

Building a Farmers' Market Business



**Farm Profiles and Proceedings from the
Building a Farmers' Market Business
Workshop, February 5-6, 2001**

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Introduction

Direct marketing of farm products has become increasingly important to farmers. Traditional farm enterprises, i.e. grain farming, dairy farming and wholesale fruits and vegetables; are becoming more and more unprofitable as costs of inputs continue to spiral upward while prices received by the farmer are at all time low levels. Direct marketing farm products offers farmers an increase in the share of the consumer's food dollar they can receive. But, farmers wishing to take part in direct marketing enterprises may need to make changes to their current farming operation. They need to focus on a production technique or identify a niche that is in demand by consumers that they can fill.

Farmers wishing to test new farm enterprises and products, such as specialty crops and value-added farm products, find that farmers' markets are an excellent vehicle for direct marketing their products to the consumer. They offer a ready-made customer base that even newcomers to a market can benefit from. Rents for space are low compared with other retailing outlets. Because displays, signage and other fixtures required to start direct marketing are not as sophisticated as in formal retailing outlets, start up costs are also significantly less at a farmers' market. Additionally, farmers' markets give farmers first hand knowledge of changing consumer trends allowing them to respond quickly to those changes with new crops and products. And new sellers to a farmers' market can benefit from the knowledge and skills of the more experienced farmers in the marketplace.

However, many farmers have not taken advantage of the important economic opportunities offered by farmers' markets. This can be due to a number of factors, including farmers' unfamiliarity with the

market's potential for sales, their uncertainty about what products can be sold successfully, or their lack of knowledge of the direct marketing and merchandising practices needed to succeed at the markets. As a result, existing farms faced with economic uncertainty may be lost to agriculture when they could be revitalized and sustained through participation at farmers' markets.

The Farmers' Market Federation of New York has undertaken this project to eliminate the uncertainty that prevents farmers from taking advantage of the direct marketing opportunities of farmers' markets. Farmers wanting to transition their operation to include a direct marketing approach and those interested in starting out in farming will be encouraged through this project. Through a series of farm tours followed by a two-day workshop on small scale production and farmers' market marketing skills, project participants will learn of a variety of niches, innovative production skills, value-added products and marketing skills and techniques. The workshop also offers participants the opportunity to ask questions and to network with other farmers with similar interests and issues.

This publication is a compilation of profiles of the farm tours and the proceedings of the two-day "Building a Farmers' Market Business" workshop held February 5-6, 2001. For more information can contact the farm operator or speaker directly or contact the Farmers' Market Federation of New York at 315-475-1101. Visit the Farmers' Market Federation of New York's web site at: www.nyfarmersmarket.com for a listing of all farmers' markets in New York State, along with contact name, address and phone number.

Pleasant Valley Farm Paul and Sandy Arnold Argyle, NY

Their beginnings

Paul and Sandy Arnold both grew up in suburbia and had never heard of a farmers' market. Paul's desire to farm grew partly from a job he acquired after graduation - foreman at a local nursery. Here he learned to operate a greenhouse, learned timing of various crops, but most important, he learned to manage his time and a crew working for him. He also acquired valuable experience in equipment maintenance and repair. At 27, Paul traveled through the United States, visited his first farmers' market and decided that this is what he wanted to do - grow vegetables to sell at farmers' markets.

Paul and Sandy set out to start their own farm. They found land in Argyle in Washington County that had all of their specifications for a farm location- a farm nestled on a southeast slope with north wind protection. There was ample water for irrigation with a stream and pond on the property. There was also a large population and successful farmers' markets nearby for marketing his products. After purchasing the land, the Arnold's built a bank barn with a dirt floor root cellar, an enclosed section for storage and an open space for washing and packing vegetables. (They eventually added a walk-in cooler for harvested produce and installed overhead doors to allow the washing area to be closed in during cold, inclement weather.) After living two summers in a pop up camper, they built a house.

Over the years, the Arnold's invested in equipment as needed and could be afforded, including tractors, tillage equipment, seeders, trucks, a barrel washer, full

irrigation system, etc. They also built a small greenhouse to start their own transplants and to grow perennial seedlings for early market sales, a passion of Sandy's. The farm was established through savings, yearly Farm Credit operating loans, and mostly by "pay as you go" methods.

Paul and Sandy did a great deal of studying to develop their farm. They spent time reading all the agricultural publications and books they could get their hands on. They also consulted with Cornell Cooperative Extension educators and talked with other experienced growers. By attending and presenting at conferences such as NOFA's (Northeast Organic Farmers' Assoc) annual conferences and the PASA (Penn. Sustainable Agriculture Assoc.) conference, they gained valuable knowledge.

Crop diversity

The Arnold's realized that diversity was the key to success, so they geared up to grow as many varieties of produce as possible. They planted a small 1 acre large fruit orchard, asparagus, blueberries, raspberries and rhubarb in an area of permanent beds. Some of their more major annual crops include lettuce, potatoes, carrots, beets, spinach, herbs, strawberries, heirloom tomatoes, swiss chard, peppers, squash, peas and beans.

A record system developed and instituted by Sandy allowed the Arnold's to determine their profitability on each crop they raised. The records included the planting and harvesting dates for each crop, square footage planted, quantities harvested, amounts of each crop sent to each farmers' market they attend on each market day, and

the amounts returned unsold after market. (These unsold crops are frequently donated to a local food bank, amounting to 3-5 tons of donated food each year.) These records allow them to fine-tune their crop offerings to those that are most profitable. After 12 years, they have adjusted their crop offerings to about 35 different varieties of fruits and vegetables, all grown on 6 to 8 acres of land.

Production

Paul and Sandy are firm believers in producing their crops using organic methods. Compost and hay mulch are regularly incorporated into the soil to increase the organic matter. According to Paul, higher levels of organic matter in the soil provide a catalyst for nutrients to be made available for plants to utilize. He also stresses that a healthy soil grows healthy plants reducing disease and insect infestations. However, if a crop doesn't perform optimally due to weather conditions, insects, or diseases, the diversity of crops assures the Arnolds a stable income because there are so many other crops to fall back on.

