



Mud to Money:
Lessons From 15 Leading
WNC Local Food Farms

ADVICE FOR THE NEXT GENERATION

The *Mud to Money Series* by Mountain BizWorks explores farm business and financial management best practices identified from in depth interviews with 15 established WNC vegetable farmers.

Mud to Money Chapters:

- o Introduction & Acknowledgements
- o Farm Goals
- o Financials Part 1: Systems & Tools
- o Financials Part 2: Approaches & Lessons Learned
- o Farm Labor
- o Advice for the Next Generation

Full report & additional resources at:



www.mountainbizworks.org/farm

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Introduction: Farmers Share Lessons They Learned the Hard Way *(So You Don't Have To)*

The farmers interviewed for this case study have a collective 223 years of hard-won experience on the farm, and a multitude of learnings to pass on. The final question we asked in every interview was, “What are the most important decisions that you’ve made as a farmer, that you’d want to pass on to the next generation of farmers?”

The farmers interviewed for this case study have a collective 223 years of hard-won experience on the farm, and a multitude of learnings to pass on. The final question we asked in every interview was, “What are the most important decisions that you’ve made as a farmer, that you’d want to pass on to the next generation of farmers?” Answers ranged from highly practical information around cash flow, finances, and marketing, to philosophical musings on how to work within the community, find things you love, and be a lifelong learner. With so much experience, passion, and knowledge to pass along, we let their words speak for themselves...

Financial Planning Advice

Learn From and Connect With Other Farms and Farmers

“Just work on a farm and get paid while you learn the ropes. Grow, learn, and don’t start your own until actually ready.”

“Share experiences. Network. Be humble. Be honest. Have integrity. Be active in your community. And surround yourself with good people.”



“If I could go back and do it again, I would have spent at least one season (summer) on a veggie farm that was the size I wanted to grow to, see how they do it, avoid a bunch of mistakes and spent money.”

Plan Ahead for Lean Times

“There will be good years... and there WILL be bad years. Always be preparing for those bad years. And sometimes staffing is a reflection of that too. There are so many ups and downs to farming; you have to constantly be thinking ahead.”

“One thing that we did well was being decently capitalized to start when we began the business, and we’ve continued to manage the cash flow of the business well. That good business planning has allowed us to get through learning periods.”

Take Your Time Growing the Business

“At the time I started, you couldn’t have told me I need to take my time in growing the operation, starting small and keeping the debt ratio reasonable. But growing at a rate where you can keep debt and stress in control is a good practice.”

“Be creative with what you have. We are not an infrastructure-heavy farm, we don’t have a ton of equipment; add things slowly and add things in a smart way. We used a PCS tiller for 5 years, then bought a tractor cooperatively with 3 other farmers, and then bought them out of it.”

“We didn’t start farming to make big money, but you have to make money to keep farming. You’ll have to apply yourself at running the business, not just figuring out how to grow.”



Things Will Cost More Than You'd Expected

"Farming is not actually a cheap business to get into."

"The various inputs – plastic, fertilizer, micro-irrigation, etc. – are very expensive."

"Invest in a tractor or don't make money. Invest in a barn for cold storage. Wish I had known these things would add up to close to \$80k, not including the land."

"Gross sales might sound impressive, but doesn't take long to eat that up in expenses."

Find Ways to Avoid Debt

"Figure out ways to bring in early income; avoid operating loans."

"One thing that we did well was being decently capitalized to start when we began the business, and we've continued to manage the cash flow of the business well. That good business planning has allowed us to get through learning periods."

Put Government (and Nonprofit) Resources to Work for You!

"Use your government resources and put your own tax dollars to work. You, as a tax payer, pay for services like Extension agents, USDA agents, etc. Find out about them and use them."

"Use the resources that are out there, and if you don't know them, ask, because there's someone else out there whose job it is to introduce you to them. And if someone isn't helpful, isn't doing their job, you can go above them, even go directly to your congressman."

"Use all the resources that are out there."



Put Government (and Nonprofit) Resources to Work for You! (continued)

“If you're interested in a grant, call the grant administrator. Ask questions. Ask them how points are assigned, what category gives the most points. As someone who works for the government and has to review applications regularly, I can tell you that it makes our jobs easier when someone actually calls and asks; makes sure things are OK.”

“You’ve got tools. Don’t forget that you have people there whose job it is to help you.
a) Extension can be amazing; b) Research is great here too – i.e. Mountain Horticultural Crops Research and Extension Center; c) Nothing takes the place of experience and education; d) Get to know other professional farmers; e) Get to know FSA, get to know NCSA and Farm Bureau; f) Get to know your ag suppliers; g) Get to know your agronomist; h) Get to know other ag experts in your community;
i) Don’t forget ASAP! They’re tremendous.”

Marketing Advice

Sell It Before You Grow It (Or At Least Research Your Markets Well)

“Determine your markets in advance, plant slightly more than you know you can sell, then you can cherry pick best of each yield and be known for higher quality products.”

“Look at market trends, keep an eye on the weather elsewhere and what it'll mean for crops there; especially important if you're a wholesale farmer.”

“Sell it before you grow it – have buyers and markets for what you grow.”

“Make sure that the markets and crops you’re growing in are the right places.”



