Case Studies

This project also includes case studies that identify how different farmers are responding to the challenges of marketing locally. Each case study addresses how the farmer got started, what it takes to sustain the business, what resource or policies could add to their success, and the most critical challenges they face.

The following criteria were used in selecting which farmers to profile.

- Creative, innovative farmers—Each of these successful farmers has been willing to take calculated risks and try new things to make their farm business a success. They continue to actively look for new markets and experiment with additional products to build their business.

- Family-owned and -operated businesses—These farms—no matter how many acres or generations involved—are a family affair. The farmer and/or the farm family provide day-to-day labor and management on the farm and own what is produced and the productive assets.
- Environmentally-conscious farming practices—Farmers are concerned about the quality of the soil, water, and air on their farm and around them. Some farms certify their land or products as organic while others certify certain crops or a particular line of their products. Other farmers who use organic methods do not certify their products; they market most of their products to local customers who know them.
- Diverse line of high-quality products—Each farm business takes pride in producing unique, high-quality produce and products that distinguish them in the market. These farms also sell a range of diverse products, from fresh fruits and vegetables to value-added items such as preserves, sauces, dried or dehydrated fruits and vegetables, glazed nuts, cheeses, and baked goods, all in a wide range of flavors and styles.
- Numerous marketing channels—Each farm markets their products through a combination of many different sales channels. These markets include wholesalers and retailers, their own retail store or roadside stand, farmers markets, websites, restaurants, and Community Supported Agriculture (CSA) programs.
- Significant resources dedicated to marketing—These farm businesses recognize that a successful marketing strategy requires a significant amount of resources and time. Good marketing includes attractive labeling and packaging and the time and resources necessary to build relationships with customers, research the competition, create new products, develop connections with the media, and follow consumer trends.

- Connections to the local and agricultural communities—These farmers participate in or work with organizations such as the Stanislaus County Farm Bureau, California Women for Agriculture, Community Alliance with Family Farmers, Slow Food Central Valley, California Certified Organic Farmers, UC Cooperative Extension, and the UC Small Farm Program. They purchase some of their inputs from other farms nearby and are active in agricultural events and classes at local schools and community colleges.

Table of Contents

A Country Garden: Mary and Terry Cake

Overview of Farm Business

Year Started:	1989
Location:	Hughson, California. East of Modesto in Stanislaus County.
Size:	20 acres
Crops:	Heirloom tomatoes, greenhouse tomatoes, basil, and other specialty produce items
Employees:	5 in the peak season, plus the owners
Primary Sales Outlets:	• Saturday Farmers' Market in Danville • Brien's Markets in Riverbank and Modesto • Grocery stores in the Bay Area
Contact Information:	Mary and Terry Cake A Country Garden 3424 Tully Road Hughson, California 95326 Phone: 209-883-0088 Email: **Tecake@earthlink.net**

Introduction

Mary and Terry Cake started their farm, A Country Garden, in 1989. The couple had been living in Scottsdale, Arizona and working in sales, but they were both eager to leave the city life and get into

farming. They came back to Mary's family ranch in Hughson and started farming on the land that her grandfather had purchased in 1909. They began slowly, using organic methods and growing several varieties of lettuce on just an eighth of an acre. Over time, they added more acres and grew a wider variety of crops and heirloom varieties, each chosen for its remarkable beauty and taste.

Now Mary and Terry farm a total of 20 certified-organic acres and specialize in heirloom tomatoes. They cultivate only five acres of tomatoes per season and cover crop the rest. This system allows them to rotate the crop every year and avoid diseases in the tomatoes. Over the winter they also grow greenhouse tomatoes in five greenhouses that total 13,000 square feet.

Mary and Terry work to stay at the leading edge of consumer demand. When they started their farm in 1989, specialty crop farming was just emerging. Farmer's markets were undergoing a renaissance, cooking magazines were generating interest in more unusual foods, and chef Alice Waters' emphasis on fresh, seasonal vegetables was just taking hold. The food mentality was beginning to change. Mary and Terry noted these trends and experimented with new crops and varieties. They were among the first growers to bring Sungold cherry and heirloom tomatoes, round baby carrots, fingerling potatoes, and yellow watermelons to Bay Area markets. Now, over a decade later, fresh, high-quality produce is much more widely available and many Bay Area "foodies" know a great deal about their food and how it is produced. Mary and Terry feel fortunate to farm close to such a large metropolitan area that appreciates what they grow.

Marketing

When they first started farming, Mary and Terry sold their produce to local restaurants, at the Saturday Farmer's Market in Danville, and through a Community Supported Agriculture, or "CSA," program. In a CSA, customers pay a monthly or seasonal fee for a "subscription" to a farm's produce. Each week, CSA members receive a box of several fresh-picked, seasonal items from the farm. A CSA box in the summertime might include some tomatoes and peppers, a basket of cherry tomatoes, green beans, zucchini, a few cucumbers, and a bunch of flowers. A CSA gives farmers a secure, stable market and customers the freshest local produce they can buy.

A Country Garden's CSA grew to 60 subscribers, but it was quite demanding. Since each CSA box included a number of different items, it took a great deal of time to package the harvest into the individual

box portions and then pack each of the boxes. The costs of packaging supplies (e.g., plastic bags, tomato baskets, boxes) were significant. The logistics of the deliveries and the maintenance of subscribers' payment accounts made managing the CSA complex as well. And 60 subscribers just wasn't quite enough to break even. Finally, when grocery stores started buying high-quality heirloom vegetables from local growers, Mary and Terry ended their CSA service and emphasized local retailers in their marketing strategy.

