

Seed, Nurture, Harvest

*Steps to success in
farm direct
marketing*



What is Farm Direct
Marketing?

Producer Success Stories

Safe Food -
Farm Direct Advantage

Farmers' Markets
Information

Alberta Water Act and You

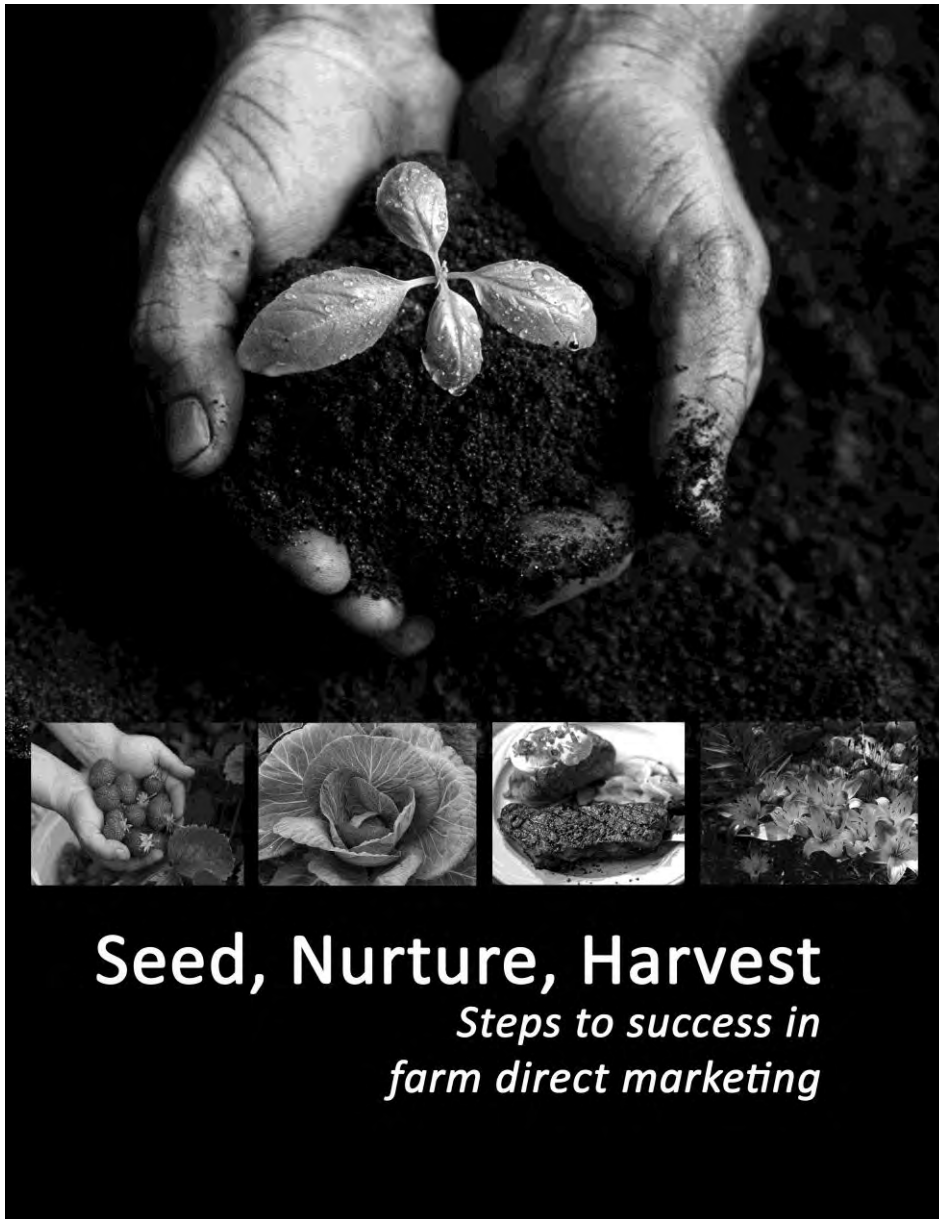
Elements of a Business Plan

Pricing for Profit

Getting Control of
Your Pricing: Bob Cobbledick

AgriTourism Insurance

Alberta Farm Fresh
Producers Association



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Alberta Farm Fresh Producers Association
gratefully acknowledges the Province of Alberta,
Ministry of Agriculture and Rural Development
for providing funding for the production of this manual.

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INTRODUCTION: SEED, NURTURE, HARVEST



Steps to Success in Farm Direct Marketing

Alberta Farm Fresh Producers Association

Contact: 800-661-2642 | URL: www.albertafarmfresh.com

INTRODUCTION

Seed, nurture, harvest - three words that can be used to describe a farm direct marketing operation.

Everything begins with a seed, be it mental or physical. With the right amount of nurturing and care, harvest is inevitable. These words were chosen as a name for this educational, informational manual. The material is directed at those interested in farm direct possibilities...and the possibilities are endless!

This manual will trace the *steps to success* of various industry leaders. Sizes of operation vary, as do products, philosophies and personalities. Each story will plant a seed and provide a harvest of ideas. Producer stories are enhanced with information from industry specialists and through the online resources of Alberta Agriculture and Rural Development.

Please add to this manual as you research farm direct marketing! It will become a ready and convenient reference for years to come.

A special thanks to

- the Alberta farm direct marketers who took the time to be interviewed and share their stories
- Alberta Agriculture and Rural Development for materials and staff members for their insight and additions to this manual
- Alberta Agriculture and Rural Development, The Agricultural Policy Framework (APF) a Federal-Provincial-Territorial Initiative for sharing a series of articles written by industry specialist Bob Cobbleddick of Ontario
- The Province of Alberta, Ministry of Agriculture and Rural Development for providing the generous funding necessary to produce this manual
- Robert Fiume, Capri Insurance, Kelowna, BC for an overview of insurance directly related to agri-tourism
- the Alberta Farm Fresh Producers Association board for their patience and trust during the lengthy development process
- Jim Hill, Hidden Valley Garden, Sylvan Lake for the original idea for this manual
- and last, but not least, to each of you for your consideration of the farm direct industry

WHAT IS FARM DIRECT MARKETING?



This section discusses some of the basic components and strategies of farm direct marketing agricultural products and services.
Information resource:
Alberta Agriculture and Rural Development web site - www.agric.gov.ab.ca

Farm Direct Marketing for Rural Producers

This section discusses some of the basic components and strategies of farm direct marketing agricultural products and services. For the purpose of this information, it is assumed that all local food product sales occur within the province of Alberta. Any sales outside the province must follow federal regulations.

Today, most food moves from the farm gate to the consumer through a highly efficient system that takes advantage of economies of scale and specialization to keep processing and distribution costs low. Most producers devote their time to what they know best, planting, growing and harvesting food, leaving the processing and marketing to agri-business. However, selling directly to consumers is growing in popularity with some producers.

Several reasons account for the increased interest in farm direct marketing. One is dissatisfaction with low farm commodity prices. The farm price is often only a fraction of the retail food price. Prices for produce sold directly to consumers can be substantially higher than typical wholesale prices. Another reason is that producers value the relationships they form with the consumers, as well as the opportunity to receive immediate feedback on their products. Consumers value the fresh, quality products along with the opportunity to support local producers.

According to the Alternative Agricultural Markets in Alberta, 2008 report and the National Farmer's Market Impact Study (2009) consumers are looking for freshness and product quality. They visit Alberta Approved Farmers' Markets to purchase fresh, in-season, locally produced products and enjoy the social atmosphere. Farm direct consumers support local farmers and food producers, artisans and the community. The total estimated value of the local market sector in Alberta is almost \$625 million.

Farm direct marketing provides a link between urban consumers and rural food producers. It also contributes to the rural economy by providing alternative marketing channels. Less and less of our population lives on or even visits a farm. By adding a recreational component to food consumption, many farm direct marketing enterprises draw urban people to farm communities where they experience a farm atmosphere and spend additional dollars on food, specialty items and other services. This supports sustainable communities.

What is Farm Direct Marketing?

The basis of farm direct marketing is the trust relationship that develops between producers and consumers. Farm direct marketing allows the producer to assume the accountability and rewards of delivering quality agri-food products directly to the consumer through a variety of marketing channels such as farmers' markets and farm gate sales. Successful farm direct marketing involves consistently supplying quality products in a clean and customer-friendly environment.

There are many regulations that apply to farm direct marketing agricultural products and services. Refer to the Farm Direct Sales: Know the Regulations factsheet (FS845-7) for more information on federal and

provincial regulations. For business information, log onto Alberta Agriculture and Rural Development's (www.agric.gov.ab.ca) website and search Bizinfo.

There are essential pieces of information that all farm direct marketers should develop and use to help promote their businesses. They are:

- business cards
- price lists
- product information sheets that list the varieties grown and provide some basic information about how the products are grown, quantities and quality
- preparation tips and/or recipes
- website

Any written information given to customers should also contain your business name, contact information and logo. This keeps your business identity foremost in the consumers' minds.

Trends Affecting Farm Direct Marketing

Consumers want to know where their food comes from, how it is grown and the people who produce it. A growing number of health-conscious consumers are willing to search out and pay extra for foods they believe to be fresh, nutritious and wholesome. Others are interested in eating regional cuisine – local food that is picked and prepared at its freshest. This trend is reflected in foodservice as an increased demand for old-fashioned, comfort foods with a gourmet twist. These consumer demands are driving farm direct marketing.

Consumers are concerned about:

- convenience – great tasting foods to be consumed on the go
- family – they want family friendly activities in which everyone can participate
- community – they support local business
- balance – they want balance between work and family
- authenticity – they look for the simpler things in life
- security – they want to deal with people they know and trust

As consumers look for convenience, health, flavour and fun, we see the emergence of new markets:

- baby boomers
- individuals
- blended families
- health correction, e.g. weight loss
- ethnic, e.g. Asian, Italian
- organic
- students
- vacation home owners/fun seekers

Producers have an opportunity to target their products to meet the needs of these niche markets.

Types of Farm Direct Marketing

Many farm direct marketing options are available to producers. Seasonal roadside stands or farm stores, u-pick operations, community-supported agriculture ventures and Alberta Approved Farmers' Markets are all direct to consumer marketing options. Municipal buying clubs, ag tourism ventures, u-fish operations, gift basket and mail order sales, e-commerce and direct sales to restaurants (where we assume the chef is the end user) also fit into this category. A brief overview of each of these options is presented below.

Note: This factsheet assumes all sales are in Alberta. Any sales outside the province must adhere to federal regulations. It's important to follow safe food handling practices from production and processing through marketing and consumption.

Roadside stands or farm stores

The roadside stand is usually located on the farm and sells farm fresh products directly to consumers. It is seasonal in nature, operating only when produce is available. A farm store is a larger, permanent version of the roadside stand that may operate year-round. The farm store may be located on the farm or on a nearby site, offering better access and greater traffic volume.

Roadside stands and farm stores offer several opportunities:

- expansion from a roadside stand to a farm store is relatively simple
- increased opportunity for family or local employment
- increased opportunity for additional profit centres such as in-store bakeries, foodservice, gift shop, etc.

Challenges include:

- farm stores have higher operating costs, including facility costs
- possible zoning and planning restrictions
- parking limitations

U-pick operations

In u-pick operations, the customer comes to the farm, does the harvesting, pays cash for the produce harvested and transports it home. This type of operation is a natural addition to a roadside stand. It lowers the grower's costs of harvesting, sorting, packaging and marketing. The customer buys produce at peak freshness while enjoying a pleasant farm experience. Operations located close to urban centres are particularly popular.

Frequently, u-picks also offer a we-pick service where the grower harvests the produce at the request of the customer. This is advantageous for customers who want to come to the farm for the experience and the fresh produce, but don't want to be involved in the harvest.

U-pick operations offer several opportunities:

- reduced need for seasonal harvest labour
- elimination of transportation, processing, packaging and storage costs
- inexpensive, word-of-mouth advertising once a customer base is established

Challenges include:

- risk of customer damage to produce or plants
- long hours of operation throughout the harvest season
- bad weather may deter customers during the season
- variable start date – must let customers know when harvest is ready

Community supported agriculture (CSA)

Community supported agriculture consists of a partnership between consumers and producers in which consumers contract or buy shares in farm products in advance and producers commit to supply a range of products over the entire season. Often, consumers have the option to participate in planting, cultivation and harvest. The arrangement can be initiated by the producer or by a group of consumers.

CSA offers several opportunities:

- the risk of crop failure is shared between consumers and producer
- a guaranteed market as crop is pre-sold before growing season starts
- working capital is created at planting time
- prices are close to retail if the producer makes deliveries to a central drop off point or the consumers' homes
- reduced labour costs if consumers help with planting, harvesting and delivery
- crop waste is reduced through market driven production

Challenges include:

- increased management requirements due to yield calculations, co-ordination of deliveries, and detailed production and marketing records
- increased time necessary to identify and develop customer base
- more time spent educating and communicating with consumers

Alberta Approved Farmers' Markets

Farmers' markets are probably the oldest and most common form of marketing direct to the consumer. The markets are usually situated in a central location and provide a place where producers and consumers can meet to exchange products that are made, baked or grown by the seller.

Alberta Approved Farmers' Market vendors usually share advertising and other marketing costs. However, product liability insurance is still recommended. The Alberta Farmers' Market Association offers a group policy that meets the basic needs of each member market and vendor.

Farmers' markets often serve as business incubators or test markets for start-up processors. Food vendors selling at Alberta Approved Farmers' Markets have unique status under the Public Health Act and Food Regulation. Food products sold at all other venues such as public markets, flea markets and farm stores do not qualify for the same exemptions. Vendors should contact Alberta Health Services for specific information.

Alberta Approved Farmers' Markets offer several opportunities:

- minimal marketing, packaging, advertising and promotion costs
- prices are higher than wholesale
- an established market base

- an inexpensive channel to test market new products

Challenges include:

- the need to transport products to market
- limited consumer volume per site and a potential need for additional market outlets
- variable customer base due to weather conditions
- food safety concerns in delivering perishable products at the right temperature and in food-safe containers
- having to follow market rules and regulations including table rental requirements, market hours, space and product limitations, and packaging and labelling regulations

Common features

The previous four farm direct marketing methods have some common opportunities and challenges.

The opportunities include:

- immediate cash payment
- a test market that allows farmers to start small and learn marketing skills as they go
- one-on-one customer contact provides immediate feedback on product quality, quantity and selection
- personal customer interaction provides the opportunity for customer education and promotion of the total farm experience

The challenges are:

- washroom and parking requirements
- increased costs for sales and supervisory labour
- a need for clearly defined rules, regulations and obligations for producer and consumers
- increased liability costs as the farmer needs to ensure coverage for his product and people by not just assuming coverage under another policy such as the basic farm policy or the farmers' market policy
- a need to develop a recall plan and an inventory control system that allows the producer to track both production and sales to provide protection through all steps of the process (production to marketing)

Municipal buying clubs

Municipal buying clubs are a marketing concept whereby the producer selects a target group of urban consumers who work in the same office building(s) or live in the same area. Product is pre-sold and delivered to consumers at a common location, on specific dates. Trust and respect is earned by providing a consistent, quality product on time. This method offers the opportunity to turn summer Alberta Approved Farmers' Market customers into buying club members during the winter. Producers need to check the licensing and regulation requirements for the municipalities they are selling from and into.

Municipal buying clubs offer several opportunities:

- prices are close to retail because the producer makes deliveries to a central drop off point

- waste is reduced through market driven production because farmers only produce what is ordered
- there are minimum order and per pound delivery charges
- to connect with and educate customers

Challenges include:

- the increased time necessary to identify and develop customer base
- crop failure may result in loss of customers
- increased liability insurance coverage
- increased labour costs to ensure product is harvested at specific times
- increased delivery and equipment costs, e.g. coolers, etc.

Ag tourism

Busy urbanites are seeking places to go for rural recreation and learning vacations. School groups are looking to the country for educational field trips. Producers are capitalizing on this by providing opportunities for people to experience farm life. Examples include visiting a milking operation, watching sheep shearing and touring an herb garden. They are also offering hay rides, corn mazes, cross country skiing on farm trails, petting zoos for the kids, school tours, special event days and seasonal festivals. Consider charging an admission fee for special activities.

Turning your farm into a rural attraction isn't something that happens overnight. Start by adding a shaded picnic area to your roadside stand. Expand your farm store or u-pick operation by adding new products or services to attract customers. Bakeries or restaurants, contests, hay rides, farm vacations and crafts will all attract new customers. Several farms can work together to create a destination stop for tourists.

Be prepared to put lots of time and energy into entertaining your customers. Part of the attraction for your customers is meeting the producer. So, if you don't like people or aren't a natural showman, think twice before getting involved in ag tourism.

Ag tourism offers several opportunities to:

- tap into new markets
- drive retail sales
- increase the likelihood of farm succession

Challenges include:

- higher capital costs
- additional labour costs, including a customer service focused staff training program
- more insurance coverage, licenses and permits
- increased costs for promotion and marketing
- large time commitment
- charging an admission fee
- constant upgrading and changing of activities, programs and facilities
- compliance with municipal and provincial regulations

U-fish operations

In u-fish operations, customers come to the farm to catch fish in a private lake, pond or dugout that has been licensed by Alberta Agriculture and Rural Development. Customers who catch fish pay either by the pound or a flat hourly rate. Many operators have a “keep everything you catch” rule to prevent release mortalities. In most instances, a u-fish operation is additional income for a producer who raises fish for stocking purposes or the table food market.

Anglers at these private ponds do not require a provincial sport fishing license. However, when transporting fish, anglers must be able to produce a receipt detailing the date, quantity and species of fish being transported, the fish culture license number and a signature.

U-fish operations provide additional services such as rental equipment, supplies, camping facilities or other activities to round out the outdoor experience.

U-fish offers several opportunities:

- the promotion of fishing as a recreational activity
- a market for fish that are too large for the fingerling market
- a chance to educate customers about aquaculture
- easy access, affordable fees and high success rates

Challenges include:

- raising healthy fish in the closed environment of a private lake, pond or dugout
- government licensing and other regulations associated with aquaculture

Gift baskets and mail order

Note: This factsheet assumes all sales are within Alberta. Any sales outside the province must adhere to federal regulations. Although true for any of the direct marketing channels, it is particularly true for the following three methods (gift baskets and mail orders, e-commerce and direct sales to restaurants) as they are more likely to cross provincial and/or international borders.

This method of marketing can be a sideline to a farm store or operate on its own. Since both gift basket and mail order sales are built on repeat business, it may take years to build a substantial income. Start slowly by offering gift basket or mail order sales in addition to existing market outlets. Gift baskets work best with products that can be attractively displayed. Often price isn't as important as quality and uniqueness. Mail order items are usually non-perishable products that can be easily packaged and shipped. Both options require high quality products, packaging and customer service.

An alternative to developing your own mail order business is to sell your product through the catalogues of other mail order companies. Products are sold at a discount, but you avoid the costs and risks associated with starting your own mail order business. Mail order gift packages can also be offered to corporations or hotels for use with their clients or employees.

Gift baskets and mail order sales offer several opportunities:

- premium price is the norm as prices range from one-and-one-half to several times wholesale or even retail prices for the same product (product must support at least 100 per cent mark up)
- low capital investment

Challenges include:

- significant time required to build client base
- seasonal, with Christmas usually a peak time
- computerized mailing list and customer purchase tracking capability needed
- distribution and delivery of product from a rural location

E-commerce

E-commerce is a marketing tool that uses the internet to market goods and services around the world. It can create a new market for products and services. It provides another medium to do market research and find out about the competition. It can create customer awareness and allow growth for a relatively low investment.

Website promotion is critical. The domain name or website address should be displayed on all business correspondence, including business cards, brochures, newsletters and letterhead. It should also be on all advertising. It is important to choose a domain name that has a marketing message and is easy to remember.

E-commerce offers several opportunities:

- allows customers to browse at their convenience
- creates a new source of sales
- expands the services offered
- gain new business identity
- test market new products at a low cost
- scan products, services and prices quickly
- capitalize on an existing customer base
- lower overhead and labour costs

Challenges include:

- customers can't smell the food or touch the produce
- market research is required in order to identify your target customer as only certain types of customers prefer e-commerce
- handling inquiries or complaints quickly and efficiently
- customers feel more secure if there is an office location and mailing address listed on the website
- a need to set up a secure payment file so that customers can pay online
- special packaging, shipping, advertising and labour costs
- computerized mailing list and customer purchase tracking capability needed

Common features

The previous two farm direct marketing methods have some common opportunities and challenges.

The opportunities are:

- rural locations can have access to an international marketplace

The challenges are:

- special packaging, shipping, advertising and labour costs

- products must ship well and have a long shelf life
- national and international regulations

Direct sales to restaurants

In this method of farm direct marketing, the producer is selling to the chef who, for the purpose of this factsheet, is assumed to be the end-user. Chefs are increasingly willing to buy direct from producers in order to find unique products or items that are difficult to purchase from distributors. Although some restaurants buy directly from producers hoping to get a lower price, chefs working for high-end restaurants are often willing to pay top dollar for hard-to-find items. For the very best producers, prices may be high enough to justify the expense of delivering products directly to the restaurant.

Products must be of top quality, fresh and available as needed. Specialty products, which aren't available in wholesale markets, are top sellers. Chefs also consider price, consistency and reliability of supply and delivery.

Selling direct to restaurants offers several opportunities:

- a steady market throughout the production season
- a consistent price, often 10 to 30 per cent over wholesale
- personal contact with buyer
- flexibility in the products grown
- potential of brand name recognition of locally grown products

Challenges include:

- location is most practical if it is near a large urban centre or tourist area
- a wide variety and quantity of products is needed to meet market demand, meaning producers may have to specialize in one or two products, or co-operate/joint market with other producers to meet demand
- short-seasoned products may not fit with every restaurant or chef's needs, so it's important to discuss availability and reliable supply of products with chefs
- frequent delivery is required due to limited storage space in restaurant kitchens
- food safety concerns are associated with delivering perishable products at the right temperature and in food-safe containers
- product liability insurance premiums may outweigh the profits
- higher labour costs with some products

Checklist: Have you got what it takes to be a farm direct marketer?

Personal qualifications:

- I am friendly and outgoing.
- I like to meet people.
- I welcome visitors to my farm and am happy to answer their questions.
- I have the support and encouragement of my family.
- I am willing to work long hours seven days a week during the peak season.
- I am not afraid to take risks.
- I take pride in my product and I'm not shy about saying so.
- I am flexible, independent, creative and thrifty.

Production capabilities:

- I have the necessary knowledge about production methods and techniques.
- I know who my target clients are and what they want.
- I will be able to supply the variety, quantity and quality of products my customers want.

Merchandising and marketing savvy:

- I know how to develop a marketing strategy.
- I understand my target market and utilize appropriate marketing tools (i.e. business cards, customer lists, public relations, cross promotions, networking).
- I have a working knowledge of retail selling.
- I understand the principles of merchandising.
- There is demand for the products I plan to sell.
- I have a unique product.
- There is room for another direct market outlet in my area.
- I can work with neighbouring farms to co-operatively market our products and our region.

Logistics:

- I have the space and location for a farm direct marketing operation.
- I have adequate space for parking.
- There is convenient access to the farm.
- There is sufficient traffic near the farm to generate business.

Business factors:

- I have sufficient capital available to construct facilities and acquire equipment.
- I have completed a feasibility assessment and a projected cash flow.
- Farm direct marketing activities complement my farm production possibilities.
- I have good financial management practices (product costing, pricing, budgeting, cash flow and record keeping).

Other considerations:

- I utilize appealing display techniques to enhance my image at markets.
- I set prices to cover costs and make a profit, but consider market demand and competitor prices.
- I offer good customer service to obtain repeat business.
- I maintain good quality control measures for products sold.
- I set aside adequate time to hire and train friendly, knowledgeable staff.

Critical Success Factors for Direct Marketers**Site location:**

- Visible from a distance.
- Easily accessible for the traveling customer.
- Within a reasonable distance from market and other farm direct marketing operators.
- Safe entrance and exit.
- Ample, accessible, well-drained and safe parking.
- Customer-friendly site layout.
- Satisfactory lighting.

Signage:

- Directional signs on major highways and at key intersections.
- Professionally done and well maintained.
- Easy to read (simple logo, good white space, no more than 10 words and good colour combinations).
- Hours per day and days of operation indicated on farm gate sign.

Amenities:

- Sufficient numbers of clean, accessible washrooms.
- Landscaping, curb appeal.
- Rest areas, meeting points and covered shelters.
- Food and drink sales provided.
- Safety and first aid.

Regulations:

- Check legal restrictions limiting the type of operation.
- Know zoning and building regulations.
- Check health regulations with Regional Health Authority/Public Health Inspector.
- Obtain business licenses.
- Check production and labelling guidelines with Canadian Food Inspection Agency (CFIA).

- Know commodity regulations affecting the type of products produced or sold.
- Review signage regulations with Alberta Transportation.
- Obtain labour regulations such as: Worker's Compensation, Canada Customs and Revenue Agency (GST, Income Tax and Business Number), Canada Pension Plan and Employment Insurance.
- Arrange liability insurance, both product and business.

The source of the materials is <http://www.agriculture.alberta.ca>. The use of these materials by Alberta Farm Fresh Producers Association is done without any affiliation with or endorsement by the Government of Alberta. Reliance upon Alberta Farm Fresh Producers Association's use of these materials is at the risk of the end user.

Direct Marketing Meats...Getting Started

The purpose of this factsheet series is to help producers and processors understand the key elements needed to manage a business. The factsheet also discuss some of the essential components used to develop a business plan and assess the profitability of a business venture.

This factsheet is intended for producers who are thinking about selling meat products directly to consumers. It addresses these critical issues:

- how food and public safety impact your production and processing choices
- where and how to sell your meat cuts
- setting a fair and profitable price for your product
- questions to ask before engaging a processor to ensure that you and your customers get what you want

Deciding to sell meat directly to the consumer means taking more into consideration than just selling meat. A critical first step is to put in place procedures to ensure product quality and consistency.

Maintaining Product Quality, Consistency and Safety

Quality is a pasture to plate issue. The product needs to be nurtured and tended from breed selection to packaging.

Meeting customer expectations

When you plant a crop that promises so many bushels per acre, you expect to harvest at least that amount. When you breed an Angus cow with an Angus bull, you expect an Angus calf, not a Holstein. As a producer, you have expectations.

Customers purchasing meat cuts directly from the producer also have expectations. For a fair price, they expect a safe product of a certain quality and consistency with every purchase. It's your responsibility to meet your customers' expectations.

Quality products

Customers want tasty, tender meat. Your actions contribute to these two factors.

Finish your animals on the same feed and to about the same weight. This helps ensure consistent portion sizes and flavour.

If you say 14-days aged, then make sure the meat is aged for 14 days. This may cost more, but you can charge a premium. Satisfied and loyal customers may make the extra cost worthwhile.

Discuss your expectations with the processor. Make certain your animals can be processed the way you'd like them presented to the customer.

You may provide customers with instructions on handling and cooking the product to maintain the quality you have worked to attain.

Keeping customers

It's easy to make the first sale, but much more difficult to obtain subsequent orders, especially if expectations are not met. An unsatisfied customer will not likely buy from you again and they may tell 20 other people about their concerns.

Customers purchase direct from the producer for a variety of reasons, including your production philosophy. They may wish a natural or organic solution. If your product falls into such a category, be prepared to back up the claim. Your customers want good value for their money, regardless of their buying criteria. They really are no different than you. Treat them the way you'd like to be treated.

Produce safe products

Consumers are looking for assurance that their food is being produced in a safe manner. Industry and governments are working together to develop process control systems that address food safety. These systems are based on the principles of Hazard Analysis Critical Control Point (HACCP). Food safety process control systems focus on preventing hazards rather than detecting problems during inspection of the end products.

The On-Farm Food Safety Program (OFFS) is the program producers can follow to reduce the risk of unsafe food products originating from the farm. This program provides consumers the assurance they are seeking. OFFS programs help create a proper operational environment for food safety through the implementation of Good Production Practices (GPPs) on the farm. These types of practices can be applied to any type of agricultural production operation. The keys are:

- a thorough knowledge of the hazards and risks on the farm
- a good understanding of the GPPs recommended for the commodity and type of farming operation
- an effective written plan for the individual farm

Commodity associations are at different stages within the process of developing new codes of practice and programs for OFFS. These national standards programs are voluntary and are being managed by producer groups. Contact your provincial commodity association for on-farm food safety information for each species. Information about the OFFS program can be found by visiting the Alberta Agriculture and Rural Development web site: agric.gov.ab.ca and then clicking on the appropriate commodity link.

Know the regulations

If there is a food safety issue with one of your products, ensure you have a trace back system in place that allows you to easily identify the animal and processor involved in the production of that product. Keep accurate production, processing and marketing records. Your record keeping system is crucial if you are faced with a recall or food safety crisis. Accurate records help you identify affected product and limit the scope of the recall.

Only inspected meat can be sold in Alberta. Use provincially regulated slaughter and processing facilities in which you have confidence. You should be comfortable taking your customers there.

Always pick up orders from the processor in a clean vehicle that is free of pets, dirt, chemicals, farm supplies and other contaminants. A food establishment permit is required from the regional health authority to transport, store and market your meat products in Alberta.

The Cost of Foodborne Illness

Health Canada estimates 2.2 million cases of foodborne illness occur annually. The cost to the Canadian economy is estimated at a staggering \$6 billion annually. Thousands of Albertans become sick each year and some die after eating contaminated or mishandled foods. Children, the elderly and those in poor health are especially vulnerable to foodborne illness. Are you doing all you can to keep your food safe for customers?

Your customers trust that the way you raise, harvest, process and deliver a food product makes it 100 per cent safe to consume. They trust that you have a food safety system in place and it addresses all processes where food safety problems can originate.

Actions speak louder than words

Trust is built on more than verbal assurances of "I eat it!" Your actions will go much further to deliver a safe product. Use safe food handling practices and teach your customers how to handle the product in a safe manner.

Establish and monitor safe product handling procedures. Use your record keeping system as a check to document your actions.

Some points to consider

On-farm production

Use only registered pharmaceuticals and pesticides. Follow labelled instructions to ensure adequate withdrawal times are observed. This can prevent antibiotic, other drug and chemical residues in the animal. Be sure to document dates of drug administration and withdrawal times. Use common sense.

Transportation and storage

Provide adequate cold storage space for chilling meat cuts. The temperature of chilled meat must be maintained at 4°C or less. Frozen meat must be kept thoroughly frozen at all times and should be stored at -18°C or less to maintain product quality. Pre-cool equipment before loading. Monitor and record the temperature of equipment used for transport and storage. Use coolers with frozen ice packs or generator-operated freezers for sales and delivery. Document product temperatures throughout travel and during storage. Ensure customers know how to transport meat products safely. Improperly stored products spoil faster and lose quality quickly. Once at your farm, immediately unload the meat cuts into a pre-cooled freezer or refrigerator and ensure that proper temperatures are maintained. Ensure your retail freezer storage is separate from your home-use freezer, meat intended for sale must be stored independently.

Selling direct

Know the regulations and requirements needed for licensing and operating a farm direct marketing venture. Obtain a Food Establishment Permit from the regional health authority. Educate customers about the rapid growth of bacteria when the temperature of meat is above 4°C. At an extra cost, offer coolers and frozen bottled water labelled with your farm business name or ice packs so customers can keep the meat cool on the trip home. Another option is to remind customers to buy ice as quickly as possible after making their purchase. Wear clean clothes and remove jewellery when handling food. Avoid chewing gum and tobacco, eating and smoking. Wash your hands and clean equipment frequently. Provide access to adequate hand washing equipment when handling meat and meat products.

Following these simple steps will help you maintain the health of your customers and your business.

Pricing your Meat Products

Knowing what to charge for your product can be challenging. You need to calculate your costs and choose a strategy that provides an acceptable profit.

Research

Setting a price that provides your customers good value and your business a fair profit is a challenge when developing a new product. A good place to start is the price charged for comparable products. To determine the price you can set for your product, you will need to do the following:

- know all your costs
- understand what your customers want and what they willing to pay for it
- monitor what other farm direct marketers are charging for similar products
- be aware of the regular retail price in your market area for comparable cuts
- understand the market environment
- determine a reasonable profit

You are competing against other farm direct marketers and retailers, especially those selling meat products or entrees. Be prepared to work as hard at making a profit as they do.

Avoid competing on price. Compete on product quality and service. Make sure your product meets an identified need. Know what makes your product or service unique and market those benefits. Your products are different than those on retail store shelves, so your prices should be too.

Determining your costs

On-farm production

These costs are the most complex to calculate, but are the most useful. Cost categories are the same for any farm enterprise. They include: feed, veterinarian, breeding, pasture, utilities, fuel, equipment, buildings, custom work, interest, taxes, insurance and paid labour, etc. Itemizing all your costs allows you to better evaluate your alternatives and identifies ways to improve your overall cost structure. Software tools can be helpful, but paper and a pencil will work as well.

Slaughter and processing

These costs are easier to track because they are billed directly. Be sure to include live transportation, slaughter, rendering, cutting, storage and wrapping charges. Rendering charges have increased significantly in recent years. Be prepared to pass these costs on to your customers.

Marketing and storage

Phone expenses, freezer space, electricity, promotional materials and advertising are just some of the common costs in this category. Be sure to add in the cost of picking up the meat from the processor. Factor in your time spent driving to the market, manning the sales booth or delivering the product to customers.

Pricing your product

Now comes the challenge. What you have left to sell after processing weighs a lot less than your live animal because the hide, internal organs and bones are removed. Weight also depends on the breed, the animal's conformation, finishing feed rations and overall health of the animal.

Your processor can provide guidance when addressing all issues from weight to type of cuts. If you do not have specific cutting instructions from a customer, the processor may recommend standard cuts. Remember, when selecting cuts, what you prefer doesn't matter. You are not the customer.

There is a considerable difference in price between a custom order and getting an order custom processed for retail sale. It may cost you more, but remember, you are not the client. Your customer is. Farm direct market customers are willing to pay for the value they receive.

When it comes to setting a final price, you have three different options:

- sell per pound, based on the whole or a portion of the carcass
- sell meat packaged at specified weight and at a specified price
- sell at a price per weight, per cut

How you choose to sell depends on your business strategy, your market and your competitors. Your decision will help you establish a price that ensures your costs and interest are covered. Keeping records of your meat sales helps you project sales volume and the overall value.

Finding and Working with a Meat Processor

When marketing meat directly to customers your processor is an important part of your business.

Meat processors are entrepreneurs, just like you. To work most effectively with you they need to be your business partner. They are like your fuel agent, machinery dealer, crop input supplier or veterinarian. All should be an integral part of your farm production operation.

Finding a facility

Your processor needs a provincially inspected facility licence to harvest and process your meat products. All meat sold in Alberta must be processed in a registered facility.

