

# RSF quarterly

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Photo courtesy of DC Central Kitchen

「are we what we  
grow?」

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 FOOD & AGRICULTURE

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## LETTER FROM DON

# Joy and the Magic of Discovery Help Make Us Whole

Dear Friends,

Happy harvest season! I hope you and your families are well.

I have to say that it's a miracle we get to work with the people featured in this issue. My wish is that you get a chance to visit with any one of them. You will be incredibly inspired.

**Hawthorne Valley Farm** in upstate New York and **Filigreen Farm** in Mendocino County, California, are two of the most potent examples of biodynamic agriculture in the U.S.

**Equal Exchange** and **Guayakí** are two of the most respected fair trade/organic pioneers in the world.

**DC Central Kitchen** of Washington, DC, stands as a shining example of what's possible at the intersection of food and an urban community.

When I think of these farmers and entrepreneurs, one trait they share is humility. Even though each of them has immense creativity and experience borne of many years of trial and error, they show up each day with a beginner's mind. Another common trait is depth of commitment—I'm not sure what could possibly shake them or throw them off. Each of them has a deep, abiding intention to transform the world for the better.

Another trait they share is one of my favorites: a belief in the magic of discovery. These people recognize that there is much going on beneath the surface of our collective consciousness

that we can't name or completely understand. You might say they recognize that there are multiple ways of knowing—we aren't limited to the analytical, reductionist thought patterns that are most prevalent in our culture.

Along with the magic of discovery is sheer joy. You can see it here in the face of my 7-year-old daughter, Sabine. She's holding a little toad she had just found. This photo was taken this summer on the steps of a log cabin my wife's family built 40 years ago outside Ithaca, NY. On the land surrounding the cabin are a pond; a large, perennially bountiful

organic garden; and a dense forest of hardwoods and evergreens. It is whole. Years of care and tending to that land now bring out joy in everyone who spends time there.

I am thankful that we at RSF get to work in the field of Food & Agriculture. All of you support us in various ways as we question assumptions, push into new territory, and learn together. Please read on!

All the best,

Don Shaffer,  
President & CEO





## A New Narrative for Agriculture

John Bloom, Vice President of Organizational Culture, interviews Rachel and Steffen Schneider of Hawthorne Valley Farm, founders of the Institute for Mindful Agriculture.

**John Bloom:** Why did you form the Institute for Mindful Agriculture?

**Steffen Schneider:** We believe agriculture is looking for a new narrative that will make it appealing to the next generation of leaders and practitioners—hopefully within my lifetime.

**Rachel Schneider:** Why is the word *culture* part of the word *agriculture*? My passion is in the field of education and learning, and I feel there's a strong relationship with agriculture. This new narrative needs to bring that cultural realm into the term *agriculture*.

**John:** What is the narrative that you're referring to?

**Steffen:** Part of the answer is we don't exactly know yet. Right now there are two main narratives. One is very ancient and still very much practiced and probably the most popular at this point—a traditional peasant agriculture. And then we have the industrial model.

We need to come up with a radically new one that's neither, but probably the new one will have elements of traditional agriculture and elements of modern industrial agriculture. It's not romanticizing the past or demonizing the present, but it's about trying to see what's necessary and what is future-bearing. Unless we can come up with a compelling picture around agriculture, we will not reverse the trend of aging in the farming profession. The current picture is not very appealing to a young person.

I've come to the conclusion that what Rudolf Steiner offered in 1924—what we now call biodynamic agriculture—has many aspects of this radically new picture. We're still in the process of understanding what's possible.

**John:** What would the new narrative say to the next generation that would tell them farming is a viable vocation? We have a problem if no one wants to grow our food.

**Rachel:** It has to be economically viable. There are plenty of young people who struggle to become farmers, even though they know it's going to be an uphill climb. Many of those young people are drawn

to agriculture because they want to be connected to where their food comes from. They want the visceral experience of that connection.

**Steffen:** It needs to be a part of every young person's path of growing up to meet farmers or to be on a farm. We need more farmers. Less than 2% of the population is involved in farming. Part of being a farmer, agriculturist, or gardener today is to want to be more visible. That wasn't necessarily something I would have embraced if you had asked me ten, fifteen, twenty years ago.

