products in independent natural health food stores and Whole Foods as well as providing them for other companies' products.

Topara Farm's success emerged from a deep commitment to honoring nature. Its commitment, in turn, served as a catalyst for the birth of ELF, which has since gone on to nurture that same kind of commitment in farming communities around the world. This brings us full circle to one of RSF's guiding principles: a financial transaction is simply a relationship between human beings—a relationship that holds enormous power to heal our world. ♻️

www.essentiallivingfoods.com

Join Us at These Events

The next RSF Quarterly theme is **Education and the Arts** and will be published in January 2010.

Bioneers (*sponsor*)

Oct 16 – 18
San Rafael, California
www.bioneers.org

SVN Fall Conference (*sponsor*)

Oct 22 – 25
La Jolla, California
www.svn.org

Investors' Circle Fall Conference (*sponsor*)

Nov 15 – 17
Washington, DC
www.investorscircle.net

Economics of Peace (*co-convener*)

Oct 18 – 23
Sonoma, California
www.economicsofpeace.net

SRI in the Rockies


Oct 25 – 28
Tucson, AZ
www.sriintherockies.com

Making Money Make Change (*sponsor*)

Nov 12 -15
Falls Village, CT
www.makingmoneymakechange.org

Net Impact Conference

Nov 13 – 14
Ithaca, New York
www.netimpact.org

 *Indicates that this event includes an RSF speaker*