Weed control is a primary issue for Pleasant Valley Farm. Their philosophy here is to try to never let a weed go to seed on their fields. They are constantly cultivating using basket weeders, a variety of push hoes and elbow grease to keep their fields weed-free. They also keep a buffer weeded out between the crops and the hedgerows surrounding their fields. After 12 years of this philosophy, their hard work is paying off with very little weed pressure occurring in fields.

Paul and Sandy intensively farm their small acreage. They can plant and harvest up to three different crops on the same piece of ground each season. They plant many of their crops in small, successive plantings to

give them a consistent yield of product throughout the growing season. For example, they may start with an early crop of peas, then a mid-season crop of leaf lettuce following the peas, and finish on the same piece of ground with late season beets. This requires some intensive planning on their part, but it allows them to farm only 4 to 6 acres of vegetable ground and still be able to have enough produce to sell at market to make a comfortable living for their family.

Pleasant Valley Farm uses an intern system for solving some of their labor needs. They provide housing and a monthly salary for two people who are willing to work in exchange for an education in organic farming. These interns are involved in all aspects of the farm - from planning to planting, from weeding to harvesting, as well as marketing and business experience. Paul tells us that a season's worth of farming experience gives an intern a taste of what it is to be a farmer. In some cases, interns will go on to establish their own organic farm, but often they find that farming is more work than they bargained for and they decide to not become a full-time farmer, but still leave with lots of valuable agricultural knowledge to utilize in some way.

Marketing

The Arnolds earn 100% of their income by selling their produce at four local farmers' markets 3 days each week from May 1st to mid-November.- Saratoga Farmers' Markets, Glens Falls and the Queensbury Farmers' Market. That means on Saturdays that while Paul goes to market in one direction, Sandy travels another direction to sell at a different market. They keep in touch through the use of cellular phones.

Paul and Sandy believe that an interesting variety of produce on their market table

draws attention from customers. The 35 different varieties of produce bears this philosophy out, and creates a "one stop shopping spot". But they also believe that unusual varieties will attract also. They have such unique items as purple asparagus and potatoes, purple and yellow carrots and heirloom tomatoes to catch people's eye. Once they have a customer's attention, they are able to sell a variety of products to each customer.

Educating the public is also a goal in their marketing strategy. Paul and Sandy are continually talking to their customers about their farming techniques and why they are important to their customers, both in terms of a fresh, healthy piece of fruit or vegetable, but also as stewards of the environment. They also educate their customers on the proper ways to store fresh produce, new and exciting ways to cook their produce and proper techniques for preserving produce. People appreciate their efforts and reward them with increased sales.

Paul and Sandy have been going to farmers' markets for 12 years now. They believe that they have developed a very loyal following of customers that allows them to draw in enough income to sustain their farm and provide them with a comfortable living. However, Paul noted that it took about four years of selling at the markets before he started to develop a large enough loyal following to consider themselves seasoned, successful farmers' market sellers.

Conclusion

Paul talked about why he chose to become a farmer. He had not one response but many answers to that question. He said:

- He enjoys owning his own business
- He enjoys being outside
- Farming offers a variety of tasks to do everyday
- He is able to be home with his wife and 2 children everyday and homeschool
- He has a sense of pride in providing food for his family and community
- He enjoys the interaction with people that direct marketing offers him.

Paul and Sandy worked very hard to develop their farm to the success level that they now enjoy and Paul can say that he has fulfilled his dream of providing a living for himself and his family by farming. They both had off farm jobs as they started their farm operation. But after two years the farm was producing enough income to allow them both to leave their jobs and farm full time.

Paul and Sandy consider their farm to be a "mature" farm after 12 years. But trial and error on new crops and techniques continues. They are experimenting with raising pastured broilers and turkeys. They have also experimented this year with garlic. Their field trials will let them know the best varieties for their ground and the best means of storage. What is their next crop? You never know, Paul says. It depends on what his customers request, what he hears from other growers around the country, or what he reads in the stacks of literature he receives on agricultural practices. But constantly growing and adapting to the trends of the marketplace are key to Paul and Sandy's success.

Earth's Harvest Farm

Paul & Julie Koch

Morris, NY

Their beginnings

Paul and Julie are originally from the Albany area. Neither of them grew up on a farm. Rather Paul was an engineer who felt the call to a non-corporate life. They bought a farm in a rural area of Otsego County and set out to purchase the equipment they would need, a tractor, disc and walk behind tiller, plus hand tools for cultivation. Fortunately with Paul's earnings from engineering he was able to obtain a mortgage for the farm and purchased his equipment, seed and built his greenhouse from his savings.

Production

Paul raises about 40 varieties of fruits and vegetables on about 4 acres. He plants 2 acres each year and leaves the other 2 fallow to allow space for rotation. He raises his own seedlings in his greenhouse and hand plants the seedlings. Direct seeded crops, such as peas, beets, and beans, are done with a simple walk behind seeder purchased through Johnny's Seeds. (His hand tools came from Johnny's, Peaceful Valley Farm Supply and Fedco; while his seed is purchased primarily through Johnny's Seeds and Fedco because of their variety of untreated, certifiable organic seed.)

You'll find a variety of perennial crops on Paul's farm, raspberries, asparagus and rhubarb. Annual crops such as cabbage, leeks, onions, artichokes, etc. are all grown based on customer demand and ease of growing with organic methods. Composted manure drawn from another local farmer provides Paul's fields with organic matter and nutrients. He makes use of row covers to assist in pest control, especially with

cucumber beetles. Wildlife, deer in particular, are controlled with electric fencing surrounding his fields and then baited with peanut butter. Deer quickly learn not to touch the fence, unless they're being chased.

Paul and Julie are still new to farming, having been at it for only 6 years. They have learned a lot of their skills through reading books and publications. One book they frequently reference is "The New Organic Grower" by Elliot Coleman. This gave them their start in organic growing methods and in determining what crops to start out with. After books and publications, Paul does a lot of trial and error to determine the crops he can grow best and what crops are in particular demand by consumers.

Added Value Products

One of the crops from Earth's Harvest Farm has been a variety of dry beans. These have been packaged in an attractive bag with a recipe included and sold to customers at farmers' markets.

