

Considerations for Growing and Marketing Specialty Crops

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Introduction

Specialty crops can be defined in a number of ways. They can be classified as alternatives to crops typically grown, either in a particular part of the state or any given geographical region. In Virginia, this includes crops other than grains, forages, tobacco, and cotton. Specialty crops are also defined as “high-value” horticultural crops and include a long list of vegetables, berries, and tree fruit. This also includes many “minor” or “niche” food crops such as mushrooms or ginseng, as well as non-food or ornamental crops such as Christmas trees, nursery crops, and greenhouse plants. The production of most specialty crops is highly specialized and more labor and capital intensive than other crops. While defined as high-value crops (significant economic returns in the right setting), markets for specialty crops can be variable, competitive, and inherently risky with limited or no government support structures. New growers are well advised to spend time researching potential markets before planting a given crop.

Specialty growers in the state have various interests and backgrounds. Many have prior experience with raising crops and have farmed for years before making a decision to diversify with specialty crops. Many new growers are also showing an interest in specialty crops as a way to put small acreage holdings to good use.

Regardless of your background and approach, there are important considerations that you should understand in all situations before you commit time, materials, labor, and other investments. The objective of this publication is to review some of the key considerations involved when making a decision to grow and market specialty crops. Regardless of your experience or the

size and scale of your planned production, all of the following points are important factors that affect every operation.

Considerations

As you evaluate the potential for getting started in a specialty crops enterprise, the following statements and questions may help to lend focus, direction, and assessment for your situation.

1. Evaluate the potential market carefully.

This is your first consideration. From a horticultural standpoint, it is possible to successfully grow many crops; however, it is not always easy to successfully sell them at a profit. Decide how you plan to market your produce. There are many options for selling produce. These usually break down into two forms: **direct marketing** and **wholesale marketing**. Direct marketing usually results in a higher per-unit price, but requires more initiative and creativity, as well as direct contact with consumers. This may include going to farmers markets, opening a roadside stand on your farm, and entertainment and pick-your-own (PYO) farming (Figures 1a, b, c). Wholesaling can be done by direct sales to grocery stores, produce brokers, or auctions, either as an individual or in a cooperative marketing situation. Prices are always less per unit than direct-to-consumer sales.

Developing a good marketing strategy requires that you complete a market assessment, network with buyers, suppliers, and consult sources of technical information, such as Virginia Cooperative Extension. You are the one who makes this happen. For example, a proposed PYO operation is more than growing the





Figure 1a. The Southwest Virginia Farmers Market at Hillsville is one of many direct markets found in various localities throughout the state.
(Photo by A. Bratsch)



Figure 1b. Pick-your-own (PYO) operations focus on customer harvest of produce. Here, customers are transported to the field site.
(Photo by A. Bratsch)



Figure 1c. Entertainment farming involves several farm-related activities and is marketed primarily as an experience for families. Usually, multiple income-generating activities are offered throughout the season.
(Photo by A. Bratsch)

crop and hanging up a sign to direct customers to your farm. To be successful, you should evaluate the competition in at least a 20- to 50-mile radius to determine potential demand. Set aside funds for advertising and identify local media that can be used to promote the operation.

One of the most important marketing factors is location and proximity to population centers. Ask “How do I get produce to customers?” or “How do I get customers to come to my farm?” As an example, it takes about 400 to 500 customers, buying an average of 10 pounds of fruit each, to pick an acre of strawberries. A useful table for estimating the potential acreage for a PYO strawberry operation for a given population base is provided (Table 1). It is based on population estimates for a radius of 20 miles around the farm, and assumes that 75 percent of customers will come from within this radius. From this data, it is evident that limited populations will not support large PYO acreage.

Because of farm isolation in rural areas, many growers have found it more profitable to rent or buy land on a well-traveled road and to sell from that point. This can be very effective when marketing high-demand seasonal items such as strawberries, sweet corn, tomatoes, and melons. You may find yourself competing with “tailgate” operators who also capitalize on these market locations – and who often resell produce they did not grow. Selling wholesale to these local tailgaters or to neighboring farm markets with specific types of produce may be more economical than trying to retail it yourself.

There’s a produce growers’ adage: “sell it or smell it.” There are many ways to market produce and many buyers, but it often takes creativity, energy, and effort to bring the two together.