It is important to develop a working relationship with your processor, so plan to visit more than one facility before choosing a processor. Meet the people working and managing the business. Ask yourself if you would be happy to show their facility to your customers. Remember, most processors have an existing clientele. Some may even process their own products. They will consider your business only if they can fit it in or if they see an opportunity for a good, long-term client.

A long-term relationship benefits both you and the processor. It provides the processor a new client and assures your customers that they are receiving a high quality, consistent product. Both contribute to the success of your new business venture. You can find a list of provincially inspected facilities on Ropin' the Web or by calling the Alberta Ag-Info Centre at (866) 882-7677.

What to ask?

Before visiting the processor, prepare a list of questions to ask. Some of your questions may centre on various costs, but don't forget to ask about:

- aging
- packaging
- cutting
- labelling
- timing to book animals

- boxing and/or delivery
- the processor's food safety program

Be prepared for some questions in return. The processor may ask you about:

- the type and number of animals to be processed
- product aging
- types of cuts
- financial credibility

Before making your final choice, ask the potential processor to prepare an animal for your home use.

Evaluate the product you receive. Did you get the cuts you asked for? Is the fat trim satisfactory? Do you like the packaging and labelling? Is the quality of the cutting consistent? Would you buy this product?

Making it Work

Once you have selected a processor, be sure to clearly outline your needs and ask for theirs. Inquire as to how you can make it easier for them to do business with you. You are both looking for a win-win situation. Your win is getting the animals processed in the right manner and when you need it done.

The processor's win may be more volume in their business or it might be timing of the business. The bottom line is that you each want to be more profitable because of your business relationship.

PRODUCER STORY INDEX



Chinook Honey Company - Okotoks, AB

Art & Cherie Andrews
Primary products: Honey, Mead



Edgar Farms, Innisfail, AB

Doug & Elna Edgar
Primary products: Asparagus, Vegetables, Angus Beef



Hidden Valley Garden, Sylvan Lake, AB

Jim & Lesley Hill
Primary products: Saskatoon Berries, Vegetables



Kuhlmann's Market Gardens & Greenhouses Ltd., Edmonton, AB

Dietrich & Elizabeth Kuhlmann
Primary products: Vegetables, Bedding Plants, Perennials, Flowers



Linda's Market Gardens & Greenhouses, Smoky Lake, AB

Don & Linda Christensen
Primary products: Vegetables, Strawberries, Bedding Plants, Perennials



LIZZEES Berry Farms, Calmar, AB

Andi & Liz Pallas
Primary products: Saskatoon Berries



Serviceberry Farms, Strathmore, AB

Grace Fedak & Elvin Saruk
Primary products: Strawberries



Sunshine Organic Farm, Warburg, AB

Ed & Sherry Horvath
Primary products: Beef, Pork, Chicken, Turkey, Eggs



The Jungle Farm, Innisfail, AB

Blaine & Leona Staples
Primary products: Fruit, Vegetables, Pumpkins, Bedding Plants



Tipi Creek Farm, Sturgeon County, AB

Ron & Yolande Stark
Primary products: Vegetables



Valley K Lily Ranch, Edberg, AB

Lynnette Westfall
Primary products: Lily Bulbs

HONEY, APITHERAPY PRODUCTS, MEAD



Primary products: Honey, Mead

Chinook Honey Company

Location: Okotoks, Alberta

Contact: Art & Cherie Andrews | 403-995-0830 | URL: chinookhoney.com

The Wonders of Beekeeping

Chinook Honey Company is an apiary sitting in the rolling foothills of the Canadian Rockies. The impressive peaks to the west help create the Chinook winds that make the Okotoks area so unique. Art and Cherie Andrews, retired airline employees (Art – pilot, Cherie – dispatcher), started beekeeping as a hobby in 1995. At the time Art was “just looking for something to provide relief from the stress of his full time job.” His two hives soon expanded to six, then 12 and now have blossomed to approximately 250 with 60,000 bees per hive. If you do the math, that means the Andrews have 15 million bees!

Art's passion for his bees was contagious, and it didn't take long before his wife Cherie started to accompany him to the bee yards and help out with the many bee chores.

In June 2004 their enthusiasm for bees and the many wonderful products the bees provide took another step forward when Cherie and Art opened a retail store in their Honey House.

“But this was not merely a place to buy honey—this was also a learning centre. The store includes a live observation hive and an interpretive area where [we] conduct group tours or folks can drop in for an informative visit with the bees,” said Cherie.

In addition to their wonderful natural honey they make specialty honeys with fruit, cinnamon and chocolate – just to name a few. Beeswax candles are available and honey body care products, using Chinook Honey, are made locally and sold in the shop. Apitherapy – the medicinal use of beehive products – is a great way to prevent ailments or heal them in a natural way. The store also has a wide range of honey-related gift items including honey teas and delicious honey ice cream.

Art and Cherie strive to provide the best natural, non-pasteurized honey with the bare minimum of processing. At the same time, their observation hive and tour facility have been a model for educating customers about honey, honeybees and the products the bees provide. As well, in 2008, after years of research and lobbying government, they opened a new business: Chinook Arch Meadery, the first honey winery in Alberta. In 2010 the Andrews introduced mead vinegar, the first in Canada, to the growing list of products.

“I believe our customers buy from us because our product is healthy, of good quality, and well packaged,” said Cherie. “Our mead is unique and delicious. In the Melomels (mead with fruit added) we use local fruit as much as possible.”

About the Bees

“As a beekeeper, keeping the bees alive is a challenge!” said Art. “Our entire business starts with bees.” In addition to honey, bees are important for crop pollination, but are at risk from crop spraying, diseases, parasites, and malnourishment. One bee produces one-quarter teaspoon of honey in its lifetime. It can travel up to 8 kilometres, and must take enough fuel (honey) to complete the return trip. “A good hive in Alberta will produce in excess of 70 kg of honey in a year,” he said.

Curious folks of all ages enjoy learning about honeybees. Chinook Honey Company observation hive is an experience not soon forgotten. Both Art and Cherie conduct tours of their apiary and give comprehensive talks about bees, their colony structure, and the products derived from honey. They also explain what a beekeeper does to keep bees happy and healthy.

With the use of a live, working observation hive, tourists can witness an amazing variety of honeybee behaviour without any danger of being stung. Depending on the time of year, one might see the queen laying eggs, the worker bees coming in with pollen or nectar, bees feeding the young brood, or perhaps even watch as a young bee emerges from a wax comb. There is also a viewing window into the extracting facility and during the harvest season beekeepers might be seen in action extracting the liquid gold.

Talks last 45-60 minutes and groups of up to 25 can be accommodated in the facility. Fees for tours:

- Children's Bee Safari - \$5.00 (includes honey stick and puzzle colouring book)
- Adult Bee Safari - \$5.00
- Adult – "From the Bee to the Bottle" tour - \$10.00
- Meade tastings are available during regular store hours and special tours

About Apitherapy

Apitherapy is the medicinal use of honeybee products and has been practiced since ancient times. The more common hive products they use are honey, pollen, propolis, and royal jelly but apitherapy also includes the use of bee stings (or venom).

What is propolis? *Propolis* is produced by bees from tree resins, such as poplars and various conifers and used to sterilize and seal the hive. Often called "nature's penicillin", it has been used by people for thousands of years for its remarkable antibiotic, ant-fungal, anti-viral, anti-bacterial, and anti-oxidizing qualities. It is a natural broad-spectrum antibiotic that activates the thymus gland.

The Andrews believe that the health benefits available from the bees are endless and offer a wide variety of quality apitherapy products.

About Mead and Chinook Arch Meadery

Mead is the oldest alcoholic beverage known to man. A natural fermentation made from simple honey, water and yeast, it has been dated as far back as 7000 BC. Also known as Honey Wine, the word mead has translations in 20 different languages and has played a role in all the great eras of human history.

Chinook Arch has nine choices of mead, varying from dry to sweet and fruity: Buckaroo Buckwheat, Melissa's Gold, Bodacious Black Currant, Ginger Snapped, Cherry Mi Amor, King Arthur's Dry, Raspberry Rhapsody, Excalibur, and Berry Bliss.

"Mead is unique because it has so much history," says Cherie. "Medieval knights, Vikings, Romans, Egyptians and Greeks – they all talked about mead."

Art develops the mead. “Here we have a very natural product. Honey, water, yeast – you don’t get more basic than that.” But mead can be as complicated as any grape wine, and comes in many varieties based on the honey used and other added ingredients, from fruit to spices. “We find that people are really interested in experimenting. It’s a specialty. It’s unique. It appeals to people with a good sense of adventure.”

“The recipe is simple,” said Art “but you have to make mistakes to get it right!” 1.4 kilograms of honey produces 4.6 litres of medium sweet mead. Mead can age up to 15 years in a wooden barrel or bottle. Art makes Melomel, the old English name for fruit flavoured mead and also Metheglins – mead -infused with herbs and spices.

Chinook Arch Meadery has two 100-litre oak barrels built by a cooper in Oliver, BC. and all the processing steps are completed on premises, right down to the bottling, corking, labelling, and packing for shipment.

Promotion and Marketing

“As a farm direct marketer, you need to be a master of many trades – marketing, computers, management and bookkeeping,” said Cherie. “As our business grew, so did our learning. For instance, I had to learn about web site development and electronic newsletters. “

www.chinookhoney.com is the online home for the business. It features information, an electronic newsletter, product information, a photo gallery, and contact information. Facebook is used for social networking. The business has been featured in regional newspapers and magazines, creating exposure and curiosity.

“Word of mouth is definitely one of the best forms of advertising,” says Cherie. “I also think our newsletter is well received and encourages sales.”

Products are well branded with professionally designed labels. “Presentation is so important. If you want to sell to urban customers at a farmers’ market or in a farm store, you have to make your product look professional. [It pays to] look the best personally and have the best looking product,” she said.

In addition, Art and Cherie have been working with Tourism Calgary and Tourism Alberta to become a tourist destination.

“We have also been involved in ‘tourism clusters’, and though good in concept, the reality is that all the members are often too busy to keep up with the demands of the association,” said Cherie. “Hiring a responsible person to co-ordinate [the work] needs to be covered by membership fees. Agriculture clusters do, however, provide a good support for new businesses getting involved in Farm Direct sales.”

Another initiative that their cluster “Flavours of the Foothills” took was to produce a condiment combining their individual products. The resulting BBQ sauce still experiences brisk sales at Farmers Markets and other locations.

Learning experiences have been important to the development of Chinook Honey Company. These include NAFDMA tours, Okanagan tours, Quebec tours, and government workshops on how to organize events, marketing, how to get free advertising, and how to properly price products.

Advice for Agripreneurs

- When considering farm direct marketing, do research, be thoroughly prepared, and have a concept of how you want to grow.
- Concentrate on a five-year plan, try not to get bogged down with today's issues, and think about where you want to be tomorrow and how to get there.
- Use inexpensive marketing strategies to maximize profits but at the same time make sure you project a professional image.
- Try to hire local people.
- Attend tours and workshops.
- Join associations for networking possibilities.
- Visit other farm direct marketers.
- Research regulations and laws.
- Hire an accountant and bookkeeper knowledgeable about farm businesses.
- As a bare minimum, you must have a clean, tidy, and attractive facility for on-farm retail.

CO-OPERATIVE SALES AT FARMERS' MARKETS & FROM THE FARM



*Primary products: Asparagus and other home grown vegetables,
home raised Angus beef, handmade preserves and pies*

Edgar Farms

Location: Innisfail, Alberta

Contact: Doug & Elna Edgar, Keri and Randy Graham

403-227-2443 | URL: EdgarFarms.com

Edgar Farms provides local, fresh, quality products

Elna and Doug Edgar of Edgar Farms describes their target market as "People who care about their food and where it comes from, are looking for food with superior flavour, freshness, safety and quality. They are not limited to a specific age or family status, in fact we informally observe a very wide range of both. Typically members of our target market are willing and able to take a little extra effort to obtain local food of amazing quality. They regularly attend and support farmers' markets, and occasionally are willing to travel out to our farm. Most members of our target market live in the Calgary to Edmonton corridor."

Edgar Farms, an Alberta Century Farm, is located 10 km west of Innisfail on Cottonwood Road. The Edgars started planting asparagus in 1986, filling one acre. Today, their asparagus field is the largest in Alberta at 21 acres. They plan to increase by another five acres in 2011. They also grow podded peas, sugar snap and snow peas, broad beans, green and yellow beans, rhubarb and raise hormone and antibiotic free Angus beef. They direct market their products at farmers' markets through cooperative sales as a partner of Innisfail Growers and on their farm.

A constant goal of Edgar Farms has been to "focus our efforts on branding our home grown products to educate consumers that they are purchasing local, fresh, quality products," says Elna. "We have achieved this through the means of a professionally designed logo and comprehensive professionally created websites. All products grown or made on our farm proudly bear our Edgar Farms logo for immediate product recognition. Our successful product branding has resulted in achieving the very significant goal of 100% direct to consumer asparagus sales since 2007. Also, we incorporate Innisfail Growers onto our labelling so the customers remember where they purchased the product if from a farmers' market."

"There is huge potential for farming and farmers in Alberta but we must become price makers, not price takers if we are going to survive in this global economy," said Elna. "To survive, we can no longer continue to grow the traditional barley, etc. that our ancestors grew with rising energy, machinery and labour costs and ever decreasing returns."

"We constantly hear from our customers their increasing disillusion with mass produced food from the big box store," she said. "The trend is definitely toward niche market purchasing directly from the farm or farmers markets and providing that rural experience along with the product. We have been involved in farm direct marketing for 21 years and every year the excitement builds and the comments and customer appreciation for great products and experiences becomes ever bigger and more exciting."

To become price makers we have to go direct to the consumer (or invite them to our farms), give them the rural experience while educating them why "local and fresh" is so much better," says Elna. "We need to build long term relationships with our customer so they can be assured of quality products that they are willing to pay a premium price."

"We feel we are achieving a reputation and relationship with our customers as we see huge increases in customer acceptance, satisfaction and the bottom line of huge increases in sales and profit every year," she said. "Unfortunately, we find that most traditional grain farmers struggle with this concept, are not willing to open up their private farms and are not willing to put in the huge effort or 'think outside the box'. We feel that leading by example may eventually change this attitude."

Edgar Farm History

In 1907 William Edgar Sr. and his family traveled north by covered wagon arriving at Innisfail where he had purchased a 320 acre homestead. Wilf Edgar – William's son – was very famous in the horned Hereford cattle, being inducted into the Alberta and world Hereford Hall of Fame. William John – Doug's father – not liking the cattle, continued on the grain end of farming. When Wilf heard that Doug was to marry a farm girl from a cattle farm, he immediately purchased ten cows and three calves from a long time cattle friend's herd disposal.

"We were the recipients (prior to our wedding date) of these ten cows and three calves as a wedding gift. Since there were no fences to speak of, we were building fences even before we were married.," said Elna. "Today, we have descendants of those original cows in our herd."

Today, the original homestead is still in the family and our branch of the Edgar family has grown to six generations. Edgar Farms is currently owned & operated by Elna & Doug Edgar. Doug is a great grandson of William Sr. Elna also comes from a farming family being raised just 12 miles east. Both Doug & Elna went to Olds Agricultural College for post secondary education.

Elna originates from a local family farm where she developed her passion for farming by being heavily involved in the farming activities plus long time involvement in local 4H clubs. After Olds Agricultural College she married her long time friend and neighbour who she had known since she was five years old, Doug.

"We always had a small patch of asparagus in our family garden and every spring would anxiously await the appearance of the first tender shoots. We marvelled at how great the flavour and quality was, so thought it was worth investigating growing on a commercial scale," said Elna.

With the help of their two daughters, they initially planted one acre of asparagus in 1986. After nurturing the acre for three years (long enough to get it to production stage) they decided that there really was demand for locally grown fresh asparagus and have increased their asparagus production to 21 acres, the largest field in Alberta. 2011 they plan another 5 acre expansion.

The Edgars are one of the founding members of the highly successful Innisfail Growers Co-op, established 1993. Innisfail Growers Co-op is a group of five farm families that co-operatively market the products they grow on their own farms. Their vegetables can be found in season, any given week at about 20 weekly farmers markets from Calgary to Edmonton under the Innisfail Growers banner. Innisfail Growers strives to recognize each grower and their individual products, while effectively marketing their products as a group.

"With Innisfail Growers, we are able to co-operatively purchase large volumes of supplies such as: mesh bags, containers, packaging materials, row cover etc. Innisfail Growers was actively involved in the opening of the upscale year round Calgary Farmers' Market at Currie Barracks, and currently, we are very involved in the opening of the New Calgary Farmers' Market at the Heritage and Blackfoot Calgary location. We have a booth at the Calgary Farmers' Market that we attend year round," said Elna.

"We sell the majority of our peas, sugar snap peas, snow peas, broad beans, pea tendrils, yellow & green beans, rhubarb, preserves, pies and beef plus approximately 50% of our asparagus crop through Innisfail Growers at farmers' markets."

Elna and Doug's eldest daughter, Keri and her husband Randy, along with their two daughters, Makayla and Megan have recently returned to the family farm. Now instead of working towards the proverbial farm sale, they are thrilled to be working toward a succession plan that will see their century family farm continue on for another generation.

"With our well-diversified farm, it is much easier to weather downturns in commodity markets and unforeseen circumstances, such as crop failures, etc.," said Elna.

Business Philosophy

"We believe in producing the best quality product possible, even though it may cost much more to produce than a lower-quality product (i.e. hand picking our vegetables, rather than mechanical harvest).

Asparagus is a delicious vegetable. It's a short season crop, but anticipated across Canada and North America for its fresh taste and delicate composition. The cool Alberta climate produces extremely sweet asparagus.

"The purple tips on our asparagus indicate very high sugar content," says Elna. "Because we are only supplying local markets, direct to the consumer - our asparagus is amazingly fresh when the customer gets it. No lag-time, long-distance shipping or warehouse storage ensures only the freshest, most delicious asparagus for our customers. Eaten raw, our asparagus is incredibly juicy and tender and tastes like sweet peas! Cooked, it has amazing asparagus flavour and a beautiful texture."

"Our asparagus is always 'hand snapped' in the field," she said "rather than cut with a knife below the ground like most commercial operations. This way, the customer only pays for the most tender portion of the spears. There is no need for them to snap after purchasing and throw away a large portion of what they have paid for, we leave the tough bit in the field, although we are taking lower yields off the field."

"The downside for us is that it does not store for long periods of time so we always put high priority on selling it within a few days of harvesting or it is processed in our commercial kitchen," she said.

Edmonton Farmers' Market Sales

"Starting the first Saturday of May, I set up our Edgar Farms booth and begin attending the very large year round market in Edmonton, Old Strathcona Farmers Market," said Elna. "We sell a large volume of our asparagus there. Every Saturday at 4:00 am, we make the two hour journey to the market. I stand at the booth every Saturday selling just asparagus pickles, frozen asparagus soup from last year's crop, our Edgar Farms Asparagus Pie cookbook and our asparagus relish until the fresh asparagus starts. I talk to all our customers and let them know when we expect to have fresh asparagus. This builds interest and reminds customers about us."

The second big market is also in Edmonton – the Edmonton City Market on 104th St. Because it is an outdoor market, it starts the long weekend in May.

"My daughter, Keri, manages this booth. It is the same times and days as Old Strathcona, so we travel

together, along with our helpers and supplies and meet other helpers in Edmonton. I would estimate that we sell 1/2 of our asparagus production in Edmonton at these two markets in May and June," she said."

Farm Store

"We have seen the growth of our customer base at our on-farm retail store grow by leaps and bounds over the years as more and more customers realize the importance of supporting local producers and purchasing fresh, flavourful, farm-direct food less-travelled," said Elna. "We offer on farm sales of our home-grown fresh asparagus and produce, homemade pickles and relishes, homemade pies and soups, plus our own home raised Angus beef. At our farm store you will also find more vegetables that we do not grow on our farm, but that are grown locally by other members of our Innisfail Growers group."

Value added products have become a large part of their business, both at farmers' markets and on the farm. Edgars have an approved commercial kitchen on the farm and add value to their asparagus in the form of two delicious flavours of pickled asparagus. This gives them an opportunity to transform any surplus asparagus into a delicious product.

"We are then able to offer the freshest asparagus for sale directly to the customer and have no discard or discount on an 'older' product that we have already invested the labour costs of harvesting," said Elna.

Over the past few years, their line of value added products has grown and now includes:

- Asparagus relish, soup, dip (utilizing their asparagus 'seconds' - asparagus that may be crooked or broken)
- "Take and bake" frozen pies (apple, rhubarb and blueberry)
- Apple chutney
- Apple butter
- Canned spiced apples
- Candied apples
- Mustard bean pickles
- Fruit leathers
- Rhubarb jam and marmalade
- Rhubarb pineapple conserve
- Pickled beans
- Crisp pickled veggie mix
- Pickled snap and snow peas
- Beet pickles ("no members of Innisfail Growers were producing these, so we took them on as well. This fall we pickled 4000 pounds of beets and made beet relish as well.")

Edgar Farms has been featured in many publications, including: the US publication Country Women Magazine, Food For Thought Magazine, Up Magazine (WestJet), Westworld (AMA) Magazine, City Palate (Calgary), Food Lovers Trail Guide to Alberta Volume 2, High Plains – The Joy of Alberta Food Guide, The Curious Cook at Home – Recipes and Secrets from an Adventurous Cook, Red Deer County News, Swerve Magazine, Mountain View Gazette, Edmonton Journal, South Calgary News, Red Deer Advocate, Calgary Herald, Avenue Magazine, The Edible Prairie Journal, Red Deer Express The Western Producer, Farm Show, Innisfail Province, Olds Gazette, Central Alberta Life and more.

"We were honoured to be a guest and appear on the popular *City TV Breakfast Television* program in Edmonton in June of 2007," said Elna. "We were featured in three segments demonstrating asparagus cooking techniques and promoting our amazingly delicious, sweet and tender asparagus."

"We are proud to be selected to be featured last fall in two episodes of the new 13 part food series, titled *Simple, Fresh, Delicious*," she said. "The nationally broadcast show features local farmers and encourages consumers to sit down at the table and enjoy meal time. We were also featured on The Discovery Channel program "The Chef's Domain" and Prairie Farm Report did a segment profiling our asparagus operation and the production of our asparagus harvesting/bundling equipment."

Events and Festivals

"In 2009, we had over 1,500 people attend our Asparagus Festival, in 2010 our attendance was lower due to very poor, snowy weather but the Festival was still a success," said Elna.

"Our Asparagus Festivals, held on the last weekend in May, are an opportunity for people to come to our farm to see how asparagus is produced. The experience of the festival was marketed, rather than the product – "a healthy, educational, fun-filled, back-to-basics family outing to get your children away from the TV", rather than "come buy our asparagus". Our event proved to reinforce the fact that vegetables don't come from the store, they come from the farm! We offered wagon rides to the field, where people had the opportunity to "bend, pick and eat" asparagus and witness our picking staff hard at work harvesting," said Elna.

"Executive chefs from top Calgary restaurants that purchase our asparagus volunteered their time to do cooking demonstrations and offered free samplings to our visitors. We passed out many other samples of the value-added asparagus products we make in our on-farm commercial kitchen. We also opened up and offered tours of our bundling shed to demonstrate how asparagus is bundled, washed and hydro-cooled. A third-party concession was on site for the festival and it featured our asparagus and hormone and antibiotic free Angus beef. We had a petting zoo, several local artisans had booths set up, our local ladies group had a community fundraising bake sale and many other fun and educational activities!," she said.

"We have been very active members of "Country Drive" since its inception in 2004," said Elna. "Country Drive is an agricultural driving route in the Red Deer County, where urban people are invited to visit approximately 25 local rural farms and attractions. Promotions this year will include: 2011 printing of 20,000 brochures distributed throughout Central Alberta, comprehensive website: www.CountryDrive.ca, extensive radio advertising and print advertising plus hopefully a few articles in newspapers and magazines."

Who is your competition?

- Some things are out of our control - like the weather! (Yes, it competes against us)
- Small growers who don't know their 'real' costs. They undercut and wonder why they are not profitable
- Growers that simply price their product by undercutting the other growers, no matter what the cost and how much profit they are making (or not)

- Other growers lower their prices at the end of the market day, rather than taking their leftover product home and value-adding it

"We never sell old, unfit or defective product, unlike some of our competitors," says Elna. "We stay on top of the trends in marketing, new products available (such as new varieties of fruits/vegetables). Consumers will demand the newest products - even if they are no better, you still need to make them available to the customer. Standing still doesn't work - if you are standing still, you really are moving backwards because someone else will be moving forward past you!"

Edgar Farms is online at www.edgarfarms.com. There is information about the farm, produce, farm store, festival, maps, location directions, yours and seasons, links to associated organizations.

"Doug has a blog where he updates farm activities: <http://dougfarmblog.blogspot.com>. Edgar Farms' newsletters are posted on the blog. Farm Store and produce news is another blog link from their website. They use Facebook for social networking and farm pictures are posted on Flickr. They have recognized the trend toward using the Internet and email in particular, as an effective and immediate way to communicate with their customers.

"We have collected thousands of email addresses, including prominent members of the media such as dee Hobsbawn-Smith, Judy Schultz, Jennifer Cockrall-King, Gail Hall and Cinda Chavich," said Elna. "We create and distribute a weekly e-newsletter every spring during asparagus season and bi-weekly to monthly through the remainder of the year. We have our own "Edgar Farms" e mail contact lists, one for the farm store and one for our Edmonton customers. Also, Innisfail Growers has close to 3,000 addresses and I send out several newsletters throughout the year for Innisfail Growers."

Along with membership in Innisfail Growers Co-operative, Edgar Farms is a member of Alberta Farm Fresh Producers Association, Country Drive and Alberta Farmers Market Association.

Every business encounters hurdles along the way. Farm Direct Marketing is no different. The Edgars find "competing with imported, inferior products that have been produced with minimal input costs (ie – Vegetables from third world countries are picked by labourers making pennies per hour, compared to the fair wages that we pay our staff) " to be a business hurdle.

"Other countries have different, less stringent chemical regulations for food produced, " says Elna. "Canada only requires our imported food to be grown under the country of origin regulations even though they would not meet "grown in Canada" regulations. This can be both a challenge and a benefit of local produce. "

"With Alberta being new into commercial vegetable production and agro-tourism it requires traveling around the world to learn more about different methods of growing, handling and marketing produce. We have traveled throughout the Canada, USA , Mexico, South America, and Europe to learn, " she said.

"Because of our specialized crops and size of our operation, the necessary equipment is not always commercially available. We have been able to design and produce on-farm much of the equipment that we require (example – hydro cooler, aspara-buggies for harvesting asparagus, trolleys for ease of moving lugs of asparagus etc)," said Elna.

Asparagus is a perennial crop that is not normally grown in Alberta because it requires high heat units for optimal yield. Alberta springs can be very unpredictable, and the Edgars experience a wide range of temperatures and weather conditions.

"It is very normal for us to experience frost and even significant snowfall during our production season! When the crop freezes or is covered by snow, the asparagus that has emerged from the ground is destroyed and we need to wait until it warms up enough to begin to grow again," she said. "We sometimes have no supply for several days when this happens. Our customers are very disappointed when they cannot buy the local asparagus at the markets but they are beginning to understand that this is part of the challenge that we face and they are willing to wait because of the fantastic quality and flavour."

"Many of our customers tell us that they only buy our asparagus during our short season and no longer buy the imported asparagus from the grocery stores. They wait 10 months until ours is producing again!"

Training and Support

"Networking opportunities are available throughout the world. This is very expensive and time consuming," said Elna. "It seems after coming back from these trips it takes time and energy to implement ideas, even though they are great ideas. We have benefitted greatly from these opportunities."

"We need to have the ability to take advantage of the mainstream learning opportunities that are available locally and apply them to our specialized unique operations. ie. Food safe handling courses that are designed for restaurants," she said. "It seems that people are so busy doing the same thing they did last year rather than thinking outside the box and doing something new and unique."

"As we are all doing different things there can really be no generic learning opportunity that would fit everyone," she suggested. "We have to learn to be problem solvers on our own and not expect someone to give us the answers on a silver platter. Even though throwing money at the industry may help somewhat, it is probably not the best solution. The ideas and funding should come from the producer and the consumer."

Traveling is the best learning experience they have encountered. "We are always looking for new ideas no matter where we go, whether it is just going out for dinner at the local restaurant or going to a farm show halfway around the world."

"Networking with other like-minded operators is invaluable," she said. "Support, sharing of ideas and suggestions from other Innisfail Growers members has been extremely important to our success."

"We have attended many NAFDMA conventions and bus tours of agri-tainment, farm markets and farm operations. We have gained invaluable information not only at the conventions and bus tours but also a huge amount of information from networking with the attendees. We saw the value of branding products so decided that we need to brand our products. We had a logo and website developed and have since had tags and labelling made so that everything that is grown on our farm is branded with our logo, website and our farm story. We have seen a definite increase in our sales because of

brand recognition. "

"In California at NAFMA we made contact with an asparagus grower who toured us through his 1,200 acre operation after the conference. We discovered a different method of banding asparagus which we have put into practice. This has increased the capacity in our processing shed by allowing multiple stations for banding rather than the one air bander that we had previously been using."

"While touring a farmer's market in California we came upon pea tendrils, which we had never seen before. We researched what seed to grow for the most tender product, developed a recipe and introduced pea tendrils complete with a recipe to our customers at our farm store and all the farmers markets, " said Elna.

"NAFDMA 2004 really opened our eyes to the potential of farm direct marketing, gave us encouragement to persevere, many new ideas for the further development of products and gave us vast knowledge on new and expanded marketing techniques. "

Industry conferences, tours and research on the internet are their information sources.

"There are plenty of tours and conferences around to go to. The challenge is to prioritize where to go. Once you start going to these conferences you start to network with other producers and find out where they like to learn about specific issues, " she said.

"We have gone to a lot of conferences; tours etc. and no matter where we go, we always learn something. Some good opportunities that we have experienced are NAFDMA meetings and bus tours, Great Lakes Expo, OFFMA bus tour, Tulare Farm Show, Abbotsford Farm Show, Royal Farm Show in England, Terra Madre in Italy, Slow Foods Calgary and Edmonton, AFFPA conferences, AFMA, Stockton Asparagus Festival, Explore Direct Alberta and many others," she said. "We also have toured asparagus fields in California, B.C., Mexico, Peru, Argentina, and others."

"Since we are doing many very specialized and innovative things on our farm we have found that we need to look far afield to acquire ideas and materials to assist us in packaging and promotion of our products. We have attended many farm and vegetable shows over the years," she said. "We toured many vegetable operations in Chile, Argentina and Peru in 2009 with the Nuffield scholars."

FARMERS' MARKET VENDOR, U-PICK SALES, BED & BREAKFAST



Primary products: Saskatoon Berries, Raspberries, Vegetables

Hidden Valley Ranch

Location: Sylvan Lake, Alberta

Contact: Jim & Lesley Hill | 403-887-3778 | URL: hiddenvalleysylvanlake.com

Farm Direct Marketing: Fun for Them – Fun for their Customers!

When Jim and Lesley Hill chose a name for their market gardens, they couldn't have chosen anything better to describe their beautiful property. Hidden Valley Gardens is located near Sylvan Lake. Their home (and site of their Bed and Breakfast) is situated on a rise overlooking the valley, which is now home to their market garden.

Jim and Lesley both come from agricultural backgrounds. After years of working for various companies in Canada and the United States, Jim and Lesley found the perfect place to call home in 1992. There they re-established their agricultural roots and began plans for the future. After reading an article about a producer who educated his daughter with funds from Christmas tree sales, Jim and Lesley decided they could do the same thing. They planted three acres of saskatoons and 1,000 Colorado Blue spruce trees in 1994 and 1995.

Between 1998 and 1999, they subdivided 20 acres of their 67 acre property into country residential lots. Approximately half of the Saskatoon bushes and spruce trees had to be moved to a new location on the property due to this development. In 2002, they built a new home overlooking the valley. The home was designed to accommodate a future bed and breakfast. They began selling spruce trees at Sylvan Lake Farmers' Market in 2003, and also sold excess garden produce. "That summer we fallowed 4 acres for future garden," said Jim.

In 2005 1 acre of raspberry canes were planted and 1.5 acres of garden. During the next six years they expanded their garden to 6-7 acres, opened a bed and breakfast, planted additional raspberries and added sales of greenhouse produce to their farmers' market sale inventory.

The Hill's agree that their business has to be "fun for us and fun for our customers." Even with all the hard work and ruling hand of Mother Nature, Jim and Lesley are still having fun on their farm! Today, the main crops are saskatoons, peas, potatoes, carrots, beets, lettuce, beans and raspberries.

The unique location sets Hidden Valley Garden apart from many market gardens. The location, close to a resort community, allows customers the freedom to come at their convenience - sun up to sun down from mid-June through September - planning meals as they pick fresh fruit and vegetables. Presently Hidden Valley Garden offers an honour system for payment, offering even more flexibility to customers. Many customers are Sylvan Lake summer home owners from Calgary and Edmonton.

"We ask our customers to sign the guest register," said Lesley. "We feel about 70% of the purchases are recorded this way."

Product prices are listed on a large sign and charged by the four litre bucket or by the item. The garden is well signed and mapped, giving customers information about product location. Flagged areas direct customers to areas where product is ready to be harvested. Pails are provided for picking and plastic bags to take the product home. Payment is deposited into a secured cash box and non-secured change is available. U-pick sales of saskatoons, raspberries, peas and baby potatoes are highest in volume.

"To date, we haven't had any security issues with our honour box or change," they remarked.

Hidden Valley Garden also offers complimentary u-pick sunflowers, a sand pile with toys, a small maze for children and are in the process of developing a picnic/park area.

"We treat people as if it were their own garden," said Jim. "We want them to feel comfortable here. Most of our customers don't take large quantities at one time, but come back regularly for fresh fruit and vegetables."

Children also have a place at Hidden Valley. There's a small rope maze, sand pile and play area. The Hill's have also worked with the local grade school to provide a children's garden. The children plant in the spring of their kindergarten or grade one school year and harvest vegetables they planted in the fall, when they are in grade one or two.

"We employ youngsters in the area," said Lesley. "Working for us might be their first real job!"

Forms of Marketing and Promotion

- Web site: www.hiddenvalleysylvanlake.com - updated regularly
- Created and distributed a brochure
- Participated in Tourist Oriented Directional Signs (TODS)
- Members of Alberta Farm Fresh Producers Association, Alberta Bed & Breakfast Association, Central Alberta Country Drive and Sylvan Lake Chamber of Commerce
- Listed in the AFFPA Come to our Farms Guide, AFFPA web site, Country Drive brochure and web site, Alberta B&B Association web site, Canada B&B web site, Alberta Agriculture and Rural Development Google Mapping and various Tourism Alberta accommodation web sites
- Maintain a customer e-mail list from guest registers and send out a monthly information update during the growing and harvest seasons
- Have developed a program with local schools with classes coming to the farm to plant and harvest a garden plot.
- Supply fresh produce to the local food bank and to the Community Christmas dinner
- Advertise in local papers and generally are featured in two or three articles about summer activities

Jim and Lesley agree that the single most important factor in marketing and promoting their business is that they are the sales team at farmers' markets. "Customers know us," said Jim. "The stop and have a conversation, they ask questions and know us on a personal level."