When this went over well, they developed a multi-grain porridge mix. Packaging was developed with assistance from the South Central New York RC&D that included a colorful logo and cooking instructions. Paul's engineering skills came into play in building a machine that would measure the correct weight of mix and then dump it into the bag. The mix was then marketed to local outlets and also sold at the farmers' market.

Marketing

Paul has quite a varied marketing scheme. He sells both on his farm and at a local

farmers' market. His first priority is the 25 families that form his CSA. For 20 weeks each season, the families come in each Wednesday and choose a half-bushel of produce from the variety of produce on the shelves of his farm retail shop. They are allowed to you-pick peas and beans when they are in season. All other produce he harvests for them.

Paul built up his CSA by initially advertising in the Pennysaver and putting up flyers in local health food stores. He made it easy for people seeing his flyer to contact him by including a tear off tab with his name and phone number on it. Once started, word of mouth has been all the advertising he has needed to acquire the number of families that he could comfortably accommodate. These families pay for their produce up front during the winter. This provides Paul with the capital he needs to purchase his seeds and supplies for spring planting.

He sells retail out of his farm shop every Thursday through Saturday. Besides the variety of wholesome fruits and vegetables grown on the farm, shoppers will also be able to purchase handcrafted pottery that is made in a room off the shop. However, because their farm is in such a rural area, its potential for volume business is very limited.

Earth's Harvest Farm can also be found every Saturday at the Oneonta Farmers'

Market. While sales are good, he still is new to the market and is still developing his customer base. He anticipates that it will take him another couple of years to be selling out each week.

And finally, Paul's last outlet is sales of produce and his packaged porridge mix directly to restaurants and natural food stores. These are located primarily in Oneonta, but he is interested in expanding his territory beyond the immediate area.

Conclusion

Paul and Julie are content with their new lifestyle and the progress they have made on their farm. They keep their acreage small so that they do not need to hire outside help. Being still new to farming, they are always looking for new information, new crops and new production techniques. They are willing to listen to what other, experienced farmers can offer them and continue to read and experiment.

They are also looking for ways to improve their marketing. They try new signage, display techniques and recipes at their farmers' market table. And they are willing to knock on the doors of restaurants and stores to sell their products.

Paul and Julie believe that their hard work and perseverance will pay off with a successful farm that will easily support their growing family and provide for the future for their 2 young boys.

We Grow With the Seasons

Norbert Kohlmeier

Hopewell Junction, NY

Their Beginnings

Originally, the Kohlmeier family ran a large scale vegetable farm. Along with their own farm, they rented many more acres to grow their produce. Water for irrigation was drawn from a river that ran through one of the rented properties. The majority of their crops were wholesaled through brokerage houses. They also retailed some of the produce through a small retail farm stand at the farm, as well as going to several local farmers' markets and travelling to Manhattan to attend some of New York City's Greenmarket's.

However, as agriculture became more global and produce was easily moved across the country as well as imported from overseas, the wholesale market for New York grown produce became tight and much more competitive. Retail grocery chains relying on brokerage or commission houses to supply them with produce during the off-season were committed to these sources during the peak New York season as well. Brokerage and commission houses were pressured to reduce their use of locally grown produce and remain loyal to suppliers that could supply them with fresh produce year round. Because they were using less and less locally grown produce, the competition for a farmer to get his product into those brokerage houses became cut-throat. The farmer willing to sell his product for the least won the business, often knocking out those farmers that had a long-standing relationship with the brokers. It became necessary to either be willing to dramatically slash their prices, along with their profits, or change to a retail oriented business.

Kohlmeier's have been operating greenhouses since 1972, raising transplants for their vegetable crops. However, the need to change the focus of their operation made them take a second look at their greenhouses. In 1998, they changed from raising just vegetable transplants to growing bedding plants for retail sales. They determined that if they could raise a variety of plants, they could not only create a spring bedding plant business, but could extend their retail season with the greenhouses throughout the summer and into Fall. Their season now begins with Easter plants for April sales, followed by bedding plants for the spring. Container plants and gardens give them summer sales and hardy mums and flowering kale give them fall sales. During the winter, the greenhouses are full of tomatoes to get a head start on fresh tomato sales and a healthy out-of-season price for those tomatoes.

This change allowed the Kohlmeier's to drop approximately 100 acres of rented land. However, it also meant losing access to their water source. To solve this problem, they dug a large pond that easily accommodates their irrigation needs for the 15-18 acres they now farm.

Production

Plugs for the vegetable and bedding plants are purchased from another local greenhouse operation. This allows the greenhouses to be utilized longer for tomato production and the houses that are idle can remain unheated longer in the winter. This also cuts down on labor needs by reducing the workload through the winter.

As the season progresses, plugs are transplanted into flats and pots for retail sales. Sales are conducted primarily through their on-farm roadside stand. They offer a full line of annual and perennial flowers, vegetable transplants for home gardeners, herb plants and hanging baskets.

Later on they will pot up new containers with a variety of annuals and herbs to create interesting container gardens. These appeal to homeowners that want instant color for their decks, patios, pool-sides and summer camps.

As summer blooms begin to fade in early fall, Kohlmeier's offers the homeowners fall color through hardy mums and flowering kale. These are grown in pots in outdoor plots with a drip watering system.

Chemical usage in the greenhouses and in the vegetable fields is kept to a minimum. Norbert realizes that his farm is surrounded by housing developments and that sprays are a very touchy issue with homeowners. He scouts his own fields for insect populations and diseases. This way he can determine if there is a problem that is severe enough to address with chemical means. All sprays are carried out when the wind is at a minimum to prevent any drift and never toward his water supply.

Norbert is also very concerned about the water supply. The crops he plants along the perimeter of the pond are all crops that are easily raised without the use of chemicals. In the greenhouses, he is also mindful of the water runoff and takes steps to ensure that chemical pesticides and fertilizers cannot end up in the local water supply. For example, for fertilizer he uses a slow release fertilizer pellet that is buried in the potting soil. This eliminates fertilizers that are applied through overhead watering that

create runoff that may find its way into the local water supply.

With the smaller sized operation, Kohlmeier's labor needs have been drastically reduced. They use only one hired man to assist Norbert in the greenhouses and in the vegetable fields. The remainder of the labor force for the greenhouses and the retail shop are provided by family members.

