

# Iowa Farm Transition Case Studies

## Pursuing the Farming Dream Justin and Janelle Van Hoff

### Background

Justin Van Hoff grew up around farming and loved it. In college he studied agriculture, but unlike many of his classmates, he had no family farming operation to join after graduation. He worked for a while in his father's grounds maintenance business and in several other jobs related to agriculture. For a brief period, he entered into a livestock operation partnership, and he was a full-time employee on a crop farm. Sixteen years after finishing college he became a crop operations manager on a very large family-owned farm. Although his route to become a farmer was nontraditional, he enjoys his current position and does not have to worry about the financial risks associated with being a young owner-operator. Here is his story.

### Growing Up

Justin always loved farm machinery and big trucks. He grew up on a farm in northwest Iowa owned by his grandfather that his father and uncle operated. They raised crops, but no livestock. Justin's father rented another 300 crop acres and also drove a school bus route. Even at a young age Justin helped out on the farm.

When Justin was ten years old his uncle took over the entire farming operation. At the same time, the owners of the land that his father had been renting enrolled it in the Conservation Reserve Program. With no land to farm, Justin's father went to work at the local cooperative and later at a local packing plant. The family moved to a nearby town, but Justin continued to help his uncle on the farm after school and during the summer. While he was in high school, Justin worked part-time at a local implement dealership assembling new machinery. He also kept some animals at his grandfather's house for FFA and 4-H projects, and obtained his commercial driver's license so he could haul grain for his uncle.

### Keys to Success

- Be eager to seek out and accept new opportunities
- Be willing to relocate
- Keep a resume on file with career placement offices and agri-business recruiting firms
- Keep abreast of new technology being adopted for crop production
- Learn how to manage people

Eventually Justin's uncle built a new house on another farm and Justin's family moved back to the original farm house. However, his father continued to work off the farm. Because Justin's uncle had children who wanted to farm someday, there was no opportunity for Justin to become part of the family business after finishing school.

### School Days

After Justin graduated from high school, he enrolled in the nearby community college and took classes in agricultural production. After three semesters, he received a full tuition scholarship to study agriculture at Iowa State University. Justin spent his college summers working on a custom harvesting crew in the Great Plains. They started harvesting wheat around the Texas-Oklahoma border and gradually moved north as far as North Dakota, following the wheat crop. He gained a lot of experience operating large combines and driving grain trucks. He lived in a travel trailer and got to know young people from all over the world who were working on his crew.

After five semesters, Justin graduated from Iowa State with a major in agricultural business and a minor in agronomy. Although he enjoyed his economics classes, he would take more production agriculture courses if he had to do it over again. While Justin was attending Iowa State, he met Janelle and they were married following graduation.

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## Moving Back Home

While in college, Justin worked part-time at a nearby farming operation, helping with planting and harvesting, and hauling livestock manure. However, there was no opportunity for full-time employment there after college, so he and Janelle moved back to his hometown and he went to work for the local John Deere dealership in a customer support role. His job was to sell parts and services to customers, and enlarge the dealer's territory. However, the competition from other dealers was strong, and he had a tough time making headway.

In the meantime, Justin's father had started a grounds maintenance operation, serving a number of businesses in the local area. After less than a year working for the implement dealer, Justin joined his father's business, and they worked together for about five years. During this time their son, Jackson, was born. Although Justin enjoyed working with his father, there was always some uncertainty about his long-term role in the business. Besides, he still had dreams of becoming a full-time farmer.

## A Chance to Farm

Justin heard about AgLink (previously named FarmOn) offered through Iowa State University's Beginning Farmer Center. A person who aspires to enter farming as a career but has no opportunities to work into a family operation can apply to Ag Link. Likewise, a farmer looking for a successor but has no individual identified can submit an application. The AgLink coordinator helps arrange a meeting between the beginning farmer and the established farmer. If the prospects look promising, they can begin working together with the possibility of transferring the business to the younger operator in the future.

Justin was matched with Eldon Kreiner, a farmer in southeast Iowa who was in his sixties. Eldon was operating about 1,000 acres of row crops, and had some hog production facilities that he wanted to utilize with Justin's help. In partnership they started raising pigs under a contract with Niman Ranch, a specialty pork company, which meant following a strict protocol that was more labor intensive than conventional production methods. The farm also had ten acres of pasture available, which they used for growing meat goats. Justin and Eldon owned equal shares in the livestock.

Unfortunately, after about nine months the hog operation became infected with porcine reproductive and respiratory syndrome (PRRS) and all the breeding stock had to be liquidated. Because grain prices were low, Justin's senior partner did not want to expand the crop enterprise.

Even though he did not have a successor to his farming operation, Eldon had no plans to retire and no need for additional labor without the livestock. As a result, Justin's first career in farming was short-lived. From the experience, Justin realized that he was more comfortable working with crops and machinery than with livestock.

## Farming as an Employee

Justin and Janelle moved back to Justin's hometown and Justin resumed working with his father's grounds maintenance business. After a year, the farming bug bit him again. He had kept his resume on file with the career services office at Iowa State, and was contacted about a job with a grain farming operation in central Iowa. He interviewed and was offered the position. The family moved once again, to a small town in the area, and he started working for the Johnson family farming corporation. It was a medium-sized operation with the owner, Ray Johnson, several part-time employees and Justin. In his role, Justin was involved in all phases of crop production and grain hauling. During this time, he joined the local volunteer fire department, and their family grew to include a daughter, Heather.

