

Module 3: Crop Selection & Pricing

Introduction

Once you've come up with your business plan and researched your local market, it's time to start growing! In this module, you'll learn how to choose which crops to grow, what season to grow them in, how to select the best varieties, and how to determine pricing. All of these decisions will inform how to build your business model.

Remember to use this information as a framework to make your own decisions and figure out what works best for your farm. Attempting to directly duplicate someone else's model usually doesn't work, as we all have unique contexts.

Climate

Figuring out which crops to grow will significantly depend on the context of your climate. Your geographical location will determine what kind of rainfall, sun, heat, and cold you can expect on your farm. It is also crucial to figure out what type of soil texture you have and its fertility level.

Market

Once you have determined what your climate will allow you to grow, you need to figure out if there is a market for that kind of product in your local area. As mentioned in the previous module, visiting the local farmers' market is a great way to learn what is being grown, what is selling, and what isn't. As you talk to customers and farmers, you'll get a good sense of what's going on in your area. If you're selling to chefs, start looking at their menus and determine what types of crops would fit with their menus.

Factor Your Time

When land is limited, it's essential to focus on the most profitable crops. Start by asking how much time it takes for a crop to grow to maturity and how much labor is required. A long time in the ground means that the land can't be replanted with a new crop, so the crop must command a higher price point. If it requires a lot of labor, you have to pay for that labor by charging a higher price. Run through all of your potential crops and determine if they are high-value or low-value crops?

Processing, Storage, & Delivery

Another question to consider is whether or not you have the resources to process, store, and deliver your crops after they are harvested. For example, if you're going to focus on salad greens, you'll need a wash station that will allow you to move a high volume of salad greens through that system quickly and efficiently. If you don't have an efficient way to wash and pack, you should probably not grow salad greens yet.

Do you have a large enough cold storage space for all of your harvest? Do you have a way to deliver them? Do you have a van, truck, or trailer to move your product?

If you are growing salad greens, do you have a way to harvest them efficiently? Do you have a Quickcut Greens Harvester? All of these processes need to be thought through before selecting your crops.

Long Season Crops

Josh focuses on high-value crops with quick turnarounds but concedes that sometimes producing longer growing crops like tomatoes can be beneficial.

It all comes back to what makes sense for your context. Josh stopped growing tomatoes at Sattin Hill Farm because squirrels were such an issue. However, he recommends that if there's a large market for them in your area, it may be worth investing in ways to solve the issues surrounding the problem (like squirrels in his case).

While some long-season crops like tomatoes can get premium prices at the market, there are tradeoffs. A lot of labor and time goes into growing tomatoes on a larger scale, but they are incredibly high-yielding and profitable. If you are on the fence about growing a long-season crop, use market demand to help determine what you should grow. For example, if you're doing a CSA, people will want seasonal tomatoes included in their boxes.

Another consideration when choosing long-season crops like tomatoes, peppers and eggplant is they take up a lot of nursery space in the spring. They need to be started eight weeks before planting and require potting up (being moved to larger-sized pots as they mature). This process takes time and valuable greenhouse space, which you must consider. Greenhouse space is prime real estate, so you need to make every square foot count. It will already be crowded in the spring, so if you choose to include tomatoes in your crop plan, make sure your nursery is big enough to accommodate them.

Different Crops for Different Markets

You'll likely be choosing slightly different crops based on the sales outlets you've chosen. Restaurants, farmers' markets, and CSA's will all help shape your crop plan.

When growing for restaurants, you'll choose your crops based on what chefs are asking for and what will be most profitable for you. First, you'll need to study some local menus to get a feel for what chefs in your area are using. Then, you'll grow some products you can bring to chefs for samples. Once a relationship is established, you can start planning your crops based on what your chefs ask for.

When growing for farmers' markets, you'll choose your crops based on what everyone else is growing and how to be competitive with that. Figuring out a way to stand out from the crowd is key. For example, if you notice no one is selling carrots, you might be able to establish yourself

as “the carrot farmer” and make that your specialty. Find your niche, master it, and then use that to differentiate yourself from others.