**John:** Agriculture in the news is always in the voice of the policymakers. Who has the farmer's voice?

**Steffen:** That's an interesting observation. We farmers have to be willing to retake our voice. In our farming practices, we've given up a lot of decision making. We rely on a lot of consultants.

**John:** Farmers are fiercely independent. So, getting someone who's fiercely independent to speak on behalf of the whole is a bit of a polarity.

**Rachel:** Yes, but in our community of farmers in Columbia County, for example, that fiercely independent wave has given way to a more collaborative spirit. And that's created more willingness to speak.

**John:** What you just described is a picture of growing culture—and transforming culture. What in the new narrative speaks to approach?

**Steffen:** The new agriculture needs to be values-based. It has to be ecologically sound. There has to be a social justice piece. And it needs to be rerooted into our culture. Steiner biodynamics is one prime example of a values-based agriculture, and it still has a lot to give. The approach we want is to be awake and open, and to be responsive to what's going on.

We firmly believe it has to be collaborative. Secondly, as the UN phrases it in its 2007 report on the state of global agriculture, this new agriculture needs to be multifunctional—it can't be only about

 CLIENTS IN CONVERSATION

## Growing with Integrity

Kate Danaher, RSF Lending Manager, talks with Chris Mann of Guayakí and Rob Everts of Equal Exchange.



**Kate Danaher:** Consumer packaged goods companies often get a lot of pressure to grow quickly. You have done a great job of scaling your companies while maintaining a lot of integrity. How did you do it?

**Chris Mann:** It's vital to have a deep connection to the vision and mission, otherwise you can easily be swept away. There's always a new trend and different opportunities. The vision and mission were woven into the fabric of Guayakí from the very beginning, but it wasn't necessarily institutionalized. It was very personal. We hired for fit, trained for skill, and stayed committed to our vision. As we scale, we're realizing that things have to be much more codified, so we're investing even more in our culture.

**Rob Everts:** When we hire new people, it matters that they're going to want to be a part of what we're about—the fair trade, the commitment to farmers, and the worker co-op. Consequently, turnover is relatively low. But it requires thinking about it and engaging in some way every single day.

We are always striving to be more forthcoming about mistakes—to encourage “fast failure,” or at least to recognize failure fast, be public about it, and then switch gears and try something else.



The wild harvest of native yerba maté for Guayakí in Terra Indígena, Marrecas, Brazil. *Photo by Mary Lacy.*

**Kate:** A recent RSF study session made me think about how we capitalize business. We live in a culture of profit-driven exits. How do we build good companies that we can pass on? You have each chosen different ways to capitalize and grow your business.

**Chris:** Both our companies have remained independent. It's not something we're necessarily committed to for all eternity, but we recognized that it would take a long time to build the kind of company we wanted to build.

A big element of being independent is that we're not going to grow as fast as we can. We are looking for the areas we're pulled into and invest into the “pull,” rather than pushing into new territory and trying to jump onto every trend.

**Rob:** Early on, we established that the mission was to demonstrate the viability of fair trade and worker cooperatives. Worker control and the role of outside capital have stood the test of time, but when the employees make the highest-level decisions and elect a board that is two-thirds worker-owners, how do you make sure it all functions? We structured with strong management built in, and that has appeal for a vast majority of our people here. Our bylaws even have a “poison pill” that says if we ever sell, 100% of whatever is left after paying the bills is donated to fair trade.

We've been able to raise \$15 million in equity to date. We have about 600 outside investors, and they get no vote and no board seat. They do get a targeted return of 5% a year. At the end of the day, if we can't pay it back we don't have to. To many, it looks like debt, but on our balance sheet it is equity. Our investors are with us because they strongly support our mission.

**Chris:** The poison pill concept is pretty radical (which I love). One of the powerful things with that is that you have a high percentage of people who are very engaged in the long-term mission of the business, not just its financial success.