After four years working for Johnson Farms, Inc., Justin began to ponder his future there. Ray's dad had actively worked on and managed the farm until he was well into his 70s, and Ray showed every sign of following that path. He also had two sons-in-law who could be potential successors. When Justin brought up the subject of becoming a partner in the business, Ray said that he preferred to keep everything in the family. Justin began looking at other opportunities, but he and Janelle had decided that they did not wish to move again. Janelle had a good job, they owned a house, and Jackson was starting school. When a position with the local police department became available, Justin applied and was hired.

## Precision Agriculture

After a year on the police force, Justin realized the many night shifts that he worked were not compatible with a good family life. In addition, he missed the association with agriculture. Justin obtained a position with a new agricultural business, selling and servicing precision agriculture hardware and software that allowed his family to stay in the community. His extensive experience with row crop production and farm machinery served him well, and he became a territory manager.

Things went well for about five years. Janelle became the music director at their local church. Over time, though, attracting new customers became more and

more difficult. The mainstream equipment manufacturers began incorporating precision agriculture features into their new models at the factory and the market for add-on equipment shrank.

Finally, the company decided to close the branch where Justin was working. Fortunately, he was able to quickly secure a sales position with a local John Deere dealership. After several years of high grain prices and robust machinery sales, though, demand for new equipment was slacking off. He soon began looking for a position that would allow him to return to production agriculture. Justin had kept his resume on file with an agri-business recruiting firm. When they contacted him about an opening for an assistant row crop manager with Hilltop Farms, a large diversified farming operation, he applied. After several interviews, he was offered the job and accepted it. The position required only a 40-minute daily commute from their home, which allowed them to remain in their community.

## Back to the Farm

At the same time Hilltop Farms hired Justin, they also hired a new row crop general manager, a recent college graduate from out of state. Although Justin wondered if he would be comfortable working under someone younger, they had compatible personalities and were able to divide the duties such that Justin would have a considerable amount of autonomy.

Justin now oversees ten employees, helps schedule crop production activities, and operates machinery as needed. He is responsible for work in the field, machinery maintenance, grain storage, and grain transportation. As he learns more about the operation, he may spend less time in the field and more time in the office performing management duties. He is a salaried employee, with good benefits, and the possibility of a year-end bonus depending on his performance and the profitability of the farming operation. Hilltop also allowed him to continue his volunteer position with the local fire department.

Hilltop Farms is a privately held corporation with over 30 employees. It carries out extensive livestock production as well as crops, but Justin is not involved in that part of the business, which is agreeable to him. At this time, there is no opportunity for Justin to own any of the business. Except for the primary manager, ownership of the business resides with outside investors. For now, Justin hopes to carry out his duties as diligently as possible, gain the trust of his employer, and take on added responsibilities. He and Janelle have discussed buying some farmland, mainly as an

investment, but any money that they are able to save will probably be used for financing their children's education in another ten years.

## Is He a Farmer?

Does Justin consider himself a farmer? He would have to say, "yes." He does everything that other crop farmers do, with the added responsibilities of managing personnel. He is part of a talented and experienced team of professionals. While he does not have any ownership in the business, he doesn't have any debt, either. In his position, he has a guaranteed income without the financial risk with which most young farmers must live. His family's long-term prospects for accumulating wealth may be more limited than they would be if he were an owner-operator, but their financial stress level is lower and their income is not subject to the volatility of the agricultural markets.

It has taken Justin 16 years, but he believes that he has found his niche as a farmer.

## Lessons Learned

- Frequently relocating a family is difficult. Ideally, settle on a permanent location with multiple job possibilities within commuting distance.
- Maintaining health insurance and other benefits is crucial. Janelle's continued employment during Justin's job transitions was an important safety net for their family.
- Keeping a current resume on file with placement offices and recruiting services allows them to make contact when new opportunities arise.
- Learning as many new skills as possible in each position helps open up new opportunities with more responsibility and higher rewards.
- Changing economic conditions in the agricultural sector can turn a promising position into an expendable one in a few years. Be ready to accept new challenges.
- Working in a salaried position allows the satisfactions gained from a career in farming without the financial risks associated with being an owner-operator.

## Discussion Questions

1. Is Justin living his dream of farming?
2. What advantages do you see in being a farm employee instead of an owner-operator or a junior partner in a family farming business?
3. What disadvantages do you see?
4. What advice would you give to a young person contemplating a long-term career as a salaried farm employee?
5. Should Justin pursue the possibility of buying into Hilltop Farms? How could he approach the owners to start his conversation? What is his long-term future there?

## Career Path for Justin Van Hoff

1994-1997	Attended high school. Worked on his uncle's farm and at a local implement dealership.
1997	Graduated from high school.
1997-1999	Attended community college and studied agriculture.
1999-2001	Attended Iowa State University. Graduated with a major in agricultural business and a minor in agronomy.
1997-2000	Worked on wheat harvesting crews in the Great Plains during the summers.
2001	Worked in customer support for a John Deere dealership.
2002-2005	Worked with his father in his grounds maintenance business.
2005	Entered into a joint venture with an established farmer raising pigs and goats.
2006	Returned to his father's grounds maintenance business.
2007-2010	Worked with a cash grain farmer as a general crop production employee.
2009-present	Volunteer with the local fire department. Currently serves as chief.
2011	Worked as a local law enforcement officer.
2011-2016	Worked as a district sales manager for a company selling precision agriculture products and services.
2016	Worked as a sales manager for a John Deere dealership.
2017	Began working as a row crop assistant manager for a large grain farming operation.

## Resources

### Ag Link

Ag Link is a service to help preserve the family farm business by matching beginning farmers who do not own land, with retiring farmers who do not have heirs to continue the family farm business. Ag Link maintains a database of potential beginning farmers and landowners. Go to <https://www.extension.iastate.edu/bfc> to learn more.

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