Marketing

Kohlmeier's focuses their marketing exclusively on the homeowner, both for the greenhouse portion of their business and the vegetables that they raise. In the past they used 7 or 8 farmers' markets to supplement sales at their roadside stand. Part of the marketing strategy at farmers' markets was to build a client base that they could encourage to come to their farm stand on non-market days. This worked very well in building up their home customer base.

Kohlmeier's offers a full line of fruits and vegetables in their roadside stand, along with all the plants that they produce in the greenhouses. These fruits and vegetables are from their own fields supplemented with produce purchased from other local farmers. A small percentage of his offerings also come from a nearby commission house if he cannot purchase them from a neighboring farm.

Norbert stresses the importance of advertising his business. He starts at Easter time with a large display ad in the local pennysaver announcing the beginning of the new season. After that he continues to run a weekly, business card sized, ad. He feels it's very important to keep your name in front of the customer to continually remind them that you are out there. To supplement the pennysaver ads, he also makes use of

roadside signage to keep his name before the public's eye.

Conclusion

Norbert has been very skillful in supplementing his farm income. He calls it "re-appropriating" money. When a new greenhouse is built, he strips the topsoil from the location. This topsoil is then sold and used to pay for the greenhouse structure. Another enterprise bringing in capital is the sale of mulch and firewood. Roadside crews trimming trees throughout the area bring the chipped limbs to Kohlmeier's farm. Norbert composts this and sells the resulting mulch to his gardening customers. These same crews, as well as crews building new roads, also cut down trees. These trees are brought to Kohlmeier's, where Norbert cuts them up and sells them for firewood. It's creative

things like these that can help to make the farm viable Norbert says.

In just two years Kohlmeier's has made the change from largescale vegetable production for wholesale trade to small scale vegetable production and greenhouse operation for retail sales. They have managed to carve out a niche for themselves in their area by catering to the homeowner's needs. Their careful consideration of soil and water protection and the concerns of their neighbors has helped them to maintain good relationships with their local community. This has helped both in terms of building and maintaining a solid customer base and with being able to farm an increasingly residential area without outside interference.

**Dietz Hill Farm
Douglas & Gundrun Dietz
Little Valley, NY**

Their Beginnings

Doug and Goody Dietz both had off farm jobs. But Doug was an avid gardener. He grew all the vegetables for his family's needs. Many years ago he planted 300 blueberry bushes with the idea of selling them at a local farmers' market. He became increasingly involved in the farmers' market and he and his wife are now a part of the market's sponsoring organization's management team. The organization, Rural Enterprises Association of Proprietors (REAP) organizes and manages five farmers' markets in Allegany and Cattaraugus counties.

When Doug retired from his off-farm job, his gardens grew to two acres and the variety of product he raised increased to satisfy the desires of his customers at the farmers' markets. His wife, Goody, still working in the banking industry, assists in some of the harvesting, but mainly Doug provides the entire labor force for his two acres of produce.

Production

Doug believes in using organic growing practices on his farm. His customers are very conscious of the concerns of pesticide residues on their foods and appreciate his respect for their concerns. But not using pesticides and herbicides means that Doug has to find other ways to combat insects and disease. He uses a regular crop rotation practice to eliminate the effects of soil borne diseases. Insects are often hand-picked from the plants.

For bird problems in his blueberry crop, he covers the entire field with netting. Inside

his blueberries are free to ripen without bird damage. Goody is in charge of harvesting the blueberries. She is very careful to pick only the ripest berries, even if that means harvesting from the same plant many times. You can tell by the dark blue color and the plump feel when a berry is at its sweetest. That's the time to pick it, Goody says. Her and Doug's philosophy is to harvest their all of their crops at their peak for the best flavor for their customers.

Doug has learned the majority of his farming knowledge and skills by trial and error. He'll grow new crops to test how well they will grow in his environment and how well they perform without the use of artificial chemicals. If they grow well and the customers buy them at market, he has a new crop offering. Right now he is experimenting with kiwi. They are growing, but harvest is still a ways off.

He is eager to hear the advice and counsel of Cornell Cooperative Extension Educators as well as other experienced farmers. He also spends a lot of time in the off season reading books and publications that can increase his ability to raise quality fruits and vegetables for his customers.

Marketing

Doug and Goody Dietz sell all of their produce at farmers' markets. They attend 3 markets each week, one every other day. That way they harvest each market's produce the day before so everything is absolutely fresh. They believe in offering a quality product and talking to their customers. That's the best way to get new customers and keep the old ones. Talk to

them about your produce, why it's so good, how they can cook it or new ways to use the produce. Getting friendly enough with customers to know their names and their kids names brings customer loyalty too. They feel almost like we are part of the family and they stop and say hello and buy our produce. This is the best part of raising all of this produce, Goody says, getting to know and enjoy our customers.

Conclusion

Doug is retired from his off-farm job and devotes full time hours to the farm. Although it does not provide them with their

full income, it does provide him with a very respectable retirement income to supplement his pension. It also gives Doug a great deal of enjoyment to be out in his gardens every day growing many, many varieties of fruits and vegetables, experimenting with new crops and going to the farmers' markets each week. Goody maintains a full time position in the banking industry and comes home to help harvest their produce each night. It's a hard way of life with all the work, but one that neither Doug nor Goody would give up for anything.

Sap Bush Hollow Farm Adele & James Hayes Warnerville, NY

Their Beginnings

Jim and Adele Hayes bought their farm back in the 1970's and began raising sheep. This was a "side" business as Jim and Adele both had off-farm jobs. Jim is a full-time professor at SUNY Cobleskill and an animal nutritionist and reproductive physiologist. Adele was the director of the County Planning and Development Agency.

For many years raising sheep provided a small income to help pay for the farm, a great place to raise a family. But after some years, the markets for their sheep began to dwindle making it difficult to market their sheep and provide the income required to keep farming. They needed to change their operation to be more profitable, yet still fit within their farm and family resources. They looked inward at the talents *within* their own family. Jim as a reproduction specialist is able to raise a marketable animal inexpensively. Adele had ample marketing talents. They determined that raising livestock to direct market the meat products was the answer they were looking for to increase their farm's profitability.