**Rob:** The intent was for this to remain independent and to be a fair trade organization that could endure.

We're not going to grow as fast as we can or just for growth's sake. We all want to make a positive impact, but we have not necessarily equated volume with impact.

**Chris:** At Guayakí we focused on our mission of stewarding and restoring rainforests using our business model—what we call market-driven restoration. The whole concept was partnering with indigenous communities and small family farms to harvest rainforest plants that could be grown sustainably and provide long-term value to the forest as a service.

We wanted a structure that could evolve in ways that would best serve the mission. From the beginning, we were clear that raising equity and venture capital would lock us into a certain path. We avoided that so we could keep our options open.

We were able to partner with a community bank—where the president of the bank could look at us and say, I believe in you guys, I trust what you're doing—to get our first \$50,000 Small Business Administration (SBA) loan. Between that and bootstrapping with credit cards and loans, we were able to build a business. When we decided to raise some equity, we were able to do it with friends and family.

A big thing that's missing in the funding range right now is moderate levels of straight debt at moderate interest rates. For young entrepreneurs, it's easy to look at equity investment as “free” money. When it's debt, you look at it a little bit differently and maybe take it just a little bit more seriously.

**Kate:** What worries me sometimes is that there's so much venture money in the food space now. Some people get starry-eyed about raising \$1 million or \$2 million of equity, not understanding that if you succeed, it affects your ability to make decisions and run the company.

**Chris:** It's easy to think, oh, I have five years before the venture capital company or private equity is interested in turning this investment, and there's a lot we can do in five years. But if you're doing deep, important work, five years is just a blink of an eye. Even if you're not, five years is still very quick in terms of building a market, especially in consumer goods.

**Kate:** What do you think could happen to help young social enterprises grow and stay true to their mission?

**Chris:** One of the challenges comes around capital. There's a constant battle, especially in the early years of a business, between capital for supply chain, capital for marketing, and capital for paying your team.

Some things could help that. One would be low-cost financing for supply chain infrastructure projects. There's a real gap in that kind of financing. Companies



Worker-owner Juvenal Alves packs an order of freshly roasted coffee at the Equal Exchange warehouse in Massachusetts. *Photo courtesy of Equal Exchange.*

could look at supply chain building and infrastructure building as a kind of community development and provide low-cost funding. I'm talking interest of 3% or less, so that most of that financing can go toward the project and the value-added products that make a community much more sustainable economically.

Things like that could make it easier for companies to move into that space. Ultimately, companies building the supply chain are going to build more supply than they need. That supply can then overflow to companies that want to use fair trade and organic ingredients.

**Kate:** Rob, have you been financing the infrastructure required for some of your supply chains?

**Rob:** We generally have not financed the infrastructure that our suppliers build. We use our relationships and contracts to help, and we provide trade financing, but for infrastructure needs we work with them and use our contacts. More and more, people are finding Europe-based mission funders to help build out infrastructure. There have been many mistakes where well-intended money went to build things like processing plants without scrutinizing whether there was the management capacity to run it or there was going to be enough capacity for it. I saw several projects in the '80s and '90s flop after a lot of money was invested.

**Chris:** From what we've seen, the ones that have flopped have been ones driven by outside people and not the community itself. If it starts with the community—and it's something they know that they want and you help them fund it—that changes the dynamic substantially.