Today, A Country Garden produce is sold at O'Brien's Markets in Riverbank and Modesto, grocery stores in the Bay Area, the Saturday Farmers' Market in Danville, and occasionally through wholesalers. Mary and Terry also sell their produce to restaurants in Modesto, which boasts more and more great local restaurants like Galletto's and Trecetti's World Caffe. They have kept a close eye on their customers' preferences over the years and adjusted their sales strategy accordingly.

Supportive Organizations

Mary and Terry credit a number of organizations with helping them to build and maintain their successful farm business. They are members of both California Certified Organic Farmers and Community Alliance with Family Farmers and have worked extensively with UC Cooperative Extension. Most recently, they have been experimenting with UC Small Farm Program Farm Advisor Benny Fouche on using a new kind of cold frame for their tomatoes.

Mary and Terry also share their expertise with the community. They often participate in Agriculture in the Classroom events at Hughson Elementary School. They are also active in Modesto Slow Food, a nonprofit organization that promotes local agriculture and hosts events that feature regional produce, cheese, and wines. In addition, Mary teaches two classes at Modesto Junior College: garden design and organic gardening.

Challenges

Mary and Terry have established a successful farm business, but they still face many challenges. Labor, the general economic climate, and the new USDA National Organic Program are the most significant issues at the moment.

Labor. Agricultural work is very seasonal in their area. Employee retention is low and most workers do not return from year to year. Mary and Terry struggle with how to offer year-round employment and find a

consistent, long-term group of workers for their farm. Their experience seems consistent with trends in the area. They find that farms in the area are continuing to move away from crops—including peaches—that require a significant amount of labor.

Economy. Mary and Terry work hard to keep their customers coming back at the farmer's market. Nevertheless, no matter how much their customers love their produce, when they don't have money to spend, they don't shop. Their business, like many others, suffers in poor economic times. Nevertheless, when the economy turns sour and sales at the farmers market are down, they find that restaurants still purchase a consistent amount. As a result, they focus on marketing and sales to restaurants in tough economic times.

USDA National Organic Program. Mary and Terry have been committed to organic farming from the start. Organic certification is important to some of their customers, particularly at the farmers' market. It also allows them to sell to wholesalers when they have the opportunity and gives them an edge in the competitive fresh produce market in the Bay Area. The new USDA National Organic Program won't change the way they farm, but it will increase the amount of paperwork they do. They are wary about how small- and medium-scale organic farms are going to fare under the new system, given that it seems to pave the way for larger growers to enter organic production. These large farms could flood the market with organic produce and depress prices across the industry, making it even more difficult for some small farms to stay afloat.

Three Top Tips for Other Growers

Mary and Terry have three recommendations for other small-scale growers.

Find your own niche. Don't try and match the big farms that simply grow large quantities of the standard varieties. To a small-scale grower who just starting out, it might look like there is money to be made by planting a lot of one crop, but that's not the case. Since unit prices are so low, the only way to make money is in volume, which small-scale growers don't have. Instead, grow what no one else is growing or what no one else is doing very well. Big growers can't afford the quality and service that a small grower can, so make the most of this advantage. And whatever you choose to grow, make sure there are three or four different ways to sell it: restaurants, grocers, wholesalers, farmer's markets, etc.

Marketing skills are just as important as growing expertise, and both are learned and refined over time. Buyers are always looking for first-rate, high-quality produce, but deciding on your price is the hard part. Figure out how your quality of produce measures up in the marketplace. If your products are the best,

then charge the highest price in the market. If others are doing as good a job as you, then a mid-range price will get it sold. Find out by asking around and listening to your customers. As your crop comes into the market, do not rush to lower the price for fear that it won't sell. If you start out selling below market price, then other farmers will have to lower their price too and pretty soon you won't be able to give your produce away.

Consider trading what you grow for products and services in your community. Mary and Terry trade produce for tractor work from a neighbor who has a bigger tractor and more equipment. They also trade for haircuts, meals at local restaurants, and automotive, accounting, and legal services. Everyone likes to have fresh, high-quality produce.

Links Referenced in the Case Study

California Certified Organic Farmers
http://www.ccof.org/

California Federation of Certified Farmers Markets
http://www.cafarmersmarkets.com

Community Alliance with Family Farmers
http://www.caff.org/

Danville Farmer's Market
http://www.pcfma.com/danville.htm

O'Brien's Markets
http://www.obriensmarket.com/

Slow Food
http://www.slowfood.com/welcome_eng.lasso

Tresetti's World Caffe
http://www.tresetti.com/

UC Small Farm Program Farm Advisors
http://sfc.ucdavis.edu/research/famap2.html

Oakdale Cheese and Specialties: Walter and Lenneke Bulk

Overview of Farm Business

Year Started:	1983
Location:	Oakdale, California. Northeast of Modesto in Stanislaus County.
Products:	12 varieties of gouda, cheese spreads, cheesecakes, brownies, and other gourmet products
Employees:	6, plus Walter and Lenneke
Primary Sales Outlets:	•Their store in Oakdale •15 farmer's markets in the Central Valley, on the coast, and in the Bay Area
Website:	**http://oakdalecheese.com**
Contact Information:	Walter and Lenneke Bulk Oakdale Cheese and Specialties 10040 State Highway 120 Oakdale, California 95361 Phone: 209-848-3139 Fax: 209-848-1162

Introduction

Oakdale Cheese and Specialties is owned and operated by Walter and Lenneke Bulk, Dutch immigrants to California. Walter, a fourth-generation cheesemaker, left his family's farm in Haarlemmermeer in 1979 and Lenneke joined him here in 1982. They started their business in Escalon 20 years ago upon finding an old, abandoned dairy barn tucked away on an almond orchard. They converted it into a cheese-making facility and started making their native Gouda, quark, yogurt, and desserts. Quark, first made in Germany and Austria, is a soft, spreadable cheese that is low in fat and high in protein. It's also a key ingredient in their cheesecake brownies and German cheesecakes.

