

Rural Enterprise Case Study: Fat Toad Farm

Overview of the Farm Business

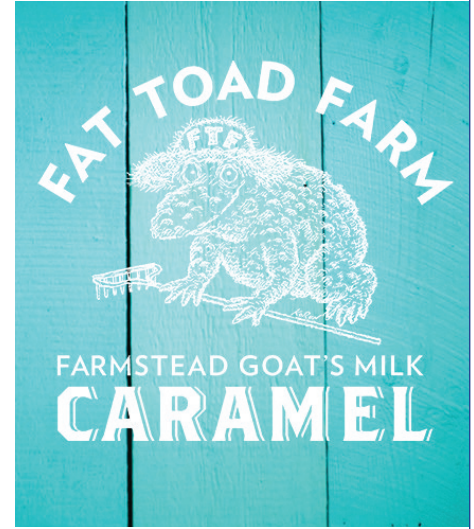
Fat Toad Farm, located in Brookfield, Vermont, started in 2007 as a small, diversified family farm with goats, pigs, chickens, and a garden. Over time, founders Steve Reid, Judith Irving, and Calley Hastings narrowed their focus, growing the goat herd from two to eventually 80 animals. The farm produced goat's milk cheese and goat's milk caramel from 2009-2013, but as the market for their caramel was growing, they diverted all of their milk to caramel production.

In 2015, Fat Toad Farm began exploring ways to grow the dairy part of their business to provide them with more milk to meet the growing demand for their caramel business. In this process, they realized that there wasn't an opportunity to expand the dairy part of their business on their farmland; they had maxed out their barn and field space. The solution that emerged was a partnership with Vermont Creamery. Vermont Creamery has a model goat dairy in Randolph, Vermont, Ayers Brook Dairy, just eight miles away from Fat Toad Farm. Vermont Creamery was looking to expand their goat herd and offered to buy Fat Toad Farm's goats and then sell Vermont Creamery goat's milk back to them for their caramel production. Key to this deal is that Vermont Creamery is able to deliver the milk to the farm and provide Fat Toad Farm with a year-round source of milk. So, at the end of 2015, Fat Toad Farm turned from being a farm to being a food processor. The goats left in November.

Land Use/Zoning Needs and Challenges

As the business began the transition in 2015 from a farm to a food processor, they were intent on using the caramel infrastructure that they had invested in on the farm. However, they no longer qualified for any agricultural exemptions and were now a "light industrial complex" in a residentially zoned area. Therefore, they needed to go through the town's zoning process in order to see if the town would approve the new use of their property in order to grow their business.

In their case, Brookfield has a Board of Adjustment and a Planning Commission that both needed to meet together to review the proposed site plan and weigh in on a conditional use permit. Through this process, they had to develop a detailed site plan and analysis that included details like: truck and other vehicle traffic, lighting, parking, noise levels, days of operation, etc. In the end, they were given site plan and conditional use review approval. There are limits to this permit though (ie. the volume of milk they can process on a given day), and proposed growth that hits these limits would require Fat Toad Farm to repeat the process, with no guarantee that the town would allow further growth.



Fat Toad Farm
www.fattoadfarm.com

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Shelburne Farms



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As a processor, Fat Toad Farm also had to put in two big concrete tanks to handle the wastewater they would generate, plus make arrangements for pumping and disposal of this wastewater on a regular basis. This required an Indirect Discharge Permit from the Vermont Department of Environmental Conservation.

Tips for Other Farmers

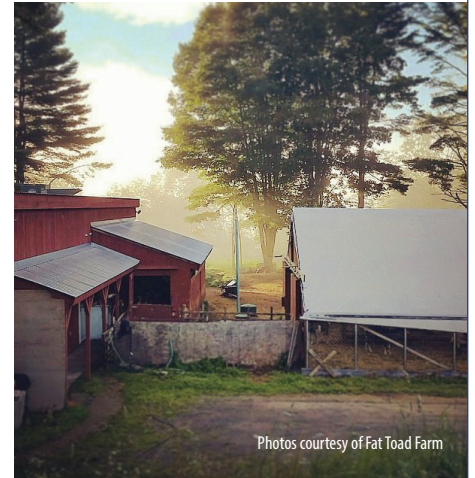
Judith Irving noted that her number one takeaway about this process was to, “assume it’s going to take twice as long, cost twice as much and be twice as stressful than you ever thought!” The whole process took approximately three months but if they had known that the solution they would find to growth would be selling the goats and switching from primarily a farm business to that of a processor, they would have started the process to get the new land-use approvals for their business much earlier. Her advice was to get in touch with the town and state entities as soon as you believe there are going to be changes to your business so you can prepare yourself for the steps that will be required. Understanding that each permit has its own process, and knowing what you are trying to achieve with each one, will help you make sure you develop the right materials to get you through the process as quickly as possible.

For established businesses, the timing of getting the permits secured can be a challenge. For Fat Toad Farm, they stopped making caramel when the goats moved to Vermont Creamery and had a short break before the goats would be producing milk again. This was the time that they used to process all the paperwork, but the closer it got to the date when the first milk was going to be delivered, the more worried they became about getting the paperwork squared away. In addition, because of the wastewater tanks they had to put in, cold weather late in the year could have really increased the installation costs and further increased the financial investment for their business.

Another tip for farm-based enterprises developing value-added products is to spend some time talking about what success looks like. If you’re successful and you’re growing, how long can you stay at your current location? If you see a different type of growth where maybe you aren’t holding on to every asset of the farm, but instead are primarily focusing on making the product, it is good to have a growth plan ahead of time.

Other Things To Note

Fat Toad Farm did not need to hire outside help to get them through this process but noted that in other circumstances, you might need more help and should plan for that financially. Fortunately, one of their team members had some experience with permitting and was able to develop the site plan so they did not need to hire a surveyor. Other farms should be prepared to find support as necessary (i.e. lawyers, surveyors, etc.).



Photos courtesy of Fat Toad Farm



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