"Our highway signs bring people to our market garden, the farmers' market gives customers a chance to get to know us personally, and the web site answers customer questions and has been very well received," said Lesley. They both agreed the best form of advertising is word of mouth.

Jim feels that his primary competition is time and secondary, Mother Nature! "The weather is a business challenge," he said.

Revenue and Revenue Sources

The percentage of average farm income over the past three years is:

U-pick	29%
Farmers' Market Sales	27%
Greenhouse Produce Sales	26%
Bed & Breakfast	10%
Horse Boarding	8%

Farmers' Market Sales

- Attend Sylvan Lake market every Friday afternoon from mid-May to the end of September, plus the Christmas Market
- Transplant lettuce, spinach and Swiss chard under low tunnels to have early produce for the first markets
- Plant first peas in early to mid-April to have available for picking by July 1
- Hire 6-8 local people to pick and package produce for the market day
- Pick starting on Tuesday and store in coolers until washing and packaging on Thursday
- Have created portable display racks that allow produce to be displayed in 18" x 30" plastic trays. This display aids in using the allotted space at the market to its maximum potential

A portion of sales comes from greenhouse produce sales. Jim and Lesley purchase a variety of products from a nearby greenhouse and resell them at the farmers' market.

Bed and Breakfast

- Consists of three rooms in the lower level of their residence - Country Room, Garden Room and Sunflower Room
- Good location, only 5 km from Sylvan Lake Beaches
- Common area for reading, playing cards, watching television or relaxing
- Close to Top 'O the Hill golf course
- Open year 'round
- Advanced reservations of at least three days required for all bookings

Horse Boarding

- The Hill's own their own horses, so this revenue source fits easily into their business plan
- Horse boarding makes use of the remainder of property not used for the garden, orchard or residence
- Number of horses boarded is limited to five in order to keep the workload down, especially during the busy spring and summer months

Six Year Revenue

Activity	2005 Income	2006 Income	2007 Income	2008 Income	2009 Income	2010 Income
Farmers' Market	\$6,740	\$8,600	\$11,115	\$13,582	\$17,054	\$16,865
U-Pick	\$283	\$4,619	\$9,466	\$14,550	\$17,793	\$18,189
Sub Total	\$7,023 \$1,755/acre	\$13,219 \$3,305/acre	\$20,581 \$4,116/acre	\$28,132 \$5,111/acre	\$34,847 \$5,808/acre	\$35,054 \$5,393/acre
Tomato- Cuke Sales	0	0	0	\$12,065	\$16,925	\$16,470
Horse Boarding	\$1,722	\$2,391	\$2,768	\$6,315	\$2,650	\$5,115
Trees	\$2	\$3,826	\$4,395	\$19,200	\$400	\$70
B & B	0	0	0	\$3,560	\$6,650	\$7,705
Total	\$8,745	\$19,436	\$27,744	\$69,272	\$61,472	\$64,484

The six year table gives an indication of how the revenue has changed over the years and supplies a method for estimating sales potential of a market garden and orchard.

Training and Learning Support

Key learning tools for the Hill's have been AFFPA field tours, workshops, conferences and most importantly, one-on-one discussion with other growers.

"When I attended Berry and Vegetable School I made a decision to try low tunnels in our operation," said Jim. "I also added drip irrigation, working with one of the exhibitors to design and supply the

irrigation system. Between these two new growing methods, we have expanded our early production and now have lettuce, spinach and Swiss chard ready by June 1, one month earlier than normal."

Advice to Agripreneurs:

- Must be FUN
- Being a marketer is more important than being a producer
- Agripreneurs must enjoy people and retail sales
- Fresh quality products and safe foods are absolutes and non-negotiable items
- Most producers start their venture as a U-pick, but soon expand to farmers' markets and other activities
- Determine what the customer wants, provide that and more, then charge more than anyone else
- Strawberries are most likely to attract u-pickers, but saskatoons, raspberries and vegetables are also popular
- Location is important, but not more important than other items
- Clean, mow, paint, refurbish, refresh
- Summer fallow for two years before planting for effective weed control
- Join AFFPA, ABBA and network - no need in reinventing the wheel when you can learn from others

"Don't assume that if you grow it, they will come," said Jim. "Farm direct marketing is like every other business - sales and marketing are a must." Lesley added, "A farm direct business has to be a manageable size - start small, research and produce what you think you can sell."

The future looks bright for Jim and Lesley. They plan to explore the possibility of Community Shared Agriculture (CSA) and will continue to build on customer loyalty, ownership and feeling of security. They hope to develop a park area for picnics and relaxation, thereby encouraging customers to appreciate nature through native plant areas, walking trails and bird watching.

URBAN FARM MARKET & GREENHOUSE— MULTI-GENERATIONAL MANAGEMENT



Primary products: Vegetables, Bedding Plants, Perennials, Flowers, Giftware

Kuhlmann's Market Gardens & Greenhouses Ltd.

Location: 1320 - 167 Avenue, NW - Edmonton, Alberta

Contact: Dietrich Kuhlmann | 780-475-7500 | URL: kuhlmanns.com

49 Years of Farm Direct Marketing!

There's something to be said for longevity, especially when it comes in the form of Edmonton's long time family owned and operated farm store, Kuhlmann's Market Gardens & Greenhouses Ltd. Their story is one of strength, commitment, and dedication. Founders Dietrich and Elizabeth Kuhlmann had strength in conviction and were committed to the success of Kuhlmann's. Their daughters Anita and Angela, sons-in-law Dale and Doug, grandchildren Curtis and Linda work hand-in-hand, 24 hours a day, seven days a week with Dietrich and Elizabeth. The entire family is dedicated to providing the finest in fresh food, the healthiest of bedding plants, perennials, flowers, and trees as well as a large variety of gifts and plant-related products.

One of the oldest farm direct marketing operations in Alberta, Kuhlmann's was founded in 1962. They had a modest beginning on rented land and only part time help. At that time, Dietrich and Elizabeth operated as a market garden selling mainly 'pick your own.'

What gave them the idea to start a market garden? "We were newlywed city slickers on rented land wanting to experience life in the healthy outdoors and living next to a big city," says Dietrich.

The Kuhlmann's also attended farmers markets and as their business grew, began selling some crops (potatoes, cabbage, cucumbers) into the wholesale trade.

Over the next ten years, Dietrich and Elizabeth expanded the bedding plant and vegetable production and sales at their original farmyard. The extra plants and vegetables were sold at farmers' markets. In 1982, the Kuhlmann's started a family partnership with their daughters and their husbands. The first phase of the present greenhouse and garden centre was built in 1982/1983. The facilities were expanded and land for growing vegetables increased steadily throughout the next 25 years to the present size of 300,000 square feet of greenhouses, plus extensive garden centre, and two storage buildings for produce storage and vegetable washing and packaging. The 300,000 square foot space is used primarily to grow bedding plants, hanging baskets, patio tubs and planters, geraniums, begonias, fuchsias, tomatoes, cucumbers, and other vegetables.

In July of each year, Kuhlmann's harvests and sells freshly picked vegetables at their Farm Market, located right next door to the greenhouses. All produce is grown on fields that are located at the northeast edge of Edmonton, where the soil is rich, productive black loam. This soil is ideally suited to vegetable production. Kuhlmann's has a long track record of producing some of the finest freshly picked yellow European potatoes, pickling cucumbers, sweet corn, nantes coreless carrots, vine-ripe tomatoes, and sauerkraut cabbage.

Kuhlmann's greenhouse features more than 2,000 varieties of bedding plants, perennials, flowers, herbs, trees, shrubs, fruit trees, and vegetables.

Most of the plants sold grow in their greenhouse, enabling them to pass on the highest vigour and best quality to the customer. The Kuhlmann's insist on growing and selling only varieties that are hardy and resistant to insects and diseases, with ample growth and prolific blooms. The Garden Center features a wide variety of high quality gardening products and gardening tools, sold year 'round.

Although primarily a retail business, Dietrich was instrumental in founding Sun Fresh Farms Ltd. ten years ago. This is a wholesale company that provides produce in Alberta and Western Canada. There

are six producer-owners in partnership marketing wholesale through their own warehouse and delivery facility.

"I believe in strategic alliances," he said "it better your chances of being successful. If you are part of a group, you have a stronger voice and presence, while still being individual."

Complementing sales at the store and through wholesale, the Kuhlmann's attend three farmers' markets where they sell fresh produce, sauerkraut, and carrot pickles.

"Our customers know they are buying local picked fresh foods grown with a minimum of herbicides and pesticides," says Dietrich. "They know what they buy from us is very safe, farm fresh, and direct from the grower."

The Kuhlmann family goals:

- To provide a pleasant shopping experience for our customers with great ambience, lots of selection, and great quality at affordable prices
- To look after our customers well
- To provide services that our customers request
- To provide personal attention and advice
- To have staff available who know the answers
- To grow varieties most suited for Alberta climate
- To provide delivery services

What does the future look like for Kuhlmann's?

"The future of vegetable growing will depend on pressures brought on by housing and developments in our area. In the long term it will depend on pressure for real estate around the farm. If it comes quickly, it will force downsizing the farming operation," says Dietrich. "Our eventual goal will be to have only the greenhouse and garden centre."

Kuhlmann's is promoted heavily through the local newspaper, as well as radio and television advertising, their business web site, and e-newsletter, which features invitations to special events such as Spring Open House, Mother's day, and Christmas Store openings. They have name-brand recognition, using their logo on bags and marketing materials.

"We have a 50 week commitment with the Edmonton Journal," says Dietrich. "It is one of the most successful campaigns we have ever run and features four colour banner ad on the front page on the Sunday issue."

Ranking number one for competition are big box chain stores.

"The big box stores use products produced as a lost leader," says Dietrich. "The cost of goods and services go up annually, but the big box store doesn't care about rising prices because of the amount of overall sales. We have to continuously increase our sales to stay even. We can compete against big box [stores] in other ways, such as offering better customer service and a more consistent product."

"To get a young couple to become a regular customer, a producer must provide them with a quality plant that will grow for them, give them advice and information about the plants, such as how to fertilize or using warm water instead of cold when watering." he said "Service, advice, friendliness, and family sets us apart from any competition."

Other factors influencing positive business for Kuhlmann's include

- Three generations of customers
- Knowing that low-balling pricing is not the answer
- Today's emphasis on 'buying local'
- Constantly branding their name
- Assisting charity events
- Donating to the Food Bank, Salvation Army kitchen etc.
- Being an affiliate of Canada Nursery Land
- Maintaining a professional web site
- Having good market access due to the proximity to Edmonton
- Positive word of mouth and effective local advertising
- A good banker, a good accountant, a good family
- Being involved in industry matters, joining associations and serving on directorships

"When we started in business, we spent countless hours planning and researching. One of our greatest assets was Alberta Agriculture. Today, the services that were once available for mom and pop operations are gone," says Dietrich. "There is no substitute for people contact and that gap leaves new producers without a valuable business tool."

"I know it's the computer age," he said "but that's not enough assistance when starting out in this industry. You need that face-to-face contact, an open door policy where much can be learned and one can receive assistance with projects. The size of the farm direct industry needs to be gauged by the number of mom and pop operations, so without support, there is very little encouragement for future growth. I much appreciated my one-on-one personal meetings."

"We wish we could attend more workshops than we do," he said "but running a family business means everyone is working. All hands on with family because that's how we have become profitable enough for everyone to be paid! If you are willing to work the hours, then there's success."

Every day the Kuhlmann family assembles for hot lunch at the store. There's a kitchen, a cook, a big picnic table, and plenty of variety. It's a full, hot meal giving everyone the opportunity to sit, eat well and not worry about cooking a big evening meal at home. It also gives them the opportunity to discuss issues, have conversation, lots of laughs, and time together as a family.

"Pricing products is another issue. The Internet helps somewhat, but for a small business, it might be a little more daunting. Attending the Green Industry show helps," says Dietrich.

Over their years in business, many factors have helped with their successes. They have attended tours and workshops, conferences and field days.

"I have never gone to a field day or trade show where I didn't come back with at least two new ideas," he said. "As an example, I was in Denmark and saw a carrot cleaning machine. The machine washed and sorted [the carrots] by size. I ended up purchasing two and it was one of my better investments!"

"Hands on workshops, where you see how someone else does it, might help you improve your business," he said. "When dealing directly with the consumer, hand work is much appreciated. It gives better quality and better sales. Some areas can be mechanized, some cannot. If you work by hand, the product is so much better in looks and quality. If you are at a farmers' market, you have to have good looking product for sale, better quality than the guy next to you, because there is lots of choice at markets."

Obviously providing a quality product for the farm store, farmers' markets, and wholesale is a huge job requiring a large staff.

"Our staff numbers are from 25-75 depending on the season," says Dietrich. "We also hire 14 people from Mexico. They stay with us for a maximum of eight months. Labour is the most expensive part of a business. Hands on can make you successful."

Dietrich's words of advice to new agripreneurs:

- "Know what you can do with your own two hands, then find the right people, rely on them and work with them to the best of everyone's ability. "
- "It's difficult to balance family and work and post a profit every year," he said. "In fact, it's very difficult. That's why doing what you do well is so important. Also, you have to be willing to make sacrifices and take risks. Somewhere in the scheme of things, you have to take time to 'smell the roses' — go somewhere to rejuvenate."
- "Have regular meetings with your bankers. Invite them to your business twice a year. It's important to build a relationship with the bank. Use of an accountant to keep finances up to date is also very important."
- "Develop a business plan — which can be as simple as a sheet of paper with generalized information."

Laughingly he said that his biggest mistake in business was that he and his wife "should have kept the business small enough that the two of us could have run it!" Of course, that is tongue-in-cheek, as anyone can see the dedication and pride in accomplishment expressed by the highly successful, long time industry leader, Dietrich Kuhlmann.

COUNTRY STORE



*Primary products: Vegetables, Strawberries, Raspberries,
Bedding Plants & Perennials*

Linda's Market Gardens & Greenhouses

Location: Smoky Lake, AB

Contact: Linda & Don Christensen | 780-656-2401 | URL: lindasmarketgarden.com

Growing for You!

"Growing for you" has been the vision and motto of Linda's Market Gardens and Greenhouses, Inc. since the Christensens became market gardeners more than 25 years ago. Linda and Don Christensen, owners, have a strong sense of commitment and passion for the farm direct industry. The business was started by Linda when her daughter was a year old and she felt the need to stay at home with her child, rather than go back to work. Linda thought long and hard about what she could do from the farm that would allow her to stay home. Her business began innocently enough with two rows of cucumbers. She learned as she went along that first year, and successfully grew and sold her supply cucumbers.

"I thought, well, if I can do the cucumbers, I can do more!" Linda said. So the next year, she planted an entire garden. She ran a newspaper ad to let people know she had fresh produce and attended farmers' markets. Over the next few years, she increased her products and supply according to demand. "Even today, I am still learning the balance of supply and demand," said Linda.

Located in Smoky Lake, Linda's has grown considerably over the past years. The country store and greenhouse is located on the west entrance of Smoky Lake on Highway 28. It's a charming store, full of foods, gifts, and friendly personalities. The store now supplies bedding plants, greenhouse bedding plants, perennials, shrubs, trees, fresh grown vegetables in season, and homemade Ukrainian frozen products, such as perogies, pereshki, borscht, and cabbage rolls. Dill pickles, sweet mixed pickles, pickled beets and carrots are prepared in Linda's commercial kitchen. Primary products grown include potatoes, cabbage, strawberries, peas, cucumbers, sweet corn, pumpkins, carrots, beans, onions, garlic, and zucchini. They always try to have more product on hand than they need, so they never sell out. "Selling out is not good, because some customers would then be disappointed and may not come back," said Linda. Both feel the local food movement has been a strong asset to their business growth.

The Christensen's agree that today, their target market divides into equal thirds – from young families to seniors: one-third urban, one-third rural travelers, and one-third local community members. Their yearly vegetable production covers 20 acres.

During the early years of operation, they used more farmers' markets to help increase business growth. Their income used to be 80% from farmers' market and 20% from the farm. Today, that percentage has flipped to 80% from the farm and 20% from farmers' markets.

"One of the keys to success," says Linda "is setting the right prices for produce." Over the years she's found that it's important to be priced to sell, not too high, not too low. "If you set the price high enough that you get a little resistance from customers, that's the way it should be...otherwise, it's set too low."

Both Linda and Don agree that their business is still growing. Linda ran the operation alone until Don joined her 10 years ago. Their continual growth has been aided by both being involved on a daily basis. "It takes five years to become a profit centre," said Don.

"There are plateaus that you work on – all steps in business. Money takes you up those stairs and allows you to arrive at the next plateau," said Don. Linda added, "If you grow too quickly, without proper marketing, you can grow too fast. Production needs to be based on marketing and sales. From the beginning, we have never been wholesale marketers, always retail with the 'me to you' theory, which brought us many customers."

They both agree that becoming a large operation is a huge commitment in money, time, land, building, and employees.

Marketing is a Key to Success

"Marketing is another key to success," says Linda. "We've been fortunate in having and retaining a large customer base over the years." They feel that 60% of their business is from repeat customers and know that they have developed a personal relationship with many of these customers. "When they buy from us, they know where their food comes from, that it is a value for their dollar, that it is a quality product – but most importantly it tastes great!" said Don. "In season, we always have samples of our cucumbers, peas, berries in the store," Linda said. "It helps increase our sales." They also have products from other local agripreneurs such as fresh baked buns (but only once a week) and honey.

The Christensen's are firm believers in all forms of marketing. Linda worked with a designer to establish a logo early in her business life. They advertise with highway signage, a website (www.lindasmarketgarden.com), brochures, bulk mailing, local newspaper, and as part of a cluster group, on placemats provided to local eateries. "The very best form of advertising is word of mouth," says Linda.

What form of advertising/marketing hasn't worked? "Radio didn't really work," said Linda. "Although newspaper works, it takes a big investment for a return. In my opinion and although we don't use it anymore, direct mail is an effective, inexpensive way to target customers."

"For us, a combination of advertising works well and we donate items for draws, which give us more exposure," said Don. "Linda made the business personal from the beginning by using her name in the business name. Everyone knows Linda; they look for her at farmers' markets or in the store. It just made our business that much more personal," he said.

Do the Christensens have direct competition?

"There's no real competition for us," says Don "People doing the same thing simply enhances our business, drawing more customers to the area. Competition on any level is good, because it keeps you on the ball, motivates you, and keeps you from getting lax."

Have they every joined in a partnership for marketing or business? Yes, they have been a part of a regional cluster group and have worked with other growers to bulk order peat moss. It saves money to buy in large quantities.

"Industry associations are very important," said Don. "Linda became a member of the Alberta Market Gardeners Association (now AFFPA) and began to form a network with other growers. It has helped us over the years to research and learn, such as bringing in foreign labour." They are also members of the local Chamber of Commerce, Farmers' Market Association, and Alberta Greenhouse Growers.

"It's important to use associations to your advantage. It has become even more important today because of the lack of government extension services and networking," said Don.

Challenges

There are many business challenges that face farm direct marketers, and Linda faced many of those challenges alone because Don was busy working off the farm during the first years in business. "It was difficult for me to borrow money to help the business grow," said Linda. Financing was necessary because the business grew quickly. "I was also frustrated when we began the process of building the market along the highway," Linda said. "There were many hurdles to go over, always something new – rules and regulations, changes in the rules, highway access rules, and the fact that the same rules apply to big business and small business. It is sometimes impossible for the small business to pay to jump through the hoops!"

Even with all the red tape, hurdles and hoops, Linda says she would never leave the farm direct industry. "Rules are fine, but fewer and more realistic rules would make our business life easier," she said.

Linda and Don have taken many training courses, attended conferences, traveled to see other operations, participated in tours, and sat on industry boards. They listed some of their best learning experiences and opportunities as North American Farm Direct Marketing Association tours and conferences.

One key learning was that they needed to be in a better location and to adopt the farm store concept. This came from travel in the U.S. when they both realized how well-received farm stores have become. They saw that although there are more people in the U.S., the principles were the same. They could scale down the size, but adopt the concept...and they did. "We found it works here and works well," said Don.

What's in the future for the Christensens?

"We expect to stay steady in sales growth, as we are today," said Don. "We have expanded our greenhouse capability near the store, expanded the gift shop, and improved parking. We keep expanding to meet the demand and Linda has new ideas every day!"

The Christensen's agree that consumers buy their product for quality and taste, and because it's local and fresh. They also feel that friendly staff help maintain loyal customers.

"The opportunity exists...there is such potential in this industry," said Linda. "You have to like what you do, have to be passionate about what you do...start small, fill needs of customers, and because people want fresh food and to know who grows it, it will sell."

Words of Advice

"Focus on starting small, select a profitable crop or product, one that the consumer wants. Don't chase everything, concentrate on a few and do them well; focus on marketing, know where and how to sell first," she suggested.

For couples starting out in the business, there is a need to balance family and work. "Remember, if you have children, they learn lots from having a business and entrepreneurship, along with developing great skills," said Linda. "Our children, Jessica and Dustin, were great in math, because they worked counting money. They learned customer relation skills and help run the store at 12 and 14 when I was busy with fieldwork. They grew with the business. When they were small, the business was small.

As they grew, the business grew."

Don and Linda recommend that new entrants to farm direct marketing watch trends and stay ahead of the crowd. Consumers let the grower know the trend, so grow what they want and need. "Small quantities have become increasingly important," said Linda. "Empty nesters and families want quantities they can cook and eat when it's fresh. They buy by smell, so place vegetables together that look and taste great!"

"Make the most out of your situation. Access the local labour pool, use inexpensive marketing strategies, and maximize profits. We began as a family labour pool; hired teenagers in the summer; hired neighbours and family; and today we bring in Mexican help, which works really well in our business plan," said Don.

The Christensen's bought land to grow their business. "It takes five to ten years in business to be self sustaining with no need for outside income," said Don. "It's no different than any small business."

Some facts mentioned by Linda and Don:

- You can anticipate \$3,000 - \$5,000 per acre gross profit
- Remember labour is about 60% of your operating cost as a larger producer. When you start small, all money goes to you
- You need a simple irrigation system and a supply of quality water
- You need equipment to fit your needs
- Go to farmers markets first to learn to work with the consumer. Find out what they want to purchase, find out how much they are willing to spend, learn about marketing to the public...then consider a farm store or U-pick to invite people to the farm.

This summer, take a trip to Linda's Market Gardens and Greenhouses. As you drive into Smoky Lake on Highway 28 you will most likely see thousands of sunflowers leading the way to the farm store. When Linda was ready to build her business, she had a vision of what the farm store should look like. You will see it today, standing happily alongside fields of production and a large, new greenhouse. Enjoy a summer treat from the farm store kitchen and see firsthand the results of a dream come true!

SASKATOON U-PICK



Primary product: Saskatoon Berries

LIZZEES Berry Farms

Location: South of Calmar, Alberta on South Wizard Lake Road

Contact: Andi & Liz Pallas | 780-985-3909

Growing Saskatoon Berries

One of the most enjoyable aspects about interviewing successful farm direct marketers for this manual was spending time with a group of wonderful people and a one-to-one basis — talking, listening, laughing, learning.

Liz and Andi Pallas make a remarkable pair. Their enthusiasm for life, their passion for what they do, their commitment to one another is truly inspiring. We talked, we listened, we laughed, and we learned. Now it's time to share.

Andi retired from Grant MacEwan Community College in 1996 and Liz from NOVA in 1997. They sold their home in Sherwood Park, built a log cabin on their south shore on Wizard Lake and planted 2,000 saskatoon berry bushes on a 5 acre piece of ground near their home. This is a beautiful piece of property (87 acres purchased in 1983), pristine and well designed. There are trees, trails, lawn, picnic tables, and lots of things to keep customers busy. The rows between saskatoons are grassed for easy maintenance and consumer comfort.

From 'retirement time on their hands' to a new kind of workload, Liz and Andi ventured into the world of farm direct marketing. Their business philosophy is "Nothing goes out of here but the best!" and that's what consumers find when picking saskatoons at LIZZEES Berry Farms, south of Calmar.

The farm has good soil and is located within an hour of Edmonton's large urban population. There is a high volume of seasonal recreational users of Wizard Lake, Pigeon Lake, and other areas, who have become customers at the farm. The non-cultivated farmland consists of approximately 10 acres of fairly sheltered treed area, adding to the design of the U-pick operation. It's a 'day in the country' setting — a country experience, close to the city, easy to access, friendly, fun, clean, and full of beautiful saskatoon trees.

In the beginning

Liz's first contact with a fruit grower was Shirley Alton from A-5 Berry Farms. She met Shirley at a farmers' market in Sherwood Park. "Shirley knows saskatoons and became our mentor," said Liz. "She's now our close friend." While developing ideas for their business, they also attended Horticultural Congress and Berry School.

"At Berry School we met Lloyd Hausher, (former Alberta Agriculture Fruit Specialist), another wealth of information," said Liz. "We couldn't have done it without him! We also met other growers who were open and sharing with their knowledge. They encouraged us and motivated us!"

Andi said, "We spent time touring different U-Pick farms in central and southern Alberta, talked to saskatoon tree suppliers, visited farm implement dealers, poured over Bargain Finders, and did a soil test to see if our soil was compatible to growing saskatoon berries."

"We put together a business plan to actually see the feasibility of growing saskatoons, and perhaps strawberries, which could provide some early revenue prior to the maturing of the saskatoons, which takes three years," said Liz. "We even thought a tea house might be the way to go, but instead decided to start with 2,000 saskatoon seedlings.

"When you consider any kind of U-pick operation, the land has to be prepared," said Andi. "Lloyd Hausher suggested we use Treflan (a weed repellent) and/or roundup at least one year prior to planting."

"Oh no, we were too anxious to get going," said Liz "so we decided to forge ahead and plant."

Andi planned the field. The contour of the land had to be taken into consideration, as to which way they were going to plant the trees for drainage and for wind purposes. They also needed a shelterbelt. "We underestimated the amount of work to be done," said Andi. "It was about 5 acres of land that had to be prepared to be able to plant 2,000 trees and we had a lot of rocks to be picked."

There were also weeds that had to be picked and disposed of, but in the end, the black soil looked so nice that they thought, "Why wait a year and treat it for weeds?" They picked up 500 Theissen and 500 Northline saskatoon seedlings from The Saskatoon Farm south of Calgary and 1,000 tissue-cultured Smoky saskatoon seedlings from DNA Gardens in Elnora. Both suppliers were very helpful with advice and information.

"We planted the seedlings by hand, each kind of tree in their own different sections of the orchard," they said. "We had a long measuring tape, a ski pole at each end. Every 3 feet we tied a piece of flagging tape, we stuck a pole in the ground and very carefully laid the measuring tape on the ground," said Liz. "Andi would dig the hole and I would place the plant and pack the dirt around each one. Using our quad to haul water, we watered and fertilized each seedling with a watering can, by hand!"

"A lot of hand weeding was done that summer, in a trial and error method," said Liz. "It was a LOT of work, very labour intensive."

At the time they were still thinking of planting strawberries in between the rows of Saskatoon trees, but soon realized there was no way they could keep up with the weeding. "Why hadn't we listened and treated the ground one year prior to planting?" was the question they asked one another frequently and cannot stress enough to industry newcomers.

They levelled the land between the saskatoon rows, covered seedlings with buckets, used roundup to eliminate the weeds between trees. "But there was still the weeding around the seedlings and saskatoons don't like weeds," said Liz. "I spent many hours on my knees weeding the little trees and talking to them at the same time!"

"To irrigate our trees, we pulled a 250 gallon water tank on a trailer with our watering jeep," said Andi.

In the spring of 1999, there were a few blossoms on the trees followed by a few berries (approximately 150 pounds). In 2000 they opened their gates for business and harvested 2,500 pounds. All their business is at the farm — they do not attend farmers' markets. Throughout the winter, depending on the yield, they may have frozen berries available for sale at the farm.

"Mother Nature has lots to say about the success of growing saskatoon berries," they said. "We were hit with hail twice in 2001, denting the berries and causing them to be unattractive for pickers. Many berries were knocked off the trees as well."

"In 2002, the year of drought, we harvested 2,300 pounds," said Andi. "The drought really affected the plants, even though we watered regularly. The berries on the upper branches dried beyond use. It was very disappointing."

In the early years of business, they value-added the saskatoons partnering with Shirley Alton making jams, pie fillings and topping. "Between labour cost and cost of jars, the profits were low," said Andi. "We also sold our berries to third parties for baking, candies, restaurants, and tea." Saskatoon berry scented candles were contracted out and sold as well.

Andi and Liz are the labour force at LIZZEES. They hire occasional pickers during the high yield season and share product as well as pay some wages.

The old lake cabin is relocated to the farm and used as a sales centre, but has also been used by customers and families as a getaway to the country.

"An artist from Edmonton and friends came to the farm to spend an evening together," said Liz. "They brought dinner, candles and wine. They used the cabin and stayed until 11:30 pm, simply to enjoy friendship, nature and berries."

"Saskatoon berries are packed with health benefits and can be used in many ways," said Liz "from soup to salad dressing to dessert."

Promoting LIZZEES Berry Farms is something Liz and Andi take very seriously. They advertise in local papers, through email to their customer list, in the Alberta Farm Fresh Come to our farms Guide, direct mail, on saskatoons.com, and word-of-mouth (which they agreed was probably the most effective). There are four saskatoon growers in the area, so it's a competitive climate.

They also invested in logo design, t-shirts, hats, professional signage, and cookbooks. They donate pails of saskatoons to community fund raisers and have sampled their product at various events.

Andi suggests that those considering farm direct marketing should begin with a full-blown business plan, understand the farm liability issues, and talk visit and talk with other growers.

"When we started our business," said Andi "we were very happy with the support we received from Alberta Agriculture. The information we received from them was invaluable. We still rely on them for information. Berry School was our number one resource for learning in the beginning."

The Pallas' have attended tours, workshops, and conferences in Alberta, British Columbia, and the United States.

What does the future look like for LIZZEES Berry Farms?

"In the next three to five years, we intend to continue our business as is," said Andi. "At some point, we will consider selling and become mentors to the new owners."

Andi suggests that anyone new to the industry develop a good business plan, do lots of research, be willing to work hard, enjoy country living and a country business. It is important to have an office, fax, good copy machine, updated computer, accurate bookkeeping, receipt file, and an accountant that is dependable and there when needed. "Remember, this type of business is reliant on weather and nature...sometimes it's your friend, other times, your foe!"

About Saskatoon Berries

Saskatoon berries are a native crop, have a very good flavour for fresh eating, freezing, using in smoothies, jams, pie filling, dessert topping, and baking. The antioxidants of the saskatoon berry

compare to that of the blueberry. Antioxidants help to protect against diseases such as heart disease and cancer. Saskatoon berries are a good source of fibre, iron, Vitamins A and C, and other nutrients. A half-cup serving of Saskatoon berries provides more iron than an egg yolk and almost as much as one serving of lean rump roast beef. Studies indicate that men and women need iron on a daily basis.

"Our saskatoon berry-picking season generally runs from mid-July to mid-August. Mark your calendars, and come out to visit us! The berry line is 780-985-3903," added Liz and Andi.

STRAWBERRY U-PICK



Primary product: Strawberries

Serviceberry Farms

Location: Strathmore, Alberta

Contact: Grace Fedak | 403-934-2412 | URL: serviceberryfarms.com

Strawberries—Grow them, they will come!

Grow strawberries! Two simple words repeated across the province of Alberta. People love strawberries and dedicated strawberry growers love growing them! One such grower is Grace Fedak, Serviceberry Farms in Strathmore whose business philosophy is to "grow the best quality product with the best taste and at a profit."

Grace and her husband, Elvin Saruk have a beautiful family-run farm located east of Calgary and a just a few kilometres off Highway 1 in Strathmore. The first crop of strawberries was planted in 1986 and they enjoyed the first serious strawberry harvest in 1988. Initially, shelterbelts were planted and gradually, the existing hay fields were converted into strawberry fields. Four fields are used for rotation each year: a planting field, a picking field, and two fallow fields.

After receiving her horticulture diploma from Olds College, Grace, who always wanted to grow fruit and vegetables, and Elvin began their search for land. They believed the land needed to be within a reasonable distance from Calgary and in a good growing area. They found what seemed to be a perfect spot...the present location of Serviceberry Farms. It was close to Calgary and close to a creek, making irrigation easy and possible. It was easily accessible from the main road, which is important to consumers. The soil tests were positive.

Since the property was originally a horse farm, the couple worked long hours taking out fencing and working up the land. Under permission of the Western Irrigation District, they built a dugout, which was filled with water from the creek located on their land. Alberta Agriculture assisted them with irrigation design, guidelines for pumps, pressure, motors, size, calculations for the rise, and what it would take to bring water to the fields.

Grace worked two summers in the Olds College research fruit and vegetable garden. Hands on experience taught her to start small. She planted one-third acre of Protem in 1986, her first year, realizing that whatever mistakes might be made would be on a small scale and financial losses wouldn't be high. Protem did not produce well, but the new varieties Kent and Glooscap were just being introduced. She planted Kent and Glooscap in 1987 and had much better harvest results in 1988. She attended the provincial berry schools, which helped her learn more about strawberry varieties, growth potential and how to manage plants.

One single influence her early years, was a trip planned by Alberta Agriculture and Manitoba Agriculture. She flew to Manitoba to tour existing strawberry operations. During the three-day trip, she visited small, medium and large operations. The tour was production oriented and since it was on the prairies, well related to Alberta and the challenges of production. Each grower showed equipment and talked about handling U-pick operations. She took pictures, made notes and referred to them for years.

Planning Shelterbelts and Field Layout

Serviceberry Farms has been meticulously planned from shelterbelts to field layout to irrigation to traffic patterns to parking. It evolved from one-third acre and developed constantly over the years of operation. Kent is the exclusive variety in the three to four acres of production.

"Any place we developed fields, we planted shelterbelts. They really helped to maintain the quality of the soil by diminishing wind – and winds are heavy in southern Alberta," Grace said.

Friendliness, cleanliness, and dedication to the main crop contribute to the success of the operation. Although the main form of sales is U-pick, strawberries may occasionally be purchased pre-picked.

"Customers keep coming back for the taste and quality of our berries," said Grace. "They pick in a clean, friendly environment and take home a product they can't buy in the grocery store."

Grace said, "Repeat customers are my biggest success. Some of my customers have been coming to the farm since we opened the gates! My banner years were up to 15,000 pounds an acre, although my goal is to grow 10,000 pounds per acre per year."

Since saskatoon trees are part of the shelterbelt system, they are also available for U-pick, a plus to the business. One can also purchase seasonal vegetables, grown on a small scale for personal use and commercial sales.