When growing for a CSA program, you’ll choose your crops to provide as much diversity and interest for your subscribers as you can. Six to ten different crops are what Josh recommends for a CSA box. To offer a lot of variety, you will need to make space in your crop plan for lower-value crops.

Regardless of your chosen market, take feedback from your customers, and keep fine-tuning your production plan to meet the demand.

Seasonality

Most customers understand that some crops are seasonal and do not expect them to be available year-round. However, there will be times when you need to help educate your customers on seasonality to adjust their expectations accordingly. Seasonality can also be a selling point with your customers. Building anticipation and excitement for new crops at different times of the year can be a great marketing strategy. Chefs will often change up their menus based on the changing seasons.

Growing different things in the different seasons can also be fun and motivating, mixing things up and adding interest. Working with the ebb and flow of the seasons is one of the many perks of farming. Growing the same thing repeatedly can become monotonous, feeling more like a factory than a living, dynamic farm.

In Josh’s context, summers are brutally hot. Not only can this lead to a lot of complications for certain cool weather crops, but it’s also much more physically challenging to work in. In light of this, Josh has decided to make the winter his main growing season, which his customers are now accustomed to. North Carolina winters are relatively mild, and Josh can grow most of what he needs using his three 100’ caterpillar tunnels and row cover for crop protection.

Josh’s crop selection is relatively simple, with only an eighth of an acre in production. He grows lettuce mix, carrots, and beets year-round and then mixes in some seasonal crops throughout the year to add interest.

His lettuce mix is called “Salanova Foundation Mix” and is made of four different varieties. He’s tried other custom blends in the past, but sticking with Foundation has provided consistent quality year-round. Salanova seed might seem expensive, but Josh has found that it offers high yields and uniform germination, making it well worth the price. Once you find what works best for you, stick with it!

The variety of carrots that Josh has found to work best for his farm is Mokum. When first starting, try growing a few different varieties to find out which one works best for you in your specific location and market.

Josh prefers Red Ace for beets, which is a standard red beet. While there are many other novelty beets to choose from, sometimes selecting a common staple variety is the smartest move. It's likely what most customers are used to and looking for.

In regards to seasonal crops, Josh adds in Red Russian kale in the winter and then transitions that to Patty Pan squash in the late spring. Fewer crops greatly simplify the succession planting schedule for Josh.

Choosing Varieties

When choosing varieties, Josh refers to a tip he got from a fellow pro grower, Erich Schultz of Steadfast Farm in Mesa, Arizona. Erich's words of wisdom were, "Grow the boring crops." While this sounds funny, it is good advice when transitioning from backyard homesteading to growing for the market at a larger scale.

It's easy to get obsessed with the seed catalog and all of the bright colors of lesser-known exotic-looking crops, but when farming becomes your source of income, it's better to focus on what is guaranteed to be hardy and more likely to sell to a broader audience. Though beautiful, the more obscure vegetables will be harder to sell. Crops like lettuce, carrots, beets, tomatoes, and kale are familiar to people and won't require any convincing.

With that said, once you are established, adding in some interesting peripheral crops is very doable. There might also be a special request from a chef for some special occasion. The guiding principle here is to focus on reliable staple crops that work as your central focus and slowly add in specialty crops later.

When determining your primary crops, it's a good idea to talk to other local growers and network with people in your local area. They'll be the best source of reliable insider farming tips for what works and what doesn't in your region.

Buying Seeds

When it comes to deciding where to purchase your seeds, Josh recommends Osborne Quality Seeds, Johnny's Selected Seeds, High Mowing Organic Seeds, or Fedco Seeds. Regardless of which vendor you choose, it's always a good idea to call them and speak with a representative. You can let them know what region you're in, and they will be able to recommend varieties that would do best in your specific climate.

Pricing

How much do you need to charge to be profitable? This question is the starting point when determining what to charge customers for your vegetables. Think about all of the inputs, time, and labor that go into every step of the process, from preparing a bed, planting it, watering, harvesting, washing, packaging, and delivering. Are you breaking even, losing money, or profiting? If you're not profitable, then there's no reason to grow that crop.

