

# Sustainable agriculture can serve as a model

## Real Money

By Rob Rikoon | For The New Mexican

1/2/2012

Last month, I promised to describe how investors could join with local enterprises to complement their traditional stock and bond investments. People who have bank CDs, mutual funds, stocks or have been burned by sales people pushing one product or strategy over another often yearn for someplace tangible to put their money. Many of us want to deal with people who we can look in the eye.

After a decade of Enrons and Madoffs and banks that have done nothing but enrich their executives at the expense of shareholders, it's no wonder that the disenchantment and frustration that pervades our political system carries over to the financial world.

The ability to do something practical on a local level should not be confused with an overall strategy to deal with turbulent times. We advise our clients on a number of different approaches to various scenarios about the future. This article will focus on sustainable agriculture, but the model could just as well be applied to crafts and, eventually, to health and eldercare services.

Matching excess money (capital) with productive opportunities (investments) is what investing is all about. In addition to the public markets where registered securities are sold, there are private markets where consumers contract with entrepreneurs, in this case truck gardeners, so that during the summer months investors receive a steady stream of vegetables instead of cash dividends. The common name for this arrangement is community supported agriculture, or CSA.

Most people don't know where their food comes from or how much work goes into producing it. As long as you can go to the supermarket and buy whatever you want, there's no pressing reason to make such inquiries. But, if you are one of the growing numbers of people who are passionate about where their food originates, what goes into growing it and what it takes to get it to the kitchen table, you may have an interest in joining a CSA or an expanded version of it that I will describe below. The rest of us may just want a backup source in case our grocery store can't get the goodies we like to consume.

CSA-type operations collect money — say \$500 — in the late winter or early spring in order to buy seeds and hand tools and start delivering goods from the time the first radishes come up through when the last squash and pumpkin harvest take place in the fall. It's great — you get to eat a bunch of stuff you might never buy on purpose, but it does take time to clean, cook and compost the volume of produce that comes if the year's harvest is bountiful. Also, you don't get to gripe if there's a drought or swarm of locusts or other pests end up feasting on what was supposed to be your repast. One lesson of sustainable investing is that the natural cycle comes with risk and events that lie well beyond human control. After a season or two of crop failures, you might become a more patient stock investor.

Let's postulate a good year for our local CSA, and you're happy with the produce. Now we take the CSA concept and expand on it. If a few people quadruple down on the upfront money, with \$2,000 from each participating family, the local farmer can buy a greenhouse. We now have entered into a contract for fresh vegetables year round for three years, not just one. A bigger investment yields a larger return over a longer period of time. You are now getting to know this farming family better and might go out and see the place yourself. If you are loving the connection, you might plunk down \$10,000 to get a bunch of your meat, dairy and fruit from this farm over a five-year time frame. We are now approaching the concept of functional community.

If you move away, too bad, the farmer gets to keep your capital. If the milk cow dies, everyone shares in the tough luck. A savvy sustainable agriculture operator will figure out how to get you the promised goods because they need you as much as you need them. Increasing investor capital contributions up to levels where farmers can buy their land, pay off high interest mortgages or get a tractor will incentivize them find creative ways to offer aging baby boomers (and their dependents) things like fuel, shelter, transportation and other components of country living.

Combining sustainable agriculture with long-term care might be a good alternative to traditional retirement communities. This could be a boom industry for the next several decades, and it might serve as an employment opportunity for an entire generation of 18- to 30-year-olds who can't find jobs. I wouldn't mind fleshing out the specifics of the contractual relationships outlined above as long as it's not my kids I have to depend on!

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