"Throughout the years, I have learned and tried to balance the amount of vegetables to grow which can be sold during strawberry season. People come out for strawberries first, and once they are on the farm, I can sell fresh vegetables," Grace said.

In early years of production Grace and Elvin shared equipment with another grower. "After sharing, we knew what we needed when we bought our own," Grace said. "Growers of similar things are helpful in beginning a new operation. Take time to visit growers, talk to them, and especially go on production tours when they are offered."

Marketing

Marketing strawberries includes a web site: www.serviceberryfarms.com and email notification to previous customers. Word-of-mouth, newspaper articles, and television news spots contribute to selling success. Joining associations and newspaper advertising during the early years helped to sell the strawberries and develop local customers.

The web site is updated regularly during the growing season. It features maps and directions, farm and field rules, pricing information, picking directions, history, recipes, farm information, and current conditions.

Serviceberry Farms has been a part of the Alberta Farm Fresh Producers Association (AFFPA) "Come to our Farms Guide" for many years. A member of AFFPA (formerly Alberta Market Gardeners Association) since 1987, Grace has served as treasurer since 1997 and six years as a director.

In the early years of operation, strawberries were also sold in cooperative sales with another grower who sold for Grace at a farmer's market. "I gave that up quickly, because it just wasn't profitable," she said.

"In the days before email and the web site, I kept a list of names and addresses and sent postcards saying 'It's Strawberry Time' and listed phone number, hours of operation, and when the berries would be ready for picking," Grace said.

"During my second year of operation, I remember a family coming to the farm and picking 25 buckets of berries. They were the first 25 bucket purchased and they still come to the farm to pick!" Grace said.

Strawberries are sold by weight. There are approximately 5 pounds of berries in a level 4-litre pail. Sales are cash only. " In the early years, most growers sold strawberries by the pail: One price for a level pail and one for a heaping pail. This was always a subjective call and difficult for staff to determine. Several years ago when I made the change to weight, this made it fair to everyone and customers liked this better too," she said. "In the stores, people are used to paying for produce by weight, so there is no argument."

When asked about hurdles and roadblocks to small farm direct marketing business success Grace commented that meeting the consumer demand – or having more product than demand – is the hurdle and WEATHER, the roadblock!

Land needs at least one year to be ready for planting. "Weeds are the issue! I recommend a stirrup hoe to scratch the surface and eliminate weeds before germination begins," she said. "Get them while they are small and before they bloom – if weeds need to be eliminated today, do it today. Hoeing is much more difficult when seeds become large and if they become too established, then one needs to pull versus hoeing, never a fun job! Pay attention to detail, especially when it comes to production. The same rule applies: if it needs to be done today, do it today. It will not only maximize profits, it will make your job easier in the long run!"

Signs are highly important for all farm direct operations. Serviceberry is signed on the main road, secondary road, at the gate, and has full instructions inside. They also fly a Serviceberry Farm flag, along with a Canadian flag.

Also important to U-pick operations, are a washroom facility, hand washing stations, and a checkout stand (theirs is portable and moved from field to field. Grace suggests that operators "make sure there are potted flowers to make the area more attractive and have places for people to sit and rest, shaded with umbrellas."

What does Grace see as a pre-requisite for success?

"You have to have a passion for what you are doing," said Grace. "Without passion, you won't be successful. You need to be passionate about growing to succeed in the farm direct industry. Research what you want to do first, know the market you want to attract and start with a manageable size."

What's in the future for Serviceberry Farms?

Downsizing is in the future, to about one acre; also sales to a customer list rather than general public.

Grace adds, "I would love to mentor someone, if they have the passion for growing the best they possibly can – not someone who just has dollars in mind."

ORGANIC PROTEIN PRODUCERS



Primary products: Beef, Pork, Chicken, Turkey, Eggs

Sunshine Organic Farm

Location: Warburg, Alberta

Contact: Ed & Sherry Horvath | 780-848-2288 | URL: sunshineorganicfarm.com

The Horvath's Provide Organic, Natural, Nutritious Food

Ed and Sherry Horvath own and operate Sunshine Organic Farm in Warburg, Alberta. They are certified organic producers of beef, pork, chicken, turkey and eggs and they custom cut their own beef and pork. Value-added products include smoked sausages, ham, bacon, chicken or beef patties, ground beef, pork, and chicken.

Located 35 miles west of Leduc, they have been in the farm direct marketing business since 2002. "Ed helped farm this land since he was ten years old and purchased it in 1979," said Sherry. They work full time on the farm and one of their daughters, Shannon, works part time. They also recently have been fortunate to hire another part-time employee. The majority of their customers are from Edmonton and they sell at the Edmonton Downtown Farmers' Market from May to October yearly.

Business Philosophy

"Ed and I have believed, for a very long time, that we all must eat natural and nutritious food — obtained from livestock humanely raised with respect for their needs — if we want to maintain healthy bodies," said Sherry. "It is certainly true that we are what we eat and many families are dealing with unprecedented numbers of ailments, in all ages. We question the wisdom of sacrificing nutrition for convenience and price."

"We are committed to providing food products that are bursting with wholesome ingredients and flavour, to share our farm and knowledge garnered over some very trying years with others with the same goals, and to build meaningful and long lasting relationships with our customers," she said.

History

Ed and Sherry purchased the family farm in 1979 and moved home from the City to run the farm. They pursued full time jobs off the farm for the next fifteen years to enable them to build the operation. "Ed noticed the absence of butterflies, garter snakes, blue birds, etc. — all very much in evidence when he was growing up here," said Sherry. "We believed the chemicals, fertilizers, and insecticides being embraced by the agriculture community had, at least in part, something to do with this. Ed made the decision, after applying fertilizer to the land one year, that good land, well-maintained did not need synthetic inputs. He felt the money saved was better spent on farm build-up, not lining the pockets of the big corporations," said Sherry.

"Our farm evolved from land that was solid bush in the early 1950's. Ed's father Steve, with the help of 10-year old Ed, began the back-breaking work of cleaning the land and building a farm on the site. Ed left the farm at age sixteen to earn much-needed income, but the farm was never far from his heart. Even after marriage and a family of his own, he returned to the farm most weekends to assist with whatever work the season demanded," she said.

"The trades he pursued — auto mechanics, heavy duty mechanics, and gas fitting, served him well when we returned to the farm, as there is always something needing building, repairing, or renovating on a

farm. Farm income rarely keeps up with escalating costs of operation and anything that can be handled personally saves cost of hiring trades people or taking machinery, etc. to repair shops.

Sherry recalls, "After we purchased the farm in 1979, for the first 15 years of our farm life, we both worked off the farm. Gradually we built our land base up to 860 acres of pasture and cropland, purchased equipment, and put up buildings needed to house the livestock. Over time, we also added a CFIA inspected egg grading station, a meat cutting facility, and a commercial kitchen. This has been a tremendous asset. We can now totally control the processing of our beef and pork, plus make our own nitrite-free smoked ham and bacon, pure chicken or beef patties, and gluten-free sausage with no preservatives or fillers. After livestock is butchered in federal or provincial inspected facilities, the carcasses are returned to our cooler for cut and wrap or value-added processing."

The Horvath's implemented organic practices in 1981 and were certified — land and livestock — in 2001. They currently raise certified organic Black Angus beef, Berkshire hogs, turkeys, laying hens, and meat chickens. Beef, pork, turkeys, and chickens are pasture raised and the beef is grass finished. "This is a long and costly process because it takes about 10-12 more months to finish a grass fed beef, compared to a grain-fed beef," said Sherry. "But the finished product, complete with all the health benefits lost in grain fed beef, make it worthwhile."

Currently they are able to sell everything they raise. The heavy demand for manual labour to look after the land, animals, make rations, market, etc. does not allow time to take on any more species or to attend other market outlets.

Because they are sole owners and operators of the farm and sell only what they raise, they are able to provide customers with information about every step of the raising and processing of their products.

"Our location is an additional benefit, as we are one hour from Edmonton and 30 minutes from Stony Plain and Leduc," said Sherry. "This makes our farm accessible to those who wish to come and see where their food comes from and to purchase at the farm gate. We really appreciate our daughter Shannon and three grandchildren Austin, Clayton, and Casey, who willingly help out when needed. "

"Our other Daughter, Roxane, lives in Edmonton and sells our product from her home to customers who find this convenient," said Sherry. "Another major strength of our business is that Ed grows the grain and hay that we use to make our feed rations. We use only the ingredients geared to the needs of each species and all meet the organic standards for the natural feeding of livestock."

When asked where they want to be tomorrow, or in the future, Sherry responded, "Above ground would be nice! Seriously though, at our age, we often wonder what it would be like to slow down, have a weekend off, visit friends — all things that have gone by the wayside as the workload continues to grow. But then we quickly realize that we are doing exactly what we hoped to do. We love the environment we work in, the people who trust us to provide their food, and the blessing of fresh air, beautiful countryside, and quiet surroundings. We realize that where we want to be tomorrow is exactly where we are right now. It is not our goal to build a dynasty, or become huge producers, but to

be able to do a great job with what we have, give quality life to the livestock we raise, work in harmony with our family, and provide excellent food to the consumers who quickly become friends.

"Our customers have peace of mind from the knowledge they are buying superior products that will not compromise their health and the livestock the products come from had happy, contented lives," said Sherry. "They know they are getting what they are expecting, they can come to the farm and see the husbandry of the animals, the meat building where products are made, the equipment that makes our livestock rations, the grain in the bins and the audit trail that verifies, by a third party inspector, that we are what we say we are."

"Customers really appreciate the direct contact with us as the producers of their food," she said.

"Confidence in quality of the food they are purchasing for their families is high and they know they can ask any question about our products and farm practices and they will receive honest, open answers. This is something they cannot get from big box products staff."

Success stories

- "Soon after we made the decision to start direct marketing our farm-raise products, we were successful in being chosen as the supplier of all beef, pork, turkey, chicken, and eggs in the Organic Roots Store near the University of Alberta Hospital," said Sherry. "Growth was steady for both this new store and our farm. It was a positive and highly valued relationship that lasted five years. At that time, the owners made the difficult decision to close because rent rates escalated beyond reason."
- We were privileged to receive an Environmental Stewardship Award from the County of Leduc in 2006
- Participation in the Downtown Farmers' Market has seen a substantial increase in growth annually over the past five years
- "Our on-farm meat processing facility and commercial kitchen have become a reality and we now smoke our own ham and bacon and have started to make our own sausage. This final stage means we no longer need to rely on outside butcher shops to do the work for us."

To enhance product awareness, the Horvath's have a well-designed web site:

www.sunshineorganicfarm.com. They will also be introducing an electronic newsletter in the near future. When invited, they speak at a variety of venues and host tours of their farm. They feel that the web site gives them excellent exposure and allows consumers to easily find them and to obtain information about their business. Many consumers send e-mails seeking information and orders often come via e-mail. For Ed and Sherry, the Internet is a must-have marketing tool.

"We have found that advertising in local newspapers and with flyers has absolutely not worked for us," said Sherry. "Without a doubt, our best advertising is word of mouth. The majority of our business comes from consumers who heard about us from friends, co-workers and family. Features in local newspapers have brought attention to our farm and products. I personally haven't noticed any significant growth from attending special events or speaking at various venues promoting local food."

Ed and Sherry network with another Farmers' Market vendor who has a store in Edmonton. The store stocks a small amount of the Horvath's products plus acts as a depot for customers wishing to pick up their pre-ordered products at that location. "This relationship is beneficial to both of us, as we share a number of customers buying high quality food. This also brings some new customers to her store in the off-market season," said Sherry.

Sunshine Organic Farm is a member of Alberta Organic Association and the Alberta Farm Fresh Producers Association. "Both provide us with valuable support and pertinent information about upcoming events, workshops, etc.," she said.

There are many hurdles in farm direct marketing. Some are small — some are not so small. Some of the hurdles the Horvath's mentioned were:

- The high cost of processing
- Long distances to travel for livestock slaughter
- Restrictions on the number of poultry and laying hens they can have without extra cost for quota
- Lack of seasonal employees
- On a personal level, facing the challenge of land expropriation as a nearby coal-fired generating plant expands to take in a second land grab of about 60 quarters. This will take away our best crop producing land. There is no other organic land to purchase in our area.
- Equipment costs are very high and costs of repair spirals upward yearly
- Farm labour is almost impossible to find. Ed and Sherry are currently entertaining the idea of employing migrant workers for the summer months.

"Local labour pools are non-existent in our area," said Sherry. The availability of employment at a huge coal-fired generating station four miles away plus countless oilfield jobs in the area have made it very difficult to hire farm help. It is also impossible to compete with the excellent wages and benefits packages offered by the corporate entities. Lack of labour is one of our constant struggles."

"Our summer help comes in the form of the WWOOF program. This program provides a list of host families across Canada who wish to have temporary help in return for room, board, and a farm family experience," she said. "People wanting to visit (usually students from other countries) contact us directly. This has been a rewarding experience in terms of meeting interesting people, but does not provide experienced help, so a lot of time is spent training and supervising to assure all is well for both parties and we never have them work with equipment or cattle.

Some suggestions for new entrants to remember:

- Learn all you can about what your venture entails.
- If you are planning on livestock production, about their habitat and food requirements first.
- If you are hoping to sell eggs, you need to learn all you can about the needs and requirements of hens. Information is available from the Health Department, CFIA (if applicable) and the Meat Inspection Department, if you are working with meat.

- Try to work with others who are in the field(s) you plan to work in.
- Attend workshops. Regardless of your experience, you will always learn something new.
- Network with other producers to stay current with trends.
- Take lots of business cards and be willing to share your knowledge with others.
- Be open and honest when asking others to share their knowledge and experience with you.
- Watch for business opportunities that may not have entered your mind before.
- Seek information on the Internet, from Government resources, books, and trade magazines.
- Focus on providing the best quality products and services.
- Respect, value, and listen to your customers.
- New customers are a bonus, but it is vital to retain the ones you already have as well!
- Attention to detail is a must, along with a sincere commitment to doing your best to meet and exceed expectations.
- Don't rush into anything. Examine your options, and be open to suggestions that may vary slightly from your goal, and access any and all resources available to you.
- Sometimes it is necessary to step back and be patient. If you move forward without a good plan in place, it often takes time and possibly lost or poorly-spent funds to get going in the right direction.
- Listen to your customers — they will tell you what they want. Accept criticism, if you get any, with an open mind and see if changes are needed or justified.
- Let the positive feedback from happy customers help you through the difficult times.
- Never forget to focus on service and provide the very best you can.
- Take great care of your livestock and allow your customers to access them in a safe environment.

"One of the best learning experiences we encountered," says Sherry "was taking part in the North American Farm Direct Marketing Association tour."

Attending food trade shows and marketing workshops, and visiting competitors' stalls at farmers' markets or retail outlets are "informative experiences," says Sherry. "We see what is and what is not working for them. I recently visited the booth of a beef producer at a market. Packages were irregular shapes in brown paper and poorly labelled. I am sure their sales could have been substantially better if they had attractive labels and packaging. If it doesn't look good on the outside, what would make a customer want to take a chance on what's inside?"

Having a superior product at a time when consumers are starting to develop an awareness of food content and a desire to know their producers has greatly assisted in the growth of Sunshine Organic Farm.

What does the future look like for the Horvath's and Sunshine Organic Farm?

"Ed and I are at retirement age. We hope to maintain the farm business as long as health permits," said Sherry. "We want our business to grow, but only to the point that we can continue to grow and process our products ourselves to assure we are in control of all aspects of our business. It is ever more obvious

that there is huge growth potential in direct marketing, as more and more consumers want direct contact with their food sources and as our society faces ever increasing health issues."

"It is a prime time to grow and sell food from our farms," she said.

"While we will certainly add new products to our value-added product line, we do not plan to expand beyond what we can raise and process ourselves," she said. "We have been fortunate that all our products are in demand. It would be difficult to choose one line and focus on that alone. A major part of our success is due to the fact that customers can buy the variety of meats that we offer."

"Our intention is to keep marketing on an end-user basis. Some producers find restaurant and retail store outlets a valuable source of revenue but we really enjoy the personal contact with our customers, so aren't looking for new markets at this time," said Sherry. "Most restaurants require specific and consistent portion cuts (e.g. 6 oz. chicken breast). Because we raise all our livestock in a natural and unforced environment, we end up with a range of sizes as we have no control over exact finished weights. This past year, our pasture poultry ranged from three pounds to eight pounds. This is great for our direct marketing as it allows us to have wide variety of product sizes but this same feature is a definite drawback if we wanted to enter the restaurant market."

Succession planning becomes part of the business planning process. Sherry admits that they haven't been able to deal with this very important issue on the farm.

"The reality is that our daughter, who loves the farm and works with us on it, can't afford to purchase the land and equipment needed to run this business. Without this revenue, we are unable to retire. The land base is needed to grow the feed and make the rations our livestock require. Selling off some of the land would cut down the production, resulting in less income, so there are no answers to this dilemma yet," she said. "Farm related costs make it impossible for our daughter to make her living from its income without the off-farm income the majority of farm families have to resort to and time wouldn't allow her to have the off-farm job."

Farm direct marketers face various challenges in selling products. One of those challenges is trying to understand why customers buy specific products...and why not! Sherry feels that "people buy our products for a number of reasons —

- The more mature consumers say it tastes like the food they were brought up on
- It comes from humanely raised livestock
- They want direct contact with the producer
- They can come to the farm and see the operation and livestock
- They have the assurance they are not purchasing food with additives, preservatives, or genetically modified ingredients
- They want wholesome and flavourful natural food, not the preservative-filled and often tasteless food found on some store shelves
- They want excellent service and to be treated as if their business matters"

Obstacles to selling include:

- Their distance from urban populations (Their farm is 60 miles from Edmonton.) is not convenient for some customers
- Many rural consumers have some access to family and friends from whom they can purchase beef, chicken, etc.
- “For reasons we are unaware of,” says Sherry, “— and I say this based solely on our own experience and with great respect for every person’s choices, with absolutely no criticism, and with no intent to judge others — it does not appear to us that the vast majority of our rural population seems interested (or maybe does not have the time) to research the quality of commercial food, the impact to all with the rapidly declining number of family farms in Canada and how very fragile our food chain is. This is directly opposite to the interest from the urban consumers we have had contact with. I make this statement based on the fact that, while we have many calls, visits and questions from urban consumers from Edmonton, Calgary, Red Deer, etc., we rarely get calls or visits from consumers living in our own County. Price of products seems to be of paramount importance rather than quality and livestock care. (We advertised in three local papers with a fairly large distribution area. Precisely two phone calls came as a result of this advertising and one asked if our prices were cheaper than Safeway and the other hung up when I gave them our chicken prices). I bring up this point – which obviously can be contentious – because we began this business years ago thinking it would be an asset to our community. We quickly learned that our business base had to be urban and it continues to be so. It is very wise to really understand what your customer base will be before moving ahead in whatever venture you are entering.”

"There has been a steadily increasing awareness in our customers of the lack of nutrition and taste in commercial food, along with the awareness of terrible conditions that some intensive livestock producers are raising their livestock in. (The movie Food Inc. made a huge impact and our phone rang off the hook for days after many consumers watched this). There is also much more concern about the additives and preservatives in commercially produced food products. These issues, coupled with huge increases in childhood illness, (obesity, cancer, diabetes, autism, etc.) are leading more and more consumers to re-think their food purchases."

Sherry believes education is the key to consumer understanding and that it is most important not to promote fear, but to have good, positive information reach consumers to help them in making their food-buying choices.

"This certainly involves sharing information with them about the current state of the food industry, but again, not to make them afraid or to doubt motives for telling them 'scary' stuff...but to present information in a format that will assist them in understanding the need for awareness of what they are purchasing, where it comes from, and how it has been produced," she said.

"There is nothing more rewarding than having your customers offer you sincere gratitude for the products you sell them," said Sherry. "I don't think a box store employee ever gets a thank you or a

sincere hug from a grateful customer. Sometimes we are so tired and over-extended that we feel we just can't keep going...then I will open an email or get a phone call from someone who tells me that they can't thank us enough for the high quality beef that their Autistic child can eat and likes — or someone who tells us that they haven't tasted chicken that tastes like the chicken they were raised on until eating product from our farm — and most frequently — that our food did not give them the normal discomfort they experience when eating beef, pork or chicken from conventional sources.

Agri-tainment is also part of farm direct marketing. Not every farm has entertainment or activities, but there are many that do. Although the Horvath's have no formal events, they do welcome visitors to the farm year-round. They find more and more families requesting the opportunity to bring their children to see the livestock, view the operation, and buy products directly on the farm.

"For the past five years, I have hosted a class of young people (3-4 year olds) who come to the farm for a day," said Sherry. "This group consists of about 30 children, along with parents, teachers, and caregivers. There is no cost to them, as we strongly believe it is important for children to have access to where their food comes from. However, I believe the experience is valuable and anyone considering this type of event should definitely put a monetary value on it."

"I would like to share personal observations about this type of event as it may help others to plan accordingly and avoid some pitfalls. ...It is important that we share farm experiences to ensure that future generations have some idea of where their food comes from so I don't want to discourage anyone willing to offer these experiences. This information will, hopefully, help to make any event you do full of fun and memorable experiences for all," said Sherry. "First, plan for a farm representative to have the full day dedicated to the guests. While lots of fun, it will also be a demanding, sometimes stressful event. We have learned it is wise to set up and enforce very definite boundaries. (You may be surprised to find how difficult this can be in some instances). Give friendly and very clear rules upon their arrival — what areas they can safely be in — where they cannot go (in our case-cattle corrals, hog pens, etc.) and remind parents and supervisors, that they are responsible for the safety of their charges by adhering to these instructions."

"This past year's experience was more difficult for us than anticipated, as a number of parents and children did not listen to teachers, or us, when they were asked to stay together and follow the planned itinerary. They were everywhere and it was very difficult to maintain any kind of order or assure that all children were safely where they should be!"

"Even with a bit of stress and extra work, welcoming urban residents and children into your farm life gives them a chance to connect with a farm," she said.

"If children never visit a farm, they will never know where their food comes from. There is little opportunity left to reach the generations raised only on packaged preserved foods on the store shelves. They will have no yardstick to measure quality, taste, and nutrition," she said.

"People are looking for relationships with their food producers and with ties to the land that have vanished over the past two generations. This is a wonderful time to be a farmer. It is a valuable and

vanishing occupation. We were amazed on our farm tour in Cuba recently, to discover professional people (doctors, accountants, engineers etc.) running small, sustainable farms and actually being paid more than they would have earned in their professions, for their products. It took the fall of the Soviet Union and immediate scarcity of fuel, crop inputs, machinery with resulting near starvation (the average adult lost 40 pounds of weight during this critical time) for people to realize how tremendously important it is to have a food source at home, and to respect and support their agriculture base."

"With patience and a willingness to educate in a positive way, all farm direct marketers will reap huge rewards and not just monetarily!" said Sherry.

FARM STORE, U-PICK, AGRI-TAINMENT & CO-OPERATIVE SALES AT FARMERS' MARKETS



*Primary products: Strawberries, Raspberries, Vegetables,
Pumpkins, Bedding Plants*

The Jungle Farm

Location: Innisfail, Alberta

Contact: Blaine & Leona Staples | 403-227-4231 | URL: thejunglefarm.com

There's Something for Everyone at The Jungle Farm

Blaine and Leona Staples personify Farm Direct Marketing. Their business, The Jungle Farm in Innisfail, is multifaceted. It includes membership in a cooperative venture, Innisfail Growers, selling weekly at over 20 farmer's markets in Alberta; a farm store for direct-from-the-farm sales; growing fruit and vegetables; greenhouse bedding plants and hanging baskets; seasonal U-pick; tourism; food; festivals; and fun on the farm! They are industry leaders — enthusiastic, knowledgeable, full of interesting ideas and very busy parents of three growing boys — Lewis, Richard and Gerald.

"We want to provide people with good food, family time, exercise, and fresh air," said Blaine.

The Jungle Farm, as it operates today, is beginning its 15th year in business, but the farm has a long history beginning in the late 1800's.

The Jungle Farm History

Leona's Great Grandfather Jacob Daniel Quantz pioneered west from Ontario to Alberta where he and his wife Sophie homesteaded a quarter northeast of the current farm. In 1897, they bought the current quarter naming it "The Jungle Farm". This quarter allowed them to be neighbours with family. Jacob was a graduate from the University of Guelph in Veterinarian Science and their farm had grain crops and a wide range of farm animals. Jacob and Sophie had two sons, one of whom was killed during the First World War. The other — Leona's grandfather, Oscar — came home to farm.

Oscar Percival married Ada Stevenett. They lived and farmed on The Jungle Farm, raising four children. They enjoyed music and farm life and had a wide range of farm animals and grain crops. Leona's dad, Gerald, was the youngest son. He married Betty Hamar and continued farming at The Jungle Farm. Gerald and Betty raised Purebred Shorthorn cattle and grain and had four children who were actively involved in 4-H and music.

Leona and Blaine have been farming at The Jungle Farm since 1996. Leona finished high school in Innisfail and furthered her education at the University of Alberta earning a BSc in Home Economics. She was hired by Alberta Agriculture to work as a District Home Economist in Medicine Hat. This is where she and Blaine met. Blaine is a U of A grad with a Master's Degree in Agriculture. Blaine and Leona had the unique opportunity to manage Goldeye Centre at Nordegg for five years before coming back to The Jungle Farm. Upon their return, they chose to expand the farm into strawberries and vegetables as a complement to the grain farm. They became a part of Innisfail Growers.

In 1997, The Jungle Farm celebrated its 100th year of the Quantz family continuously farming the land. There is a brass plaque by the farm store commemorating this milestone.

Farm Direct Marketing: The Beginning

The Staples' story of farm direct marketing success begins in 1996 when they planted a half-acre of strawberries. Today, they grow 16 acres of strawberries, in addition to the six acres of vegetables and 3,000 square feet of greenhouse.

The season starts early and ends late in the year with fall activities and Christmas events. The off season from mid-December until February gives the Staples family an opportunity to catch their breath, plan for the next season, take a family trip, and attend events that offer learning and personal growth experience.

"It's pretty busy around here at the end of February," says Blaine. "We start 150,000 custom transplants in our greenhouse for other growers and 100,000 for ourselves. We also start bedding plants and hanging baskets."

The greenhouse filled with bedding plants and hanging baskets opens for business Mother's Day weekend.

"Innovative thinking helped us increase our sales of hanging baskets. We offered them wholesale to groups for fundraising sales and have seen growth in these sales," says Blaine. "Leona also offers a 'plant your own hanging basket' event in April. Customers come out and make plant choices, design and plant their own baskets. We look after them in the greenhouse until they are ready to go home. We have a large amount of plant presales for late spring delivery."

Next comes outdoor planting. "Strawberries are planted the end of April, first of May. In middle May, we begin picking spinach for farmers' market sales. Lettuce, onions and celery are planted — 3,000 lettuce plants every week to 10 days all summer long and 50,000 onion transplants. All are planted on plastic mulch, except spinach," says Blaine. "In mid June, we plant pumpkins, cucumbers, squash, melons, and cantaloupe. Low tunnels or floating wheel covers and drip irrigation give these plants a protected environment. "

Lettuce is on the market by the first of June, zucchini by the first of July, onions in mid-July, cucumbers by the third week in July, spaghetti squash by late July, winter squash by mid-August, and early pumpkins by the end of August.

"We grow our day neutral strawberries in high tunnels and on plastic mulch. They are ready two weeks earlier under the tunnels. June-bearing strawberries are ripe around the first week of July and finish by the end of July. The main crop of day neutrals ends at the end of August," says Blaine. "We generally cover close to two acres of strawberries with plastic and transplant 4 acres every year. An acre of strawberries should yield from 3,500 to 5,000 pounds per acre. Last year we produced around 10,000 pounds of day neutrals per acre!"

Raspberries came on strong in 2010," says Blaine. "I see us growing more raspberries next year too."

Intensive strawberry and vegetable growing means that The Jungle Farm needs hard-working seasonal help. The Staples hire four employees from Mexico yearly: Two from April until mid-September and two from May until mid-October. They also hire a university student and a retired gentleman, both of whom work through the summer. "A good berry crop takes about eight part-time staff through July and August," says Blaine. "The fall season means we need to hire people for weekend work giving hay rack rides and helping with fall events. "

Blaine and Leona have added a commercial kitchen to the business and a sales centre. They serve lunches, sell caramel apples in the fall, offer cookies, and have beef on a bun available every day. They add value by making their own jams, jellies, vinaigrette (three varieties), syrups, relishes, fruit, sauerkraut, pickles, fruit crisps, and pies (sold frozen).

"We like to think that the important thing is that we only sell what we grow — either fresh or in value-added products," said Blaine. "People can always ask for full disclosure about how the product is grown on our farm."

"We work toward producing a consistent product with ample supply to meet the demands of our customers," said Blaine. "We use technology to help us grow in our fields and the business itself. We promote constantly on our web site, through Facebook, on the radio, in print media, and with an electronic email newsletter. Our unique entertainment has become a draw to the farm and each year we increase the numbers of visitors."

"Direct email has been very successful for us," says Blaine. "We have an electronic list of 2,500 customers who receive information from us."

"We also use our logo on everything," he said. "Name recognition is very important. When we sell a product, it goes into a bag and that bag has The Jungle Farm logo imprinted."

"The best advertising for us has been word of mouth, local media, other agripreneurs, tourism, product demos, special events, and speaking engagements," says Blaine.

Innisfail Growers has also branded the group with logo design and imprinted bags. The group consists of five farms in the Innisfail area and sells a wide variety of fresh vegetables and flowers. They attend 20-25 farmers' markets weekly — some seasonal and some year 'round. Markets attended reach from Calgary to Edmonton. Each grower is responsible for certain products and there is little overlap. Check out innisfailgrowers.com for more information.

"About two thirds of your revenue comes from farmers' market sales," says Blaine. "If we have a good strawberry crop (weather is the key) it would be closer to fifty-fifty (50% farmers' market and 50% at-the-farm sales centre)."

In the next three to five years, The Jungle Farm will "continue to grow and we hope to double business in five years," he said. "Farm direct marketing is looking good, the local food movement is increasing in momentum and has enhanced the business overall. The Central Alberta corridor is growing, so we are in a good location."

They plan to expand a bit every year, focusing on top selling products and new market access.

"Our target market is Innisfail, first followed by Calgary and Red Deer," he said.

"We will plant more strawberry varieties this season and add more agri-tainment," he said. "We are really enjoying the food service end of the business. It's a creative outlet and shows growth potential."

Our business plan may include moving the commercial kitchen to the sales centre, and expanding by building a new addition. "

Advice to Agripreneurs:

- Alberta Farm Fresh Producers Association is a great resource
- If you are interested in growing fruit and vegetables, attend Berry and Vegetable school.
- If you plan on growing, make sure you are growing something that you know will sell
- Marketing your product is of utmost importance
- Know that balancing family and work is difficult
- Figure out how to leverage labour because you can't do it all yourself — you need to realize that if you hire someone for \$10 an hour, they can make you \$40
- Define your market
- Use inexpensive marketing strategies to maximize profits
- Do research, ask questions, develop a plan
- Grow quality products
- Buy equipment to fit your needs
- Have good signage
- Hire a good accountant
- Change your mind set to understand how growing and selling work together
- A passion for what you are doing and future vision are a must
- Finally...there's no free lunch out there, this is a labour-intensive business

Blaine and Leona have spent countless hours on the road, visiting farm direct operations across Canada and in the United States. They have attended many North American Farmers' Direct Marketing Association tours and conferences, diligently taking notes and asking questions. Their vision allows them to see how something from somewhere else can fit into their business plan.

They have also attended tours with Ontario Farm Fresh Marketing Association, North American Strawberry Growers Association, Michigan Strawberry Growers, and have taken self-directed tours. They attend the Greenhouse Industry Show in Alberta.

When in need of more information or when researching products, the Staples turn to other growers, use a strawberry consultant from Minnesota, use the Internet, and contact growing specialists and members of International and North American networks.

They are members of Alberta Farm Fresh Producers Association, Alberta Farmers' Market Association, North American Strawberry Growers Association, Ontario Farm Fresh Marketing Association, and North American Farmers' Direct Marketing Association.

Blaine is a member of the board, North American Strawberry Growers Association and served on the Alberta Farm Fresh board for six years, three as association president. Leona serves on the Olds College board. Both have been speakers for a number of industry-related conferences and workshops. Leona

attended the Nation's Table in Ottawa, hosted by the Governor General. They won the AFFPA Farm Direct Marketer of the Year in 2008 and received recognition in 2010 for being the best agribusiness on this year's Red Deer County Rural Beautification Tour.

Agri-tourism Growing at The Jungle Farm

Things just don't stop at The Jungle Farm! Agri-tourism has become a fast growing part of the business.

"This was our third year to host events," says Blaine. "Approximately 10,000 visitors came for festivals and school activities. We charge \$7.50 per person for weekend fall family fun events. We have a corn maze, bale maze, pumpkin canon, pumpkin patch, hay rides pulled by an antique tractor, scarecrow factory, calf lasso corral, petting farm, and play area."

The Jungle Farm has become a popular location for birthday parties, corporate picnics, and family events.

The year ends with Christmas at the farm. In 2010 it was held Dec. 3-5 and featured coffee, tea, home baking, and preserves. The General Store featured locally-produced bath products, wall creations, Amish crafts, Jungle Farm preserves, and other gifts. Blaine and Leona take a deep breath and start thinking about next year at the jungle!

COMMUNITY SHARED AGRICULTURE



Primary products: Vegetables

Tipi Creek Farm

Location: Sturgeon County, Alberta

Contact: Ron & Yolande Stark | 780-459-8390 | URL: tipicreek.ca

Partners in Agriculture—the farmer and the consumer

Community Shared Agriculture (CSA) is a successful alternative to conventional food marketing. It creates a partnership between farmers and the people who use the farm's produce. Consumers purchase a share in the springtime entitling them to receive fresh picked, naturally grown, seasonal produce, delivered to an in-town location weekly during the growing season.

The farmer manages the vegetable production in an environmentally responsible manner. As partners in agriculture, the consumer and the farmer are both accountable for the impact on the land. Both share the risks of crop failure, resulting from pests or weather conditions...but they also share the benefits of successes. As an added benefit, share families have a rare opportunity to participate in activities and community gatherings.

Ron and Yolande Stark own and operate a Community Shared Agriculture farm called Tipi Creek Farm. Located northwest of St. Albert, near the hamlet of Villeneuve and along the south bank of the Sturgeon River, this 59-acre parcel of land was once part of the Michel Indian Reserve and much of it has remained untouched. It's an absolutely beautiful piece of land, which enhances Tipi Creek community shared agriculture philosophy. Natural forests grace more than half of the farm. Low flood plains make up approximately 12 acres of the cleared land and have been left in native pasture. The high land is used for hay and food production. The soil is a well-drained, rich, black, sandy loam.