As you learn what other growers are charging at the local farmers' market, ensure that you don't undercut your competition. When everyone is selling for generally the same price, everyone's winning. When you start lowering your price, everyone else will need to do the same to compete, and ultimately nobody wins. So don't be the one undercutting everybody else!

One pricing model that works particularly well for farmers' markets is the "one for \$3 or two for \$5." You have to package your products accordingly for it to make sense for those prices, but it makes for quick interactions and clear communication with customers. It also makes math quick and easy, which is a huge advantage when you're at a busy farmer's market.

When it comes to selling to restaurants, it's best to have open conversations with your chefs. Once they're excited about the quality of your product, you can talk together about what other farms are charging for similar products, what they pay when buying conventional, and then agree on what a fair price is for your top-quality produce. Help them understand the value of your products in terms of freshness and extended shelf life. Your products delivered the day after harvest will last up to two weeks, whereas conventional produce typically has a shelf life of only three days by the time it reaches the restaurant. Chefs will normally be glad to pay a premium price when they know you have a premium product.

Another key selling point for chefs is having professionally washed greens ready to serve right out of the bag. If you invest in your washing station and a professional greens dryer, you will save your chefs a lot of time when they don't have to wash the greens themselves in the kitchen.

Make sure chefs know your story. Local restaurants will often list which local farms supply their produce right in the menu. There will even be a brief write-up on your farm and your story. Having a personality behind the product is essential and goes a long way for patrons who care about where their food comes from.

Sattin Hill Farm Prices

While Josh's prices will be specific to his local market, his current price list can serve as a springboard when determining what yours will be. Don't consider them the "going rate," but rather just an example of what one grower is charging in one specific market.

Josh only sells locally in Raleigh, North Carolina. His three primary crops are lettuce, carrots, and beets. As of February 2022, these are his prices:

- Salad Mix: \$9.50/pound
- Carrots (without tops): \$5/pound
- Beets (with or without tops): \$5/pound

Many customers buying beets are also interested in the greens for braising greens dishes, so Josh will always ask to find out whether or not they want the greens included. He doesn't

present the option when the greens don't look nice from pest or climate issues that may have damaged them.

Wholesale vs. Retail

As in all markets, wholesale prices will be lower than retail prices. When selling to restaurants, you'll likely be selling by the pound, whereas you may be selling in 3 oz or 5 oz bags at the farmer's market. Packaging is less labor-intensive when preparing bulk orders, so pricing will reflect this. When packaging smaller units for retail, you're spending more on packaging and more on labor, so the prices will need to be higher to compensate for this. Your time spent at the farmers' market also needs to be factored into your retail prices.

Organic Certification

Whether or not to become certified organic is another pricing consideration. Josh decided not to get certified organic because he didn't personally believe in a lot of the growing practices, and he's also never been asked by chefs if he is certified organic. There is a lot of conversation about his growing practices, which all meet and exceed the organic guidelines, but not about the actual certification. Some of the chefs have even come to visit the farm. This is always a fantastic way to build enthusiasm and connection for chefs.

While it hasn't been a requirement for Josh, there are some situations where being certified organic can help you. One of those places is the farmers' market. When there are a lot of other growers at the market who aren't certified organic, then having the certification could be that thing that sets you apart. Having the label can attract more customers who may feel more comfortable only buying from vendors with the certification. It also might allow you to charge slightly higher prices and increase sales.

Yield per Bed

Yields per bed will vary significantly based on your climate, soil, infrastructure, and many other factors. Even the time of year can have a big impact on your yields. When trying to figure out your projected income based on your yield per bed, the best thing you can do is keep records. After a couple of seasons, you'll have a much better sense of what to expect.

Once you have figured out your yield per bed, you can work backward when you're planning. For example, if you want to grow \$3,000 of lettuce, and you're getting about 60 pounds per bed, at \$10 a pound, you're making \$600 per bed. This now informs you that you need to plant five beds of lettuce to reach your goal of \$3000.

Conclusion

Grow what works in your system. Grow what gives you high yields and high profits. If a crop doesn't prove to be profitable, stop growing it. Stick to a very simple crop plan and make sure you can successfully grow the crops you choose. If certain crops are not profitable in your

market, but you and your family enjoy eating them, create a separate section of your farm to designate as your family plot.