They added chickens for eggs and broilers, cattle, turkeys, hogs, and a recent addition of geese to the flocks of sheep they were already raising. But once these were of marketable size they would need to market them. Adele was ready for the challenge. She began by taking out the telephone book and marking everyone in the book that she knew. She then narrowed this list down to those she thought would buy fresh, pastured poultry. She set a working goal for herself - everyday she would sell 12 chickens or make calls for 2 hours, whichever came

first. This would continue until all her meat was sold. The list wasn't exhausted before she had everything sold.

Production

The Hayes use the Salatin model of pastured poultry system for their broiler chickens and free range their turkey and egg production. They feed on the naturally fertilized grasses and are fed a grain supplement that is a special mix made for them by Agway. Once the birds have reached a marketable size they are slaughtered and processed on farm. They are allowed to do this by an exemption clause that allows them to farm process up to 1000 birds annually. The procedure requires five people and a minimal amount of equipment. The labor comes from two part time employees and a "volunteer" who is paid in meat. The equipment includes a funnel for bleeding chickens out, a scalding tank to loosen the feathers, a chicken picker to remove the feathers, stainless steel tables for gutting and cleaning the birds, a three-bay sink for washing and rinsing the dressed out birds, a cold water tank to cool the meat down quickly and a cooler to hold processed chickens for sale. These chickens will keep for up to two weeks in refrigeration because of their freshness. That's compared to two or three days for chicken bought from a grocery store, Jim says.

The Hayes believe one key element to the farm's viability is to find ways to keep expenses down. Because of that, they follow the natural cycle of life for their animals. For example, sheep would naturally lamb in the Spring. Most sheep farmers force their ewes to lamb in January so the lambs would be ready for Easter sales. Jim foregoes the

Easter sales to allow his ewes to lamb in May. This keeps his mortality rate and his expenses way down. The lambs are already out to pasture getting the additional nutrition needed during lactation and the weather is warmer when they lamb. This makes for healthier ewes and healthier lambs. It's also less costly to the Hayes because they aren't using a barn nor supplementing their winter feed for their lactation needs. The lambs are ready to be weaned by mid to late August and by late fall they are sent to a slaughter house and their meat is sold. They keep only replacement ewes on the farm over the winter.

Cattle and pigs are also pasture raised. They are purchased in early Spring and put out to pasture immediately. Moved to a new paddock every three days, the pastures are never completely depleted and the animals have fresh grasses (grass and clover mix) to eat. By winter these animals are also ready for slaughter. There are no cattle or pigs remaining on the farm over the winter.

Cattle, pigs and sheep are slaughtered in a USDA facility. There the animals are butchered and packaged for retail sales. Some of the meat is ground into hamburger, made into sausage, hot dogs, bacon, etc. Wool from the sheep is sent to weavers and made into beautiful, warm blankets. This is all brought back to the farm to be direct marketed to their growing list of customers.

Marketing

The Hayes market all of their meat products directly to the consumer. Each winter a flyer is sent to their growing consumer mailing list. The flyer outlines all meats to be offered and the price. Consumers fill out their order for the year and all meats requested are reserved for them. Often this means that meat for sale is pre-sold with very little leftover for non-ordered

purchasing. On the other hand, this allows the Hayes to know how many of each species to raise to satisfy their orders and to allow them to generate new customers.

Every two to three weeks during the season, Adele dresses up her back porch and prepares to sell their products. Prior to each sale day, Adele calls all of her customers who have ordered reminding them of the date and time of the next sale. They can pick up their orders, select from a variety of other meat products and purchase anything else Adele may have to offer her customers that particular sale day; fresh flowers, tea mixes, herbs, honey and maple syrup. She also spends a great deal of time in the kitchen on sale mornings baking cookies and preparing batches of iced tea and coffee so that she can offer her customers refreshments while they shop. The atmosphere surrounding her back porch, the flower gardens and the arbor entrance to the yard, along with the homemade refreshments and the high quality meat products offered, keeps customers coming from over an hour's drive away to take home Sap Bush Hollow meat.

Conclusion

Jim and Adele have learned what customers want in their meat products - fresh, healthy, flavorful, chemical free meat. They offer what the consumer wants and are rewarded with more and more customers every year. People now come from as far away as New York City to buy Sap Bush Hollow meat every sale day.

But the Hayes' continue to try their hand at new species. This year they have added geese to their offerings. They are experimenting with raising them on pasture and having them available for holiday meals. So far this seems to be working out, but the final vote won't be in until the consumer has spoken.

Jim and Adele are very smart and very giving people. They attend seminars and do a great deal of reading to keep themselves updated on the industry and on changing consumer trends. Continually educating themselves is a rule for their farm operation. They also feel it is important to give back to others what has been given to them. In other words, they are eager to help people interested in getting into the business by offering to tour them through their farm, by speaking at conferences and seminars and taking part in workshops to help others to get a start in the livestock and direct meat

marketing business. They also offer their own annual hands-on workshop at the farm.

In just a couple of years, the business has really taken off. This has provided them with enough income that it is no longer necessary for Jim to continue his off-farm work. He has given up his job in administration at the college and gone back to teaching so that he has summers off from the college to spend on the farm. Adele has left her job with the county planning department and works the farm full time. The future for Sap Bush Hollow looks secure and profitable.

Kingbird Farm Michael & Karma Glos Berkshire, NY

Their Beginnings

Michael & Karma Glos are new to farming in New York State. They both worked at the U.S. Forest Service in Washington State doing research, but had a desire to farm. They decided while they were still young and energetic, it was time to start farming. They purchased a small farm on a hillside in Berkshire, NY and built a home and barn, and purchased a couple of workhorses, sheep and chickens. Karma has since left her job to stay on the farm full-time. Now works at Cornell and does his farm work after hours and on weekends.

Michael and Karma are both horse lovers and enjoy having horses on their farm. In fact, they use their horses to do their field work rather than a tractor. The expense of a tractor; purchase price, fuel, maintenance and repair, is offset with the costs of raising horses; feed, veterinarian bills, etc. But it gives them satisfaction to work their horses rather than a tractor.