## DC Central Kitchen Is Rewriting the Book on Hunger

by Megan Mendenhall, Communications Associate

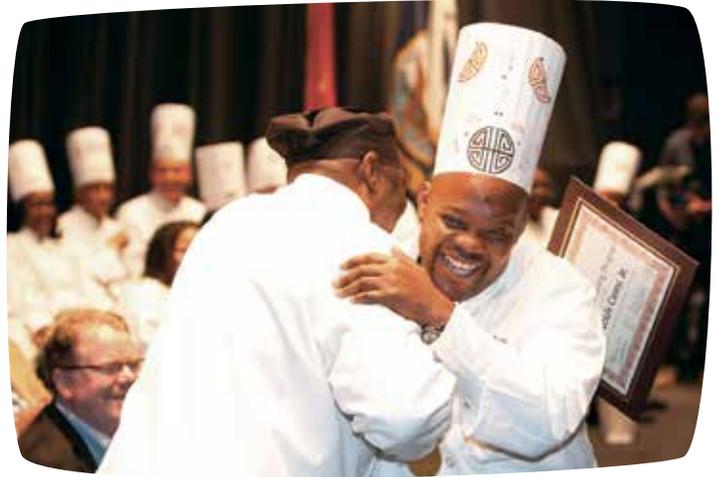
When Robert Egger founded DC Central Kitchen (DCK), he used his experience as a nightclub manager to promote the new community kitchen with a splash: The very first meals he delivered to the homeless shelters of Washington, DC, were leftovers he'd picked up from George H. W. Bush's inauguration.

Egger was trying to prove a point. He had been frustrated by his volunteer experiences handing out sandwiches and coffee to men and women living on the streets. He saw that the food truck where he'd volunteered purchased its groceries from an expensive market—even though restaurants like his were throwing away pounds and pounds of good food every night. “He was disturbed by the fact that the same men and women were coming to the truck week after week, month after month, year after year,” says Mike Curtin, the current CEO of DCK.

### INSPIRATION: REUSE AND RECYCLE

So Egger started DCK. The idea behind it was that you could use “recycled” food to cook healthy meals for homeless shelters and other social service agencies that helped recipients overcome poverty by giving them skills. As part of DCK's mission, Egger created the Culinary Job Training program, a 14-week course that teaches former addicts, returning citizens, and the homeless how to chop an onion, scramble an egg, and make a restaurant-worthy meal—and also how to navigate the working world.

Since its inception in 1989, the job-training program has produced more than 1,500 graduates and boasts a 93% job placement rate. DCK now serves school meals to low-income District kids



Louis, a 2012 graduate of the Culinary Job Training program, accepts his certificate and embraces an instructor on graduation day.

and helps local farmers by buying blemished fruits and vegetables that would otherwise have gone to waste. In 2014, the organization saved \$203,663 in food costs by using donated produce and recovered 807,534 pounds of food to use in its meals.

“If DC Central Kitchen did any one of the seven or 12 things it does, it would be a mission fit for RSF,” says RSF lending manager Kate Danaher. “The fact that it does all of the things it does puts it over the top.”

### INNOVATION: SOCIAL ENTERPRISE MODEL

DCK's ability to generate much of its own income helps it thrive. When the recession hit in 2008 and many non-profits scaled back, DCK did just the opposite. It increased training, hired more people, and—to offset shrinking philanthropic dollars—greatly expanded its social enterprise activities.



Culinary Job Training students practice their knife skills.

DCCK now generates 60% of the organization's total budget through its school lunch program; a corporate catering business called Fresh Start; and the Healthy Corners program, which delivers fresh produce and healthy snacks to 67 corner stores in Washington's food deserts. "Donors really like the idea that we're working hard to sustain ourselves instead of just lining up with our hands out," says Curtin, who joined the Kitchen in 2004 and succeeded Egger as CEO in 2007.

Even the best businesses, though, need a helping hand. So in 2012, when DCCK started looking around for a commercial vehicle loan to buy a truck and sprinter van, it turned to RSF. Curtin had heard of RSF through Haile Johnston of Philadelphia's Common Market, and RSF's creative approach to financing Common Market's new building impressed him.

"Quite frankly, it might have cost us less to go to one of our bankers for a loan," says Curtin. "But we felt this would be an opportunity to begin a long-term relationship with RSF. We were interested in working with a financial institution that understood the value of the work we do, not just the things you see on a profit and loss statement. They're absolutely invested in our mission."

RSF extended its first commercial vehicle loan, for \$150,000, to DCCK in 2013 and a second, for \$185,000, this past July. The money allowed DCCK

"We were interested in working with a financial institution that understood the value of the work we do, not just the things you see on a profit and loss statement."

**MIKE CURTIN, CEO, DC CENTRAL KITCHEN**

to replace some of its aging fleet and add a much-needed refrigerator truck to serve its expanding Healthy Corners program.