Find Your Own Niche

"A lot of 1st generation gardeners read the books, follow the books on how to be a market gardener. Not everyone can follow the same book and all succeed. Look at what other people are selling, what they're not selling, why they're not selling it... can't all grow the same things. Look at the trends, look at the data, and make informed decisions. The world can only handle so many microgreen farmers."

"If something hasn't been grown in an area before, there's probably a good reason why."

"Be creative; look for holes and try to fill them. Finding a niche and a market is intimidating, but you've got to find the thing that you do and get known for."

Learn to Listen Well, and Sell Creatively

"Listen to what people say they want, and to what they say they don't want. If you're not getting an enthusiastic "YES! I want this! I want this now!" that means they don't want it, and they're just being nice to your face. Learn how to read people really quickly."

"If you're going to sell something, you have to be willing to hear a "no", go back to other people and other places."

Distributors Can Help Selling Product, but that Margin Hit is Painful

"If you're not going to sell your own product, you'll need a distributor who's good, but it's hard to make it on distributors alone; they take 20%, and it's hard to lose that profit margin and make it work as a farmer. We sold only direct at first. Only been since we got bigger and had to move more volume that we needed a distributor to help us do that."

"Our profit margin is affected in the end if a direct-sale customer doesn't buy what they say they were going to, have to go through distributor instead."



Find Ways to Stand Out to Your Buyers

“Our buyers like us because we’re not just selling them stuff, but also connecting them to resources like an inexpensive local certified kitchen. One of us loves to help out brainstorming with clients on tastes and flavor profiles. That maintains relationships, keeps buyers coming back and us first-of-mind when there’s a given product they’re thinking about. Have heard of people coming in and pursuing our buyers, saying they can get them product cheaper.”

“That relationship we have with our buyers is key, up to even making sure a given buyer is OK with us selling specialized products to other buyers.”

“Work with your buyers: direct press to them, focus the spotlight on them.”

General Advice

Find What Works for You

“Pay attention to the things you don’t like and that you’re not good at, because what is that teaching you?”

“Balance head and heart. The stuff you love, and the stuff that keeps it all running.”

“Do what you’re good at. We have done almost every enterprise under the sun as farmers – almost all the market channels, agritourism, pigs, sheep, chickens... haven’t done mushrooms, but basically, what we’ve figured out is that you should start to peel away the things you’re not good at, and that you don’t like as much. We raised animals for years, but found that we didn’t like the killing process. Took a break from farm dinners for a while, because it was too much, and then came back with a restructured approach.”



“The way business works is that you have to have a willing customer and buyer that meshes with you. Figure out who it is you’re supposed to be serving, serve them, and invest in that.”

“What works for one may not for another. However, fundamentals and ideas must be shared.”

Do Diligent Weed & Pest Control Early – You’ll Thank Yourself Later!

“I wish I could tell young me to do really good weed, pest, and disease control. Those things have now become economic problems for us. If you don’t do good weed control in your first few years of farming, you’re paying for it for 30 years... you’ve built up a huge seed bank of weed seeds, diseases in the soil, insect eggs, etc. There are economic costs of not doing these things that are accruing now. Even with all the best practices later, you’ll regret those early decisions.”

“Don’t be afraid of plastic (row covers/plastic mulch). I was against it, but I rationalized switching over by saying, ‘I could fill up 2 dumpsters a year with this plastic, or go back into construction and fill up 20.’”

Be Prepared for Weird Weather

“Flooding can be a big issue. Crop insurance is important for this – it won’t pay you big, but it can save you.”

“Weather-related losses can be huge. Crop insurance was only reason we made it through last year.”

“The climate has varied a lot more in the last few years. Grow at least one crop that will do well in heat, and one that’ll do well in cool weather.”



Farming is Hard, Risky Work, but Worth It Nonetheless

“Farmers are independent folks, but also risk-takers and dreamers.”

“You’ll always work more hours than you’d expected.”

“Don’t be afraid to take a leap; different set of stressors but worth it despite some lean times.”

“Don’t be too cautious. You kind of have to have the gambling mentality a little bit, get in there and go for it. If you’re always waiting around, you miss opportunities. We did that here and it backfired on us, but our other experience with that was very successful. And we’re about to do it again; jump into something and see how it goes.”

Don’t Give Up!

“Don’t give up in July! That’s when you feel like giving up, but you can’t. If you give up in July, you won’t have anything in September or October.”

“The only reason I’m still farming is because I just didn’t stop. Even when I maybe should have. You have to be very stubborn, push through it when it’s tough.”

“Don’t give up or get discouraged.”

“I wouldn’t change it, even in the hardest times. It’s fun, and it’s a rush, if you like to gamble. A good way to appreciate what you’ve got.”

“It’s a full-time job with no benefits and minimal control. But it can be anything you want it to be. It’ll be as good as you make it.”

Be a Lifelong Learner, and Be Willing to Change

“Don’t be afraid to change – to try to make it better.”

“If you get set in your ways, that is a recipe for disaster.”



“Stay open minded. Listen and learn.”

“Have a Plan B, Plan C, and so on.”

“Listen to the results you’re getting. If something isn’t working, change it or stop doing it.”

“Farming is a very complex business. It’s so diverse and complex; it is such a business that I think all the education you can get is good. Always need to be continuing your education. Doesn’t matter if you’re a 70 year old or 20 year old farmer; you need to continue your education. You have a Farming Practice, just like a doctor practices medicine or a lawyer practices law.”