After 12 years in Escalon, their cheese plant started to age. The roof started leaking, the floors kept getting worse, and the old dairy needed almost constant maintenance. Finally, in 1995, they moved to their current location in Oakdale. They built a new facility where they could both make cheese and sell their products. Large windows in the store overlook the whole cheese-making process. Customers can see the long, wooden shelves full of aging wheels of Gouda and watch Walter at work. There is also a picnic area and petting zoo next to the store. The petting zoo—home to two ducks, five geese, two sheep, five goats, a llama, a couple rabbits, one retired donkey, and two Jersey calves, Moe and Joe—is a favorite with children.

Oakdale Cheese now offers over 30 varieties of cheese and a wide range of products. They make 12 flavors of Gouda, including cumin, smoked, pepper, and garlic. Their quark spreads come in a variety of flavors too, such as sundried tomato and pesto. Every morning, their baker makes sweet and sourdough French baguettes, German cheesecakes—in flavors from Lemon Curd to Chocolate to Cinnamon Apple—and cheesecake brownies. They sell sliced meats and make boxed lunches for groups of ten or more. The retail store also offers gourmet foods like preserves, olives, salsas, and California wines and sells kitchen items like fondue pots and cheese graters.

Marketing

When Walter and Lenneke first started their business, they sold their cheese at farmer's markets, through a mail-order catalog, and their own unique, on-site system. They used to stock the refrigerator in their garage full of cheese and welcome customers to walk in, make a selection, and leave their money on the counter. Now their retail store accounts for most of their sales. They opened the store to establish a consistent sales presence, sell to the tourists who pass through the area, and show customers how cheese is made. The store hosts tour groups from area schools and retirement communities.

Oakdale Cheese also goes to 15 farmer's markets now, including the ones in Modesto, Santa Cruz, San Rafael, and Davis. Three employees are fully dedicated just to going to all the farmer's markets. They also sell their products on their website (http://oakdalecheese.com). They have found that sales via the website are good around the holidays, but not remarkable at other times of year.

Supportive Organizations

Walter reports that the California Milk Advisory Board (CMAB) has been particularly helpful to their business. At CMAB's website—www.calif-dairy.com—visitors can purchase cheese, learn more about how it is made, and search a directory of cheesemakers in California to find out what kinds of cheese they make and if they offer tours.

Challenges

Though their business has been quite successful in the past 20 years, there are two main issues facing them at the moment.

Proposed road expansion. CalTrans, the state's transportation authority, might build a bypass around the town of Oakdale. This proposed four-

land highway would cut right though the current location of Oakdale Cheese. If the project goes through, they will have to tear down their house and give up the land for the petting zoo and picnic area. On the bright side, the retail store and cheese plant could stay in the same place. Walter and Lenneke think that the new road and the increase in traffic might even boost business in the store.

Economy. The economy is flat and has been bad for sales. Even though Walter and Lenneke work hard to please their customers, when the economy sours, business at their store suffers. In particular, they have found that when fewer tourists visit Yosemite Park, fewer shoppers stop at their store, and sales drop. Fortunately they report that farmer's market sales tend to be more stable and are not affected by changes in the economy.

Three Top Tips for Other Food Manufacturers

To other cheesemakers who are just starting out, Walter and Lenneke recommend that you build a cheese plant in the best location possible—such as a busy intersection or a tourist highway—and sell straight to your customers. They suggest that you develop this sales outlet into a solid base for your business. Walter feels like if it weren't for their store in Oakdale, they would no longer be in business.

Links Referenced in the Case Study

California Federation of Certified Farmers Markets
http://www.cafarmersmarkets.com

California Milk Advisory Board
http://www.calif-dairy.com

Oakdale Cheese and Specialties
http://oakdalecheese.com

Just Tomatoes, Etc.: Karen and Bill Cox

Overview of Farm Business

Year Started:	1985
Location:	Westley, California. Southwest of Modesto in Stanislaus County.
Products:	Dried fruits and vegetables
Employees:	65 at peak season, plus the owners
Primary Sales Outlets:	• Retail grocery stores, natural food stores, and food cooperatives • Their website • Mail-order catalog
Website:	**http://justtomatoes.com**
Contact Information:	Karen and Bill Cox Just Tomatoes, Etc! PO Box 807 Westley, California 95387 Phone: 209-894-5371 Fax: 209-894-3146 Email: **info@justtomatoes.com**

Introduction

Before they launched their successful dried fruits and vegetables business, Karen and Bill had been growing row crops in Westley, in western Stanislaus County. Karen and her husband, a fourth-generation farmer, grew tomatoes, lima beans, basil, dill, wheat, and alfalfa on their 2,000-acre farm for 15 years. Like most agricultural businesses, their income varied from season to season. One year would be great and then the next one would be terrible. This continuing cycle led Karen to look for ways to smooth out their farm income.

At the time, in the early 1980's, sundried tomatoes were the hot new food item. They were added to spreads, dips, and pizzas, but Karen had never been too impressed with them. She didn't think that the store-bought dried tomatoes had the true flavor of tomatoes, so she made some of her own from their farm's tomatoes. Soon after, she took some of her homemade tomato chips and dip to a party. People just went crazy for the taste and kept asking, "What are these? What are these?" She replied that they're "just tomatoes, just tomatoes." A friend turned to her and said, "Well, then that's the name of your business: 'Just Tomatoes'!"