RSF's current goal is to help DCCK move into a bigger space. "In many ways, we've become DC Decentralized Kitchen," says Curtin, noting that the organization operates two separate kitchens and a borrowed office. If it could house all operations under one roof, "we'd be wildly more efficient and effective."

The non-profit has been looking around for an ideal space, but staggering real estate prices in the city make the search a challenge, and financing will be tricky. "We're going to have to be really creative about



Students from the 100th Culinary Job Training class get ready to plate their jambalaya in the class cook-off competition. All photos courtesy of DC Central Kitchen.

how we structure the financing," says Danaher. "We'll need a combination of grants, guarantees, and loan money, and we'll probably need to bring in multiple partners to get it done."

#### **IMPACT: MUCH MORE THAN A SOUP KITCHEN**

DCCK delivers about 11,000 meals a day, providing food to people in homeless shelters, rehab clinics, and schools. More than 60 community kitchens around the country have replicated its model.

With RSF's continuing investment, DCCK can become more efficient—and better able to stay true to Egger's original vision. "When people think of DCCK, they think we feed the hungry. But that's not who we are," says Curtin. "The food is a tool. What we're doing is empowering people. The mission has always been to use food as a tool to strengthen bodies, empower minds, and build communities." ↻

#### **VITALS: DC CENTRAL KITCHEN**

**HQ:** Washington, DC

**Impact Area:** Food & Agriculture

**RSF relationship:** Commercial vehicle loans

**Communities served:** Low-income, DC-area residents; schoolchildren; and unemployed adults

**Employees:** 150

**Revenue/budget:** \$13.5 million


 GUEST ESSAY


# Leave It in the Ground: Carbon and the Future of the Planet

by Stephanie and Chris Tebbutt, Filigreen Farm

**A**s farmers, we are rooted in the reality of place. Everything we do depends upon how we replenish and foster the six inches of fragile, living topsoil under our feet. So, too, for our fellow workers, the people we feed, the markets we serve, and, ultimately, the viability of the farm.

At the micro level, soil fertility is a picture of the activity of the farm: its composts, the timing of its cultivations, its patterns of wet and dry, the qualities of its tilth, the level of its humus.

At the macro level, there is much more: soil fertility's relationship to carbon.

California is experiencing its fourth consecutive year of drought. This is not unusual in the natural history of the state, but by manifesting as a "snow drought" in the Sierra Nevada, it becomes an undeniable symptom of climate change.

Drought gives a farmer pause. Will there be enough water to size up the apple crop? Enough pasture for the cows? How many more riparian trees will die before winter?

Extreme weather all around, however, is on the horizon. The jet stream goes AWOL and vacillates north and south, or sometimes stands still in "ridiculously resilient ridges" or in "terribly tenacious troughs."

Climate change has many of us farmers frozen, but one thing we still know how to do is to practice patience and resiliency, borne from the ground up.

In the past, it was a resiliency based on native biodiversity and the deep pockets of the soil, layered in untold prehistory. In most cases, however, that ancient largesse is already played out and spent.

With soil as metaphor, the tale gets interesting.

The sea does double duty, producing most of our oxygen and dissolving and absorbing most of our fossil fuel CO<sub>2</sub> (as carbonic acid). As the oceans acidify, they become super-saturated with this element, a condition detrimental to sea life.

Soil is the second-largest repository for atmospheric carbon after the oceans. Soil stores four times the carbon that is contained in all of the Earth's living, breathing biomass and atmosphere. The place where carbon belongs, its highest and best use, is underground.

In seven-year cycles, all of the Earth's atmospheric CO<sub>2</sub> is absorbed through plant photosynthesis. This process turns CO<sub>2</sub> gas into liquid carbon, otherwise known as sugar, where it is captured in the green leaf, which breathes out the gift of oxygen. From there, carbon travels down into the roots to feed soil microbes and fungi. Much carbon is held in the living biomass, but through natural soil respiration and decomposition most of the CO<sub>2</sub> in the soil eventually returns to the atmosphere. Soils high in humus content retain a much larger portion of that carbon than depleted soils; the greater the humus content, the more carbon is sequestered. Humus is 60% carbon.