Production

Michael and Karma adopted a pastured poultry technique for broiler chickens and laying hens. They built portable chicken coops that allow the birds to eat pasture grasses along with the grain they are given. The coops are moved daily to a fresh patch of pasture in order keep the grasses plentiful. Once the chickens have reached a marketable size, in about 8 weeks after they've been put out on pasture, they are then slaughtered on-farm by Michael and Karma and a few friends and family. They are allowed by an exemption clause that allows on-farm processing of poultry if kept under 10,000 birds per year. The chickens

are bled out and dipped in hot water to release the feathers. A feather picker removes the feathers and then the birds are dressed out, washed and rinsed and put into a cooler to keep until market. The remains of the birds; feathers, insides, etc., are composted and spread on their fields to add nutrients back to the soil.

Laying hens and turkeys are also pastured. The eggs are sold on the farm, at the Ithaca Farmers' Market and through a food co-op in Ithaca, NY. The turkeys are slaughtered and sold for holiday sales.

Herbs are an important sideline for Karma. She raises herb plants in a small greenhouse for spring sales. Most herb plants are started from seed, some from cuttings. Many of the seeds and cuttings she grows her plants from are certified organic. For potting soil, she uses a blend that includes compost that is homemade at their farm. Karma also raises herbs in a garden for the fresh cut market. These adorn her market table at the Ithaca Farmers' Market and attract attention to her table. But the herbs that are not sold are brought back to the farm, where Karma "recycles" them. She dries them in a dark room with adequate ventilation and air movement. When thoroughly dried, they are packaged and brought to market again. This keeps her losses to a minimum and gives her another chance at profit.

A few vegetables are grown on the farm for retail sales, as well. These are all grown organically. A few herbs and vegetables that are grown in small quantities, i.e. basil, parsley, dill, tomatoes, are grown in strips about four feet wide with grass growing

between each row. This makes it more comfortable to harvest on your hands and knees as well as cuts down the weeding that normally would be done between the rows. However, Karma says, they may do away with this practice. The bed preparations in the spring are much more difficult. It requires extra care and cannot be done with the horses.

Karma and Michael also raise several varieties of dry beans, adzuki, Jacob's cattle, marfax, pinto, etc. These are dried, hand shelled and sold retail at the farmers' market. They do have an antique sheller that helps them with this task, but by and large is all hand done. The beans are then packaged and sold at the Ithaca Farmers' Market.

All waste products are composted at Kingbird Farm. They have a unique composting system. A two-bay pig sty is used for their compost pile. One side receives all the scraps, while the pigs are housed in the other bay. The pigs are allowed to rut around in the compost pile. This adds their manure, plus aerates the pile as they dig for corn purposely buried in the pile to encourage them to dig. The digging keeps the pile turned over and eliminates a lot of the manual labor that Michael would otherwise have to do, Karma says. The result is a rich dark soil that is added to their fields and used in their greenhouse planting.

Michael and Karma also do some experimenting on their farm. This year they are working on a tarnished beetle solution. They have had tremendous tarnished beetle pressure on their crops and needed an organic solution. A crop of buckwheat was planted in the far corner of their field to attract these bugs to see if it would keep them from their vegetable and dried bean crops. This experiment is still under way,

but the preliminary results show that there may be some merit to this program.

Marketing

Kingbird Farm originally started out growing just for the family's needs, but soon progressed beyond that. Karma began to search for ways to market her products. The meat products are sold primarily at the farm. Karma has a small shop in the barn that has a cooler for the meat and eggs, shelving for other products and a cash register. Most meat is pre-ordered, but there is also some available for sale after each processing day.

An important marketing tool for their farm is the Ithaca Farmers' Market. Karma attends this market every Saturday. She brings her meats to sell along with her herbs and vegetables. But she also has a variety of other products that attract people's attention and draws them to her table. She believes it's important to have unique offerings on your market table to draw customers to be able to sell the same vegetables that everyone else has on their table.

Karma believes in adding value to her crops to increase their profit margins. Garlic is braided, bringing a higher price per pound than by just selling the garlic bulbs. Karma also uses her knowledge of herbs to offer a variety of herbal value-added products. She makes homemade soap, often selling out before she has another batch ready. Herbs and flowers are dried and made into pot pourri blends that are packaged for retail sales. Culinary herbs are dried and packaged for year-round sales. All of these products provide, not only a greater profit margin than if sold in their "raw" state, but also gives them something to sell during the off-seasons and provides them with year-round income.

Conclusion

Kingbird Farm is still in the development stage. They are experimenting with many different crops and animals. But after only a couple of years, the farm is paying entirely for itself and providing Karma's income. They are also in the process of expanding the house to give Karma more room to do all of her value-added products - soap, pot pourri, dried herbs and flowers. They are also expanding the farm shop to provide more space to display all of the products - fresh and value added, that they have to offer customers.

Kingbird Farm was certified organic through NOFA, NY in 1998. Karma and Michael believe that although they have always raised their farm products organically, this certification gives them credibility and

justifies receiving higher prices for their products.

When the Glos' bought their farm they raised a few sheep. Now the sheep are gone and replaced with chickens, turkeys and pigs. Karma tells us this is due to their new philosophy for the farm. If it does not bring income or pleasure, get rid of it. Sheep did not bring in enough income to justify their being on the farm, so they were given up. Workhorses, on the other hand, are expensive to maintain - feed, vets, etc., but they bring the family pleasure so they are allowed to stay. One by one Karma and Michael are going through their farm determining what stays and what goes using this philosophy. It's also their measure for new crops and animals that are tried out.

Peacework Organic Farm

Elizabeth Henderson, Greg Palmer, Ammie Chickering

Newark, NY

Partners Elizabeth Henderson, Greg Palmer and Ammie Chickering grow vegetables at Peacework Organic Farm in Newark, New York. Renting 15 acres of silty loam soils from Crowfield Farm on a 5 year rolling lease, the partners market almost all of their production to the 30 local members of their community supported agriculture project and to the 200 plus members of the Genesee Valley Organic CSA in Rochester, New York. Peacework also rents part of a barn and a packing shed, and the use of some equipment from Crowfield. Attached to the barn, Elizabeth and Greg constructed a greenhouse where they grow all their own starts, some plants to sell to the members of their farm, and tomatoes and lettuces during the summer and fall. They also built a large cold frame and a walk-in cooler. The farm is certified organic by the Northeast Organic Farming Association of New York (NOFANY). Besides farming, Elizabeth is author of "Sharing the Harvest: A Guide to Community Supported Agriculture", and one of the NOFA team which wrote "The Real Dirt: Farmers Tell About Organic and Low-Input Practices in the Northeast".