And so the business started. Karen bought two home dehydrators and started drying tomato chips. She used her experience as an illustrator and artist to design the "Just Tomatoes" labels and do all the marketing. When friends recommended that she market her dried tomatoes to upscale grocery stores, she took some samples to a gourmet specialty foods store in the Bay Area. At first they were uninterested, since they already had some from Italy, but then they tasted her samples. They were hooked and promised to buy all the dried tomatoes she could bring them.

That winter, she and Bill bought 100 home dehydrators and a few industrial-use tomato slicers. They filled up their garage in anticipation of the next season's harvest. Orders kept coming in and Just Tomatoes kept growing. Their system of home dehydrators worked for a while, but finally the business outgrew it. To further expand Just Tomatoes, Bill designed and built an industrial-scale dehydrator with the help of an air conditioning company in Modesto. Now they have eight of Bill's massive dehydrators on their production floor.

Bill and Karen produced dried tomatoes for the first few years and then diversified into apples,

persimmons, bell peppers, and a veggie mix for soups and sauces. In the early 1990's, the New York Times did an article about their dried veggie mix and the phone rang off the hook for six days straight. A few months later, Nutrition Action Health Letter, a newsletter for nutritionists with a circulation of over 800,000, did a story on the health benefits of their dried veggie mix. The phone rang for six weeks. In fact, the response was so overwhelming that they had to install a new phone system. Their business tripled in one year and Just Tomatoes was on its way.

Now Just Tomatoes sells 39 different dried vegetables and fruits, including carrots, corn, peas, mushrooms, strawberries, pineapple, peaches, blueberries and mango. They are also a certified organic handler and have 11 organic products, including a veggie mix, soy nuts, peas, tofu, raspberries, and strawberries. They also package gift baskets and sell cookbooks of recipe ideas using Just Tomatoes dried products.

After the veggie products became a hit, employment at Just Tomatoes expanded to 25 year-round workers, plus 25 more during the drying season, and 15 full-time sales people. Their yearly payroll now tops $700,000. In addition to what their payroll adds to the local economy, Just Tomatoes also buys their fruits and vegetables from area farmers whenever possible. The apples come from a neighbor, the persimmons are grown in Fresno, and the bell peppers come from farmers in Westley. Their own farm grows all the tomatoes in Just Tomatoes products. These tomatoes are grown on the outside row of the fields of processing tomatoes and hand-picked at their peak.

Marketing

At first Bill wasn't convinced that selling dried vegetables was a good idea. He didn't understand why stores would pay $18 per pound for dried tomatoes when the canneries only paid 3 cents per pound for the fresh ones. Then the orders started coming in.

Gourmet grocery stores in California were the first to buy their products. A few months later they got a call from a deli in Virginia Beach, Virginia.

The caller said that a friend had been to California and brought back some of their dried tomatoes. He wanted to sell them in

his deli, so Karen and Bill started an account. Then a couple weeks later they got a similar call from someone in Ohio. The calls kept coming in and soon they were selling their products nationwide.

Karen and Bill tried to work with distributors and brokers but found that they only added layers of logistics, bureaucracy, and cost to their operation. Instead, they now have 15 “account managers” around the country who work from home and do their sales calls. Currently Just Tomatoes sells to the central warehouses for large stores like Albertsons, through their website (http://justtomatoes.com), via a mail order catalog, and directly to retail stores, coffeeshops, and delis. The largest segment of their market is natural food stores like Whole Foods and Wild Oats. On-line sales recently expanded to 7% and mail order stands at 1-2% of total sales.

Supportive Organizations

Karen is a supportive member of California Women for Agriculture and Bill is very active in the Stanislaus County Farm Bureau. They have used Cooperative Extension and agricultural advisors quite a bit in the past 20 years. They found their assistance with product development to be particularly helpful. Karen and Bill are also part of the National Association for the Specialty Food Trade and keep in touch with other specialty food producers in the state.

Challenges

Since Karen and Bill started Just Tomatoes 18 years ago, it has grown into a successful, nationally-known business. Nevertheless, it still faces challenges.

Environmental Restrictions. Karen and Bill find that farmers are more and more limited by dust restrictions, drainage limitations, and water availability. Farmers seem to get cut first when natural resources are allocated between urban and rural uses. They also say that the level of reporting and record keeping that is necessary to stay in compliance with these regulations gets more difficult and time-consuming every year.

Urbanization and the Loss of Farmland. More and more prime agricultural ground is disappearing under pavement, particularly on the west side of Stanislaus County. Newcomers often settle in towns close to the interstate and commute up to three hours each way to their jobs in the Bay Area. There is a county Right-to-Farm ordinance, but Karen and Bill find that these new neighbors aren’t accustomed to living in an agricultural area and often complain. They would like to trust that agriculture will always be a part of

the Central Valley, but they also remember that that's what farmers near Los Angeles used to say.

Global Agricultural Markets. Karen and Bill find that international markets have a larger and larger influence on American farmers. Apricot growers in California can't compete with the price of apricots from Turkey. These imports are on sale at the market for less than what growers in the US get paid for the unprocessed fruit. Plus, Karen points out that the imports are often lower-quality fruits and that consumers have no information about how they were produced. In their opinion, the US should be self-reliant for its food. They feel that the US shouldn't rely on other countries to provide our food as we rely on some to provide our oil. They both believe that we should protect our farmland by supporting American farmers.

Three Top Tips for Other Growers and Food Processors

Based on their experience with Just Tomatoes, Karen and Bill have three recommendations for other growers and food processors.

1. Check out the competition. See what products are already out there and what you will be competing against. Salsa, for example, is a tough market. There is already a glut of salsa on store shelves so it would be very difficult to introduce yet one more brand to the marketplace.