Their ancestors homesteaded in North Eastern Alberta in the early 1900's. Ron and Yolande's dream was to raise their children in the country, as they experienced in their youth. Upon acquiring this unique property in 1992, their focus has been to cultivate the land and manage the forest using low impact, sustainable methods of production so as to maintain it as a natural area for future generations.

It is their desire to continue to grow healthy, life-giving food at Tipi Creek, while maintaining their family farm values and conserving the soil, forest and wildlife. The family delights in providing a peaceful place and opportunities for others to also enjoy the pleasures of the country.

Production methods at Tipi Creek encompass low impact farming techniques. They allow only light equipment on the land so as to reduce soil compaction. The tilling is usually done only in the spring to prepare seed beds. Weeds are managed by hand weeding and hoeing. The weeds and some garden waste are composted. Crops are rotated within the garden and companion planting methods are employed and the land is rested regularly.

Green manure cover crops are used to prevent soil erosion on unused land. This also rebuilds fertility and organic matter content. Old, proven seed varieties are selected for planting or open pollinated whenever possible. For the years Starks have farmed the land, they have used no chemical fertilizers, herbicides, or pesticides. They occasionally apply kelp concentrates as foliar spray to encourage plant growth. Extensive use of floating row covers has lengthened their growing season and protected seedlings from bird and insect damage. They control pests using cayenne pepper, pyrethrin and BT.

"This has been a journey for us," says Ron. "All things fell in to place as destined, the CSA concept came up and we felt compelled to try it. All the elements were here and we have used them to provide member families with naturally grown fresh food."

History

Tipi Creek, in business since 1993, specializes in growing organic vegetables, herbs, and strawberries. Ron and Yolande enjoyed their early-married life in the city, but reached a point where they wanted land, independence, and wide-open spaces. They began looking. “When this place came up for sale, we had enough to pay down. We had been looking for five years and our interest was in a parcel of about five acres,” Ron said. “When this property came up for sale, we walked it and ended up purchasing it – 60 acres!”

The bush is what sold them on the land, but both realized that they could do more with the acres and open a larger than originally-planned market garden to provide good food for their family and others.

“We have taken healthy food seriously for years,” said Yolande. “We started buying organic foods in the 1980’s. We wanted our entire family to eat healthy!”

Nothing goes to waste at Tipi Creek because they have pasture poultry and a few pigs in the summer. Ron, who wasn’t interested in farming growing up, is a carpenter by trade. He finds his farming experience beneficial to their business. “We are always looking for new, innovative ways of doing things while remaining natural and maintaining our vision,” he said. “Farming is not necessarily about profitability, it’s about lifestyle. What we do is who we are,” Ron said.

Ron and Yolande feel that what sets them apart from other CSA’s is their willingness to be transparent to their customers. “Our core group (12 shareholders) is consulted and part of the growing process,” says Yolande. “We are open to comments from other members, but our core group is always part of yearly planting decisions.”

In total, there are 45 shareholders at Tipi Creek. What’s in it for their customers? “They all experience a form of ownership, great fresh food all season long, potluck dinners after work, community spirit, and friendship”, says Yolande. “There are four or five weedings during the growing season on Saturday mornings...followed by a potluck lunch. After September harvest, we have a huge potluck.”

Members participate in the season working and sharing ideas about weekly events. “Two of our members joined our CSA in the very beginning. They are still members, and now their grown daughter and her family are also members. We really are like a large family,” says Yolande.

Their CSA members are well-educated urbanites with disposable income, have a desire for healthy foods and hands-on work on the farm. The 100-mile radius has stimulated younger members. The average membership age is between 35 and 40. The share cost for 2010 was \$600 per working share and \$700 per non-working share.

The share consists of seasonal vegetables for salads and a generous assortment of other vegetables to nourish a family of two adults and two to three children for the week. This would replace a weekly trip to the Farmers’ Market, but would generally not provide large quantities for preserving.

The Tipi Creek regular harvest (usually a total of 12 weeks) begins in early July with a limited quantity of leafy greens, salad fixings, and selected herbs. By mid-summer, members’ baskets overflow with large assortments and quantities of vegetables. The fall harvest changes to include leeks, cool crops, and

squash. At the Harvest Day, whatever has not been harvested is dug and divided among the share families. Each season there are likely to be some crops that do exceptionally well and others that produce less than expected: a shortage of one crop is usually balanced by a surplus of another.

If members work on Tuesday night (picking night), they take their share home with them. All others pick up their shares from one location. "I pick on Wednesday morning so that shareholders receive the freshest food," says Yolande. "Members physically grab their own food from bins. I manage rather than 'do'. Members have to be responsible," she said.

Family Involvement the Key to CSA Success

Shared farming is successful at Tipi Creek Farm because of each family's involvement. It is imperative that shareholders come out to the farm to participate and observe first-hand how food is grown and handled before it arrives at the table. "That's what CSA is all about!" says Yolande.

"We ask that each share family make three commitments to help on the farm. If they want to come out more often, they can sign up for as many days as they like. Extra help is always appreciated. For those who don't want to physically get into the dirt, administrative duties are available."

Since each share is for a family of four or five, Tipi Creek assumes that each time a family signs up to help there will be at least two working individuals. If only one person per share can help, they ask members to sign up for extra days to cover the minimum requirements. During the summer, shareholders are asked to try to come for at least one transplanting, weeding, or harvest day plus two evenings to pick and divide the vegetables.

Ron and Yolande believe in education – for themselves and their share families. They educate shareholders about food preservation, answer questions, provide recipes, and produce a bi-weekly newsletter. They have found the best form of advertising to be word-of-mouth from a satisfied customer.

What's in the future for Tipi Creek? "We would like to build a building to make the processing a bit easier," says Ron. "Some new equipment will be added to make work easier too."

They would like to take the 45 member families and nurture them, add on and do some different things with them, provide more services...possibly a farm store where they could use their artistic skills.

What advice do Ron and Yolande offer to anyone interested in farm direct marketing or CSA?

"Learn on a small scale. The first year we had 17 members. The membership grew to as high as 77, which was way too many," they said. "Don't try to duplicate anyone, find what works for you, your land, your location, and follow that direction. Pay attention to trends, stay ahead of the crowd and make the most of your situation. Access local labour pool, inexpensive marketing strategies, and maximize profits."

Ron and Yolande continue to grow and learn. Their success is a 'couple' success, each has specific strengths and they rely on one another. They learn from the Internet, CSA members, traveling, talking to others and together, and their intuition.

INTERNET SALES



Primary product: Lily Bulbs

Valley K Lily Ranch

Location: Edberg, Alberta

Contact: Lynnette Westfall | 780-877-2547 | URL: plantlilies.com

Selling on the Internet—A Story of Success

If you were to ask anyone in or around Camrose to describe Lynnette Westfall, you might hear "The Lily Lady"! That best describes a woman, who for 20 years has provided a wonderful resource for flowers from her country location between Edberg and Rosalind Alberta. Today, the business is known as Valley K Lily Ranch, evolving from Valley K Greenhouses. It's also known as plantlilies.com, where business is conducted worldwide via Internet sales. Why is she known as "The Lily Lady"? Imagine a 5-acre property in a beautiful rural setting and 20-30,000 lily bulbs in the ground.

Lynnette had a love of gardening and spending time outdoors as well as a strong desire and need to work from home. So in 1990, Valley K Greenhouse was born. The business provided retail bedding plants and perennials to gardeners from farms around her home. The greenhouse welcomed public to the farm and in 1994, trees and shrubs were added to the inventory, offering custom planting services and wholesale sales of bedding plants.

About 1995 Valley K started offering garden-related retail products, thus making the growing business a garden centre and greenhouse — a one-stop destination for garden needs. In 1997 a new vision brought the addition of mail order lily bulbs via Internet sales. Lynnette also began offering an Open Garden event (self guided tours) in summer 2004. In spring, 2005 gates were closed to the public during traditional business, opening for a one-month period during mid-summer only from 2005-2007. Valley K discontinued all products but lily bulbs by 2008. They were hailed out in 2008 season so there were no open gardens, and personal circumstances prevent opening in 2011. Lynnette is unsure but may open again for 2012.

Lynnette's History in her words:

"I moved to Camrose at the age of 18 and spent 6 months working at various unrelated jobs and then another 6 months at a greenhouse and nursery prior to going to college. After college, I married and worked 4 yrs, then had a child in 1989. She was born with a terminal genetic disease that also physically handicapped her. I was already back working full time in the school system when she was diagnosed, I promptly resigned to stay at home and care for her.

This all happened at the same time that we had just closed the deal to buy our acreage. My husband worked seasonally at the time and our fear of how we were going to pay for and keep the place drove an incessant desire to find a way to make a living at home that entire winter. By spring I had my solution! I loved working at the greenhouse and missed it terribly all those years. We owned the land and nothing but fear stopped me from going into the same business myself.

With the help of a one-year Business Development program through East Parkland Business Development Centre in Mirror, AB (NOT a loan) I officially registered the business as Valley K Greenhouses in March 1990. (The K stood for Karla, our child's name). At that time I was unwilling to have the public come through our gate nor could I afford to make the place presentable to the public, so my products and I went to farmers markets in our county and locations in Red Deer county every fall and every spring. I think I was doing at least 6 markets a week.

I believe it was 2 years after our daughter passed away that I made the choice (with my husband's blessing — very important) to open the gates to the public because it was becoming a chore to pack up everything to take to markets. I did both gate and farmer market sales for about 2 years, then I stopped going to market and it was gate only.

About 1995 I got my first computer and it really opened up the business to more possibilities — research at your fingertips, right from home instead of traveling 30 minutes to the library! The ability to create advertising materials and develop the business plan further was also made much easier by this tool. More research was available to improve my growing methods. Then in 1997...the Internet! What a short cut it turned out to be in blasting through the direct marketing of mail order and carving myself some of that market share.

The goal of developing and turning Valley K into a mail order business began totally by accident — even though it had been a consideration of mine when I was pursuing a business to develop. It started with me putting up a web page — just one page but with many photos of the plants I was growing — which did not include lily bulbs at the time. You have to remember at that time, there were very few accessing the Internet and it was totally new — people were just realizing its potential. My first web page gained incredible response via email from people asking where they could buy what I had featured in photos. I was shocked and delighted.

I had not considered the web page as a tool to sell directly, only as an advertising tool for the business itself. Problem was, the potential customers on the Internet were 98% US citizens and there were big obstacles to overcome in shipping live plants out of the country.

Six months later I had my dream product to market by mail order, which was also feeding a personal passion I had for a particular plant (lilies). Research revealed the necessary procedures, etc. needed in order to ship them out of country and we started shipping internationally in 1999. (The online catalogue started in 1999, the paper version was first published in 1997 or 1998)

Soon it became apparent I needed an edge on the market to increase sales (for I could already see my dream of stopping all else and focusing on lilies only, being realized), so I pursued some Alberta lily hybridizers and convinced them to sell me their hybrids to market exclusively through Valley K.

The property was starting to look pretty nice when all the lilies were in bloom, and along came the idea to pursue tourism in association with the lilies. That idea came directly from a conference I attended sponsored by Alberta Agriculture, I believe.

In 2004 I decided to try attracting people to come view the gardens in bloom, which in turn would hopefully encourage them to buy potted products I'd have ready. This required having product in mid-summer, not a traditional time in the greenhouse business. I believe it was a pioneering effort at the time. There were very few greenhouses in this province that were open during summer as most closed their doors by June. (Now many are open through summer I have noticed, even very small operations)

We had to educate the public that it was possible to plant our potted product during summer months, not just spring. Summer opening encouraged more fall mail order bulb sales as we made available the bulb catalogue to visitors, and they could also see the lilies for themselves while touring.

We advertised the web site at every single opportunity. Our income period in turn expanded, going from sales in spring only, from the start in 1990, to income from February (when the spring online catalogue was published) through September (order deadline for fall) currently.

After the first two years with summer hours, it was easy to see that there was potential to earn the same dollar value in sales from the summer month of bench sales and the mail order alone, as there was when we were open during the traditional spring months as a greenhouse and garden centre. I chose to specialize in lilies from that point forward and gradually cut away the rest.

My thoughts were that I would have a much easier work load, spread over the year instead of just a few intense months and most important, should have more time for family. Of course, income was cut in half the first year we stopped spring greenhouse sales. It was almost back to the same level in 2008 when disaster struck in the form of a major hail storm, which not only affected the growth of our product but also meant we would not be open to the public that summer as the gardens looked horrible.

We were gearing up to open again in 2009 when devastation struck again, one week before opening day. This time it was of a personal nature, when my child was diagnosed with Leukemia. As a result, we've closed our gate completely and stopped pursuing the tourism market altogether. I still have the mail order sales marketed through the web site and targeted magazine ads. Sales are currently reduced by about 50% from 2007-08 levels, as I limited the quantity and variety of product made available. This is my choice as I need to be readily available for my daughter and her treatment schedule and a full workload would not allow that. At this point, I am unsure if I will open the gate again in future for a variety of reasons but there is no doubt I intend to continue with mail order sales marketed through the web site."

Exclusive Products, Customer Service, Education

Valley K Lily Ranch offers exclusive products, customer service — particularly in the area of gardening education. "Customers tell me the personal touch and open, honest communication is what they appreciate most," said Lynnette. "I have also had much positive feedback on the packaging of the bulbs."

Adding value to products is also important. Valley K currently sells retail products related to growing lilies, such as fertilizers. T-shirts and other promotional items add to sales, along with fresh cut stems. Fresh floral arrangements containing lilies are being considered for the future as addition to the Open Gardens event. "We also offer free, handmade gift cards — with lilies of course — included with gift orders."

Customers buy lilies to add beauty in their gardens. "By educating customers in all aspects of growing, they gain confidence that they, too, can grow lilies that will look as good as those pictured in the

catalogue and web site and as seen in our gardens," says Lynnette. "It also reinforces the image that I am an expert on the topic of lilies. The personalized customer service and attention to detail, allow them to trust me as a seller, and purchasing exclusive products makes them feel they have something special that not everybody has!"

Valley K Lily Ranch is currently marketed as specialists in Canadian bred lilies, on the Internet and through the web site, along with national and regional garden magazines that invite readers to send for a full colour catalogue by mail, or visit the web site. Magazine ads are limited to the periods that the web site catalogue is available and target western Canada. These marketing strategies have been successful and continue.

What marketing strategies have been unsuccessful? "What didn't work were newspaper ads outside of the local area when we were retailing bedding plants and greenhouse-grown products, nor did small ads in the weekly paper — nobody noticed them, and they told me so when we started advertising bigger and customers did take notice. Oddly I thought, the direct mail flyers to local homes advertising our Open Gardens did not work either, although it was very effective when targeting the local communities for greenhouse products alone prior to that," Lynnette said.

"With Open Gardens the first summer, very few locals (less than 150) attended the first year, and it was the only method used to advertise other than a mention on our web site and in the print catalogue we mailed to existing mail order customers. The following year, we advertised in regional garden magazines, other web sites, a free community paper in Camrose (Morning News) as well as a local weekly newspaper and our catalogues. I also produced card brochures featuring Open Gardens and distributed them at tourism info booths throughout Alberta and in every order I shipped that spring and the previous fall," she said.

"I promoted the Open Gardens wherever and however I could. I also still used the direct mail announcement the second year, but that was the last time, as again there were very few locals who attended. It was also the only year we used the weekly newspapers to advertise it ([It was] too expensive [for the] value), and locally from that point forward the only method used was through Camrose Morning News, a daily paper which gave excellent value for the dollars spent and I believe had far more coverage and readers than the weekly newspapers. I registered the event in other daily community papers wherever the cost was free, in neighbouring communities such as Red Deer and Leduc. These were all effective, we knew this from people telling us where they read about it and where they were from and we made a point of asking, although not to every visitor. "

"The volume of traffic tripled the second year and we were overjoyed and flabbergasted by the success. The last year (2007) we saw more than 5,000 visitors in a five week period — were we tired but happy at the end of every day!" she says.

"We had a guestbook for visitors to sign and also tried to keep a tally on the number of vehicles per day that parked, then averaged the number of people per vehicle to come up with our number of visitors. While still in the greenhouse business, using the web site to advertise product lists was very effective in attracting customers from distances such as Edmonton, Sherwood Park, Calgary, and Red Deer. Most of

those customers became regulars who made the trek to our location on a regular basis after their first visit. The web site was updated regularly with our variety lists so they knew what was on the benches, always with a disclaimer to call first if something was of particular importance to them. In regards to mail order bulb sales, coupons sent with the print catalogue to existing customers gains good response, and I have excellent results from selling a loss leader or one item at a break-even price in spring as well. This alone adds new customers who turn into regulars."

Points of sale materials, image, branding, and customer reach all became extremely important to Lynnette. "Image was big. We had to overcome the perception that since we were little, we were desperate and wanted business at all costs and would discount prices at the drop of a hat," she said. "I fostered that image to begin with, feeling it was necessary to attract people to come this distance. Soon, I realized I realized there was to going to be any profit if I continued!"

After getting a computer and taking a greenhouse-specific course, which taught her how to calculate her costs per crop and factor in all overhead expenses, Lynnette was able to set prices with a reasonable profit margin based on her product and service prices alone, not on prices of the cheapest competitor.

"It also took time to develop a logo and slogan that was suitable and that I liked," said Lynnette. "Then, it had to be applied consistently. With the help of the computer, I was able to develop and publish my own point of sale materials, including the web site."

"While doing it myself gives me complete control over production, time, costs, and content, it does take a lot of time, particularly when you are in a learning mode with the applications and software used to produce them," she said.

Lynnette feels fortunate that winter is the off-season and that when she plans advertising and marketing strategies.

"I would be better off hiring it out, due to the time required to accomplish it. But I enjoy the creativity involved, so I know I will keep doing it myself and probably hire out the physical labour on the farm in the future, thus providing the time I will need," she says.

Marketing Tool: Full Colour Catalogue

She also produces a print catalogue in full colour, twice per year — spring and fall, since different varieties are available during the two seasons. This is unique to Valley K. No other lily-growers produce more than one catalogue a year.

"In the beginning, I did hire the catalogue out to a printing company, but had too many issues with timing, quality, costs, and how long it took them to finish the product and deliver it to me (and lost sales as a result)," she said. "On the suggestion of a friend, I looked into publishing on my own and now lease the equipment to do so. I take on outside design and print jobs in my off-season to help make it cost efficient to do this. It also helps that my husband has a business which utilizes the equipment and shares the cost."

The first few catalogues produced in print had only a color cover and just a product listing as content — no photos. Now it is a full color catalogue featuring a photo of every lily offered, and the cost difference is well worth the increase in sales and customer satisfaction. "Many people and businesses think that if you have a web site and an online catalogue then you don't need a print version to mail to customers," says Lynnette. "But I know that in my case I still need that catalogue — customer feedback tells me so. I too thought there would come a day when I would not have the expense of this tool, but the requests to keep it coming grow every year and the feedback when I discuss stopping it altogether is mostly negative. I guess it depends what type of industry and on the demographics of your customer base, but I assume since mine are mainly an older age group and still familiar with print catalogues, they still want them for reference even though the majority order online and pay online. I also see the print catalogue as the trigger to Internet sales, for they go up ten-fold after it is in the mail, I think it acts as a reminder for people to go online and place their order."

Due to the rural location, freight expenses and efficient delivery are a big issue. Also, planning ahead is necessary to co-ordinate shipments, travel to pick up orders, and save costs by combining these tasks when possible.

Lynnette feels word of mouth is by far the best form of advertising, and tourism as second — allowing people to visit the gardens in bloom.

"This encourages more sales and also encourages customer confidence as they meet me and my staff in person, giving them a more personalized customer experience. When I was still in the greenhouse business the turning point to success and profit came when a choice was made to increase the advertising budget dramatically and advertise BIGGER in local papers, taking no less than half-page colour ads out on a weekly basis. "

The dollar value she spent in advertising at that point was in line with common recommendations such as 2-10% of sales for start-up businesses. It seemed like far too much at the time, but was well worth it to budget the amount and stick to it. "Results were not seen in the first year but sales doubled the next! In those bigger ads we did not focus on price — we were selling beauty and confidence in gardening, " she said.

"From the start, we used direct mail flyers (considered unaddressed ad mail by Canada Post) in the mailbox to all local communities within a 20-25 mile radius to advertise that we were here and had garden products for sale and 'on sale', increasing the frequency from once a month to once a week over time," said Lynnette. " We were offering a different sale item each week or a freebie as a loss leader to get them to drive out. It was a very economical method of advertising and it worked well. We tried coupons and a club card without success as well. Very few presented them. The flyer grew from a black and white sale flyer to a spot color educational tool in combination with promoting items, which in turn positioned me as an expert in the community."

"We could have used one full-time person seasonally just to answer the phone and questions about all manner of growing!" she said. "When we opened the gardens to visitors, I soon realized I could not count on actually getting any tasks done during business hours as I was too busy answering questions

and interacting with visitors — although many of the questions could have been answered by staff, visitors wanted to talk to me, the perceived 'expert'."

Another factor in Lynnette's favour with the Open Garden event was a teahouse in business just down the road. "I already had a good relationship with the owner," she said. "We established hours of business so we were open at the same time and advertised together on our web sites and brochures as a day trip. This also meant I did not need to provide food services to customers as they were available nearby. Unfortunately, the teahouse was sold the last year we were open and new owners have not reopened to date. This has not had an impact on my business yet, as I have not been open since either, but I do expect it would not make a big difference."

"Prior to closing to the public, I was actively looking for other businesses to cluster with," says Lynnette. "I wanted specific associated partners that I knew would be interesting to my customer base and had the same standards in customer service. I also wanted the experience to differ from other clusters that had started around the Edmonton area — I don't like being a copycat."

www.plantlilies.com | www.plantlilies.ca

Lynnette has intensive web sites: plantlilies.com and plantlilies.ca. "The .com site is our main information and marketing site — complete with secure online ordering," she said. "The .ca site is a reference site featuring the photo gallery of the gardens in general, as well as individual lilies. This reference site was needed to allow better management of the volume of emails received year 'round — our online catalogue is disabled as soon as the order deadline has passed each season, but there is a constant stream of email requesting lily identification, details such as color of a particular variety, etc. and responding consumed a tremendous amount of time."

The second site alleviated much of that problem. Due to the space and server resources required for so many photos (over 6,000) and the features of the gallery, it was best to have a dedicated site, rather than add that amount to the main site, which, during the busy season, would slow down the site and affect customer experience.

"Customers certainly let me know it too," she says. "I overhauled the gallery last winter and still haven't finished uploading all the old photos — work for winter 2011!"

According to Lynnette, her best learning opportunity and source for business is, "the Internet, hands down." When seeking information, she turns to the Internet first, whether she is researching or shopping. "I don't necessarily do all my purchasing online, but window shopping [online] helps me narrow down where I do plan to purchase," she said.

In her beginning years, Lynnette relied heavily on the "Business Development Centre in Camrose as well as the Alberta Agriculture office (at the time) for information before I went into business and into the first two or three years. The facts and figures gained from research through them, and the advice and the materials they provided for start-up business and planning were crucial. I also utilized an entire series of free books published by RBC at the time regarding every aspect of business finances, planning

and set up. Industry trade shows and conferences are excellent sources for industry specific services, " she says. "I also found Royal Bank the most friendly and helpful to a start-up business owner and service charges for business accounts the best as well."

Her focus shifted over time. "To begin with, all aspects of business management and customer relations were my focus. Then it shifted to improving the growing methods for the products. [Then there was] another shift to marketing and advertising," she said. When looking for information, or planning to attend conferences, these were her key learning topics: signage, pricing, branding, profit margins, financial planning, packaging, time management, dealing with people, managing staff, and crop management.

Lynnette believes joining associations and networking are crucial to business success and learning.

These are "a must in any business starting up in my opinion. Networking through associations increases your visibility, knowledge, and contacts not to mention the savings in registering as a member for workshops and conferences and possible member discounts with suppliers," she said. "The knowledge gained from others who have done what you are doing and share their experiences is invaluable, truly! Associations I have belonged to over the years include the Alberta Greenhouse Growers Association (AGGA), Camrose Farmer's Market, Women's Business Network (RBC), and Boomtown Trail Association. I currently belong to Alberta Farm Fresh Producers Association (AFFPA) and also to the Species Lily Preservation Group (international), North American Lily Society as well as the regional lily societies of Alberta, Manitoba and two in Saskatchewan."

"One of the hurdles to small business success is balancing business with family and personal life, particularly when it's a home-based business," she said. "This is and always has been my most stressful challenge."

"Another challenge is the distance we are from anywhere. (But this was only a challenge initially and we overcame it. Now it no longer matters). Many people who have never been here (and some that have been) perceive that we are in the middle of nowhere, and that can be hard to overcome," said Lynnette. "The best way to overcome it is word of mouth, no doubt about that. The condition of the road to get here can be a factor as well. A majority of my visitors live in towns and cities and are unfamiliar with gravel roads and there is fear related to that, for far more people than I would ever have guessed, as well as fear of getting lost — so good signage is important. I have been told many times that someone turned around after starting on the last 4.5 gravelled miles to get here. This problem increased dramatically the last year we were open after a change in grader operators resulted in deteriorating road conditions."

Lynnette said, " Even my staff was phoning the county weekly to complain and threatening to quit because it was so hard on their vehicles!"

"And then there is parking — it doesn't seem to matter where you put a NO PARKING sign, someone will always come along who will park directly in front of it, and then argue with you when you request they move, despite your explaining very valid reasons why they cannot park there (most of the reasons

related to traffic flow)," she said. "Tactfulness and self-control are a must in dealing with these difficult people and situations. "

No business is without concern over employees, economy, and resources — but farm direct has some different concerns.

"Employees have been my biggest concern the past five years," said Lynnette "It is very difficult to find, attract, and KEEP good staff when you can only offer casual, part-time, or seasonal work — especially in a rural setting. "

"Finding the time to train new employees is also a concern. An old concern revolved around our distance to anywhere. Years ago, when I decided to increase the advertising budget and target beauty and experience rather than actual products to promote, gas prices had risen dramatically in a very short time. I had to make it sound worthwhile to spend the time and money to travel to get here. At the same time, I stopped trying to compete with department store pricing and agreeing to lower the price every time a customer said 'I can buy it cheaper at ...'," she said.

"I had to believe that my product was better in every way, and worth the same or more and I did NOT need to discount it to sell it — but I would not have had the confidence to proceed in this manner if I had not attended conferences and networked with other business owners and speakers who reinforced this."

"There was also a time when I realized far too much time was spent repeating ourselves and answering the same questions over and over again. You need signage — lots of it, no matter how simple its objective. (For example: We hung a sign on a chain link fence surrounding the dugout that said THIS IS A DUGOUT, OUR WATER SUPPLY SOURCE FOR THE GREENHOUSE). You have no idea how many times we were asked what it was! That simple sign in text large enough to be seen from the parking lot took care of that, it also generated the odd question and raised eyebrows from local customers who knew what it was and thought it was fairly obvious and should not require a sign!" said Lynnette

"One concern I often forget about until just before we open to the public is liability and insurance. I worry about this a lot while we are open to the public and it's not that it is not available. My frustration comes from the fact that I can be held liable for someone else's stupidity and actions despite doing everything possible to warn and prevent them from danger or harm in the first place," said Lynnette.

What's the future look like in the next three to five years for Valley K Lily Ranch?

"Given that statistics show a growing number of aging baby boomers approaching retirement (which gives them more free time to garden) and have more disposable income than any other age group, I do not anticipate any major downturn or reduction in sales," said Lynnette. "Through the last two economic downturns, there was no reduction in sales to be attributed to economics felt here. I intend to continue introducing new exclusive varieties each year. One concern in my future is related to my own physical condition and just how long my body will be able to take the physical demands of this type

of work. I expect I will need to make some decisions in engaging more employees and training within the next five years."

Lynnette plans expansion in the form of increasing numbers of current lily varieties. "I would also like to experiment with doing my own tissue culture as a method of increasing propagation of certain varieties. If this proves successful, I may actively pursue the wholesale lily bulb market with a focus on small garden centres in the future," she said.

"I prefer to supply the little guy who cannot access bulbs in quantities he can efficiently and profitably work with, as minimums required to order from bulb distributors are often unreasonable for them. I do already wholesale but only to select organizations, mostly regional lily societies throughout North America," said Lynnette.

"I may downsize by not opening to the public at all again. This will affect sales but is not detrimental to business success and can be overcome by increased marketing of the product itself. [There are] many factors to consider with this decision — liability, my own physical capabilities, family concerns, and staffing to name a few. Also in regard to the print catalogue, I intend to stop producing the spring version, or have it online only, at that time so there will only be a fall issue in the future."

Lynnette feels that some customers buy from her business because they trust her and some because they can't find varieties anywhere else. "There are also those loyal to buying locally, which in my case, means it grows in the same province," she said. "There was a time when the majority of orders were shipped out of the country, and we had a fairly evenly distributed customer list across Canada. Now the majority of Canadian sales come from within Alberta and Saskatchewan."

Lynnette likes to hear that customers buy from her because her product is the best available and they are happy with customer service — especially those who purchased for the first time only because they couldn't get it anywhere else.

"There is nothing that confirms you are supplying a good product like a repeat sale!" she said.

Sales Obstacle: Shipping

When selling via the Internet, obstacles to purchase are different than face-to-face. Lynnette feels the biggest obstacle for her customers is the cost of shipping.

"Canada Post is quite expensive. Due to my location, it is the most efficient shipping method I can use. Courier charges may be competitive (and maybe not — I haven't checked yet this year) but far less efficient at my end due to my location," says Lynnette. "Canada Post is not at all competitively priced with USPS (US Postal Service), often requiring more than double what it would cost to ship the same item from there to here, and many US customers are shocked at the shipping costs we must charge them (A minimum 26.00 includes the mandatory phyto inspection for bulbs.) This is even more shocking for international customers where the majority face a minimum \$50.00 charge for a package under 1-2 kg, PLUS the 15.00 phyto fee mandatory for plant material going out of the country. This was not always an issue. Not so long ago we could ship the same size package internationally to almost any country for

under \$20, but CP has since removed the choices of shipping for many countries and packages can only be sent via XpressPost. No longer is there an option of cheaper air mail".

Over the years, delivery times have decreased, which is a good thing since her product is perishable. The reliability of delivery has also improved, according to Lynnette.

"In relation to customers, where they come from, the quantity they order, and how they order has changed over the years. After 9/11 we saw a dramatic drop in US orders. At that time, the majority of my sales were from the US. Sales from that market have not increased, but they have not fallen any lower since then either," said Lynnette.

"International sales have increased, but seem connected to how the world economy is doing as well. Canadian sales have increased steadily, in particular to Alberta and Saskatchewan. 99% of sales going out of the country are done via the Internet and always have been. At the beginning, Canadian orders mainly came through traditional mail but that has changed too as Canadians trust the Internet more than they did 10 years ago and now the majority come through the website as well," she said.

"My packaging of bulbs has improved over time and also become more cost efficient — we receive a lot of positive feedback on the packaging alone. Average sales were much lower in the past, now the average Canadian order is \$125-150.00, and double that for the US and International," said Lynnette. "The variety of bulbs I offer has also increased dramatically. In the year 2000 I had perhaps 150 varieties. By 2005, I believe we had around 500 unique varieties. Now there are close to 1500 with many of those exclusive, not yet released nor in propagation yet. My supplier network has expanded, and since my volume has increased so has my ability to order direct from the biggest distributors with the newest varieties in the Netherlands. Ordering in bigger volume and direct from the Netherlands has also increased the profits."

Farm Direct Marketing Focus

Becoming a farm direct marketer means you have to focus on your business and your goals. "While you always need to consider the competition and know as much as you can about what they are doing, don't obsess about them and DON'T set your prices based on what they charge unless you can still make a profit. Take the time to learn exactly what your cost to produce is. Those who undercut the pricing of their competition usually are not in business for the long-term," she said.

Lynnette suggested that agri-preneurs should refer to the Internet, newspapers, industry related newsletters, and associations and most of all, customers themselves. This helps track trends and economic changes, and keeps you ahead of the crowd in supplying products and services.

"Long before garden magazines were saying water gardening was a hot thing, we knew it because of the interest our customers were showing and I acted on it immediately after doing some research," said Lynnette. "This one specialty product alone increased our market to include central Alberta, some even came from as far as Calgary on a regular basis."

What has contributed to the success of her business?

- Market research
- A business plan
- A computer and the Internet

"That's my recipe for success, and in that order," she says. "My business wouldn't be where it is today if any of those components were missing."

When asked about methods for overcoming a business hurdle, Lynnette mentioned that a big problem for her came after opening in the summer. People were arriving on days the business was closed or showing up after hours, "even at 10:30 at night!"

"It was probably the biggest problem overall, leaving us as a family feeling we had no privacy and constant interruptions in our personal lives. This problem generated a lot of contention between my husband and myself. He very much resented the interruptions and especially the negative reactions from some people when they were refused and turned away," she said.

"Signage placed at the first driveway stated very clearly it was not an entrance and pointed them further down to the actual entrance, which was gated and always closed after hours. This first driveway was supposed to be an exit only and was not gated. It was signed as an exit, but many people used it to come in when the gate to the actual entrance was closed. I overcame this issue with simple sign at the entrance gate that stated admission was free during business hrs and there was a \$10 per head charge after hours. From that day on, not one person has come in after hours!"

Agri-tainment

Increasing drastically the past few years in Alberta is "Agri-tainment" — defined as consumer-focused forms of agriculture, in which farms supplement (or replace) their traditional income from the sale of crops to wholesale markets by offering a variety of "entertainment farming." This can include many options such as corn mazes, haunted hay rides, pick your own pumpkins, etc.

Valley K Ranch offered Open Gardens, a self guided garden tour, once per year. Visitors to the farm for Lynnette's last event (2007) numbered between 5,000 and 7,000. Open Gardens were held four consecutive years, and scheduled for two more that were cancelled due to circumstance.

The first Open Garden event was a three-day event in 2004, following seasonal sales. During 2005-2007, Lynette closed the gates to public during the traditional business season. Although the event was scheduled for 2008, the gardens were hailed out. Personal circumstances prevented opening in 2009, 2010, and for 2011. She is unsure about 2012.

Her best advice when considering Agri-tainment is RESEARCH. She discovered that Alberta Agriculture had a division for Agri-tourism and that there were a few publications available. "One called *Fresh Grown Promotions* was an excellent reference for farm events. There is a book called *So, you want to hold a Festival*, written by Patricia Mestern that also is an excellent reference," she says. "Go to a few farm events yourself and assess what they are doing, how and why, and then how you can apply it to your situation and/or improve on it. Brainstorm with your staff after your event to come up with ideas

to improve what you did or add to it. Take notes on what people requested that you could not provide and see if you can. [Identify] what were issues, big or small, and act on them if you can."

Valley K did not charge for attendance to Open Gardens. Lynnette felt that she was making profit from sales that were generated from attendance and at that time, she had very little material expense associated with the event. As the event grew, so did expenses such as services to visitors, more signage, etc., so the plan was to charge admission in 2008.

