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Part of the Reads' rebuilding project: Restoring an old barn they recovered and moved from a nearby state park.

# Crowd-funding the Farm

*A new funding model helps farmers raise capital.*

**WITH 80 ACRES, A FLOCK OF 500 SHEEP** and a reputation for making award-winning artisan cheese, farmers Stephen Read and Jodi Ohlsen-Read were living their farm dream.

Then, in 2005, a fire ripped through the Nerstrand, Minn., farm—Shepherd's Way Farm—razing the barns and decimating the flock. In one night, the operation went from thriving to barely surviving.

"We didn't have enough sheep to make enough milk to produce enough cheese to make ends meet," recalls Ohlsen-Read. "We couldn't expand our flock and increase our milk production without barns."

Raising capital to rebuild their barns proved difficult: The recession, combined with their farm losses, made it impossible to access credit, and insurance didn't cover the gap either. After struggling for the past decade, the couple launched a crowdfunding campaign earlier this year to secure the cash to rebuild the barns, the flock and their business. "It was our best option to sustain the farm," Ohlsen-Read explains.

Crowdfunding, the once-niche funding model, has gone mainstream, generating \$16.2 billion in funding in 2014—a number that is expected to double in 2015, according to research firm Massolution. Unlike traditional funding models, with loan capital based on credit worthiness and perceived risk (and base interest rates and repayment plans on those metrics), crowdfunding allows campaign creators to directly ask for financial support from backers who share their passions. While no repayment is required, campaign

creators typically send backers small "rewards," such as T-shirts, CSA shares and farm tours, as a way of saying thanks.

Eileen Gordon Chiarello, founder of Barnraiser, a farming-specific crowdfunding platform that launched in 2014, believes crowdfunding has become popular for farming projects because it allows farmers to raise funds and engage with their communities. "By celebrating the work of people who are shaping how we eat [and] funding their successes, the public can essentially partner with these innovators to build the food future we want," Chiarello says.

More than 70% of the farmers who post campaigns on **Barnraiser.us** hit their funding goal. "Some [farmers] are adding new sources of income to their farms; others are pioneering different products and practices; some are improving their infrastructure," explains Chiarello.

Kickstarter, one of the largest crowdfunding platforms, started tracking farm-related projects in April 2014. Since that time, the site has hosted more than 481 projects, raising in excess of \$2.1 million.

When it became clear that there were no other options, Read and Ohlsen-Read launched their crowdfunding campaign on Kickstarter and exceeded their \$58,000 funding goal, raising \$64,850 in 30 days to build new barns and restore old ones.

"It allowed us to go forward by leaps and bounds," Ohlsen-Read says. "We're milking more than we have since 2005; we couldn't have rebuilt without crowdfunding." —Jodi Helmer

For tips on running a successful crowdfunding campaign, see **myFarmLife.com/crowdfunding**.