An astounding 40% of the Earth's land mass is now cultivated in some form. That gives agriculture, along with habitat restoration and the reforestation of tropical rainforests, a major role to play in ameliorating climate change by returning the atmosphere to a livable 350 per million of CO<sub>2</sub>.

Here is one example: The annual U.S. corn crop covers 96 million acres. At 11 feet in height, even a single field represents a considerable amount of biomass. Of this, only the corncob is harvested. All of the rest of that energy in the form of green life and residue finds its way back into the soil.

Climate change has  
many farmers frozen,  
but we still know how to  
practice resiliency.

For years, it was assumed that this would build humus, the soil carbon reserve, and that these once-great prairie soils would get richer. But the opposite is true. These soils are bleeding an ever-increasing amount of nitrates into rivers and underground water systems, leading to massive dead zones off the Gulf of Mexico. Similar circumstances are documented in coastal waters worldwide.

Conventional agriculture's use of synthetic nitrogen is the culprit. It gobbles up the reserves of carbon and native nitrogen in the soil, destroying its porosity and structure, a fact proven over time at the University of Illinois' historic Morrow Plots, founded in 1876.



Organic soil, left, versus “conventional” soil.  
Photo courtesy of Rodale Institute © 2015.

The clod of organic soil on the left of the photo has high humus content and good pore structure. It is resilient against flood, drought, compaction, and other extremes. The soil on the right, from a conventional plot, has a low humus content and has disintegrated in contact with water. It may grow a large crop, but only if annually fed its “nitrogen fix.” It is not retaining carbon and is bleeding nitrous oxide into the air and aquatic nitrates into the groundwater.

Carbon is, literally, structure in the soil—its backbone.

The fossil fuel divestment movement slogan is “leave it in the ground.” Even the market is slowly coming around to face the reality of stranded carbon assets.

Farmers now also have to face the reality of stranded assets, with millions of acres left fallow due to drought.

Could there be a connection? The common element here is carbon—placing and leaving carbon in the ground.

Pure carbon is a stable element in the soil and can remain there for thousands of years. The use of biological charcoal, or biochar, in conventional agriculture provides depleted soils with necessary structure and increases the soil's natural repository for atmospheric carbon. Biochar is pure carbon and could accelerate the humus-holding capacities of conventionally farmed soils. As opposed to creating an overt mandate to convert to organic agriculture, we need to incentivize the recarbonization of depleted farmlands.

Biochar is neutral in the soil. When mixed with compost, microbes, and mycelium, it becomes a teeming condominium for water and nutrient retention, as it consists of millions of stable elemental micropores. Biochar is the equivalent of a coral reef of the soil.

Many soil scientists and climate experts believe that “carbon farming” deserves recognition as a public benefit, on par with that of growing healthy food.

“People around the world could be paid to capture and sequester carbon, particularly in soils,” writes John Todd in *Geotherapy*. “One possible option would be to create a worldwide carbon currency. This would define, create, and make known the value of sequestering carbon. Carbon sequestration is a global public good.”

The goals of acquiring high humus levels and high carbon levels go hand in hand, expressed in high nutrient and water retention in the soil. This runs parallel with the precept that healthy soils, and therefore healthy food, support a healthy atmosphere and a stable climate.

2015 is the International Year of Soils. In the lead-up to the climate summit in Paris later this year, there is a call for action for the United Nations Framework Convention on Climate Change to identify soil and wetlands as carbon sinks, eligible for carbon credits. It is somewhat astonishing that this is not already the case.

The drought in California is but another wake-up call to the urgency of the role of the soil itself in capturing and retaining carbon. Astounding as it may seem, increasing the soil's carbon by just 10% worldwide would mitigate the detrimental effects of climate change and could be accomplished in a matter of decades.

The fact that a solution this simple exists comes as a surprise. In all our denial and delay, we were expecting a grand techno-fix to save the day. Instead, we can just engage the power and wisdom of the living Earth.