What is the best thing you have done to enhance your business and what do you consider your biggest mistake?

"The very best thing I did to enhance my business was to increase my advertising budget to meet the average suggested by many business development courses and info I read over the years. It just seemed like a tremendous amount of money to spend to begin with, and it took me a few years to commit to it but when I did the rewards were big, and tangible in the form of increased sales. It was truly the turning point towards business success.

Mistakes, what mistakes? *Seriously, I used to joke with my husband Dave that I made a thousand dollar mistake every year, whether that mistake was in the form of buying a piece of equipment that did not live up to expectations, or wages to a staff person that did not work out at all, or taking a risk on some new product (crop) that wasn't the hit with customers I thought it might be.*

But in reality, I think the biggest mistake I made was in failing to train more staff in management to run things if I was unable to do so myself. This huge problem cropped up more than five years ago when I had some personal health problems of my own and had to have surgery two years in a row. One of those times occurred at a very critical time in my spring production schedule with the greenhouses crops. It was unexpected and left me scrambling and with a lot of fear over how it would affect business. I hired double the amount of staff that year, as all I was able to do was sit in a chair and supervise for more than six weeks. We got through it, but as someone who sets a high standard for herself and likes to be highly organized, it was very stressful.

Recently, it reared its ugly head again over a year ago when my daughter was diagnosed with Leukemia. Again, not something you can plan for and an extremely stressful situation made worse by the timing (just days before we were to open). The gate never did open. There was an outcry from customers and potential customers, especially those who travelled to get here and found the gate closed — nasty messages I came home to! I was not physically here to deal with it, as I spent much of my time at the hospital with my child. I wasn't able to deal with it mentally for some time either, and had no one I felt I could ask to take over and keep things going — even to return messages, which is ridiculous. Of course I could have asked my one permanent seasonal staff to do this; I was just incapable of thinking straight. I just ignored it all and basically deserted my own business in its high season. If I'd had someone in a management position it would have been far less stressful for me, and many unhappy customers would have been prevented as well. A person should ALWAYS plan for the worst case scenario!"

SAFE FOOD - YOUR FARM DIRECT ADVANTAGE



The following pages contain a series of food safety articles, top ten good production practices, and a self-analysis of food handling techniques.

This series provides 'food for thought' about food safety procedures. The articles were written for Alberta Farm Fresh Producers Association

*Direct Currents newsletter by
Betty Vladicka, Safe Food System Specialist - Crops,
Alberta Agriculture and Rural Development.*

Water Quality

Non-potable water can be used for irrigation provided it meets the Canadian Water Quality Guidelines (CWQGs) for agricultural use. The risk of produce being contaminated from irrigation water increases closer to harvest. It's important to pay special attention to water quality during the month prior to harvest.

There can be a considerable amount of water-to-produce contact during the post-harvest handling of fruits and vegetables. Water quality needs may vary depending on the activity and whether an additional cleaning process follows. For example, quality needs are higher for water used for a final rinse before packaging, compared with water in a dump tank where field soil from incoming produce quickly mixes with the water.

Where water is reused for a series of processes, it is recommended that whenever possible, water flow counter to the movement of the produce through the different unit operations. For example, water might be used first in a final rinse then reused in an earlier unit operation, such as a dump tank.

Water for the final wash, fluming and cooling of fresh fruits and vegetables, and water used for ice production must be of potable quality. This means the water complies with the Guideline4s for Canadian Drinking Water Quality. For further information check out their web site: www.ec.gc.ca/CEQGRCQE/English/Ceqg/Water/default.cfm.

Generally it is assumed that open sources of water are more likely to be contaminated with high levels of chemicals and pathogens. However, studies have shown that many private wells aren't fit for use because of bacterial contamination.

Water Testing

The only way to be certain of the quality of your water is to have it tested for human consumption. This is not the same as testing water for its irrigation capability. Contact your local public health office for information about water testing. Some health authorities have a nominal fee for this service.

The Canadian Horticultural Council in their on-farm food safety programs recommend that water from private wells be tested twice a year. If you're using surface water, it's recommended that you test at the beginning of the growing season and again later in the season. If you obtain your water from a municipal source, it is recommended that you request notification if the supply becomes contaminated.

Your water should be tested for total coliforms and E. coli. The maximum acceptable concentration for total coliforms in drinking water is ten organisms per 100ml, none of which should be fecal. The limit for agricultural use is 100 fecal coliforms per 100 ml and total coliform levels of 1000 per 100 ml. E. coli bacteria must not be present.

If your water fails to meet these standards, don't be discouraged; poor quality water can be treated. Wells can be improved.

Management Practices

It's also important to maintain your water quality. There are several management practices that should be incorporated into your food safety plan. Such practices may include:

- Change water as necessary to maintain sanitary conditions.
- Consider developing SOPs (standard operating procedures) including water change schedules, for all processes that use water
- Clean and sanitize water contact surfaces, such as dump tanks, flumes, wash tanks, and hydro coolers, as often as necessary to ensure the safety of produce
- Install backflow devices and legal air gaps, as needed, to prevent contamination of clean water with potentially contaminated water (such as between potable water fill lines and dump tank drain lines)
- Routinely inspect and maintain equipment designed to assist in maintaining water quality, such as chlorine injectors, filtration systems and backflow devices, to ensure efficient operation.

When it comes to food safety, prevention is the goal. It's easier to prevent a food safety incident from occurring than to deal with the consequences of managing a problem if it happens.

Food Safety Enhances Your Competitive Advantage

Your customers believe that you, like the large food retailers or amusement parks, have systems in place to produce safe products thereby ensuring their safety. Unfortunately, each year in North America estimates are that 33 million people become ill and ten thousand people die from food borne illness.

A food safety program not only addresses your customers concerns, but can also improve your competitive advantage. The goal of food safety is to prevent hazards that cause food borne illness. A food borne hazard is any physical, chemical or biological object or agent present in food or drink that can cause injury or illness.

Examples of physical hazards are broken glass, jewelry, staples or wood splinters. A chemical hazard is any poisonous substance that occurs naturally in food or added during food handling. Examples include cleaning agents, toxins produced by pathogens or pesticide residues. Biological hazards result from contamination with disease causing microorganisms such as parasites, bacteria, or viruses.

Reducing the Hazards

As a farm direct marketer, you can reduce the risk of a food borne illness and maintain consumer confidence in your food by implementing food safety best practices. Evaluate your production and marketing practices from a food safety perspective. Address the areas of greatest concern to your customers - cleanliness, safe handling, proper storage, production and freshness.

You can significantly reduce your risks by focusing on three main areas:

1. Personnel hygiene
2. Cross contamination
3. Temperature control

One of your first actions should be to designate someone in your operation to be responsible for food safety. Their job is to build your food safety program and ensure that it is implemented.

Personal Hygiene

Food handlers are one of the main sources of contamination. Encourage your staff to:

- Wash their hands frequently using proper procedures; using a hand sanitizer is not a substitute for hand washing. Post hand washing signs in appropriate areas.
- Keep their fingernails trimmed so hands are easier to clean. Staff should not wear nail polish if working directly with food.

- Always wear clean clothes. A clean apron with the company logo looks good on staff working at the farmers' market or farm stores.
- Use hair restraints such as hats, hairnets, barrettes, braids, headbands, head scarves, etc. when working with food.
- Limit jewelry to plain band rings. Necklaces, bracelets, earrings and other jewelry (excluding medical alert jewelry) should not be worn, especially if handling unpackaged food.
- Cover wounds with waterproof bandages. Disposable gloves should be used to cover bandages on the hands.
- Use clean hands and/or wear disposable gloves when handling ready-to-eat foods.

Staff should never:

- Work with food when sick, especially if they have diarrhea or are vomiting
- Smoke, chew gum or tobacco, or spit when handling food
- Eat or drink in food handling areas; designate a separate area for breaks and store their personal belongings

Your responsibilities

You need to provide your staff with the proper facilities. Ensure that you:

1. Have an adequate number of hand wash stations in food handling areas
2. Provide an adequate number of washrooms for staff and customers. make sure they are always well maintained and stocked.

By not you might be thinking "No one has ever gotten sick on my food. I don't need to worry." Unfortunately, past performance is no guarantee that an incident won't happen in the future. How certain are you that you are doing everything you can to ensure the safety of your products and your operation? Can you afford to have someone sick after eating food products or visiting you operation?

Customers are driving the food safety issue and who can blame them. They assume that their food supply is safe, but media reports of three deaths and 199 people getting sick from eating spinach shake their confidence.

Having a food safety program is quickly becoming a standard business operations. In part 1, I outlined the three main areas where you can significantly reduce your risks and focused on personal hygiene. Let's take a look at the other two areas - cross contamination and temperature control.

What is Cross Contamination?

Cross contamination occurs when hazards are transferred between food, food preparation surfaces, equipment and/or utensils. A common cause of cross contamination is mixing batches of product. This can happen during food demonstrations when the last few samples are added to a new batch. Cross contamination may also occur when raw foods contact cooked foods, employees mishandle foods or utensils, or equipment and materials are improperly cleaned and sanitized.

You can prevent cross contamination by focusing on some key areas:

- Keep raw and cooked food separate; handle food as little as possible.
- Keep food and equipment at least 15 cm (6 inches) off the floor
- Ensure that all food contact surfaces are cleaned, rinsed and sanitized after use
- Always use potable quality water; ensure that your ice is made from potable water
- Do not store items in ice and then use the ice in foods or beverages
- Only use clean wiping cloths. Store wiping cloths in sanitizing solution of one ml bleach per litre of water (one teaspoon per gallon)
- Food, utensils, equipment and single-use items must be protected from dust, dirt, pests and customers while being stored in preparing, storing, transporting, serving and sampling your food.

Keep it Under control

To avoid the risk of food poisoning:

- Keep food out of the Danger zone. Hot foods must be kept above 60 degrees C (140F) and cold foods must be reheated to 74 degrees C (165F)
- Provide refrigerated storage of 00- 40C for short-term storage of perishable and high risk foods
- Use a thermometer to monitor temperatures. A metal stem thermometer is preferred because glass can shatter and contaminate your food. Sanitize the thermometer stem before and after each use to prevent cross contamination.
- Use insulated containers or coolers to transport food; styrofoam is not allowed in some jurisdictions
- Maintain temperature control during transportation and storage

Your Competitive Advantage

Sales and customer service is about meeting or exceeding customers' expectations. Know their food safety expectations. Make food safety a priority for your business. Implement sound practices based on recognized standards. Train your staff so that they know what to do and how to do it.

Remember: Quality + Food=Competitive Advantage

It's Not a Child's Game

Fact #1: About 24,000 young people (15-24 years old) work in the Alberta food industry, which includes production, processing, foodservice and retail. There's no information on the number of children (under 15 years) working in family operated businesses, but obviously there are a significant number of adolescents and young adults handling food.

Fact #2: Estimates are that 11-13 million Canadians, or about 1.1-1.3 million Albertans, get sick every year from something they ate or drank.

Fact #3: A US study of 13-19 year olds found that one third of the respondents indicated that their information about food safety came from their parents, 23% got their information from their friends and nearly one third indicated that they had not received any information on food safety.

How much food safety training are you providing your young workers?

Train Your Workers

Focus your training on food handling practices and personal hygiene. You need to emphasize the relationship between hygiene, safe food handling and foodborne illness.

Ensure that they:

- understand the importance of proper hand washing
- not handle food if they are sick
- keep themselves and their clothes clean while handling food
- understand the time/temperature rule
- know how to maintain proper temperature control at all times
- properly clean and sanitize equipment, containers and utensils

To be effective, your training should be innovative and delivered in a quick and engaging manner. Classroom-like training (ie lecturing) is not practical. A one-on-one talk may do the job. Be sure to demonstrate how you want things done, including the best way to wash hands. A training program needs to meet your operational needs. Remember...it's important that everyone in your operation has a good working knowledge of basic food safety practices.

Animals and Food Safety

As a livestock or poultry producer, could you improve your practices involving animal health products? Are your records up-to-date? Here are some resolutions for your business. Keeping them could make a significant difference to your business and shows your commitment to producing safe food.

1. I will use a reliable system for identifying and tracking individual animals or groups (pens, flocks, etc).

- Identifying animals makes it easier to keep records and to visually determine which animals have been treated or contain a broken needle.

2. I will use animal health products only under veterinary direction and according to label instructions or vet prescriptions.

- It's important to read and understand the labels of all animal health products used. If these products aren't used correctly, you increase the risk of drug residues in milk or meat. You're also wasting your money by not using drugs properly.

3. I will have written instructions from the veterinarian for all extra-label uses of animal health products. By law, a veterinarian feed prescription is required whenever:

- Dosage differs from the label.
- Medication is used at a different stage of production than specified or used for a different species.
- Drug is used for a different purpose than listed on the label.
- Medication is used in combination with another medication not listed on the label.

4. I will use the appropriate techniques and equipment to administer animal health products. The likelihood of breaking a needle is reduced when:

- Intramuscular and subcutaneous injections are given in the neck.
- The needle is sharp, not bent - do not straighten a bent needle and reuse.
- Animal is properly restrained.
- If you do break a needle, immediately identify the animal and record the incident.

5. I will keep records for all animal health products.

- Records must include: treatment dates, product used, dosage, withdrawal period, animal or pen identification and name of individual who administered.

6. I will ensure that medicated feed additives are properly labeled and contain the feed tag with label instructions.

- Mixing errors or cross-contamination can occur when handling feed-grade medications. The wrong medication or the incorrect dosage of the right medication is a food safety risk.

7. I will properly store medicated feeds in labeled bins that are clean and dry.

- Improperly stored feed and feed additives may become contaminated and create a food safety hazard.

8. I will keep records on all on-farm feed mixing, sequencing and calibration.

- Copies of medicated feed prescriptions must be kept in your files for at least one year.

9. I will check all animal records, prior to shipping to slaughter, to ensure that all treated animals meet or exceed withdrawal times.

- The medication must be out of the animal's system or reduced to an acceptable level before the animal, or milk or eggs from treated animals, go to market.

10. I will train my staff on how to properly mix feed additives, administer animal health products and record their activities.

- Food safety risks occur when the wrong animals are treated, the wrong dosage of a drug is administered, treated animals aren't identified or animals are sent to slaughter too soon. Human errors do happen but are you minimizing the risk by having staff know and understand what needs to be done.

The handling of animal health products is a critical element in all of the livestock on-farm safety programs. For more information on these programs, contact the appropriate provincial commodity association.

Another Recall! - A reminder of what *can* happen

Recall has become a household word. Every week there is another recall announced for pencils, toys, spinach, carrots, pet food, and the list goes on. A food recall is the corrective action taken by a business to protect consumers from potentially adverse effects of a contaminated, adulterated or mislabelled product(s).

The Cost of Recalls

A foodborne outbreak will often result in a recall, but sometimes the producer or processor initiates a recall before any illness has occurred. Such recalls or health warnings are due to the use of undeclared ingredients which could result in allergic reactions. Health Canada and the Public Health Agency of Canada estimate that every year between 11 and 13 million Canadians suffers from foodborne illnesses. They also estimate that the annual cost related to these illnesses or related deaths, is between 12 and 14 billion dollars

Although most individuals fully recover, foodborne illnesses can result in chronic health problems in 2 to 3 percent of cases. Illnesses, such as chronic arthritis, and hemolytic uremic syndrome (HUS) leading to kidney failure, have long-term consequences for the affected individual and for the economy and society as a whole.

Recalls are very costly for industry. Menu Foods announced in 2007 that its pet food recall the year prior cost at least \$45 million. The Canadian parent company of Castleberry's Foods estimated costs for the recall of their hot dog chilli will be \$35 million.

In addition to the actual costs of the recall, there are the costs associated with loss of sales. For example, the California spinach recall a few years ago cost farmers, packers and processors about \$50 million in lost revenue and that doesn't include losses to brokers. Producers were forced to plough under their spinach crops.

Effects of a Recall

The impact of a recall can go beyond the time span of the recall and occasionally affects other unrelated products. The California spinach recall gave researchers a unique opportunity to investigate consumers' reactions. A study by Rutgers Food Policy Institute interviewed 1200 Americans and discovered the following:

- 87% of Americans were aware of the spinach recall with the greatest interest expressed by people who ate spinach

- although the recall involved only fresh spinach, 21% thought it also included canned and frozen spinach
- 18% reported that they stopped buying other bagged produce because of the recall
- 45% weren't aware when the recall had ended
- 5% of those who ate spinach before the recall said they would never eat it again
- 15% said they would avoid eating the specific brands of spinach involved in the recall
- 19% said they would avoid spinach grown in particular areas of the United States

Clearly the recall had long lasting effects on consumers' buying decisions and it impacted more than California spinach growers. In an effort to rebuild buyers' and consumers' confidence, the California industry self-imposed strict production guidelines.

What Can You Do?

The way to reduce the impact of a recall is obvious - avoid having one. Growers can follow recommended food safety practices to minimize the risk and show due diligence. Keeping complete records of your activities can serve as proof that you have taken all reasonable precautions to avoid contamination.

In order to reassure buyers and maintain a high level of consumer confidence, the Canadian Horticultural Council (CHC) developed food safety programs at the farm for fresh fruit and vegetables. To provide food safety guidelines that are practical and relevant for the wide variety of crops grown in Canada, the CHC developed commodity-specific on-farm food safety manuals for eight different crop groupings: small fruit, tree and vine fruit, greenhouse production, potatoes, bulb and root vegetables, leafy vegetables and cruciferae, fruiting vegetables, and finally asparagus, sweet corn and legumes.

Each crop grouping has an on-farm food safety (OFFS) manual which has been designed to be economical, easy to use and practical for producers, storage intermediaries and packers. The manuals provide users with standards for all practices on the farm, in storages and in the packing house, from planting until produce is shipped. Some key areas included in the manuals are:

- Employee hygiene
- Clean Water
- Clean food contact surfaces
- Good agricultural practices (including pesticide, fertilizer and manure application)
- Equipment and supplies
- Storage
- Transportation
- Traceability

Most of these food safety practices are not new. Canadian producers and packers have been using these practices for years. The CHC OFFS manuals provide a useable and consistent way that this can be demonstrated to buyers and consumers.

For more information about the horticulture on-farm safety programs visit CHC web site at: www.hortcouncil.ca or contact Alberta Farm Fresh Producers Association at 1-800-661-2642.

History of One Spinach Recall

California spinach producers weren't prepared for the news last fall. Fresh spinach was identified as the likely cause of an E. coli outbreak. By the time it was over, 205 people were sick, including 33 cases of hemolytic uremic syndrome (HUS), 102 hospitalizations and three deaths across 26 US states. As a result, the industry in California had to improve its good agricultural practices.

Here is a brief history of that one problem and the subsequent recall.

2006

- Aug 15 E. coli-contaminated spinach is harvested from a field in California's Salinas Valley but it will take weeks before the problem is detected.
- Aug 19 The case with the earliest illness onset known to be associated with consumption of fresh spinach began having symptoms however it will take some time before the problem is identified.
- Sept 13 The US Centers for Disease Control and Prevention (CDC) informs the US Food and Drug Administration (FDA) that a multi-state E.coli O157:H7 outbreak appears to be associated with bagged spinach.
- Sept 14 FDA issues the first consumer warning suggesting that bagged fresh spinach may be the cause of a foodborne illness outbreak. To date, 50 cases of illness have been reported including 8 cases of HUS and one death in eight states.
- Sept 14 The first lawsuit is filed.
- Sept 15 CFIA advises Canadians not to consume various brands of fresh spinach.
- Sept 16 Several California companies announce recalls of their fresh spinach.
- Sept 18 The CFIA continues to advise consumers not to eat fresh spinach from the U.S., including bagged, loose in bulk or in salad blends.
- Sept 21 Three counties in California are now implicated in the spinach E.coli outbreak. 157 cases of illness have been reported, including 27 cases of HUS, 83 hospitalizations, and one death in 23 affected states.
- Sept 22 FDA announces that spinach grown outside the three California counties is safe to eat
- Sept 25 In Canada, the CBC announces that one woman in Ottawa has been reported sick from eating spinach

- Sept 29 FDA announces that all spinach implicated in the current outbreak has traced back to Natural Selection Foods LLC of San Juan Bautista, California. To date, there are 187 cases of illness, including 29 cases of HUS, 97 hospitalizations and one death in 26 states.
- Oct 6 199 cases of illness have been reported, including 31 cases of HUS, 102 hospitalizations and three deaths. The first death was an elderly woman in Wisconsin. The second death of a two-year-old in Idaho and the third death of an elderly woman in Nebraska were confirmed by CDC today. To date, 6 firms have initiated recalls.
- Oct 12 FDA and the State of California announce that test results from the field investigation of the outbreak of E.coli O157:H7 in spinach have linked the outbreak strain of E.coli O157:H7 to samples of cattle feces. The trace back investigation has been narrowed to four implicated fields on four ranches. The outbreak strain of E. coli O157:H7 from cattle feces was identified on one of these four ranches and other samples are in progress.
- Nov California Farm Bureau and Western Growers Association develop self-imposed mandatory food safety regulations. Together, with the California Department of Food and Agriculture (CDFA), a draft the California Leafy Green Handler Marketing Agreement is prepared.

2007

- Feb 7 The CDFA certifies the Leafy Greens Marketing Agreement that establishes good agricultural practices.
- Mar 23 FDA releases a report into the causes of the E. coli O157:H7 outbreak. Although the investigators identified the environmental risk factors and the areas most likely involved in the outbreak, they were not able to definitely determine how the contamination occurred.
- Apr 23 The companies involved in the spinach E. coli outbreak last year have settled lawsuits related to the deaths of three women. The women had eaten fresh spinach from Dole. There are still dozens of lawsuits that have not yet been settled.
- May 17 The Canadian Food Inspection Agency issues a new import policy regarding leafy greens from the United States.
- July 23 Mandatory food safety audits begin on members who have enrolled in the California Leafy Greens Marketing Agreement. Audits will certify that producers comply with the standards for growing and handling spinach, lettuce and other leafy greens.

Post-Harvest Washing of Fresh Vegetables

Many fresh vegetables should be thoroughly washed before sale. Washing removes visible soil and reduces the levels of microbial pathogens. Some of these pathogens pose a food safety risk, while others are decay organisms. Using potable water for washing is a simple way to reduce the microbial contamination on the surface of fresh vegetables. If potable water is not available, the water should be chlorinated.

The Science of Chlorine

Chlorine is commonly available in two forms:

1. Calcium hypochlorite ($\text{CaCl}_2 \text{O}_2$) - available as a granulated powder, compressed tablets or large slow-released tablets. Registered formulations are 65 percent or 68 percent active ingredient. If using this form, a "nurse tank" of warm water is used to fully dissolve the product before adding the solution to wash water.
2. Sodium hypochlorite (NaOCl) - commonly known as bleach. It is generally used in concentrations of 5.25 percent and 12.175 percent active ingredient. The Canadian Horticultural Council recommends this form of chlorine.

the germicidal activity of chlorine compounds depends on the amount of hypochlorous acid (HOCl), often referred to as free chlorine, present in the water. The level of free chlorine depends on the pH of the water, amount of organic matter in the water and temperature of the water.

Above pH 7.5, very little chlorine exists as HOCl ; most has become inactive hypochlorite (OCl^-). Below pH 6.0, noxious chlorine gas is formed which can lead to health problems for workers and more corrosion on equipment. The antimicrobial form of chlorine is most available in water with a pH of 6.0 to 7.5. Distilled white vinegar can be used to lower the pH of the water if necessary.

Effective Washing

For most vegetables, chlorine levels in wash water should be maintained in the range of 50-150 ppm (parts per million). Concentrations above 200 ppm can injure some vegetables or leave undesirable flavours; thus it is important to periodically monitor chlorine levels with chlorine test kits. ensure that the kit is capable of testing within the recommended range unlike swimming pool kits designed for much lower levels of chlorine.

Pre-washing of harvested vegetables is essential to remove soil and organic matter which reacts with the chlorine and reduces its effectiveness. A series of washes may be more effective than a single wash. The initial wash generally removes the bulk of field soil from the vegetables. The quality of subsequent wash water should increase as vegetables move from the field to packaging. Potable water should be used for these washes with the final rinse being chlorinated.

water temperature has less influence on chlorine effectiveness than the other factors. Luke warm water is best as hot water can increase the corrosiveness of the chlorine. Chlorine is less effective in cold water. Because water can be drawn into the tissue of certain vegetables (tomatoes) if the inside core temperature is much warmer than the water temperature. To avoid pathogens in the water contaminating the internal tissues, tomatoes should not be more than 5.5 degrees C warmer than the water temperature.

The time the chlorinated water is in contact with fresh produce varies with the type of vegetable and the chlorine concentration of the wash water but it should never exceed five minutes.

Another Possibility

Hydrogen peroxide is another common sanitizer. It should be used as a 2-5 percent solution and can normally be purchased as a three percent solution. Using a stronger solution can possibly damage fresh produce. Research has shown that adding 125 ml (one half cup) acetic, citric or lactic acid to 2.5 litres (1 gallon) of hydrogen peroxide solution can significantly improve its effectiveness.

Since water has proven to be a source of contamination of produce, an effective wash water sanitation system is becoming a necessity. The ability to insure the cleanliness of water is an essential element of a food safety program. More detailed information about chlorination and methods to determine appropriate chlorine levels is available in the on-farm food safety manuals developed by the Canadian Horticultural Council.

Top Ten Good Production Practices You Need to Implement

On-Farm Food Safety is about prevention; it's a program to mitigate the risks of fresh fruits and vegetables becoming contaminated on the farm.

Three types of food safety hazards: biological, chemical and physical. These risks are reduced through Good Production Practices.

10 - Cleaning and Maintenance Materials

- Cleaning and maintenance materials can be a source of chemical and physical hazards if proper materials and procedures are not used. Use products intended to be used on food contact surfaces.
- Refer to CFIA list for approved materials `Reference Listing of Accepted Construction Materials Packaging Materials and Non-food Chemical Products`.

9 - Visitor Policy

- Controlling visitor access helps to reduce risk of contamination. Ensure that visitors, be it customers or trades people, must adhere to your food safety protocols when on your premise.
- You must provide your u-pick customers with access to fully equipped and properly stocked washrooms.
- Before picking, customers should be provided with instructions. Items to include are:
 - To wash hands before picking
 - Harvest only into clean containers
 - Not to pick fruit that has fallen onto the ground
 - Dispose of garbage into designated containers (be sure to provide garbage containers with lids)
 - To use the washrooms provided and let them know where they are located.
 - Pets are not allowed in the u-pick area.

8 - Storage of Product and Packaging Materials

- Proper storage of your product and the materials you use to package your products can reduce the risk of contamination.
- Storing product at proper temperatures not only helps maintain quality but also reduces food safety risk.
- Store materials in designated areas away from equipment, agricultural chemicals and fertilizers, and cleaning supplies.
- Materials should be stored 8-30 cm off the floor and away from the walls.
- Ensure that storage areas are kept clean and well maintained.

7 - Pest Program for Buildings

- Pests, such as rodents, birds and insects, are sources of contamination as they may carry a variety of pathogens.
- An effective pest monitoring and control program must be in place for the exterior and interior of buildings.
- You can use a third party pest control company or implement your own program.
- If you implement your own program, you must:
 - Monthly check the traps for evidence of pests
 - Use chemical bait on or within a trap
 - Only used registered pest control products
- Document all activities

6- Manure and Compost Products

- Fruits and vegetables can become contaminated if manure and compost are not properly handled, applied or stored.
- Manure can be a source of several food borne pathogens which can be eliminated through proper composting before application.
- Sewage sludge should never be applied.
- You must know the source of manure and the type of the hazards associated.
- Manure must be applied at least 120 growing season days before the first harvest of a crop. the time is required to enable sufficient time to decrease pathogen viability.
- Properly composted and stored compost and compost teas can be applied at any time, but try to reduce the risk of exposure to the edible portions of the crop.
- Procedures must be documented.

5 - Premises

- The design and construction of facilities is important in preventing contamination.
- The exterior of buildings and the surrounding area must be assessed annually for potential hazards.
- Low spots that accumulate water can become breeding grounds for pests and pathogens.
- Long grass around a building can harbour rodents and other pests.
- When the building is in use, it must be assessed on a monthly basis to ensure that:
 - There is no leaching or drifting of agricultural chemicals, fertilizers, or manure towards the facility.
 - There are no areas where pests can hide, feed or live
 - There are no holes or crevices in walls, windows and doors. doors and windows must fit snugly into frames. Windows are kept closed, or if opened fitted with screens that have no holes.
- The interiors of buildings are also assessed on an annual basis to ensure that:

- There are no animals (pests or pets) within the facility, including nests.
- That only horticultural related activities occur within the facility.

- That the lighting is shatterproof or covered to prevent broken glass from contaminating the product or packaging material.
- There is adequate draining within the facility.
- There are no crevices in the walls, floors or ceilings
- When the building is in use, it must be monitored monthly to ensure that:
 - Floors, walls and ceilings are clean and free of garbage, spills, etc.
 - Fans are clean and dust free
 - There is no smoking in areas where product is being handled.
 - That materials are being stored in designated areas.
- All monitoring activities must be documented.

4 - Harvesting

- Timing of harvesting can be important from a food safety perspective and not just for quality.
- Prior to harvesting, check your records to ensure that you are adhering to:
 - the required pre-harvest interval following the application of agricultural chemicals.
 - 120 day wait prior between manure application and harvesting.
- There should be no harvesting of fruit that has fallen onto the ground.
- Product should be harvested into appropriate packaging materials - if harvest containers they should be clean and not used for storage of other materials. market ready packaging should be clean, if reused should be sanitized first, and should be approved for use on food.

3 - Water and Ice

- Water is used at numerous steps in the production of fruits and vegetables and can be a source of biological and chemical contamination. When used as ice it has an added physical hazard.
- It is important to assess every water source you use on an annual basis because of the high risk associated with using poor quality water.
- Surface water is more likely to be contaminated than ground water which is defined to be 9 m below the surface.
- Agricultural water (irrigation) should be assessed for potential hazards such as:
 - can it be easily accessed by livestock or is it used by wildlife
 - Are there upstream sources of contamination
 - Is there a possibility of spills or runoff from agricultural chemicals, fuel, oil, etc.
- The condition of water wells should be monitored on a regular basis.
- Ensure that irrigation pipes are stored such that they are not contaminated by manure, pests or agricultural chemicals.
- If there is a significant risk of contamination, you may need to implement corrective actions such as:
 - Fencing off the water source or building a berm.

- Using vegetative buffer strips to reduce the risk of contaminants entering the water.
- Keep wells in good working condition. Check regularly to ensure that wells and pumps are sealed. Casings must be in good condition.
- Drip or trickle irrigation reduces the risk of contaminating the edible portion of the crop.
- Irrigate in the morning to increase rapid drying which can reduce the risk of pathogen survival. Allow as long a period as possible between irrigation and harvesting.
- Improve the storage area of your irrigation pipes
- Test your water early in the irrigation season to determine the risk of contamination.
- Water used for washing vegetables must be of potable quality. If not from a municipal source, it must be tested at least twice annually - once prior to use and at least once more during the harvesting season.
- Use potable water for cleaning, washrooms, spraying agricultural chemicals and washing vegetables, especially the final rinse.
- Inspect ice prior to use to ensure there is no physical contamination eg; soil, splinters of wood, metal shavings, etc.
- Ice must always be handled with clean tools that are stored off the ground or floor.
- Ice must only be used once; there is no recycling or recovery of spent ice.

2 - Personal Hygiene

- You and your staff are potential sources of contamination, especially if hands are not properly washed. As the owner or operator it is your responsibility to provide sufficient and adequate personal hygiene facilities that are well maintained.
- For field conditions, packing house and product storage areas, at least one toilet for every 35 employees or pickers is required.
- In the field facilities must include:
 - Soap, potable water and a container to collect waste water OR hand wipes to remove soil and effective hand sanitizer.
 - Disposable hand towels and a garbage container.
 - Hand washing signs.
- In all situations, waste water from hand washing facilities and waste from toilets must be disposed of into a septic system, municipal system or contracted with a portable toilet company or cleaning service. Never dispose of waste in the field.
- during peak season, facilities must be cleaned and maintained on a daily basis, otherwise it can be done on a weekly basis depending on the level of use.
- Monitoring and maintenance activities must be recorded.
- Employees must be trained on good personal hygiene practices and safe product handling. Training should be provided at the beginning of the season and to every new employee as they come on staff.
- You need to provide training on your policies which should cover:
 - Employee illness and injury.
 - Glove and apron use.

- Proper hand washing procedures.
- Document your training.

1 - Use of Agricultural Chemicals

- The inappropriate use, handling and storage of agricultural chemicals can be a significant source of contamination.
- Use only agricultural chemicals registered for use on the crop.
- when receiving containers of ag chemicals, ensure that they are not damaged, and are clearly and properly labelled.
- Pesticide applications should be done by someone who is trained in application, or supervised by a trained individual.
- Agricultural chemicals must always be applied according to label directions and documented.
- The storage of agricultural chemicals should be in an area that is dedicated only for that specific use. The area is:
 - Clearly labelled with controlled access.
 - Is covered, clean, dry and appropriate temperature control.
- Labels on containers must be kept intact.
- The integrity of the labels must be maintained, ie: no leaks, spills, etc.
- To ensure proper application, equipment must also be properly calibrated. At the start of the season, inspect equipment and recalibrate if necessary according to manufacturers procedures.
- Recalibration is required when nozzles are replaced and tractor speed adjusted.
- Document calibration activities.

Canada GAP

- The Canadian Horticultural Council has developed the national OFFS program for fresh fruit and vegetable growers and packers. The program is known as CanadaGAP.
- Program consists of six producer manuals based on crop groupings:
 - Potato
 - Small Fruit
 - Tree and Vine Fruit
 - Leafy Vegetables and Cruciferae
 - Greenhouse
 - Combine Vegetable
- For more information about this program, review www.canadagap.ca.

Market Start up: Food Safety Checklist for Farm Direct Marketers

Food safety is important to you and your customers. Use this checklist to help keep food sold in farm direct marketing channels safe.