2. Do you have the land, facilities, equipment, time, finances, insurance, and above all, commitment to launch and see the venture through?

Like any business, growing specialty crops should be approached as an enterprise, and it will involve many challenges and new approaches and thinking. For perennial crops such as berries, positive returns may not be measured for several years. For most agricultural crops, weather and pests can lead to less than ideal production seasons. Conversely, markets and weather can come together to produce favorable niche market opportunities that make up for the lean years. Land, equipment, and financing can be bought or borrowed,

Table 1. Estimates of strawberry acreage supported by various populations in a pick-your-own marketing region

(adapted from *Estimating the Trade Area and Potential Sales for a Pick-Your Own Strawberry Farm*, J.W. Courter, University of Illinois Extension, Publication # HM-6-82)

Primary trade area population ^a (in thousands)	Acres producing strawberries for PYO ^b
2.5	1
5	2
10	4
20	8
30	11
40	15
50	18
60	21
70	24
80	27
100	30
150	37
200	44
250	51
300	58
400	64
500	70
600	75
700	81
800	86
900	92
1,000	98

^a Within a 20-mile radius of the farm with good roads and accessibility

^b Total production acres, including competitive farm acreage, that can be sold within the primary trade area (data rounded off to the nearest full acre)

but maintaining a sustained interest and dedication on an often bumpy road takes much perseverance and a special personality to see it through to success.

You should take an inventory of site assets as related to production and marketing needs. Of particular importance are understanding what types of equipment you have that can be adapted and used and what you may need to buy. An investment in special equipment may be needed, such as a transplanter, plastic mulch layer, straw mulcher, sprayer, irrigation equipment, cold storage unit, pruning equipment, and harvest bins (Figures 2a, b). Usually a minimum production unit of five to 10 acres is needed to justify specialized equipment purchases.

On-site buildings such as barns and sheds are also important to inventory. Can they be adapted and refurbished as an on-farm market, a checkout station, a restroom, or a produce sorting area and storage facility?



Figure 2a. Plastic mulch layer for vegetable production simultaneously forms beds, lays drip irrigation tape, and stretches plastic film over the beds. Plasticulture is the most efficient method of vegetable production. (Photo by A. Bratsch)



Figure 2b. Sand filters can be used to clean particulates from surface water for injection into drip irrigation lines. Note the slanted, electrified deer fence on left to protect the growing area. (Photo by A. Bratsch)

Ponds and small lakes are also assets, providing not only irrigation water, but also recreation and ambience for the farm setting. They also represent liability. Wells should be assessed for water flow rates and quality, along with proximity to cropping areas.

Do you have the land area and appropriate layout to support on-farm visitor traffic, and room for parking their cars? Do you have quality field roads that lead to PYO fields? Can you provide for handicap access?

Production budgets have been developed for many specialty crops that will help the new grower work through the dollars and cents details. Though every production situation differs, budget parameters such as fixed and variable costs, and projected yields and income can be reasonably estimated by using a budget worksheet. *Selected Costs and Returns Budgets for Horticultural Food Crops Production/Marketing*, Virginia Cooperative Extension publication 438-898, covers a number of important crops. It is available through your local Extension office (found in local government listings of phone book) or online at <http://www.ext.vt.edu/pubs/vegetables/438-898/438-898.html>. Using these budgets, you should develop a written business plan that not only includes expense and income figures, but plans for business insurance and the legalities of hiring employees. Virginia Cooperative Extension has several farm business management agents in the state who can assist with budgeting and business plan development.

Liability is an important issue any time you have customers on the farm. The primary concerns are accidents and food safety. Entertainment operations with farm animals have an additional element of risk. It is not only safety from kicks and bites that is important, but even more so sanitation must be a priority in these operations. Preventing bacterial infections associated with touching farm animals and subsequent handling produce or eating on the farm is a key area of liability concern. Every step must be taken to ensure customer safety. Also, baked goods and value-added processed products sold in markets are subject to current local and state regulations related to ensuring food safety. Even when the best precautions are taken, accidents can still happen, and it is recommended that growers be prepared and purchase liability insurance to protect the farm and other assets.