It is often said that the finest fertilizer is the footsteps of the farmer. Perhaps the remedy for our overheated Earth is right under our feet. ☺

**STEPHANIE AND CHRIS TEBBUTT**  
practice sequestering carbon at Filigreen  
Farm, a diverse biodynamic orchard and  
vineyard in Anderson Valley, CA.

> “A New Narrative for Agriculture” continued from page 3

the food. Third, it has to be about connecting our inner state with outward actions.

**Rachel:** One reason we use the word *mindful* is that you can be mindful in two ways. Mindfulness means minding yourself, understanding what motivates you, what your intentions are. But mindfulness is also about being mindful in your actions.

**John:** I want to step back to the word *collaborative*. Do you mean collaborative in a sense of farmer to farmer or collaborative with the Earth? Or both?

**Steffen:** As we learn about the interconnectedness and interdependence of everything that we call our planet with ourselves, we can act accordingly, and collaboration is another way of thinking about it. We can make conscious decisions. So, yes, we need to collaborate with all the participants in the economic transactions around food.

**Rachel:** It's important to understand that your soil is a willing partner if you work with it. I feel that the plant and animal world is open to us to work with it, to partner with it. People are starting to understand that. Art needs to play a role in renewing our cultural relationship to agriculture, to the land, and our relationship to the Earth. The act of celebration, which used to be based on the seasons and the agricultural year, is something that we've lost track of and need to bring forward in a new way.

**John:** What do the economics of agriculture look like in that new narrative? The economic foundation of agriculture needs transformation.

**Steffen:** To have a meaningful values-based economic system—and I speak for myself—we have to learn to speak and listen to each other in a very deep way, or it's not going to happen. Steiner's idea of assembling all the participants in an economic process around the table and figuring out what it's going to take for each participant to be successful is an essential practice. Otherwise the whole transaction and the whole thing will not be successful. RSF Social Finance is one of the very few organizations that has managed to put some of that into meaningful practice.

Using food and agriculture in this way to build a new economy is going to be very good. One of the biggest hurdles is ownership and access to land. We have to find new ways of solving that problem.

The food system does not favor this new farmer to develop his or her own enterprise. The question of scale and proportion is huge.

**Rachel:** We've developed an industrial food value chain to match industrial agriculture. In other words, industrial agriculture needs very large marketing and distribution channels.

If you are a small to mid-scale sustainable farmer, you can direct-market to your CSA and farmers markets and circumvent the entire food-value chain, but the weight of all that extra work is enormous. It takes time away from nurturing those nature relationships. For a small or mid-scale farmer, no other portion of the food value chain is fair for them. They get thrust into the industrial model.

To some extent, the cooperative movement is trying to mitigate that. The kind of farming systems that we're talking about are more values-based, and when they enter the rest of the food value chain, it's a mismatch. I don't know what we're going to do about that.

**Steffen:** In shaping this new narrative, the first thing that needs to happen everywhere around the globe is to relocalize food. From there, you provide food for the larger community. And in many parts of the world, the complete export focus of agriculture is causing tremendous pain and economic hardship. The globe is going to collapse under that load unless we create a new narrative and new economy.

The idea that you can bring together people who want to build community around agriculture and the idea that you can relocalize and re-regionalize agriculture and leave the world commodity agriculture for the very few products that need to circulate the globe is a picture I would want to move toward. Can we do this? We can. But maybe we don't have the will right now because we don't have the narrative. ↻

#### RACHEL SCHNEIDER

is director of the Hawthorne Valley Farm Place Based Learning Center in Ghent, NY, which seeks to inspire, strengthen, and transform our relationship to the land through farm-based activities, programs, and training.

#### STEFFEN SCHNEIDER

is Hawthorne Valley Farm's director of farming operations, and has chaired the board of the Biodynamic Association since 2013. He began his biodynamic farming career in 1983.

> “Growing with Integrity” continued from page 5

**Kate:** Let’s shift this over to building the supply chain. How have you kept it going for so long?

**Chris:** Now there are easier ways for companies to purchase fair trade or organic products and raw materials without having to build the supply chain. That helps to scale awareness and build capacity. But there’s something different about a company that’s on the ground, working with growers, building community, and having a relationship that you don’t get if you’re just purchasing fair trade products.