2. Build the cost of distribution into your price. In case you ever have to go that route, include the cost of distribution in your price from the beginning. It's nearly impossible to add this cost to your price once your product is established. A rough estimate is that the cost of distribution will add 25% to 35% to the price of your product.

3. Slow and steady. Build your business gradually as you can afford to do so. Don't go out on a limb or take great risks.

Links Referenced in the Case Study

California Women for Agriculture
http://www.cawomen4ag.com/

Just Tomatoes
http://www.justtomatoes.com

National Association for the Specialty Food Trade

http://www.nasft.com/

Stanislaus County Farm Bureau

http://www.cfbf.com/counties/co-50.htm

University of California Cooperative Extension, Stanislaus County

http://cestanislaus.ucdavis.edu/

Riverdance Farm: Cynthia Lashbrook and Bill Thompson

Overview of Farm Business

Year Started: 1996

Location: Livingston, California. North of Merced in northern Merced County.

Size: 74 acres

Crops: Certified-organic walnuts, almonds, pecans, blueberries, cherries, pomegranates, persimmons, cut flowers, lavender, and, in the winter, oat hay

Employees: 2, plus the owners

Primary Sales Outlets:

- Wholesalers
- Two annual you-pick weekends for the blueberries
- A local dairy

Contact Information:

Cynthia Lashbrook and Bill Thompson
Riverdance Farms
12230 Lingston-Cressey Road
Livingston, California 95334
Phone: 209-761-0081
Email: **livingfarms@cyberlynk.com**

Introduction

In 1996, Cynthia Lashbrook and Bill Thompson started farming in Livingston, a small community along the Merced River in northern Merced County. Riverdance Farm has since expanded to 74 acres and a multitude of crops, including walnuts, almonds, pecans, blueberries, cherries, pomegranates, persimmons, cut flowers, lavender, and, in the winter, oat hay. Their farm has been certified organic from the beginning. In the future, Cynthia and Bill want to open their farm to the public to give visitors a view of sustainable agriculture in action.

Cynthia and Bill also work as independent pest-control advisors through their own business, Four Seasons Agricultural Consulting. They work with other farmers who want to reduce their use of chemical inputs and incorporate the use of cover crops and beneficial insects. Their own experience as farmers has been invaluable to this work and even prompted Cynthia to start another business in 1992. After she had such a hard time finding cover crop seed, beneficial insects, and other supplies for her own farm, she formed Living Farm Systems to offer these products to other farmers.

Cynthia and Bill's commitment to ecological land management practices extends beyond the borders of their own farm. They are active in the East Merced Resource Conservation Board and the Merced River Stakeholders Group. They also welcome the many deer, foxes, bobcats, and species of birds that pass through their farm. Riverdance Farm is also home to the elderberry beetle, an endangered species. They say that some farmers would be afraid to find endangered species on their property for fear of the potential land use restrictions. Cynthia and Bill, however, are pleased to have the beetle on their farm and are helping it to thrive by cultivating more of its habitat, the elderberry plant.

Marketing

Riverdance Farm sells most of its harvest via wholesalers and you-pick sales. Their almonds are packed out through a local grower and the walnuts are sold through another farm. Their organic oat hay is sold to a local organic dairy. In order to expand their marketing opportunities, Cynthia and Bill are building a facility at the farm that they can use as both a packing shed and a fruitstand. They are interested in doing some of their own packing and increasing their direct sales.

This year Riverdance Farms' blueberries will be sold through Pacific Organics and two annual you-pick weekends. Cynthia and Bill have hosted informal you-pick weekends in the past, but this is the first year that they will open the farm to the public. They will host you-pick days on Memorial Day weekend and the

weekend after July fourth and hope to have at least 60 visitors at each one. Six acres of blueberries and two acres of cherries will be ready to harvest and another three acres of blueberries will be ready next year. In the future, they would also like to offer flowers, stone fruits, and pumpkins on a you-pick basis.

This year Cynthia and Bill will advertise their you-pick days at local events, through friends at farmer's markets, at the annual Heartland Conference, and perhaps through the local newspaper. Since the fruit is best picked in the morning, they will open for you-pick visitors from 8:00 to 2:00. Cynthia and Bill are still working out the prices for their you-pick days, but they may charge both a flat fee for the day and a price for each pint of fruit. The flat fee would be set to cover the tasting and snacking of their you-pick guests as they pick. Cynthia and Bill will provide buckets for the customers to use as they pick and ask them to bring their own containers and coolers to take the fruit home.

Cynthia and Bill were originally interested in hosting you-pick events to bring people to their farm and share their beautiful spot along the river. In addition, blueberries are a great you-pick crop. They are easy to pick, the fruit does not lie too close to the ground, and the plants have no thorns or prickly parts. In addition, the combination of the wholesale harvest and the you-pick days works out very well for the farm. When the fruit is mature, Riverdance first picks blueberries for Pacific Organics. With this pass, they take the fruit that is easiest and fastest to pick, keeping their harvest costs lower. Then the you-pick guests come in and pick the blueberries that are left. The fruit is just as good, but it takes a little longer to pick, which the visitors don't usually seem to mind.

Supportive Organizations

Cynthia and Bill have been active in a number of organizations dedicated to sustainable agriculture and their regional ecosystem. They are part of the California Farmers Union and the Ecological Farming Association and have been very active with the Community Alliance with Family Farmers. In 1993, they were instrumental in the organization of the Biologically Integrated Orchard Systems (BIOS) project. BIOS—a collaboration between CAFF, local farm advisors, the Natural Resources Conservation Service, the Environmental Protection Agency, and researchers from UC Davis—worked with farmers in Merced County to reduce their costs of production through less-chemically intensive pest control methods. The BIOS system has since been applied to a number of crops throughout the state and is currently coordinated through the UC Sustainable Agriculture Research and Education Program.