In addition to support in the development of budgets and business plans, your local Extension agent can also help you identify sources of operational loans and

possible assistance programs that may be available for specialty-crop producers, as well as crop insurance and other risk management programs that you may be able to take advantage of. The recently introduced Good Agricultural Practices (GAP) program helps growers to identify key management areas to help assure safe produce and reduce the potential for microbial contamination from “field to fork.”

3. Are you involving the members of your family in planning this venture?

All family members should be on board with the project and share the vision. In addition, the most successful operations recognize those who are good at selling and marketing and those who find their talents in the production field. It is the special person who can do both. There are also customer relations and service to consider, and depending on how you market, dealing with people on your farm. Are you a people person? It is the rare farmer who likes to deal with crowds of people, and usually this falls to someone else in the family. So strive for a division of labor among family members and consider hiring talented workers from outside the family.

4. Evaluate your labor needs.

This is one of the most common stumbling blocks for prospective growers. Keep in mind that most specialty crops, from field to market, can be labor intensive. There are “peak” production periods for every crop, and there are times when extra help must be hired to get the job done. Managing labor has its own challenges and requires a move from being self-directed to directing others.

Avoid the pitfall many new growers fall into by relying on neighbors and extended family to meet your labor needs. Unless their work is compensated, volunteer labor is often erratic and unpredictable, even with the best of promises and intent.

Summer help from kids out of school is the most common labor source for a small farm. Hopefully, you will be able to find youth with experience and work ethic, but realize more often than not, they may be gaining these attributes under your supervision. Keep in mind their early work experiences will be remembered for a lifetime. Many kids have much easier summer work available (often for better pay) than stoop harvest in the hot sun all day. Consider there may be limits on the hours youth can work and on the equipment they can

operate depending on age. The law makes a distinction between kids working on their parents' farm and those hired from off the farm. Like adult employees, rules apply regarding tax and Social Security withholding from paychecks for off-farm hiring. Information regarding the employment of teenage children can be requested from the Virginia Department of Labor in Richmond or accessed online at <http://www.dol.gov/dol/topic/youthlabor/Agriculturalemployment.htm>. The article *Employment of Minors in Virginia Agriculture* (<http://www.ext.vt.edu/news/periodicals/fmu/1999-06/minorsag.html>) in the *Farm Business Management Update* published by the Department of Agricultural and Applied Economics at Virginia Tech also has information.

For experienced or migrant labor, forget the minimum wage and be prepared to pay for the work you need done. Recognize there is competition for labor. Migrant labor management in itself is a challenge for even the most experienced managers, and this option should be thoroughly researched beforehand. Employing migrants often is done on a contract basis with labor services firms rather than directly. Often, farms may share a contracted labor pool. Information regarding guest worker, H-2A, hiring status can be found in the Department of Agricultural and Applied Economics *Farm Management Update* articles, *Guestworkers in Agriculture: The H-2A Temporary Agriculture Worker Program*, <http://www.ext.vt.edu/news/periodicals/fmu/1999-06/guestwkr.html>, and *Notes on Farm Labor*, <http://www.ext.vt.edu/news/periodicals/fmu/2000-04/labor.html>

Always plan ahead for labor needs at peak times. Doing so will help avoid the scenario of a valuable crop rotting in the field.

5. Plan crops according to market demand.

Always grow what you can sell, not sell what you grow. Recognize that some crops, though common, are staples and items customers know, use, and buy regularly. They can be your bread and butter. Good examples are tomatoes, cucumbers, summer squash, and apples. Grow and offer seasonal “power items,” which are major draws for consumers. Examples are sweet corn, strawberries, asparagus, peaches, and pumpkins (Figures 3a, b, c). Do not hesitate to buy certain items from another farm to supplement your offerings. Studies have shown that customers are forgiving in this aspect, especially if it was locally grown.



Figure 3a. Locally grown peaches are on prominent display in the center of this market. (Photo by A. Bratsch)



Figure 3b. Sweet corn is a summer favorite and an important draw to roadside markets. (Photo by A. Bratsch)



Figure 3c. Pumpkins herald the fall harvest and are an eye-catching and important crop for end-of-season marketing efforts. (Photo by A. Bratsch)

Plan on developing a crop (or crops) that provides recognition for your operation and do a better job at quality and price than the competition. One of the best things to learn early is to focus on a few crops and learn to grow them well before expanding. Buy what you need to fill out your market offerings in the interim. Most disasters occur with ambitious efforts on too large a scale – too many crops or over-planting – which is difficult to manage and market well. This is magnified when the grower has little growing experience. Start on a small scale, focus, grow slowly but deliberately, and learn from your successes and failures. Do not become overwhelmed by the work required nor discouraged by losses when they occur.

