

Exploring a Market Farm Business



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***A market farm is often a food crop and/or animal product business that directly markets its produce/flowers/herbs/eggs/meat/dairy products, etc. to consumers or restaurants.**

Many non-farmers enjoy growing and raising plants and animals, but without a solid business approach such ventures will be unsustainable and may be better pursued as a hobby. With that in mind, explore a market farm business through the following steps (these are not necessarily linear and will build on each other) prior to contacting the Extension office. An acre is 43,560 square feet, or roughly the size of a football field without the end zones.

- 1. Develop a business plan.** A market farm is a small business. The 2007 Boulder County Building Farmers Program steering committee (composed of successful market farmers and ag professionals in Boulder County, several taught in the program) directed the curriculum development for the program to focus on business planning and management. Assumptions and unknowns can plague your thought process as you explore a market farm operation. These include production costs, goal setting, risk management strategies, equipment needed, labor needs, etc. You may not know the questions to ask until you work through a template such as "Building a Sustainable Business". http://www.sare.org/publications/all_pubs.htm
Most ag lenders will require a business plan prior to any financing.
 - If you are interested in farmers markets and ask yourself, "Am I a people person? Can I work with the public in an intensive way necessary to market directly?" Most new market farmers enter through the farmers markets.
 - Visit local farms and look at the labor needs and ask yourself, "Am I physically capable of this stoop labor and/or can I afford to hire labor for planting, weeding, and harvest? Or feeding, milking, moving, etc.?"
 - If you don't own land, inquire about leasing private and public land and ask yourself, "Do I want a landlord and can I afford the lease? What terms of a lease are important to me?"
 - Think about other ways to earn money and ask yourself, "Why do I want to be a market farmer? And what are my goals for embarking on this business venture? What will my business look like in 5 years?"
 - Check out the equipment listed in some of the publications and ask yourself, "Which do I need? Which can I afford? How will I learn how to use this equipment?"
 - National statistics show that on average 80% of small farm gross income is absorbed in production and marketing costs, netting a farmer 20% of total. Ask yourself, "Can I afford an annual operating budget of \$50,000 - \$150,000 (depending on scale)? Will I need financing?"

A market farm is a small business. Ask yourself, "Are you ready to manage employees, maintain equipment, keep records, make decisions based on limited information, file farm taxes, etc.?"
- 2. Intern, apprentice or volunteer on local farms.** This option (when available) gives you a sense of the hard work involved in market farm operations and may allow you to ask specific questions of local market farmers. It will help you learn the differences between gardening/raising livestock on a small scale and farming on a larger scale.
- 3. Water.** For a successful farming operation this is the go or no-go question. You will need 1-3 acre feet per acre (325,851 gallons per acre foot) delivered to your farm for crop production outdoors, depending on irrigation efficiency, crop, cropping season, and production strategy. Water can be stored only for 72 hours in a pond by Colorado Water Law unless you own storage rights. Can the ditch company deliver this to you? On what

frequency? For what period of time (April – October is ideal). How little water can be delivered (some can only deliver 1 acre foot minimum)? Will you need a pond? How much will that cost? How frequently will you need to irrigate (every 3-7 days for sprinkler and 1-3 days for drip on average)? Does the ditch need repairs? What are the pumping costs? **If well water**, is there water analysis data on salts in the ground water? Are these low enough for crop production? What are the pumping costs? Does your well permit allow for irrigating over an acre of land? How many gallons per minute of flow can the well produce? **With livestock**, how will you deliver water to livestock in housing and/or on pasture?

4. **Read, read, read!!!** There are many good publications that will help you to better understand the complexity of market farm operations, production and marketing related expenses, and production and marketing strategies. Many are listed on (and include) the Growing for Market website <http://www.growingformarket.com/> (“Market Farming Success”, “The Hoophouse Handbook”, “The New Organic Grower”, “Four Season Harvest”, etc.) and other websites:
 - <http://attra.ncat.org/> (soil, horticulture, pests, and business online pubs)
 - http://www.sare.org/publications/all_pubs.htm (online and books)
 - <http://www.polyfacefarms.com/books.aspx> (“You Can Farm”)
 - <http://www.sfc.ucdavis.edu/docs/publications.asp> (“Small Farm Handbook”, “Specialty and Minor Crops Handbook”, etc.)
 - <http://www.nwpub.net/swys.html> (“Sell What you Sow”)
 - <http://www.extension.colostate.edu/boulder/ag/smallfarms.shtml> (links)
5. **Try selling your produce.** Some farmers’ markets have provisions for new farmers and small operations to sell produce at the market. The Boulder Farmers’ Market calls this the “agripreneur” program. See if you enjoy it and note the volume of produce necessary to reach your business goals.
6. **Attend workshops and conferences.** Extension and other groups provide local, regional, and national market farming workshops and conferences for continuing education and networking. These are advertised on CSU and national listservs.
 - Home Scale Food Gardening class, Boulder County Extension, 303-678-6238
 - Beginning Farmer programs such as the Boulder County Building Farmers program <http://www.extension.colostate.edu/boulder/ag/smallfarms.shtml>
 - Local and regional workshops and conferences are often advertised on boco_small_farms@colostate.edu and small_farms@colostate.edu
Email Adrian Card acard@bouldercounty.org for subscription
 - National conferences are often advertised (also with discussion) on SANET <http://lists.sare.org/archives/sanet-mg.html>
7. **Lifestyle changes.** Many new farm operations are challenged to make a profit for the first year or more. Long days in all weather conditions and weekends at farmers’ markets are physically challenging and require adjustments to other work, family and personal schedules. Will you work part time while you begin a farming operation? Are you physically ready for the work? Are your family and friends flexible with your availability? How will you adjust to these changes?