We started at the ground because that’s where the yerba maté grew, within the forest itself and partnering with people. About 15% to 20% of Guayakí’s business is based in South America. However, 90% of our culture, our vision, and our mission comes from what we’re doing in the forest. It drives everything we do and inspires us on a daily basis. One of the most valuable things we do is have our team go down to South America and experience the communities and experience the forest, experience harvesting yerba maté. It brings a level of commitment and understanding that you can’t get otherwise.

**Rob:** The bigger companies are never going to do that hard work. They’re just not going to take the risk to build supply chains that work for small-scale producers. Impact precedes volume, but volume helps! For those who are doing business with integrity, it matters, but you’re not going to see too many examples of corporate players doing it. They weren’t pioneers in organic, but once it was determined there was demand out there they started doing it—and simultaneously set out to weaken the standards.

If someone asked, “What’s Equal Exchange’s biggest success?” I would probably point to the supply chain built in coffee. We weren’t alone, but for ten years we took the risk, before there were any certification schemes.

Now a lot of organizations have built their own coffee processing plants. And they’re going beyond the commercial piece, looking at how they can mitigate climate change. We ask, how can we go far beyond

the written fair trade commitment and do things that are going to matter? How do we inspire the next generation?

**Chris:** We saw that with the Ache Guayakí we work with in Paraguay. One of the youths ended up going to law school, and then he came back to the community so he could help them organize as a legal entity and get access to their tribal lands.

That’s when tears come to your eyes and you get goosebumps. These are the parts of life that we all

live for, and yet we avoid them. There’s a real opportunity with the kinds of businesses we deal with to open more people to that experience, to continually remind ourselves, and to keep alive these cultures that have so much to teach us. They have everything to gain and way more to lose than we do. ☺



Coffee Quality Coordinator Mike Mowry in the Equal Exchange coffee cupping lab with visiting Ugandan copper Lydia Nabalumbi of the Gumutindo Cooperative. *Photo courtesy of Equal Exchange*

#### ROB EVERTS

has organized farm workers with Cesar Chavez, helped lead a boycott against Folgers Coffee that contributed to peace accords in El Salvador, and consulted for UNICEF in Costa Rica. He joined Equal Exchange in 1997 and became co-executive director in 1999.

#### CHRIS MANN

has been Guayakí’s CEO since 1997 and serves on the boards of GoLocal Sonoma County and OSC<sup>2</sup>. Previously, he helped build Natural Flavors, a 100% organic, vegan restaurant that employed 25 people and 60 local farmers.

## Join Us at These Events

For the latest on RSF's participation in conferences and events, check out our Events page, [rsfsocialfinance.org/calendar/](http://rsfsocialfinance.org/calendar/).

### SOCAP

10/6/15 – 10/9/15  
San Francisco, CA  
[socap15.socialcapitalmarkets.net](http://socap15.socialcapitalmarkets.net)

### BIONEERS CONFERENCE

10/16/15 – 10/18/15  
San Rafael, CA  
[conference.bioneers.org](http://conference.bioneers.org)

### SVN FALL CONFERENCE

11/5/15 – 11/8/15  
Baltimore, MD  
[svn.org](http://svn.org)

### AN END TO THE AGE OF ENTITLEMENT

11/7/15  
Berkeley, CA  
[browercenter.org/programs/upcoming](http://browercenter.org/programs/upcoming)

### CONSCIOUS CAPITALISM CONFERENCE

11/11/15  
Boulder, CO  
[colorado.edu/leeds/CESR/cesr-events/conscious-capitalism-conference](http://colorado.edu/leeds/CESR/cesr-events/conscious-capitalism-conference)

 *Sponsored events*

## WHAT'S AHEAD

The next RSF *Quarterly* theme is Education & the Arts and it will be published in January 2016. We like hearing from you! Send any comments on this issue or ideas for the next to [enrique.perez@rsfsocialfinance.org](mailto:enrique.perez@rsfsocialfinance.org).



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