6. Know the production aspects of chosen crops and plan carefully.

For those intent on learning, information about growing, harvesting, and handling specific crops is readily accessible. Utilize Virginia Cooperative Extension to assist in the site development and planning of your venture. Extension agents have a wide range of knowledge about soils, crops, markets, and other important issues related to growing and selling locally. In addition, Virginia Tech and Virginia State University have specific publications both in print and on Internet websites. This includes important production guides such as the *Commercial Vegetable Production Guide*, Virginia Cooperative Extension publication 456-420, which can be obtained from your local Extension agent or at <http://www.ext.vt.edu/pubs/vegetables/456-420/456-420.html>. Cooperative Extension also provides



Figure 4. Educational meetings are a good way to learn about the latest production techniques and issues facing specialty growers. Virginia Cooperative Extension hosts field meetings on growers' farms and at Agricultural Research and Extension Centers throughout the state during the growing season, and formal educational conferences/meetings are offered during the winter. Check with your local Extension office for a list of events near you.

(Photo by A. Bratsch)

workshops, conferences, and other production meetings where specialists and other experts deliver pertinent information to producers (Figure 4). Regardless of your growing experience, attending an educational meeting will always pay for itself in gained knowledge. Call your local Extension office to have your name and address placed on the mailing list for specialty-crop producers.

7. Know and prepare your site well.

There are many local factors that dictate the suitability of your farm site for certain crops. This includes among other things, site exposure and sunlight, soil type and drainage, slope and elevation, seasonal water table characteristics, frost proneness, wildlife pressure, field weed history, and of great importance, access to irrigation water. Always plan on irrigation for specialty crops. Consider water source and its quantity, quality, and delivery method.

Neglected or grown-over field sites should be managed for at least a year in advance to eliminate perennial weeds and reduce annual weed seed populations. This may entail planting an annual cover crop or perennial forage crop. Cover-crop and forage species also have many soil building advantages. Consider adding organic matter as finished compost. Field-crop (grain) production for several years can be beneficial for site preparation through the regular fertilizer applications needed to grow the crops, the regular tillage to keep soils friable, and the reduction of future weed pressure through cultivation and herbicide use. Always be aware of herbicide carryover problems when following grain crops with specialty crops. Soil tests will indicate the need for nutrient adjustments, with phosphorus and potassium key elements for build-up before planting. For a crop such as blueberries, a radical drop in soil pH may be required. This is a slow process, often taking a year or more for amendments to change soil characteristics.

PYO operations must have customer access to the picking site. The site must also provide adequate parking and easy to locate checkout areas. Ample parking and ease of access to roadside markets are also important. You may need to work with the Virginia Department of Transportation to install turn lanes to minimize risk for accidents on busy highways.

For growers interested in organic production, acquiring official certification of the operation and farm site is needed before the product can be labeled "organi-

cally grown.” You need to plan early to achieve certification in a timely manner and to avoid actions, such as herbicide application, that lead to delay. Organic certification is costly and usually takes several years to achieve. In Virginia, certification is conducted by private parties who follow current government guidelines. Information about organic certification can be found at the Virginia Department of Agriculture and Consumer Services website, <http://www.vdacs.virginia.gov/organic/index.html>, and on the federal National Organic Program website, <http://www.ams.usda.gov/nop/indexIE.htm>. In Virginia, the Virginia Association of Biological Farmers (VABF) is a statewide organization that assists growers in this process, represents organic grower and their issues, and provides educational programs for its members. The VABF can be contacted online at <http://www.vabf.org/>.

Summary

These are just a few important “getting started” considerations for new growers. Practice careful planning both in marketing and production. Avoid getting in a hurry. Start slow and build the business. Develop crop focus and expertise. Seek out Extension educational opportunities on a continual basis.

Persistence, perseverance, and being willing to learn from your mistakes are important ingredients to success. Enjoy your work and keep a sense of humor. It is important for your family, your workers, and your buyers.

Additional References

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