The growing system used at Peacework is 5 foot wide permanent beds. To form beds, the farmers first laid them out with a chisel plow, then spread compost and went over the beds a number of times with a 5 foot wide Celli Spader. Unlike a rototiller, the spader does not invert the soil layers; it is very effective at burying chunks of sod, cover crops and crop residues. The farmers left the existing sod between the beds. These strips range in width from 30 inches to 4 feet. The strips require regular mowing, 3 to 4 times a season, depending on weather

conditions. The farm uses a mower, but is seeking a tractor drawn off-set mower for this job. Maintaining the sod strips provides insectaries and plant diversity throughout the dropping area. Farm members, who participate in harvesting, can easily identify sod as the place to walk instead of the beds. Together with cover cropping, the sod strips prevent soil erosion by wind or water.

To prepare a bed for planting, Elizabeth spades in the cover crop (rye before potatoes or corn, rye/vetch before broccoli, cauliflower and cabbage, oats before onions, buckwheat before garlic), allows the bed to grow weeds for 2 weeks, then spades very shallowly before laying out with an Allis Chalmers G, set up with Planet Junior seeders. For slow emerging crops like carrots and parsnips, on the day before emergence, Greg flame weeds in the row with a backpack propane tank. As soon as the crop emerges, Elizabeth cultivates with basket weeders set to leave a four inch strip for each row. This set of practices reduces hoeing and hand weeding to a minimum. In the Spring, Greg and Elizabeth spread compost, made from horse manure, crop waste and old hay, on about 1/3 of the beds each year. They are not satisfied with their production of compost and hope to increase it over the next two years and to supplement thermophilic compost with vermicompost. They use round bales to mulch garlic, onions, peas, tomatoes, and winter squash, and then spade in the mulch residue to add to the organic matter.

Peacework grows a wide variety of crops, over 70 different vegetables and herbs. This diversity reflects the farm's purpose in

serving as a large scale home garden for 240 families. The largest volume crops are the standard items in most people's diets: lettuce, peas, beans, carrots, tomatoes, potatoes, sweet corn, broccoli, onions, winter squash, peppers, spinach, basil, Swiss chard, kale, cauliflower, pumpkins, and cabbage. Smaller amounts of more unusual or less popular crops are grown: bok choy, tat soi, cilantro, collards, beets, turnips, rutabagas, Brussels sprouts, daikon, Jerusalem artichokes, celery, parsnips. Seeds for the crops are purchased from FEDCO, Johnny's Seeds and the Seed Savers' Exchange. We also save seeds ourselves for flowers, beans, tomatoes, and garlic.

The farm supplies members with weekly packets from mid-May through the week before Thanksgiving. Members have a choice of full shares, partial shares, or sharing a share with another member. The farm also offers the members bulk purchases of crops for freezing, canning or winter storage, and provides a book, "FoodBook for a Sustainable Harvest", with information on storing crops and recipes. Any excess crops beyond what is needed for the shares, the farm sells to stores in the Rochester area. Cull quality crops and shares which members fail to pick up are donated to the Southeast Area Ecumenical Ministry or St. Joseph's House of Hospitality.

When the CSA began, 12 years ago, there were only 31 shares and the farm sold most of its produce to the food co-ops in Rochester, Ithaca and Syracuse and to health food stores, supermarkets and restaurants in the area. Gradually, the CSA has grown to

take over 90% of the farm's production. This is how it works: members sign up with the farm for the entire season, actually signing a contract with a pledge to pay a certain amount and to supply 12 hours of farm work and 5 hours of work on distribution. The fee is on a sliding scale from \$11 to \$17 a week for a full share and \$9 a week for a partial share. A full share consists of 8 to 12 items a week, enough for one dedicated vegetarian or up to 6 adults. Scholarships are available and the farm accepts Food Stamps. Members pick up their shares either at the farm or at a distribution point in a church garage in Rochester. There are two harvest-distribution days a week. On those days, scheduled members come to the farm and work from 8am until noon helping with the harvest and other simple farm jobs. They then transport the food into Rochester and store it in a cooler in the garage. In the evening, other members set up the food for distribution. A Core Group of members with a representative of the farm oversees the CSA project. Core members oversee distribution, arrange scheduling of member's work, keep the books, and collect payments, produce a bi-monthly newsletter, organize picnics, parties and an end of the season banquet, and do outreach for new members. The CSA also offers members bulk purchases and special shares from other farms in the area, including organic grape juice, organic wine, organic yogurt and kefir, organic maple syrup, free range chicken and eggs, buffalo meat, and low spray apples. Some members sign up for winter shares, which come from Blue Heron Farm in Lodi, NY.

Introduction to Starting a New Farm Enterprise— Getting Started

Brian Caldwell, Fruit & Vegetable Specialist
Cornell Cooperative Extension, Tioga County

You must have a passion for your new farm enterprise

- Why?—low pay—our mainstream food system does not favor local small scale production, which is probably what you'll start with
- Marketing needs enthusiasm
- Adding a new enterprise to an ongoing operation takes substantial additional management
- Are you ready for some long hard physical work?
- Sweat equity substitutes for capital to start
- How much money do you need from this enterprise?
- Are other family members involved/supportive?
- You can't plan for everything!

General site characteristics—you can't make it with enthusiasm alone!

- Southern Tier—valleys better soil, frost
- Hills—better climate, poor soil drainage
- Finger Lakes—better for fruit and veg
- Our advantages—cheap land, buildings, direct marketing opps
- Suited for intensive grazing, forage?
- Irrigation water?
- Roadside sales?
- Deer?
- Organic production—spray drift, previous use

Facilities

- Barn? How much to convert it to your needs?
- Greenhouses? Utilities?

Markets

- Local traffic
- Near population? (demographics)
- Do you like working with people? Sales? Can you partner with someone who does?