Operator: _____

Date: _____

PREMISES		Yes	No	NA
Sales area	Is your food preparation and sales area clean?			
Display tables	Are tables in good repair?			
Garbage cans	Do you have an adequate number of garbage containers?			
Pets	Are you aware of the <i>Alberta Public Health Act</i> Food Regulation animal policy?			
Ice Supply	Is your ice made from potable water?			
STORAGE AND TRANSPORTATION				
Temperature control	If you have freezers, are they capable of operating at -18C or colder?			
	If you have refrigeration units, are they capable of operating between 0C and 4C?			
	Do you have thermometers capable of displaying accurate temperatures?			
	Do you have the means to transport and store your perishable products with proper temperature control?			
	Do you have a plan in case your equipment fails and you can't maintain temperatures?			
Vehicles	Do you have a plan in place to keep your food transport and delivery vehicles clean and free of contamination?			
	If you are a meat vendor, do you have a Food Establishment Permit for your on-farm cooler or freezer and vehicles that are used to transport the meat products to market?			
Storage	Can you store and handle all your products under conditions to prevent damage, deterioration and contamination?			
	Is the storage area clean and free of contaminants?			
	Are containers stored to prevent contamination or damage?			
	Are you using food grade materials for product storage?			
EQUIPMENT				
Equipment Maintenance	Is all your equipment sound and in good operating condition?			
Cleaning	Can equipment be easily cleaned?			
SANITATION				
Cleaning plan	Do you have a written cleaning and sanitizing plan for your food preparation areas, equipment and utensils?			
Cleaning records	Do you have a system in place to record cleaning and sanitizing activities?			
Cleaning supplies	Do you store cleaning supplies in an area separate from food			

	products?			
FOOD HANDLING		Yes	No	NA
Packaging	Are you using new food grade containers for packaging?			
Temperature control	Do you have a system to record temperatures of high risk food?			
Food sampling	Do you have enough supplies for proper product sampling eg. single use portion cups, toothpicks, etc.?			
	Are you aware of proper handling methods for hot and cold samples?			
	Do you have a method to protect food, including food samples, from flies or other contaminates?			
PERSONNEL				
Training	Have you taken an approved food safety training program, eg. Food Safe?			
	Are your employees trained in safe food handling and sampling practices?			
Personal hygiene	Have you discussed with your staff the importance of good personal hygiene, clean clothing, hair restraint, and wearing minimal jewelry at the market?			
Hand washing	Are you and your staff aware of the correct hand washing technique?			
Staff health	Do you have a policy to prevent sick employees from working with food?			
First aid	Do you and your staff know the location of the market's first aid station?			
PRODUCT RECALL				
Emergency procedures	If there is a concern/complaint about the safety of your product, do you know what to do and who to call? (presence of hazardous materials eg. glass, undeclared nuts, etc.)			
Recall plan	Do you have a recall plan?			
Record keeping	Do you have a system to record products sold?			
BEST PRACTICES				
Legislation	Are you knowledgeable about all the federal and provincial legislation and regulations that impact your products?			
Labelling	Are your products properly labelled with name, contact information, ingredients, appropriate handling instructions?			
Regional health authority	Do you know the name and number of your public health officer?			
Traceability	Do you have a plan for unsold products?			
	Do you have a system to identify each product by batch or lot number?			
	Do you have liability insurance?			
On farm food safety	Is there an on farm food safety program for your commodity?			
	Do you follow the appropriate on farm food safety programs for your commodities?			

FARMERS' MARKET INFORMATION



The purpose of this chapter is to provide information to both food and non food vendors and potential vendors about selling at farmers' markets. It also clarifies the difference between Alberta Approved farmers' markets and public markets.

How to be a Farmers' Market Vendor

Alberta Agriculture and Rural Development (ARD) is committed to the long term success of approved farmers' markets in Alberta. One of the ways this can be achieved is through increasing the level of skill and knowledge of the agripreneurs who choose to sell at farmers' markets. The purpose of this information sheet is to provide information to vendors and potential vendors on selling at farmers' markets. The information contained within is directed at both food and non-food vendors with the word "producer" being used to describe both types of vendors.

The Opportunity

Farmers' markets are the most popular of the farm direct marketing channels – by both vendors and customers alike. From a vendor viewpoint, there are several benefits to selling at an approved farmers' market:

1. **Incubator and testing ground:** Farmers' markets are a venue where small businesses can "test the waters" to see how popular their products are with customers. It is a place where a vendor can receive immediate feedback from customers with regards to taste, quantity, packaging, price, additional product ideas, salesmanship, etc.
2. **Guaranteed crowd and location:** Farmers' markets tend to attract much larger crowds than individual businesses, making your potential customer base much larger. In addition, the farmers' market provides a stable location with adequate parking and other amenities that customers demand.
3. **Group advertising:** Farmers' markets provide group advertising for the market as a whole which benefits all vendors. This is typically paid for from the table fees or by the sponsoring body.
4. **Learning opportunities:** Vendors can develop and hone entrepreneurial skills at a farmers' market as well as learn from others who may have been in the business for many years.
5. **Price maker:** Farmers' market vendors set their own price, eliminate the middleman and receive immediate payment for their product sales. Studies indicate that farmers' market vendors receive between 40% - 80% more than selling their products through wholesale channels.
6. **Minimal start up costs:** Costs for selling at a farmers' market are typically much lower when compared to setting up your own retail operation either on-farm or in the local community.

Sixty percent (60%) of Albertans shop at farmers' markets, spending on average \$45 per visit. Of that \$45, \$38 is spent on local food. There are many reasons customers shop at farmers' markets:

1. **Food:** The top three products customers come to farmers' markets to buy are vegetables, fruit and baking.

2. **Freshness and quality:** In surveys, customers state the food they buy from the farmers' market tastes better, is fresher than that found in their local grocery stores and, as a result, is of higher quality.
3. **Authenticity:** Customers come to the farmers' market because it is an authentic experience where they can meet the producer of the products they are buying and learn "the story" of how that product was grown or made. It is the next best thing to actually going to the farm. Non-food items are always unique because they are not mass produced. They also carry a story which is very attractive to potential customers.
4. **Trust:** Customers want to know the person who grew or made the food they are buying; they want to have a better understanding of fertilizer, pesticide and herbicide use; animal welfare is important as are ingredients used in baking and preserves. Surveys indicate that customers believe in the safety of the food sold at the farmers' market and this confidence is based upon the trust relationship that has been built between the customer and the vendor.
5. **Support:** Customers come to farmers' markets to support the local economy, the community and the local producer.
6. **Social atmosphere:** Customers come to farmers' markets because it is a unique shopping experience that cannot be replicated in a retail store. The relaxed atmosphere allows it be a place where families and friends meet to savour time and enjoy all that the market has to offer.

How to Find an Alberta Approved Farmers' Market

There are over 100 Alberta approved farmers' markets. ARD approves markets that meet the minimum standards as outlined in the Alberta Approved Farmers' Market Guidelines. Each market is independently operated and, as such, determines its own rules and regulations, sets table fees, etc.

ARD maintains an interactive online map of all the approved farmers' markets in Alberta. This can be found at www.sunnygirl.ca. This map contains the most up-to-date information about the markets. Each market is designated by a pin on this map which when clicked on provides a pop-up window with information about each market. Markets can be sorted by region or filtered by type of market. ARD also prints an annual brochure listing all approved markets and can be obtained by calling 780-853-8223.

AFMA also maintains a listing of member markets on their website at www.albertamarkets.com. Vendor members are also given the opportunity to be listed on this site and linked to their individual websites. This is a great opportunity to help build and maintain clientele as customers seek out information about vendors and visit markets based on the information they find.

Costs to Consider

Just like any other business venture, it is important that you consider and track all the costs you will incur when selling at a farmers' market. Don't undersell. Customers understand that they are not buying a commodity product and so are willing to pay the true cost. The following should be factored into your overall costs when determining your product prices. Some additional hints have also been included.

1. Tables:

- In some markets, the vendors are required to supply their own tables.
- If you need to purchase your own table, be sure to purchase one that is easy to set up and take down but which is also sturdy and able to hold all your products without sagging.

2. Table cloths:

- All markets require that you have a table covering.
- Be sure the covering can be easily cleaned. A plastic covering is more easily cleaned throughout the day if you are selling fresh produce while a cloth covering can be laundered before each market.
- In addition, be sure your tablecloth does not detract from the product you are selling. For example, tablecloths with bright fruit or vegetable patterns may not accent your fresh produce.

3. Displays:

- Will your products be laid flat on the table or do you require some sort of display equipment to bring them up off the table or floor?
- Displays can be home-made or purchased.
- They need to look professional, adding to your overall stall atmosphere.

4. Vehicle and travel expenses:

- Always consider all your vehicle expenses such as gas, maintenance and insurance as well as any other travel expenses that you incur when taking your products to the farmers' market.

5. Canopy:

- When selling at an outdoor market, it is critical that you have a good quality canopy to protect you and your products from the elements.
- Select a canopy that is meant to be set up and taken down frequently, that has well sewn seams for water proofing, removable sidewalls to protect you from wind and rain and which is easy to set up and take down.
- Canopies need to be weighted down so they don't blow away and hurt customers or other vendors. Weights can often be purchased from the canopy supplier or you can make your own. Four litre milk jugs filled with sand, water or cement is one example. They need to be attached to the legs of the canopy at least at all four corners. Many vendors will also attach their canopies to their neighboring vendors' canopies for additional support.
- Impact Canopies Canada Inc. is one canopy supplier – 877-776-6655 or go online at www.impactcanopy.com . Costco also offers a good quality canopy.

6. Bags:

- Customer bags are a necessity.
- Will you supply plastic bags or sell cloth bags to your customers? If your products are heavy, be sure to provide sturdy bags that won't tear if filled.

- In most jurisdictions, you are not allowed to put customer food purchases in used grocery store bags unless customers bring their own bags as it poses a food safety risk.

7. **Signage:**

- Signage is important for both your booth and your individual products. It is an extension of your business and portrays the image you want to leave with your customers.
- Booth signage is important so customers know the business name of the vendor. And they will find you more easily the next time too! Booth signage can be outside your booth or behind your booth hanging on the wall if indoors or at the back of the canopy if outdoors. Some markets have standard signs for all vendors or you could make or purchase your own.
- Product signage is critical and should contain at least the name of the product and the price per unit whether that is per bunch, per bag, by weight or by item. If selling at an outdoor market, product signs should be able to withstand the elements.
- Customers are less likely to trust vendors who do not display their business name and who don't have product signage listing prices.
Less trust = less sales.

8. **Table/stall rental fees:**

- Table fees are set by each individual market and vary widely across the province. Average table/stall rentals in Alberta are \$15 but they range from \$3 per week to \$65 per week.
- Many markets have a seasonal rate or a reduced rate if a vendor pays for the entire season up front.

9. **Packaging:**

- Depending on the products being sold, you will require different types of packaging. Canned products must be sealed using new, approved lids (click lids, two piece snap lids). Containers and bags for baking and all other food products must be new. Keep in mind that even fresh vegetables must be hauled to market in food grade containers.

10. **Scales:**

- If you are selling products by weight, you must use a calibrated scale. Consider whether you will pre-weigh your items and package accordingly or if you will bring a scale to the market each week.
- There are many different types of scales with different features ranging from a basic scale to ones that can print a product label. Choose one that will suit your needs.

11. **Staff:**

- Depending on how many markets you attend each week and how busy the markets are, you may require staff to work the markets. Some markets have restrictions on who can sell at a market with some markets requiring that the seller also be the grower. Check with the market manager.

12. Power:

- If you are selling products that require refrigeration or special lighting, you may need power at the market. Some markets charge higher fees for stalls with power. If you are at an outdoor market or a market without power available, you may need to make alternate arrangements for lighting or to keep your food at the proper temperatures. This may involve using coolers and ice packs or even bringing a small chest freezer and purchasing a portable generator. An alternative to a generator is using an 8D-cell tractor battery and a power inverter. It is also considerably quieter than a gas-powered generator.

13. Liability insurance:

- It is good business practice to ensure you have adequate liability insurance. This insurance can protect you in the event a customer has an adverse reaction to your product (product liability insurance) as well as for other events that may happen at your farmers' market stall such as a customer slipping on something in front of your stall. Individual vendors are not covered under the market insurance. Some markets require their vendors to provide proof of liability insurance before they are allowed to vend. You may be able to get an additional rider placed on your home or farm insurance. As well, RBC Agencies- the Cooperators in Leduc and AFMA have partnered to offer liability insurance for member markets and vendors. For more information, go to: www.albertamarkets.com.

14. Costs of Production:

- Be sure to include the costs of seeds/plants, input costs such as fertilizer, labour, equipment, ingredients and power.
- Are you certified organic? Customers are willing to pay more for certified organic products which will help to cover your ongoing certification costs.

15. Time:

- Selling at a farmers' market can be very time consuming – from production to harvesting to packaging to transporting to selling. Don't forget to consider all of these when determining your product price.

16. Miscellaneous items:

- Other smaller costs to think of:
 - aprons → keeps your clothes clean and can be used to hold cash;
 - logo wear → t-shirts or aprons to identify your business and portray a professional image;
 - nametags → important when building the relationship with customers;
 - cash box → if you don't use an apron. Keep out of sight so thieves aren't tempted, etc.

Marketing 101

So you've decided to sell at the farmers' market. What do you need to do now? If you make it, bake it, or grow it, you are a prime candidate to sell at an Alberta approved farmers' market. Eighty percent

(80%) of the vendors selling at approved farmers' markets must sell products which they, a family member or a staff member have made, baked or grown.

1. **Scout out potential markets.** There are over 100 approved farmers' markets in the province with about 15 of them operating year round. Visit a few of them to see what products are being offered, how many vendors attend, amount of customer traffic. Talk with the market manager about your product and if they have space for you, their application process, any rules you need to know, etc. Keep in mind that the closest market is not always the best market for your product. Be strategic and consider all the costs and benefits prior to committing to a market.
2. **Merchandising.** There are many ways to display your products so they draw people to your stall. Use very open and visible displays. Create multiple levels when possible. Prime visual real estate is from the belt buckle to 6 inches above the sight line or at the 4 – 6 foot level. Maximize the space you have where the eye focuses. Place your higher return products in this sight area. Place your lower sale products from the belt to the knee. Don't put any products below knee level- that is storage in the customers' eyes and they don't want to have to squat down to get their products. Maximize color and texture and use different display equipment to set off your products. Keep your displays full but don't make them so perfect that customers are afraid to take product for fear of making the whole pile come down. Create ambiance in your stall. Invite your customers into your stall with a u-shaped set-up.
3. **Offer samples.** Taste sells! Check with the market manager regarding health requirements for sampling. Many times samples need to be prepared before coming to market and care must be taken to prevent product contamination in transport and at the market.
4. **What is your image?** Four pointers – Be Consistent, Be Credible, Be Compelling and Be Creative. When you are at a farmers' market, you are part of the display. How you portray yourself is as important as what you have for sale. It is important that you always look and act professionally – clean clothes, name tags, business and product signage, and a big welcoming smile. Always be ready to tell your story. Customers want to know how the chicken was raised, how the corn was grown and the story behind the painting. And part of marketing yourself is making sure your customers are happy. If you receive a customer complaint, make it right even if the customer is wrong. Remember – customers tell 3 people about a great customer experience but will tell 10 people if they are dissatisfied.
5. **Value added is in.** Convenience is a driver for many customers. They may have limited knowledge on preparation or have a limited amount of time to spend making meals or lunches so they come to farmers' markets to seek out unique value added products. You see everything from jams and jellies to chutneys to bagged salads to sauces to mixes. This is great for business and also gives some producers an outlet for their excess fresh product as it can be processed and sold. Keep in mind that Alberta approved farmers' markets are the only venue in Alberta where food products can be produced in home kitchens. Check with your local public health inspector regarding the food product you want to produce to ensure you are meeting all the requirements.

Know the Regulations

There is no legislation specific to farmers' market sales. However, there are many pieces of provincial and federal legislation and related regulations which impact farmers' market sales. ***It is the responsibility of each farm direct marketer to research and ensure full compliance with all legislation.***

A good starting point is a publication from Alberta Agriculture and Rural Development called Farm Direct Sales: Know the Regulations. It is available online at: www.agriculture.gov.ab.ca/publications or by calling 1-800-292-5697.

Other Resources

- **Marketing Food Safely manual:** Developed in partnership with Alberta Agriculture and Rural Development and the Alberta Farmers' Market Association, the Marketing Food Safely home study manual is a distance delivery education tool for farm direct marketers. The manual is a reference guide, a workbook and a planning tool. It focuses on marketing activities, not production or processing. It is available for download as a pdf at www.explorelocal.ca. If you would prefer a hard copy, it is available for purchase through the Alberta Farmers' Market Association.
- **Alberta Farmers' Market Association:** AFMA is a voluntary membership, non-profit organization that provides direction and support to member markets, vendors, managers, boards and sponsors through advocacy, education, promotion and innovation. To become a member, download a membership form at: www.albertamarkets.com or call 1-800-628-0624 for more information.
- **Alberta Farm Fresh Producers Association:** AFFPA is a voluntary membership, non-profit organization dedicated to supporting the production of farm direct marketed vegetable crops, berry and fruit crops, bedding plants, perennials, herbs, flowers, meats, poultry, eggs and other specialty items in Alberta. To become a member, download a membership form at: www.albertafarmfresh.com or call 1-800-661-2642 for more information.
- **Alberta Craft Council:** ACC is a non-profit, non-governmental, member organization dedicated to supporting and developing Alberta's fine craft culture and its many participants. To become a member, download a membership form at: www.albertacraft.ab.ca or call 780-488-6611 or toll-free at 1-800-362-7238.
- **Farmers' Market Program, ARD:** ARD manages the Alberta approved farmers' market program on behalf of the Minister of Agriculture. Information about the program and resources are available at www.sunnygirl.ca or by calling Eileen Kotowich at 780-853-8223 (dial 310-0000 first for toll free access) or email eileen.kotowich@gov.ab.ca.
- **Alberta Agriculture and Rural Development publications:** ARD has many publications, both free of charge and priced, available on a variety of topics from production to marketing. They are available online at: www.agriculture.gov.ab.ca/publications or by calling 1-800-292-5697.

References

Alternative Agricultural Markets in Alberta 2008. Report. Available on-line at [http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/apa12421](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/apa12421)

Alberta Approved Farmers' Markets Explained

Within Alberta, there are two types of markets – Alberta approved farmers' markets and public markets. One is not better than the other, they are simply different. Both types of markets involve a gathering of vendors who sell their products directly to consumers. The difference lies in the ownership/management of the market and the privileges accorded to each type of market.

An Alberta approved farmers' market is one that has been approved by Alberta Agriculture and Rural Development (ARD) and as such meets the requirements of the program guidelines that have been approved by the Minister of Agriculture and Rural Development. These include but are not limited to:

- Being organized as a not-for-profit. This can be achieved in two ways:
 1. Applying for and receiving not-for-profit Society status under the Societies Act
 2. Being sponsored by a not-for-profit community group, local Chamber of Commerce, municipality or agricultural society.

Privately owned markets are not eligible to operate under the banner of an approved farmers' market.

- If organized as a not-for-profit society, the market must operate under the direction of board of directors. If sponsored, the market operates under the direction of an advisory committee that is accountable to the sponsor's board of directors.
- The market must secure liability insurance for the market itself.
- A minimum of 80 % of the vendors meet the "make it, bake it, grow it" criteria where 80% of the **vendors** sell Alberta products which they, an immediate family member, a staff member or a member of a producer-owned cooperative or their staff have made, baked or grown. The remaining 20% of the products can be made up of out-of-province, resale or commercial products.
- The sale of any used good or flea market products are prohibited.
- The market must operate for no less than 10 days per year, 2 hours per market day.
- The manager and vendors must take specified training as outlined in the Guidelines.
- Ongoing adherence to the Guidelines.
- Annual paperwork required by ARD must be completed and submitted on time.

Benefits of being an Alberta approved farmers' market:

- All markets follow the same guidelines thereby strengthening the markets, reducing conflicts and setting minimum standards for consistency across the markets
- Enables Part 3 – Farmers' Market section of the Alberta *Public Health Act* Food Regulation
- Allows select Alberta food producers and processors easier market access to one marketing channel
- Allows business incubation and test market opportunity
- Protects Alberta producers by allowing preferential access to the marketing channel
- Provides a communication and administration network
- Demands compliance to raise the standards and protect the clients
- Creates status image for customers (i.e. higher quality products)
- Retains value of direct marketing
- Drives decision making to the local level (i.e. managers, boards) and strengthens market rules

- Provides access to ARD Farmers' Market Specialist and Explore Local Initiative staff who offer marketing expertise and links to other government departments and agencies
- Being part of a network of markets which gives them a "voice" through AFMA

The most significant benefit is the one permitted under the *Public Health Act* Food Regulation. Farmers' markets are recognized as a distinct type of market. As such, the entire market is allowed to operate under a single farmers' market permit and individual food vendors may produce their food products out of home kitchens. The Act also states that a local board may issue the farmers' market permit only to a person or group of persons who have been approved by the Minister of Agriculture to operate a farmers' market.

A public market is generally one that is privately owned and includes all types of operations including flea markets. As a public market, each food vendor must have an individual food permit and be operating in a health approved facility. Some municipalities also have bylaws that are applied to public markets and include them in the same classification as pawn shops. A public market does not receive any of the benefits enjoyed by an approved farmers' market.

Information about the program and additional resources are available at www.sunnygirl.ca or by calling Eileen Kotowich at 780-853-8223 (dial 310-0000 first for toll free access) or email eileen.kotowich@gov.ab.ca.

ALBERTA WATER ACT AND YOU



Know your water regulations

Information from:

Alberta Environment - www.environment.alberta.ca

Alberta Agriculture and Rural Development - www.agric.gov.ab.ca

The Water Act and You

Objectives of this Chapter

- To provide information about Alberta's "Water Act"
- To make farm operators aware of their legal responsibilities and rights to divert or use surface or ground water
- To provide information describing the procedures used to legally use water from a well or from a public water body
- To provide background to the use of water by agricultural operations
- To provide facts about water diversion (fact sheets)
- To provide sample water diversion application forms and contact information

Introduction

Water is essential to all life. To some types of farm direct marketers it is not only essential to everyday needs but vitally necessary for the growth and successful production of livestock, fruits, vegetables, trees, shrubs and plants of all types.

Access to a plentiful supply of water comes with responsibilities ranging from proper care and maintenance of a well to understanding the legal procedures involved in diverting surface water for economic benefit.

Water can be sourced in two ways for agricultural use; by using water from a drilled well or by diverting surface water from a water body.

In Alberta, provincial legislation, called the "Water Act" (administered by Alberta Environment) outlines the method by which water can be diverted in an orderly manner by way of a License for all water users except those who only use well water for household purposes. It also outlines the penalties that can be levied if proper procedures are not followed by users.

This legislation is complex and detailed and its interpretation and direction as it applies to you, the farm operator, should be done in cooperation with a representative of Alberta Environment at the earliest stage of your planning.

This chapter was developed as a result of a Court case involving a farm direct operator and Alberta Environment over the improper withdrawal of water from a river. As part of the Court's decision, the following Notice was placed in the July 2010 issue of the Alberta Farm Fresh Producers Association Newsletter.

NOTICE

XYZ FARMS LTD. was in need of an irrigation license for its new market garden operation in SOMEWHERE, ALBERTA. It was aware that it needed a water licence and did not obtain one. It proceeded with pumping water out of the XYZ RIVER without a licence and recognizes that this was wrong and has resulted in a far more serious matter, and that is being charged with violating the Water Act.

The time and effort in obtaining a licence have been paleed by the significant costs of responding to this prosecution, and it recommends that all fellow market gardeners do the right thing, and ensure they are compliant in meeting the obligations of the Water Act.

The Court has directed that a portion of the fine will go to the Alberta Farm Fresh Producers Association to enhance their educational program to provide information on obtaining water licences and compliance with the Water Act.

Why Water Legislation?

In Alberta which has apparent and, seemingly, unused , ample supplies of water, the question is often asked why the need for legislation, licenses, application forms and enforcement actions.

The reason that water use is licensed and monitored is to:

- Protect aquifers from over-development
- Protect the water supplies of household users, registered users and license holders
- Promote the beneficial use of water
- Protect the environment

Agriculture uses water in many different ways and from many sources and this, combined with the complexity of the "Water Act" makes it essential for a farm operator to understand his or her rights and responsibilities when using wells and water diversion methods.

Wells and Water Diversion

The following sections will provide information about:

- the amount of water that can be used from a well for agricultural purposes
- the application process that is involved in diverting water from a water body.

A. Water Wells

1) How much well water can I use before I need to get a license?

If you are using the water for Household Use, you may use up to 1,250 cubic meters (275,000 gallons) of water per year for human consumption, sanitation, fire prevention and watering animals, gardens, lawns and trees without a license.

2) Where do I go for information about licensing?

Alberta Environment has provided the following document titled “Licencing Water Wells for Agricultural Water Use up to 10 cu metre per Day”. This is intended as a guide to help you understand the process of obtaining a license. In the Introduction, you are advised to contact Alberta Environment to obtain current information. AE Regional Office contact numbers are provided.

Contacting Alberta Environment for information right at the beginning of your search for licencing information is essential to save you time and get you on the right track.

3) Maintenance of Water Wells

Management of a water well is often an area that is ignored until the well itself develops problems which can result in considerable expense and inconvenience. This important asset deserves to be regularly maintained to ensure that your well yield is sustained, that water quality is protected and to save you money on costly repairs.

An outstanding publication on water wells is “Water Wells That Last For Generations”. To obtain this free publication, call 1-800-292-5697. For more information on farm water supplies, contact the Agricultural Water Specialists with Alberta Agriculture and Rural Development at the following locations:

Edmonton (780) 422-5000

Red Deer (403) 340-5324

Lethbridge (403) 381-5846

Grande Prairie (780) 538-5606

For More Education

Consider attending a “Water Well Workshop” which is delivered by technical experts from Alberta Agriculture and Rural Development, Alberta Environment and Agriculture and Agri-Food Canada and co-sponsored by your local municipal government. For further information, go to www.environment.alberta.ca/3081.html.

B. Water Diversion From A Water Body

An alternate source of water can be from a water body which is defined as follows:

...the “Water Act” in Section 1 (ggg), page 16, defines “water body” as “any location where water flows or is present, whether or not the flow or presence of water is continuous, intermittent or occurs only during a flood, and includes, but is not limited to wetlands and aquifers but does not include except for clause(nn) and section 99 “water body” that is part of an irrigation works if the irrigation works is subject to a license and the irrigation works is owned by the licensee, unless the regulations specify that the location is included in the definition of water body.”

...the “Water Act” in Section 1(1)(m)(i), page 9 defines “diversion of water” as the impoundment, storage, consumption, taking or removal of water for any purpose, except the taking or removal for the sole purpose of removing an ice dam, flood control, erosion control or channel realignment, and (ii) any other thing defined as a diversion in the regulations for the purposes of this Act;”.

Agricultural Exceptions

Licenses and/or approvals are not required when:

- Water diversion is from dugouts where the dugout is not located in a water body which:
 - Receives water from surface runoff
 - Has a capacity of up to 12, 500 cubic metres of water
 - Supplies a maximum of 6,250 cubic metres of water per year

Or when there is an:

- Alternate watering system, for which animals are usually grazed, such as animal operated pasture pumps (“nose pumps”) or solar powered or other systems pumping water from a source to an animal watering reservoir.

Temporary Diversion Licenses

In order to accommodate those situations where time is an important factor, temporary diversion licenses (TDL’s) may be issued while Alberta Environment receives all the information required for a decision to issue a license. For further detail refer to the following Fact Sheet “Water Act Fact Sheet: Temporary Diversion of Water”.

Continuing Diversion Licenses

As was stated before, water licensing process is complex. Following is a fact sheet which gives detailed information in addition to what has already been covered in this chapter.

See the attached document “Administrative Guide for Approvals To Protect Surface Water Bodies Under the “Water Act”.

Conclusion

By now, you may well be wondering why you even considered using water for your operation as it may appear that there exists a formidable series of roadblocks designed to prevent you from making progress.

There is no doubt that the “Water Act” by its complexity requires attention to rules and procedure. However, it is important to remember that it is that way because of the extreme value of the resource-water and its importance to all forms of life and to all members of our society. Alberta has well trained personnel in Alberta Environment and Alberta Agriculture who will assist you in every step necessary to assure you a good supply of water. Don’t hesitate to contact them.

By exercising due diligence, your water supply will be safe, sustainable and available. Further, from a consumer point of view, your water management shows that you are being environmentally responsible not only to yourself, to your family and your operation but also to others around you and to your customers.

Water, the staff of life.

Licensing Water Wells for Agricultural Water Use up to 10 cubic meters per day

Reference: Alberta Environment – Groundwater Evaluation Guideline – Revised August 2004
(Required Information when submitting an Application under the Water Act)

Introduction

Groundwater is a valuable resource that must be managed and sustained for use by all Albertans. In Alberta, the “Water Act” provides the means to allocate water in an orderly and beneficial manner through the issuance of Licences for all water uses other than for household purposes. Therefore, agricultural water users are required to obtain a licence for groundwater withdrawal. The information in this document is provided as a guide only to help you better understand your responsibility and the general process of obtaining a licence to use up to 10 m³ (2,200 Imperial Gallons) per day of groundwater for agricultural purposes under the Water Act. Communicate directly with Alberta Environment to obtain current information. You can contact a Regional Office near you:

Northern Region	Central Region	Southern Region
Peace River - 780-624-6167	Spruce Grove - 780-963-6131	Calgary - 403-297-6582
Edmonton - 780-427-7617	Red Deer - 403-340-7052	Lethbridge – 403-382-4254

Step 1 - Understand the application process

The aim of the application process is to:

1. Protect aquifers from over-development,
2. Protect the water supplies of household users, registrants, and licence holders,
3. Promote the beneficial use of the water resource, and
4. Protect the environment.

Applicants are responsible to submit a complete application.

- Where necessary, applicants provide additional information and complete any Public Notice Requirements

Alberta Environment

- Reviews the application and the supporting information
- When necessary additional information is requested
- Requests placement of Public Notice
- Reviews and identifies issues in Statements of Concern arising from the Public Notice
- Requests applicant to address any issues identified in Statements of Concern

Complete applications contain all of the appropriate supporting information without requiring any further information. A Priority of Use, the date from which a user is allowed to use water, is based on the date when a complete application is received. Applicants must demonstrate that a sufficient amount of suitable quality groundwater is available for the

intended use without negatively impacting the aquifer, other surrounding water users and the environment.

Step 2 - Review your current licence and registration status

Water users are responsible to keep licences and registrations up to date and comply with stated conditions to maintain a licence in good standing. Make sure all information is accurate and that specified diversion rates are current with the intended water use.

Household Use means the use of up to 1,250 cubic meters or 275,000 Imperial Gallons of water per year (up to 3 households per parcel of land) for the purpose of human consumption, sanitation, fire prevention and watering animals, gardens, lawns and trees. A Household, as defined in the regulations for the purposes of the Water Act, means one or more individuals, living in a single, private and detached dwelling place. Household water use is a statutory right and is not licensable.

Traditional Agriculture Registrations were affected following the closing date for registration applications of December 31, 2001. The official repository for the registration is the Environmental Management System (a database for all water-related authorizations). No official document is issued other than a copy of the application with the Department section completed. The maximum amount of water considered for traditional agriculture use was 6,250 cubic meters or 1,375,000 Imperial Gallons per farm unit per year for the raising of livestock or pesticide application. Quantities of water considered for traditional agriculture registration had to be in use from January 1, 1996 to December 31, 1998. Applications were received for a three-year period from January 1, 1999 to December 31, 2001. Priorities for these registrations were given based on first date of water use from the source. Registrations stay with the land on or under which the source of water is located, regardless of ownership changes.

Licences are legal documents allowing for the diversion and use of water. They identify:

- The holder's name, address and legal land location where the specific diversion is occurring,
- The maximum annual quantity (allocation) of water allowed for the specified diversion,
- A priority number for a right to divert water is based on the date an Application is deemed complete,
- In the case of groundwater, the completion interval, and the maximum pumping rate of the water well,
- Conditions under which the diversion can take place,
- An expiry date, etc. Licences for agricultural water use are typically issued for a term of 25 years.

Replacement water well: A new well that is constructed to replace an older existing well.

- The Licence for the existing water well may be amended to reflect changes to the pumping rate and production interval.

Supplementary water well: A new well that is constructed in addition to older existing wells.

- The supplementary water well will be identified on the licence for the existing water well, and
- Will share the current allocation and priority number of the existing water well(s) provided there is no additional quantity of water required.

If either a replacement or supplementary situation applies, the new well needs to be:

- Installed in the same aquifer as the existing well;
- Installed near the existing well where drawdown and the cone of depression is similar to or better than the drawdown and the cone of depression of the existing well;
- Completed in accordance with the Water (Ministerial) Regulation governing well completion interval length at the time of replacement.

The old well must be properly decommissioned if the new well replaces the old well.

A new licence is required when:

- The new water well is not completed in the same aquifer as the well on the existing licence. An amendment to the existing licence may be required to reduce the allocation according to the proposed withdrawal from the new well.
- Or, when additional water is needed above the current allocation.

Step 3 - Estimate agricultural water use

The following “Guide to Calculate Quantities of Water for Raising Animals” is contained in Schedule 2 of Alberta Environment’s Groundwater Guideline.

Guide to calculate quantities of water for raising animals

Example Guide Water Used For:		No. of Animals	Gallons per Day*	Quantity per Day (Gallons)	No. of Days	Total Gallons per Year	
Dairy	Milking cows	x	30.0	=	x	=	
	Dry cows, replacements	x	10.0	=	x	=	
	Calves up to 550 lbs	x	3.0	=	x	=	
Beef	Cow/calf pairs	x	12.0	=	x	=	
	Calves up to 550 lbs	x	3.0	=	x	=	
Beef	Feeders 550 to 900 lbs	x	6.0	=	x	=	
	Feeders 900 to 1,250 lbs	x	9.0	=	x	=	
Hogs	Sows farrow to finish	x	20.0	=	x	=	
	Sows farrow to wean 50 lbs	x	6.5	=	x	=	
	Feeders 50 to 250 lbs	x	1.5	=	x	=	
	Weaners 15 to 50 lbs	x	0.5	=	x	=	
Chickens	Broilers/Roasters	x	0.035	=	x	=	
	Layers/Breeders	x	0.055	=	x	=	
Turkeys		x	0.150	=	x	=	
Sheep/Goats	Milking ewes/does	x	3.0	=	x	=	
	Ewes/does	x	2.0	=	x	=	
	Feeder lambs	x	1.5	=	x	=	
Horses, Bison, Mules		x	10.0	=	x	=	
Elk, Donkeys		x	5.0	=	x	=	
Deer, Llamas, Alpacas		x	2.0	=	x	=	
Ostriches		x	1.0	=	x	=	
Other (specify)		x		=	x	=	
Pesticide Application					x	=	
*Quantities of use per day per animal are averages only. If you know your own use, please change according to your water needs.			Total amount per year in imperial gallons				
			Divide imperial gallons by 220 to get cubic meters			/220 =	
			Total amount per year in cubic meters				

Where multiple water sources are being used, each source will require a water use calculation to be completed. Proper assessment of daily and peak water demand relative to the ability of each water well to deliver an adequate supply is essential if water wells are to be operated in a sustainable manner.

Refer to the publication “Water Wells That Last for Generations” to obtain information on sustainable water wells and estimating water needs. Or obtain a printed version by calling 1-800-292-5697 (toll free). For more information on farm water supplies, you can contact an Agricultural Water Specialist with Alberta Agriculture and Rural Development through the **Alberta Ag-Info Centre toll free at 310-FARM (3276)**.