Cynthia also helped start and facilitated the Lighthouse Farm Network in Livingston. For three years, this CAFF project brought farmers together for breakfast meetings and field days where they exchanged information about their on-farm experiments with biologically-friendly farming.

Cynthia and Bill treasure their spot along the Merced River and are committed to the river's restoration. They have been active participants in the Merced River Stakeholders Group, a collaboration between state and local agencies and landowners working together to restore the river. Cynthia is also a director of the East Merced Resource Conservation Board.

Challenges

Cynthia and Bill identified two main challenges for their farm at the moment.

New USDA Organic Regulations. It is increasingly more expensive for small-scale farms to be certified-organic growers. Cynthia and Bill have found that small farms now face higher certification costs through California Certified Organic Farmers under the new USDA National Organic Program. She is also concerned that the small growers who blazed the trail in organic agriculture are going to be forced out of business by the bigger growers that have followed them.

Economic Squeeze. This is a difficult economic climate in which to be a farmer. Cynthia and Bill just found out that they will pay 40% more for workers' compensation coverage this year. This means that for every $100 they earn on orchard crops, $26 is diverted to paying for workers' compensation insurance for their two employees. In addition, commodity prices are falling as larger almond growers enter the market. Smaller-scale almond growers are having a harder and harder time staying in business.

Links Referenced in the Case Study

California Certified Organic Farmers
http://www.ccof.org/

California Farmers Union
http://www.calfu.org/

Community Alliance with Family Farmers
http://www.caff.org/

Ecological Farming Association
http://www.eco-farm.org/

The Heartland Conference

http://www.eco-farm.org/heartland/heart.html

Merced County Farm Bureau

http://www.cfbf.com/counties/co-24.htm

Merced River Stakeholders Group

http://www.mercedriverstakeholders.org/

Beekman & Beekman Gourmet Honey and Honey Wine: Ann, Bruce, Zak, and Matt Beekman

OVERVIEW OF FARM BUSINESS

Year Started:	1913
Location:	Hughson, California
Products:	Honey, honey wine, almonds, lavender, and lavender products
Employees:	Ann, Bruce, and their sons Matt and Zak, and 3 seasonal employees
Primary Sales Outlets:	• Their own tasting room • Wholesale markets • Retail stores like Dean & Deluca and Whole Foods
Contact Information:	Ann Beekman Beekman & Beekman Gourmet Honey and Honey Wine 5236 Geer Road Hughson, California 95326 *Phone*: 209-667-5812 or 209 669-6323 (Tasting Room) *Fax:* 209-634-2337 *Email:* **info@beekmanandbeekman.com** *Website*: **www.beekmanandbeekman.com**

Introduction

In 1913, the Foote family started farming alfalfa and keeping a small dairy in Hughson, California. On a family trip to Willsboro, New York, young Laura Belle Foote met Jack Beekman. Jack later moved to California to make his life with Laura Belle. After they both finished college, they married and continued farming together. Then, in 1929, a friend asked Jack to take some bees out of the engine of his Model A. Jack taught himself how to work with the bees and the Beekman's beekeeping business was born. Now,

almost 100 years later, Jack's son Bruce, his wife Ann, and their sons Matt and Zak—the third generation of Beekman beekeepers—have made the family business more diverse and successful than ever.

Bruce owns Beekman Apiaries and farms almonds and lavender adjacent to the old Beekman ranch. Ann established Beekman & Beekman Gourmet Honey in 1997 and then opened the Beekman & Beekman Winery in partnership with Matt in 2000. Matt also owns California Apiaries, his own pollination business, and Zak plays a key role in the farming and honey order fulfillment aspects of the operation.

The Beekmans have several thousand beehives all over California—from Butte County in the north to Orange County in the south—that pollinate or produce honey from lavender, alfalfa, melons, sage, oranges, almonds, cherries, and apples. The pure varietal honey produced by the Beekmans is extracted at the ranch just as it has been for decades. They offer a wide range of products, including several varieties of honey and honey wine (or "mead"). Matt makes three kinds of honey wine—Blackberry, Tupelo, and California Orange Blossom—that vary in taste and alcohol content. The Blackberry honey wine has a wonderful floral component while the Tupelo has unique elements of clove and nutmeg. The honey wines are barrel fermented in a combination of new and used French oak barrels and aged sur lie ("aged on the yeast") for a distinctive flavor.

The Beekmans' lavender, certified organic through California Certified Organic Farmers, is the star of their annual lavender "Celebration of Bloom and Harvest" festival. Bunches of fragrant lavender are freshly picked for visitors while they view how the herb is processed into oil. Since their tasting room opened, three local women have stopped in and offered to create additional products with their lavender. These neighbors now make lip balm, lotion, and soap—including goats milk, glycerin, and lavender varieties—that the Beekmans sell in their tasting room and at their website (www.beekmanandbeekman.com). Ann is also developing their own line of lavender oils, linen water, and other lavender and honey products.

Marketing

The Beekmans sell their honey—including the rare and flavorful California Sage variety—in bulk to wholesalers who often blend it with other sources of honey for consistency of color and taste. To maintain the pure varietal nature and flavor of their honeys and to offer customers a gourmet honey, Ann established Beekman & Beekman Gourmet Honey and opened the tasting room at their ranch. Beekman & Beekman honey is unblended, pure varietal honey that is taken from the beehive soon after its production by Beekman bees. Never filtered or flash-heated, Beekman & Beekman honey is the purest essence of the nectar source. In addition to their own honey, Ann also buys unique varieties of honey not

produced in California, including the rare Florida Tupelo honey, for the Beekman & Beekman line of honey and wine.

