

Workshop Title: Bigger isn't always better: Is Scaling Up Right for Your Farm?

Speaker(s) & their titles: Chris Blanchard, Flying Rutabaga Works (Iowa)

Executive Summary

Chris discusses the aspects needed to scale up a vegetable operation (labour, finances, irrigation, farming skills, etc), the questions you should be asking yourself if you are thinking about scaling up (What kind of life do I want?), and the finances involved (How much money do I need to make?). He discusses the various market outlets for vegetable growers, and helps one look at which direction one should go with regards to life goals.

About Chris:

- Started off as Rock Spring Farm producing 20 acres of vegetables and now runs a farm consulting and education business called Flying Rutabaga Works
- Started off with ½ acre of potatoes making nothing, finished off selling to wholesale in order to have his Saturday mornings free from market to spend with family

Scale:

- Big is relative in the farming industry: 20 acres considered the mega vegetable farm (big mistake to think that a small farmer can't learn from a large farmer; everyone in farming has something to teach)
- Scale is a tool, it has its place (the small farmer standing at the farmer's market may make just as much as the wholesaler depending on money invested, time invested, etc.)

Markets:

1. Wholesale:

- one-stop drop is easier than standing at a farmers' market for hours
- no risk harvesting crops that aren't sold

But:

- less money in the wholesale market
- your produce has to be perfect, of the highest quality and uniformity
- it also has to be constantly available e.g. wholesalers want carrots every week
- packaging takes time and money

2. Farmers' Markets:

- flexibility with quality and what you bring to market
- cash in hand

- low entry cost

But:

- time consuming
- sales dependent on weather

3. CSA:

- dedicated customer base
- early season cash

But:

- lots of expectations
- diversity of crops
- hard and fast selling style (lots of work for quick sales)

What scale should you be at?

- Do you feel at your scale that you are stressed? Are you putting your time into things that you feel aren't useful? Do you feel as though you shouldn't be putting your time into what you are currently doing - not applying your time, energy and money into the best way possible?
- Think about priorities and start with goals: what do I want out of life?
- You don't *get* balance, you *do* balance. It requires constant adjustment and work with your farming partners to get those goals out on paper (No, "I will..." or "I want..." Write "I do..." or "I have...")

Finances:

- \$50,000 is the average family living cost in US
- Chris spent 3280 hours/year farming and his wife spent 3240 hours/year
- Averages: gross sales per acre at \$12,000 and net income/acre at \$5,000 so that in order to make \$50,000 net income, he and his wife needed to work 10 acres of land
- Compare your expenses vs profits at market, at CSA, and at wholesale
- Do you have the numbers and the financials to go to the bank in order to scale up?

Equipment for scaling up:

- Look at what purchasing a tractor can do for your farm.
- Look at what irrigation can do for your farm: better watering equals better vegetables (1" of water per week at least). Monitored water levels and increased yields by 3x.
- Before you scale up you have to be able to grow good vegetables
- BE WEED FREE! (necessary for: fertility, air flow, water absorption, and fast harvesting). No business getting bigger without having control. When should you be killing the weeds. Do you know how to irrigate?
- Need to have the Resource Base- flat land, deep sandy loam, water
- Do you have the labour?

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- Estimate what you need to build a new building or buy a new piece of equipment and add 30%

Real Markets:

- \$31/person on fresh vegetables in US in 1999
- Recognizing your markets, how many people are there to purchase vegetables in your area

Business Management Systems:

- Analyze what is making you money
- You will make more money analyzing your business in the winter than working in the field in the summer
- It's all about management, weekly field walks, employee management (Do I know what is expected? Do I have the necessary equipment?)
- Know what successful farms look like; take field trips

Book: Knott's Vegetable Handbook