

Farm to Institution Viability

Case Study: Clearview Farm

Overview

Clearview Farm is a 200 year old farm with the "Clearview" of Mount Wachusett that has been in the Melone family since 1906 - five generations. Clearview Farm is currently a 32 acre seasonal orchard and farm stand run by Rick and Diane Melone along with their four children. The farm stand opens in August selling a variety of fruits and vegetables, apple cider (pressed on site), maple syrup, cheese, eggs, jams, baked goods, crafts and gift items. The Melones also sell potted plants, primarily hardy mums and remain open through the holidays, weather permitting.

Farm Profile

Farm Name: Clearview Farm

Farm Structure: Partnership. The owners of the family business are Rick and Diane Melone.

Farm Location: Sterling, MA (rural, suburban)

Proximity to Markets: Close – about 15miles to Worcester, MA and 50 miles to Boston, MA

Acreage: 32 acres are currently owned with an additional 17 acres of land rented: The farm includes 24 acres of orchards and 20 acres of fruits and vegetables.

Sales Channels: Farm stand (54% of sales by value), wholesale (19%), farmers markets (16%), institutional sales (6%), and CSA (3%).

Labor: The farm is largely run by family members; Rick, Diane and their four children all work on the farm, along with 2 seasonal farm workers May – October.

Crops

The farm currently produces apples, peaches, nectarines, pumpkins, raspberries and blueberries, and a small amount (2 acres of other vegetables). The farm currently has 27 varieties of apples.

Land

Currently the farm has 44 acres in production of the total 49 acres owned and rented. All of these acres are located in Sterling, MA. The farm is not certified organic due in part to the fact that orchards don't lend themselves to crop rotation, an essential part of organic farming. Rick

is certified in Integrated Pest Management (IPM) methods and uses them to grow their orchards, fruits, and vegetables.

Sales Channels

The farm has three primary sales channels – the sales from the on-site farm stand (54% of sales), sales from various farmers market attended (16%) and sales made through wholesale channels (25%), including institutional sales channels (6%). The farm sees wholesale channels as an important part of their financial plan and is actively seeking additional wholesale markets—including additional institutional markets in their region.

Financials (2014 Growing Season)

Total Farm Income: \$198,340.00 (includes all farm grown produce, flowers, and plants). In addition to the income from farm products sold, Clearview Farm also retains income (\$2,240) from farm field trips and catering.

Total Wholesale Sales: \$49,800

Direct Sales to Institutions: \$12,526

Sales to Institutions via Distributors: \$0

Institutional Sales as a % of Wholesale: 25%

Why Institutional Sales Work

Clearview Farm values their business with local institutions for a variety of reasons.

1. Although their institutional customers do not make up the majority of their farm income, it does provide a reliable sales outlet for their products during peak season. Because the majority of their farm income is from orchard fruit, working with school districts that are operating September – June are a good fit for their product mix.
2. The farm values the community relationships it forms when working with institutional customers in their surrounding communities. The farm values the publicity it receives when working with local schools, but also values the providing healthy, local produce to children of their own community.
3. With 25% of farm income coming from wholesale markets the farm appreciates the slightly higher price institutions can pay for produce above traditional wholesale outlets to distributors. Wholesale is an important piece of Clearview Farm's business plan as it relates to staff time dedicated to the various sales channels, and realizing modest increases in wholesale prices is valued.