Since the tasting room opened in June 2001, the Beekmans have been able to sell pure varietals of honey directly to their customers, maintain a high level of quality, and get a better price for their products than in the wholesale market. They designed eye-catching, professional labels that communicated the gourmet quality of their products. Now customers stop into the tasting room from 11 to 5 on Saturdays and 1 to 5 on Sundays year round (except for holidays and the month of January) to taste each variety of honey and honey wine and shop for soaps, lotions, and other gifts. Ann is on hand to explain the differences between the varieties of honey and honey wine, share stories about their family's history, and answer questions about beekeeping and cooking. Now Beekman & Beekman's sales are almost evenly divided between the wholesale market and their tasting room.

The portion of their business from pollination through Beekman Apiaries and from their gourmet honey through Beekman & Beekman varies by each year. Pollination is an important part of the Beekman's overall family business, in addition to California agriculture in general. The honey varies from year to year depending on the weather, the health of the bees, and the availability of locations for the bees to produce high-quality honey.

After they heard that customers who had purchased their honey in gourmet stores like Dean & Deluca were looking for a way to buy it on the internet, they worked with someone to develop and monitor their own website (www.beekmanandbeekman.com). Sales from their website have been increasing, but Ann sees it primarily as a way to educate consumers about honey and honey wine and share information about their products and the tasting room.

Beekman & Beekman has enjoyed a great deal of publicity. They've been featured on television shows like California Heartland and California Country. Matt has also done cooking demonstrations at COPIA, the American Center for Wine, Food & the Arts in Napa, California, that pair their honey wine with delicious dishes. Thanks to an article in the Modesto Bee, they had a fantastic turn-out for their first annual lavender festival last year. This year they have limited their publicity to local venues to keep the number of festival visitors manageable.

Supportive Organizations

The Beekmans have been active members of the California State Beekeepers Association, the American Beekeeping Federation, and the National Honey Board. The Honey Board has also designed great

educational materials, including a website with recipes and a honey locator that allows visitors to search by a honey's floral source and supplier. They have also appeared in the Stanislaus County Farm Bureau's Harvest Trails paper that advertises roadside stands and tasting rooms.

Challenges

Ann named two significant challenges for their business.

1. Dealing with the difficulties of beekeeping. Ann has found that beekeeping is one of the most labor intensive, stressful jobs in agriculture. Typically the Beekmans travel four to six hours just to get to an apiary (bee yard) to take care of their bees. Then the bees must be moved at night to accommodate the wide range of locations that the beekeepers must travel and inspected regularly. It is extremely difficult to keep bees healthy and alive between the flowering of crops. They must be located in a place to feed the hive and find pollen and nectar. In addition, one of the most significant problems facing the industry is the theft of hives. Hives are left out in fields and unprotected, but they cannot be insured. Fifteen hives had recently been stolen from their farm. The Beekmans encourage the land owners and farmers where their hives are located to be alert for suspicious activities near the hives.

2. Labor issues. Beekman & Beekman is family-owned and -operated, but they do hire a few additional temporary workers at certain times of the year. Often it is difficult for them to find reliable, hard-working employees. One person has worked for them for awhile, but the others seem to come and go. They usually hire workers from nearby farms for some small tasks, like cutting the lavender. They know that beekeeping is very hard work, but they wish it were easier to find employees.

Top Tip for Other Farms

Think through your business plan carefully. As you develop a business plan, Ann recommends that you clearly identify what concept your business and product will present, what markets you will pursue, and what service you will provide to your customers. Find opportunities to both market your product and educate consumers about what you do. Above all it is necessary to demonstrate the passion you have for your business and the product you produce. Don't be afraid to share what it takes to get an agricultural commodity to the consumer. People want to understand and are looking for a connection to the land and those that provide food for them.

Links Referenced in the Case Study

Beekman & Beekman

www.beekmanandbeekman.com

California Certified Organic Farmers

http://www.ccof.org/

The Honey Experts

http://www.honey.com/

National Honey Board

http://www.nhb.org/

Stanislaus County Farm Bureau's Harvest Trails Paper

http://www.spendtheday.org/article.php?sid=11

Stewart & Jasper Orchards: Jim and Jason Jasper

Overview of Farm Business

Year Started:	1948
Location:	Newman, California. Southwest of Modesto in Stanislaus County.
Size:	2,500 acres
Crops:	Almonds, peaches, nectarines, pluots, and walnuts
Employees:	100 year-round, plus another 80 in the peak season
Primary Sales Outlets:	• Export sales to Taiwan, Japan, and Europe • Major supermarkets like Safeway • Specialty food stores in France, Germany, and Britain • Their own retail store and website
Contact Information:	Jim and Jason Jasper Stewart & Jasper Orchards 3500 Shiells Road Newman, California 95360 Phone: 209-862-9600 Email: **jason@stewartandjasper.com** Website: **http://www.stewartandjasper.com**

Introduction

Stewart & Jasper has been growing peaches, nectarines, pluots, almonds, and walnuts in Newman, California for over 50 years. As they continue to diversify their marketing strategy with a line of value-added products and an on-farm retail shop, this family farm is poised for another generation of success.

In 1948, Romain Stewart and Lee Jasper founded Stewart & Jasper Orchards in Newman, California, a small agricultural town on the west side of Stanislaus County. At the outset, Stewart & Jasper grew beans, alfalfa, tomatoes, and other row crops. Since then the farm has transitioned into a wide variety of crops—including peaches, nectarines, pluots, almonds, and walnuts—and expanded to 2,500 acres. They are slowly moving into organic production as well, with 35 acres currently in organically-grown almonds. Lee's son Jim joined the farm in 1967 and his grandson Jason joined the business in 1998.