Your preparation

- Skills—what is good management?
- Record keeping, start now
- Physical capacity, work habits
- Financing
- Legal requirements (handout)

Low Cost startup strategies

- Start small, with off farm job
- Used equipment
- Auctions
- Suggestions?
- There are some corners not to cut! Food safety, marketing image, farm safety, fencing

Many enterprises change over time, a sign of healthy development

Resources—we have many!

BUILDING A FARMERS' MARKET BUSINESS PLAN

Sponsored by Farmers' Market Federation of NY and
USDA Agricultural Marketing Service

Charles Schlough, Presenter
Entrepreneurship Education & Outreach Program, Cornell University

WORKSHOP OUTLINE and KEY TOPICS

1. **Do you Really Need a Business Plan?**
2. Understanding Business Plans and Business Planning
3. Before you Write a Business Plan
4. Marketing – The Most Important and Toughest Part of a Business Plan
5. The Basics Components of a Farm Business Plan
6. Where to Get Help

This presentation will provide an orientation to the purposes and uses of business plans and business planning for farm based enterprises.

Do you really need to write a business plan – maybe not a formal one! But ultimately you will be better off with one. Even if you don't go through a formal business planning process, you cannot escape the need to understand the marketplace you hope to sell into and how you intend to supply your market niche.

You've heard it said that a business plan is a map to your future, but you may find any number of good reasons along the way to change your mind as you go. Any business today needs flexibility in its planning because our economy and markets are far more complex and dynamic than in the past. And in order to do that you need to know what's out there and what's happening over the horizon.

Business Plans and Business Planning

There are differences between the process of business planning, writing a business plan, and using a business plan as a tool.

As a process:

It organizes what you expect to achieve from an enterprise, what you intend to do to realize your expectations, and how you will balance and manage your resources, capabilities, and risks.

The process of developing a business plan generates insight and valuable skills of decision-making that can make your hard labor and financial decisions work more effectively. It's also important to work through this process with others, your spouse, partner, a mentor, sometimes your peers – people who you trust and who can play the devil's advocate.

As a document:

A completed Business Plan is intended to document your business or business idea. Writing a business plan is what you do after you have thought through and developed the various important parts. It summarizes and communicates to others and yourself the critical factors that you have learned about your business "idea" and decided to do about it.

As a tool:

It offers a set of skills to be repeated in parts or in whole. It allows you to explore and clarify your changing options for a business concept. It is a tool to be used flexibly. You should allow yourself to make changes and look at changing circumstances with less risk than trial and error – which can sometimes be costly or disastrous.

10 ESSENTIAL THINGS TO DO BEFORE YOU START A FARM BUSINESS PLAN

- State clearly and honestly why you want to be in farming and for how long.
- Be clear about what you want to get out of it; income, personal satisfaction, quality of life, etc.
- Decide how hard (physical effort) you are willing to work for the next "XX" years – and how much time you are willing to contribute? How committed are you? Is this part-time, full-time, or seasonal?
- Understand that the bigger the scale of business you anticipate, the more advanced business knowledge and skills are needed.
- Assess the potential of land and other natural resources you will be using.
- Determine roughly how much capital you are comfortable with risking (or how much debt you are comfortable with repaying over the next 10+ years.
- Evaluate the personal attributes, knowledge, and experience you have to apply to your farming idea.
- Determine how much time and/or money you are willing to invest to learn and experiment – before you get deeply involved with commitments and production.
- Know what you cannot supply alone. Then gather support from people who you will have to depend upon for a wide range of things – e.g. family & emotional support, physical labor, financial resources, technical assistance in production and business matters, etc.
- Evaluate the overall scheme and decide what is lacking that needs to be strengthened before you go further. Find an objective and knowledgeable person to hear you explain it and then listen carefully to their observations.
- Study a few recommended business plan outlines (and instructions) and give a lot of attention to the marketing questions. Most of what you have done in the first nine steps will make the process easier and more relevant.

MARKETING – THE MOST IMPORTANT AND TOUGHEST PART OF A BUSINESS PLAN

The toughest part of a business plan is the marketing part and the part most vulnerable to error is the projection of sales revenue.

The confidence you (as investor) and your lender have in revenue projections will be far more favorable if it's based on a good marketing plan with justifiable assumptions. This is the most speculative part of a business plan.

If you can answer these questions honestly, you will have captured the essence and core of a business plan.

- What is the market niche it addresses and what is the opportunity?
- What types of customers are they?
- How big is their need for your product?
- How do you win them to buy from you?
- How often will your customer come back for more purchases?
- What products or services are you going to supply to the market niche?
- How big or small is the market niche?
- Where are they? How are you going to sell to the buyers?
- What channels you are going to use if distributing?
- What are the costs of utilizing different channels?
- What is the competition? How will it change? Why are you better?
- How are you different and how will you maintain that?
- How will you produce and manage every aspect and grow your business?
- What is the financial model - when are you going to make a profit?
- What might stop you? What are the risks?
- Why are you going to succeed?

THE BASICS OF A FARM BUSINESS PLAN

[See Handouts]

WHERE TO GET HELP

Where to look for help with business planning information and training.

Self-help – books and other publications, computer software, distance learning

Internet

Library – Business support services

Cooperative Extension

Government agencies

Local economic development programs

Community college courses

Workshops (few hours)

Targeted courses – short term (few hours) and long term (several classes)
Accountants

If you're ready to get some training in business planning, there are several ways you can get it. If you don't find a source of help, ask your cooperative extension educators for help or direction.

Do not under-estimate the importance of computer skills for planning and managing your operations; learn about Internet resources that can provide tremendous advantages. If you haven't become comfortable with personal computers and developed some basic skills, it should be one of your higher priorities for equipment and training. The world of agriculture is moving swiftly into the electronic age. Information is power!

Handouts:

- *NxLevel – "Tilling the Soil of Opportunity"*
- *Farm Business Plans* - The Canadian Farm Business Management Council
- *FarmBi\$ - Farm Business Planning* – New South Wales Rural Assistance Authority
- *Business Planning Checklist* – Univ. of Arizona, Dept. of Agriculture and Resource Economics, Cooperative Extension
- *Decision-Making – Will You Start a New Enterprise?* – Ag-Alternatives Fact Sheet, Alberta Agriculture, Food and Rural Development