Stewart & Jasper started hulling their own almonds and walnuts in the mid-1970's and have since vertically-integrated their production. They grow, hull, package, and then sell their own almonds, in addition to processing both walnuts and almonds for nearby farms on a custom basis. This year, Stewart & Jasper will pack out about 23 million pounds of almonds from their orchards, of which approximately 100,000 pounds will be processed into their own line of value-added products.

In addition to natural almonds and walnuts, Stewart & Jasper sell a wide variety of specialty food products, including glazed nuts in flavors like cinnamon, raspberry cheesecake, and key lime. Their roasted almonds are available in sundried tomato, balsamic herb, chocolate toffee, and yogurt flavors. Stewart & Jasper also sells dried apricots, dried pluots, dried white nectarines, and dried white peaches, as well as apricot, pluot, and white nectarine and raspberry preserves. They package these value-added products individually and in special gift baskets.

Marketing

Stewart & Jasper markets their produce through several avenues, both domestically and internationally. Most of their peaches are sold through a broker to retailers and wholesalers in Taiwan, while the other fruits are sold in the US through major supermarkets like Safeway. More than 75% of their almonds are exported, primarily to Japan, and sold through brokers or directly to food processors, confectioners, and bakeries. Some confectioners are so particular about the size of the almond that they use in their production process that Stewart & Jasper will fill custom orders to their specifications. A significant portion of Stewart & Jasper's domestic sales is to Hershey's, a high-volume purchaser with very high quality standards. They are proud to be one of only six almond processors in the US who supply Hershey's almonds.

Though Stewart & Jasper has been very successful in selling their fruits and almonds internationally, they also recognize that these markets are changing. Given current trends, they do not expect their sales in international markets to be as strong in the future. As a result, Jim and Jason have adjusted their long-term business strategy to include the development and marketing of their own line of value-added products. The creation of this value-added product line allows them to diversify their business and enter marketing avenues—such as direct-to-consumer sales via their website and their own retail store at their farm—that are more insulated from volatile global markets. Since value-added production requires a significant investment in capital, including the machinery required to roast and flavor the almonds, this strategy will be slowly implemented over time. In addition, defining a marketing strategy is expensive and takes a great deal of planning, particularly since they want to sell their products in smaller, gourmet food stores and markets. At the moment, Stewart & Jasper is producing value-added products on a limited scale and plans to expand this aspect of their business over time.

When Jason graduated from California Polytechnic State University in San Luis Obispo in 1998, he came home to Stewart & Jasper and managed this shift toward value-added products. They had considered diversifying their production into blanched, sliced, or diced almonds before, but these products would still be sold to the same food processors along the marketing channels that they had already developed. Instead they wanted to develop something else to carry the Stewart & Jasper label and find a new market niche. With this in mind, Jason developed their line of value-added products and the website to market them (http://www.stewartandjasper.com). Soon their website will sell over 75 value-added and specialty items and offer customers the option to create their own custom gift baskets.

Stewart & Jasper also sells their products through a mail-order catalog, their store in Newman, and gourmet, specialty retail markets in France, Germany, and Britain. In addition, they are in the process of constructing a new retail facility at their almond plant in Newman. When the new on-farm retail store opens in May 2003, it will offer retail sales of Stewart & Jasper value-added products and other specialty items. In addition to the retail space, the new facility has a roaster, a custom bagging machine, a shipping area, and a commercial kitchen where they can now glaze their own almonds. The storefront in Newman will close once the new retail space opens, but reopen each year for about three months around the holidays.

Challenges

Stewart & Jasper has grown into a very successful business in the last 50 years, but it faces three main challenges.

Global Agricultural Trade. Fruits from South Africa, Turkey, Chile, and New Zealand are flooding the American market. More and more of the vegetables we eat in the US are grown in Mexico. As Jim and Jason point out, American farmers can't compete in the global market on any crops that require a significant amount of labor. Fruits, for example, need a lot of care when harvested and packed. Almonds, in contrast, don't demand significant amounts of labor in their production or harvest, which allows growers in Stanislaus County to compete in the global almond market. In fact, 80% of the worldwide production of almonds occurs in the San Joaquin Valley. The bottom line for Jim and Jason is that, unlike manufacturers, family farms can't just pick up and move to another state or a different country. Each farm is rooted in its own location, but it is getting harder for everybody to stay in business.

Environmental Compliance. Currently the greatest challenge their farm faces is water. They were recently notified that the acreage on their farm that lies within the federal water district—about 75% of their total acreage—would only receive about half of its typical water allocation. They also confronted numerous county regulations during the construction of their new retail facility at the farm. County fees for schools, fire protection, and compliance exceeded $25,000.

Urbanization. Twenty years ago Newman was primarily an agricultural community. New homes sold for around $50,000 and the cost of living was quite affordable. Today, however, Newman and its cost of living are growing fast. The population has doubled in the past seven years and the average home price tops $175,000. Due to the increase in the cost of living, farmworkers can't afford to live in Newman anymore. American growers already have a hard time competing in the global market due to their higher labor costs. Now, to make it worse, even what many farms do pay people isn't enough to match the rising cost of living in these small, agricultural towns. In addition, newcomers from the Bay Area have no connection to agriculture and don't like the dust, or the noise, or even the bees that farmers depend on to pollinate. Farms close to urban areas are particularly at risk.

Three Top Tips for Other Growers

Based on their experience, Jim and Jason offered three recommendations to other growers and food processors.

1. Surround yourself with good people who are experienced, dedicated, and have good common sense.

2. Don't be undercapitalized. Make sure you have adequate assets.

3. Develop good strong relationships with the people you do business with.

Links Referenced in the Case Study

Stewart and Jasper

http://www.stewartandjasper.com