Step 4 - Compile field survey information

(Refer to Section 1.02, Schedules 1, 2 & 3 of the Groundwater Evaluation Guidelines)

It is important to pay attention to all public concerns and potential conflicts that may occur as a result of the proposed project.

1. Verify neighbouring water supplies within a radius of at least 1.6 kilometers of the new well site.
2. Prepare a Location Plan showing all water projects and water bodies (water wells, springs, dams, dugouts, lakes, rivers, creeks, etc) within at least a 1.6 kilometer radius of the proposed diversion site(s). [Click here to download an example Location Plan from the Alberta Environment Water Act Legislation webpage.](#)
3. Obtain Drilling Report(s) for water well(s) surrounding the proposed diversion site, if available. Information on water wells drilled in Alberta can be obtained at Alberta Environment or contact the Groundwater Information Center. Phone 780-427-2770 or Fax 780-427-1214
4. Compile Field Survey Information. Provide the following, if available, for each of the identified water supplies: A- owner’s /lessee’s name; B- legal land location; C- type of water source (e.g. wells, springs, dugouts, etc.); D- water source status (e.g. producing, standby, observation, abandoned, etc.); E- well depth; F- purpose and estimated volume of water use; G- well completion details, completion interval (e.g. open hole, perforated, screened); H- depth to the top of the aquifer and the amount of available head; I- pump intake depth; J- maximum pumping rate; and K- distance from the proposed diversion site.

Step 5 - Know the pump testing and monitoring requirements

At the least, applicants (or a Consultant acting on their behalf) should supply the following production testing and monitoring information as part of a complete application submission.

Anticipated Daily Pumping Rate	Number Of Days	Anticipated Maximum Yearly Water Requirement	* Length of Pumping & Recovery Test At Anticipated Maximum Pumping Rate	Observation Monitoring Site * *
Up to 10 m ³ per day Or Up to (2,200 l/gpd)	365 Days	Up to 3,650 m ³ per Year Or Up to (803,000 l/g) per Year	2 + 2 hours Or longer and at least 90% Recovery	0

Minimum recommendations taken from Schedule 1 (Groundwater Evaluation Guideline) – Table showing Length of Pump Test and Information Required for the Anticipated Maximum Water Diversion/Drainage.

*** More information and/or longer pump tests may be required.** Available water supply estimates generally increase in reliability with longer pumping periods, and allow hydrogeological conditions in the area to become more clearly defined and understood. Knowledge about hydrogeology is best achieved through a proper groundwater evaluation program. It is often best to retain the services of a Groundwater Consultant especially as water demands increase and potential exists to impact other water users.

* * Household wells, and other types of water wells, could be considered potential monitoring sites.

For more detailed information Applicants need to refer to the original document. Alberta Environment – Groundwater Evaluation Guideline – Revised August 2004 (Required Information when submitting an Application under the Water Act)

Step 6 - Make sure the drilling contractor is aware of your licencing requirements

Licencable water wells must be constructed in accordance with methods outlined in the Water (Ministerial) Regulation. Completion in a single aquifer is essential to properly assess aquifer yield and to insure aquifers are protected from contamination. Well owners may be directed to have a new well re-completed or isolated within a single aquifer prior to testing. Avoid unnecessary delays and added costs, by properly constructing and assessing your well during the initial installation.

1. Wells need to be properly designed and developed so as to allow production consistent with a well owner’s water needs, taking into account the production potential of the aquifer being used.
2. Wells need to be sealed the full length of the annulus from the ground surface to the top of the aquifer using appropriate sealing materials (e.g.- cement, grout, bentonite, etc.).

Plugging the annulus prevents contamination. Also, completion in a single aquifer prevents co-mingling of “different water qualities”.

3. Wells need to be constructed in a manner that does not result in multiple aquifer completions. The open-hole portion, slotted liner, or screened section should not exceed 7.62 meters (25 feet) if distinct water-producing units are not present.
4. A minimum two-hour constant rate pump test, at a rate equal to or higher than the expected pumping rate, needs to be conducted in a suitable manner that can determine aquifer parameters. Pumping and non-pumping water levels shall be accurately measured and recorded to the nearest one (1) centimeter at appropriate time intervals. For example, as specified in the Well Yield Section of the Water Well Drilling Report:
 - a) The static water level is measured immediately before pumping commences;
 - b) Drawdown is measured periodically during the full pumping cycle;
 - c) Measure the last pumping water level just prior to turning the pump off;
 - d) It is important to record the exact time pumping has started and stopped;
 - e) Measure the recovery water levels on the same schedule as the pumping interval;
 - f) Continue measuring the recovering water levels for two hours, or until 90 % of the pre-test water level is reached.
5. A water sample should be collected from the production well near the end of a pump test. Applicants are responsible to ensure water quality is suitable for the intended*
Routine Chemical Water Analysis are:

o Bicarbonate (HCO ₃)	o Magnesium (Mg)	o Sodium (Na)
o Calcium (Ca)	o Manganese (Mn)	o Sulfate (SO ₄)
o Carbonate (CO ₃)	o Nitrite +Nitrate (NO ₂ +NO ₃)	o Total Alkalinity
o Chloride (Cl)	o pH	o Total Dissolved Solids (TDS)
o Fluoride (F)	o Potassium (K)	o Total Hardness
o Iron (Fe)		

*Depending on the specific water use, other water quality parameters may need to be assessed to insure that suitable water is available.

For daily water diversions less than 10 m³ (2,200 Imp. Gal) per day, information is generally provided on a properly documented Water Well Drillers Report.

For daily diversion rates over 10 m³ (2,200 Imp. Gal) per day, or in complex situations, information is generally documented by preparing a Groundwater Report. When a groundwater consultant is retained, it is important that the Well Owner, Drilling Contractor and Consultant work closely together so that an appropriate and cost effective groundwater development program is planned and conducted. In these situations it is important to refer to the Alberta Environment – Groundwater Evaluation Guideline – Revised August 2004 (Required Information when submitting an Application under the Water Act)

Step 7 - Make sure application information is complete

- A. "Application under the Water Act"
- Provide the necessary Applicant Information (name, address, phone number, etc);
 - Provide the Consultant's name, phone number, etc. (if one is contracted to conduct testing and evaluations).
 - Provide the Land Location of Works and Activities.
 - State the Purpose of the groundwater diversion. (E.g. agricultural, etc.), and Annual Quantity to be diverted (Also indicate if use is seasonal or year round).
 - Show necessary Well Information including Total Well Depth, Production Interval and the Pumping Rate. (These should be readily identifiable from the Water Well Drilling Report).
 - Be sure to provide an accurate description of the Project or Activity. Is this a new water use? Or is this a supplementary or replacement water supply? This information may impact your Priority of Use.
- B. Water Use Calculation Sheet(s)
- Provide an accurate assessment of your water needs.
- C. Water Well Drilling Report(s), Production Testing Data and Water Analysis Report(s)
- Supporting groundwater information needs to show:
- The geologic structure (Formation Log or Lithology Description);
 - How the well is constructed (Well Completion Data);
 - Production interval (Perforations, Screen Type or Open Hole);
 - Pump test data confirming well yield and a recommended pumping rate;
 - Suitability of water quality for the intended purpose;
 - Also when available, include E-logs, groundwater evaluation reports and other geologic/aquifer information that help to identify the aquifer and the availability of a secure groundwater supply.
- D. Field Verified Survey and Location Plan
- At a minimum identify and provide information on all water projects and water bodies (water wells, springs, dams, dugouts, lakes, rivers, creeks, etc) within at least a one-kilometer radius of the proposed diversion site(s).
 - Depending on size, location or purpose of a project, and the degree of groundwater/surface water interaction additional site data may also be requested where specific environmental issues arise.
- E. Public Notice
- Public Notice of an application may be required when the Department receives an application. If there are outstanding issues and concerns they will in all likelihood be expressed during the public advertising process.
 - It is always better to communicate with your neighbours and discuss their concerns with them before submitting an application.

Water Act: Temporary Water Diversions

FACTS AT YOUR FINGERTIPS

Before diverting and using surface water and groundwater in Alberta, a licence must be obtained under the province's *Water Act*. A temporary diversion licence provides authority for this diversion, for a maximum of one year.

This licence identifies the source of water supply, location of the diversion site, allocation of water allowed from the source(s) and the conditions under which the diversion and its use must take place.

Applicants are responsible for obtaining rights-of-access to lands where the temporary diversion is being proposed

Reasons to apply

When there is a need for a short-term diversion and use of water for emergency water supply; for dust control and bridge washing; for drilling oil and gas wells (drilling fluid) and for other short-term uses except those exempted under Schedules 3 and 4 of the *Water (Ministerial) Regulation* and the *Water Act*.

A copy of the temporary diversion licence must be kept at the diversion site(s) or in water hauling vehicles.

How to apply

- Submit an application form or letter by fax, mail or e-mail to an Alberta Environment District Office, or
- Provide the required information by telephone, or
- Apply in person to the District Office.

Information that will be required

- Name, address and telephone number of the person responsible for the diversion
- If applicable, name, address, and telephone number of a contact person
- Identify the surface or groundwater supply (by name where possible)
- Legal land description of the diversion site(s)
- Volume of water to be diverted
- Approximate start and end date of the diversion
- Reason for the diversion.

If the diversion is from a dugout, borrow pit or other excavation, indicate if the diversion is: located on a water body; replenished by overland flow and/or maintained/replenished by groundwater.

Alberta Environment recommends seeking water from water bodies where a withdrawal will have minimal impact on the aquatic environment. Recommended sources are: surface runoff dugouts, sloughs and non fish-bearing lakes and creeks. Fish-bearing lakes and creeks are least recommended.

Continued

Water Act: Temporary Water Diversions

FACTS AT YOUR FINGERTIPS

Diversions without a Licence

These types of diversions do **not** require a licence:

- Statutory household use
- Traditional agriculture use
- Fire-fighting
- Wells equipped with hand pumps
- Operating an alternative watering system, using surface water for livestock that are generally grazed
- Dugouts which collect surface runoff (see *Water Act: Dugouts fact sheet*)
- Hydrostatic testing of pipelines for water diversions up to 30,000 cubic metres (A Code of Practice Notification is required)
- Other uses where exempted under Schedules 3 and 4 of the *Water (Ministerial) Regulation and Water Act*.

For further information on exemptions, please contact the nearest Alberta Environment District Office.

The Director may request other information such as:

- Legal land description where water will be used or where water is released to a water body
- Other, site-specific information.

Diversions in non-settled areas

An *Applicable Surface Disposition* must be obtained from Alberta Sustainable Resource Development.

Generally, water entering an intake pipe leading to pumps must pass through a screen with openings no larger than 2.54 mm.

Temporary Diversion Licence Process

To apply, complete and submit an *Application under the Water Act for a Temporary Diversion Licence* application form. The application form can be found at the Alberta Environment web site location <http://environment.alberta.ca/01189.html>

Enforcement

Anyone who conducts an activity in a water body without an Alberta Environment approval or who diverts water without a licence may face enforcement action with a maximum fine of \$50,000 for an individual and \$500,000 for a corporation.

Anyone who sees a water-related activity that could be illegal should contact Alberta Environment at 1-800-222-6514.

Application under the *Water Act*
for a TEMPORARY DIVERSION LICENCE

Licensee / Owner:

Business Name:	Contact Person (please print):	Business Telephone:	Bus. Cellular Telephone:
Business Address (Street, PO Box, etc.):	City:	Business Fax:	
Province	Postal Code	Business Email Address:	

Applicant / Owner's Representative: Same as above? (click to activate boxes) Yes No If No, complete below

Business Name:	Contact Person (please print):	Business Telephone:	Bus. Cellular Telephone:
Business Address (Street, PO Box, etc.):	City:	Business Fax:	
Province	Postal Code	Business Email Address:	

For Surface Water Diversions complete the table below:

Water source (e.g. lake, stream, or name of source, if known)	Water Diversion Location					Pumping Rate (show units)	Annual Quantity (show units)	Point of Use					Purpose (e.g. stock, drilling, etc.)
	¼	sec	twp	rge	m			¼	sec	twp	rge	m	

For Groundwater Diversions complete the table below:

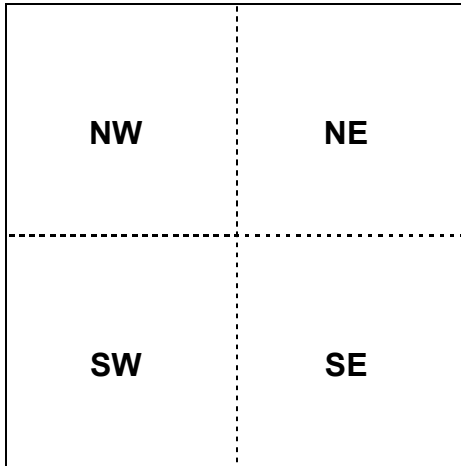
Date Well Drilled	Well (proposed) Location					Total Depth (metres)	Production Interval (metres)	Pumping Rate (show units)	Annual Quantity (show units)	Purpose (e.g. stock, drilling, etc.)
	¼	sec	twp	rge	m					

Is the Licensee the registered landowner? (click to activate boxes) Yes No If no, written consent from the landowner is required.

If working on Crown Land, e.g. 'Green Area', indicate the authorization type and number obtained from Alberta Sustainable Resource Development to undertake the activity - Type _____ Number _____.

Diversion Start Date: _____

Diversion Finish Date: _____



Indicate major land features on the plan such as roads, the water source, flow direction and/or the water diversion location.

Indicate the legal land location of the water diversion location.

Section ___ Township ___ Range ___ West of the ___ Meridian

Please attach a separate sheet if you wish to provide more information.

Statement of Confirmation:

The information given on this form is true to the best of my knowledge.

Date of Signing	Signature	Print Name	Company Name (if applicable)
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If you are signing on behalf of a company, provide a document indicating you are authorized to sign on their behalf.

Return the completed form to the appropriate Alberta Environment District office.

Alberta Environment
Northern Region – Peace River District
Bag 900 Box 5 Provincial Building
Peace River Alberta T8S 1T4
Telephone: 780-624-6167
Fax: 780-624-6335

Alberta Environment
Northern Region - Edmonton District
111 4999 98 Avenue
Edmonton Alberta T6B 2X3
Telephone: 780-427-5296
Fax: 780-427-7824

Alberta Environment
Central Region - Spruce Grove District
Suite 1 250 Diamond Avenue
Spruce Grove Alberta T7X 4C7
Telephone: 780-960-8600
Fax: 780-960-8605

Alberta Environment
Central Region - Red Deer
Floor 3 4920 51 Street
Red Deer Alberta T4N 6K8
Telephone: 403-340-7052
Fax: 403-340-5022

Alberta Environment
Southern Region - Calgary District
2938 11 Street NE
Calgary Alberta T2E 7L7
Telephone: 403-297-6582
Fax: 403-297-2749

Alberta Environment
Southern Region - Lethbridge District
200 5 Avenue South Provincial Building
Lethbridge Alberta T1J 4L1
Telephone: 403-382-4254
Fax: 403-381-5337

Note: In some instances, you may receive the *Water Act* Temporary Diversion Licence via e-mail or facsimile.

FOIP - Information you provide to Alberta Environment to apply for a temporary diversion licence under the *Water Act* is collected under the authority of section 62(1) of the *Water Act*. This information will be used for the purpose of processing an application for a temporary diversion licence, as well as recording information regarding the licensee as needed for administration of the *Water Act*. This information may be publicly disclosed to anyone requesting a copy in accordance with Section 15(1) of the *Water (Ministerial) Regulation*. If the applicant wishes that a trade secret, process or technical information in the application be kept confidential, the applicant may make a written request to the Director within 30 days after the information is submitted, identifying the information, and requesting that the information be kept confidential and not be disclosed. The written request must identify the specifics of the information to be kept confidential and not be disclosed. Ultimately, it is the Director who makes the decision regarding the confidentiality of the identified information. To expedite application processing, the applicant can indicate, during the time of filing the application, that no information is deemed sensitive. The collection of personal information on this form is being managed in accordance with the Alberta *Freedom of Information & Protection of Privacy Act*. For more information about the collection, use or disclosure of this information, please contact Alberta Environment's Regulatory Approvals Centre at 780-427-6311.

OFFICE USE:

- Exemption (no licence required) under:
- (1) *Water (Ministerial) Regulation* - Schedule 3, Section 1(c)
 - (2) or specify _____.

Designated Director under the *Water Act*

Date

BUSINESS PLANNING



This chapter includes the basic elements of a business plan and a start-up cost sheet. A well prepared business plan will not only assist in plotting a course for your business, it can also serve as a vital sales tool. This information was resourced from the Alberta Agriculture and Rural Development web site: www.agric.gov.ab.ca.

Elements of a Business Plan

A business plan is a description of the business, a road map that will help you get to your desired destination. It gives you an idea of the obstacles that lie ahead and can point out possible alternate routes. One of the major benefits you will receive from developing a business plan is getting to thoroughly know your industry and market. A well prepared business plan will not only assist in plotting a course for the company, it can also serve as a vital sales tool.

The following are the major elements of a business plan:

Executive Summary

- Most important part of your business plan
- Must be clear, concise and compelling so that people will read further
- Should be written after you have completed the other sections of your business plan
- Try to keep this section to around one page

Description of Company

- State company name, legal status and ownership structure
- Mission statement – should provide focus for your company and define your business for at least the next few years
- Outline where your company has been and where you are at right now. If you are a startup company describe what your company intends to do. Only include information that is relevant to the product or service you are describing.
- How will this new activity add to or enhance your existing business

Product or Service

- Describe your product or service – what is unique about it and why will you be a success
- Indicate any regulations that will effect you and show that you have or can meet the requirements

Market

- Outline the industry you are in, how you fit in and what will be your market share.
- Who is your primary customer? What are the demographics of this customer base? It is very important to know your customers as success depends on you being able to meet customer needs.
- Why have you chosen this customer base and how large is it? You need to know that there is enough room in this market for you and that it is not already saturated.
- What are the trends that are influencing and affecting your market (customer base)? How are you addressing these trends?

- Who is your competition and how will you be able to compete? By knowing and understanding your competition you will be able to better position your product or service in the market place.
- If your business is seasonal (ie u- pick operation), explain how you will handle this challenge
- What is the price of your product or service? How does this compare to similar products in the market?
- How will you distribute your product?

Marketing Plan

- The marketing plan is very important - you can have the best product in the world but if you have no sales, you have no business.
- How will you make customers aware of your product or service?
- Where will you sell your product (ie farmers' market, farm gate sales, retail, etc)?
- When will you launch your marketing plan?

Operations

- Where will your business be located?
- What facilities and equipment do you have and what do you need?
- How will you run the business?
- How will you keep track of inventory?
- How will you keep costs down to remain competitive?
- What is your plan for growth?
- How does this business mesh with your existing business? It is important that you keep separate records for each different business you have. This way you will know what is making you money and what is not.

Management Team

- Investors pay particular attention to this section. They want to know that you have the right people for your business.
- The quality of your people will determine the success of the business.
- Indicate who is on your team, their qualifications and responsibilities (ie production, marketing, accounting etc).
- If you do not have people in these positions right now because of the size of your business, provide a time frame to put your team together.
- How will you overcome any labor shortages?

Financials

- Financial statements show where your business is at right now and provides you with the information you need to make decisions.
- It is important to keep your statements current and to refer to them on a monthly basis.

- You should include the following financial forms with projections for three to five years:
 - Income statement
 - Cash-flow projections
 - Balance sheet
- When making financial projections, it is important to explain any assumptions - how you determined the figures you used.
- If you are looking for financial assistance, lenders will want to know where you will get financing for your business and how you will spend the money. They will also want to see historical records for the past three to five years.

For more information contact Kathy Bosse, New Venture Coach

403-755-6116 | kathy.bosse@gov.ab.ca

Information taken from: www1.agric.gov.ab.ca

Start-up Cost Sheet

New businesses spend money before they ever open their doors or offer product for sale. Start-up expenses are those costs incurred before the business is up and running. Many new entrepreneurs underestimate start-up costs and begin their business in a haphazard, unplanned way. To avoid making this common mistake, use a start-up cost sheet to plan initial financing.

The cost on the next page sheet consists of typical expenses involved in starting a business. This is not an all-inclusive list, but it offers entrepreneurs a place to start in terms of business planning and assessing the feasibility and cost of a new venture.

Please keep in mind that many of the following costs reflect a one to three month time frame, meaning that you should have enough funds available to cover these costs for a minimum of one month, but ideally for at least three months.

This information is part of a series of documents about Starting and Growing a Business and taken from the Alberta Agriculture and Rural Development web site

The source of the materials is <http://www.agriculture.alberta.ca>. The use of these materials by Alberta Farm Fresh Producers Association is done without any affiliation with or endorsement by the Government of Alberta. Reliance upon Alberta Farm Fresh Producers Association's use of these materials is at the risk of the end user.

ESTIMATED START-UP COSTS

Living Expenses		
Salary for owner/manager	\$	1-3 months
Land and Buildings		
Land	\$	Once
Building (buy or lease)	\$	1-3 months
Furniture and Fixtures	\$	Once
Decorating and Remodelling	\$	Once
Outside Signage	\$	Once
Vehicles	\$	Once
Equipment		
Computer	\$	Once
Machines	\$	Once
Cash Register	\$	Once
Tools	\$	Once
Other (Specify)	\$	Once
Office Supplies	\$	1-3 months
Telephone	\$	1-3 months
Internet	\$	1-3 months
Utilities	\$	1-3 months
Advertising		
Business Cards	\$	3 months
Newspaper/Radio Ads	\$	3 months
Brochure	\$	Once
Web site	\$	1-3 months
Packaging and Labelling	\$	1-3 months
Inventory		
Merchandise	\$	1-3 months
Raw Materials	\$	1-3 months
Licenses and Permits	\$	As required
Professional Fees		
Legal	\$	1-3 months
Accounting	\$	1-3 months
Other (specify)	\$	1-3 months
Insurance	\$	As required
Deposits (utility etc)	\$	Once
Salaries and Wages	\$	1-3 months
Cash Reserve (Petty Cash, Credit Accounts	\$	1-3 months
Other (specify)	\$	As required
TOTAL CASH REQUIRED TO START A BUSINESSES		

PRICING FOR PROFIT



Understanding how to price your product is an essential step in developing your business. Information included in this section was resourced from the Alberta Agriculture and Rural Development web site: www.agric.gov.ab.ca.

Pricing Horticulture Products

What should I charge at my U-pick for strawberries or for my fresh vegetables at the farmers' market? All business owners grapple with pricing. It's an important question since business success relies on your ability to make a profit. To find the right price for your horticulture product you need to strike a balance between product costs, the attitude of your target customer and the competition. Horticulture products include bedding plants, fresh fruits and vegetables, fresh-cut flowers and culinary herbs.

Pricing need not be an onerous task. How you price your horticulture products is worth some thought and effort since it directly affects your ability to make a profit. Take some time to research the following six management questions.

- How much does it cost to grow my product?
- What is my break-even point?
- What are my profit goals?
- How will I market my product?
- What price range do my competitors charge?
- What is the customer demand for my product or service?

How Much Does it Cost to Grow my Product?

It's important to keep good records for your business. By reworking the records you use to keep track of costs you can calculate complete product costs. A product cost is a subtotal of the money you spend to grow, package, distribute and promote your horticulture products. It's important that you include all costs in the product cost subtotal. Even the cost for unsold plants should be listed.

Example: Average gross revenues for a greenhouse bedding plant crop were estimated at \$6.80 per square foot. Average operating costs amounted to \$4.35 per square foot with average investment and depreciation costs of \$0.86 per square foot. The average operator's labour cost was estimated at \$1.14 per square foot. When all of the above costs were added together, total production costs were \$6.86 per square foot.

Be sure you include all costs in your product cost subtotal. If you plan to use a retailer or distributor remember a typical margin over your price is 40 per cent. For example: you have found a gift store who is interested in stocking your cut flowers. The store requires a 30 per cent margin and will price the flowers at \$3.00 per bunch. Can you cover your costs and make a profit at \$2.10 per bunch?

The formula to calculate selling price is:

$$\text{Selling price} = \text{cost} \times \text{factor}$$
$$\$3.00 = \$2.10 \times 1.429$$

The factor used in the formula can be found in the Mark-up Equivalency Table below. Use the margin column to find 30 per cent then look across to the factor column to 1.429.

When you know the selling price and the margin you can calculate your price by using the following formula:

selling price ÷ factor = cost (or price)
\$3.00 / 1.429 = \$2.10

Materials costs

All material or supply costs used to make a product should be listed in the materials cost group. Materials expenses are variable costs. Each time you spend money to make a product you increase your variable costs. To identify variable costs, look to see which costs keep pace with the amount you produce. When the number of tomatoes grown in your greenhouse drops by half, your variable costs will also drop by half.

Example: A grower of specialty geranium bedding plants would include the costs for containers, planting medium, fertilizer, water, plant cuttings, boxes and the material shipping costs in the materials cost group.

Labour costs

Each time you pay people (including yourself) to seed, fertilize and harvest the crop, you should add the amount to labour costs. Include labour costs for machine operators and for the people who package or prepare bedding plants for shipping. Most labour costs are variable costs since they change with the number of units grown. The Agriculture Statistics Yearbook can provide you with average labour costs for some industries.

Overhead

This is a catch-all for the money you spend to operate the business. Common overhead expenses are land and equipment expenses, insurance, utility costs, depreciation and salaries for management staff. If you can't directly trace cost to labour or materials, it likely belongs in overhead. All overhead costs are fixed costs. Fixed costs are a part of operating a business. They can't be tied to the number of units produced since they are the same whether 10 or 10,000 are produced. You have to pay the fixed costs whether or not you sell anything.

Product cost is an important first step in setting product price. It tells you the minimum your product can be priced at. You need to know your product price before you can calculate how many units you must sell to break-even. The break-even point is where there is neither a loss nor a profit from the sale of your products.

More detail on the elements of product price is explained in the factsheet, *The Essentials of Pricing*. Once you know product cost you can use customer and competition analysis to further refine your product price. Both methods are detailed in the *Methods to Price Your Product factsheet*.

What is my Break-even Point?

A good product price strikes a balance between costs, volume and profits. You can use a break-even calculation to see whether costs are covered by a certain price and volume. Break-even analysis can also help you analyze how a price change will affect your business. Before you start planting a new crop or trying a new bedding plant variety, perform a break-even analysis to be sure it will earn a profit for the business.

To achieve the profit goal you set for your business you must add it to the break-even point. The break-even calculation tells you where total revenue equals total cost. If you set price or volume below the break-even point, you will lose money each time you sell your herbs or bedding plants. When you set your price above the break-even point, you can be sure profit will be earned. You can also increase the volume you produce to reach your target profit provided your price is set above the break-even point.

To calculate break-even point you must know your fixed costs, variable costs and unit contribution margin. We have defined fixed and variable costs in the cost section. To calculate contribution margin you subtract variable costs from the product price. You can use contribution margin to experiment with various price levels before you settle on a final price.

Contribution margin is a quick way to figure how much of your fixed costs each unit can carry.

Unit contribution margin =
current selling price per unit - unit variable cost

Example: The Plump Berry Farm produces two pint baskets of Saskatoon berries for \$2.40 per unit variable cost and sells them at a local farmers' market for \$4.00 per basket.

Unit contribution margin
 $\$4.00 - \$2.40 = \$1.60$ per basket

This means each basket of Saskatoon berries produced can pay \$1.60 fixed costs for the company to break-even.

Break-even point in units = $\frac{\text{fixed costs}}{\text{unit contribution margin}}$

Example: The Plump Berry Farm has \$3,000 in fixed costs for the Saskatoon berry basket operation.

Break-even in units = $\frac{\$3,000}{\$1.60} = 1,875$ baskets

To have no profit but cover all the costs at \$4.00 per basket, the Plump Berry Farm must sell 1,875 baskets of berries.

To achieve a target profit or target operating income for the business use the following formula:

$$N = \frac{\text{fixed costs} + \text{target profit}}{\text{unit contribution margin}}$$

Example: The Plump Berry Farm has many product groups from their farm, but they want the Saskatoon berry baskets to generate \$2,000 profit each year.

$$N = \frac{\$3,000 + \$2,000}{\$1.60} = \frac{\$5,000}{\$1.60} = 1,875 \text{ baskets}$$

To earn \$2,000 profit for the business, The Plump Berry Farm will need to sell 3,125 baskets of Saskatoon berries at the farmers' market.

What are my Profit Goals?

Profit goals will help you make two other business decisions. Based on your goals you can set an accurate price and decide the amount of product you will grow. A goal is a clear statement about your future business plans. You need to consider personal goals, cash flow needs and product position to develop an accurate profit goal.

Profit goals are an important type of business goal. They state how much profit the business should earn. You can set your profit goals as a percentage above the product cost subtotal or set a total profit figure for the entire business. Use industry price ranges to help set the profit level most suitable for your crops or horticulture products. A profit goal will guide decisions on the amount of produce you will grow and the price you will charge.

Align your product position with the profit goals for the business. Product position is the way you promote your horticulture products to target customers. Niche marketing is a type of product position that could work well for the horticulture industry. To create a niche market you need to find a group of customers with unmet needs, then set out to meet those needs.

How Will I Market my Product(s)?

There are many ways to get a target customer to buy your bedding plants, fresh cut flowers or culinary herbs. Each method has advantages and disadvantages. We will look at direct marketing, indirect marketing and international marketing methods.

Direct marketing

To ensure success in direct marketing you need to do some research. You need to research how your product compares to others in the marketplace, the demand for the product and the unique benefits of your product. There are many types of direct marketing:

Farmers' market

A farmers' market is a focal point where producers and processors gather on a regular basis to offer home-grown produce, agricultural and home-crafted products to sell directly to consumers. All Alberta approved farmers' markets operate under rules and regulations implemented by Alberta Agriculture, Food and Rural Development. Individual farmers' markets may also have additional rules and regulations. The theme is, "Make It, Bake It or Grow It."

The advantages of farmers' markets are direct contact with a larger, regular and loyal customer base, lower marketing and overhead costs, increased income, a great way to sell excess produce and a market to test new products. The disadvantages of farmers' markets are extra time away from your horticulture business, possible low sales volume and the costs of transporting product to the farmers' market.

For more information on farmers' markets, please refer to the study entitled, Farmers' Markets in Alberta: A Direct Channel of Distribution.

On-farm sales (farm store or U-pick)

If your farm has plenty of parking space and is easy to get to, it may be ideal to encourage customers to come to the farm. To offer on-farm sales you need a cash register, weigh scale and likely a cooler, depending on your produce. On-farm sales offer lots of flexibility on length of season, size, hours of operation and product mix. The advantages of on-farm sales are on-site location, a broad range of products, year-round employment and additional income. The disadvantages of on-farm sales are extra capital is required for buildings, finding and keeping reliable suppliers, and the need for a good location. Check the municipal, provincial and federal regulations to be sure you comply with zoning, health, insurance and benefits requirements.

Community shared agriculture (CSA)

The CSA is a direct marketing arrangement where a farmer enters into an agreement with a group of consumer shareholders to deliver fresh produce and other farm-grown food products (eggs, meat, flowers, honey, milk, etc.) for an agreed upon price. In most cases, the shareholders pay the farmer prior to the growing season. Farmers benefit by receiving capital up front, securing their market for the season and sharing the risks of farming with the shareholder. Many shareholders contribute volunteer labour to help plant, weed and harvest the crop. This also reduces the farmer's costs. CSA works best close to urban areas where there's a large consumer population of committed shareholders.

Mail order sales

Growers of perennials and small shrubs can use a mail order system to expand your customer base without spending extra capital on storefront buildings. This type of direct marketing is effective if you can arrange for courier service.

Food service or door to door sales

When you sell and deliver your horticulture product to homes, retail businesses, institutions and restaurants, you are in the door to door sales business. Business owners like this type of direct marketing since it has low overhead cost, easy entry and exit, and no location requirements. The disadvantages include legal restrictions, licensing requirements and a possible lower quality image.

Other types of direct marketing you could use to sell horticulture products include a web page and telephone selling. Can you think of others?

Indirect marketing

When you select an indirect market, you place one or several indirect market channels between your horticulture products and the customer. A horticulture industry survey report found most indirect marketing channels use a 22 per cent mark-up. Reasons for selecting indirect marketing include: a lower time commitment, a broader customer base and lower capital requirements. Examples of indirect market channels are wholesalers, retailers, institutional buyers and brokers.

Domestic wholesaler

A wholesaler pays for your horticulture product and takes title of the goods. Most wholesalers have invested in buildings and capital so they can operate large, efficient operations. They are able to store large volumes of produce and sort, handle and package the produce to meet the needs of various customers.

Retailer

Some retailers buy horticulture products directly from you and sell them to the consumer. The types of retailers who buy from producers are small one-store retailers, or very large retailers who have invested in storage facilities and transportation. Garden centres are an example of a specialty retailer. Their only business is selling plants to customers. An Alberta horticulture industry survey report found 13 per cent of bedding plant sales were made to garden centres.

Institutional buyers

As people live more of their lives away from their homes, the institutional market grows. Examples of institutions that might buy your horticulture products are schools, hospitals, hotels, nursing homes and military bases. The larger institutions often find it more cost effective to buy directly from horticulture producers. They would rather absorb the transportation costs rather than purchase from wholesalers.

Broker

A broker can provide an expert sales force, local representation and stable sales costs. Some of the tasks a broker can do for your business include: representing your product, visiting stores regularly, monitoring product sales, handling complaints, pulling product or rushing an unplanned order. Many brokers also handle any special promotions or displays you request, and monitor competitor activity. Fees for brokers range from 3 to 10 per cent (commission). The commission fee is negotiated along with fees for special services such as the planning of promotions or data collection.

To find a broker, talk to five or six businesses you would like to sell produce to and find out which brokers they use. When you interview a broker, take along some facts such as: a product description, suggested retail price, shelf life, the type of packaging used and the amount you can supply. Plan to discuss fees, major clients, experience with the product category and the five largest retailer accounts they currently handle. You need to know if the broker has a conflict between your product and other products they currently market.

International marketing options

As the world continues to go global, it's natural to think of the possibility of marketing your horticulture products internationally. Most business advisors recommend you have a good domestic customer base before you consider marketing internationally. However, you may decide to grow a horticulture product exclusively for an international market. You may also know someone who has detailed knowledge of a foreign market and is prepared to help with the groundwork.

There are some good reasons to consider an international market. Provided your horticulture products are priced properly, an expanded market should increase profits. International markets offer a larger and more diverse market base and can give you more security through diversifying into different global economies.

Marketing internationally also has major risks. Most foreign countries have growing and packaging standards. Your produce must meet these conditions before you are allowed to sell into the market. You also need to consider the costs of foreign currency exchanges, cultural differences and the need for additional market research. International marketing is a long-term commitment requiring up-front capital and patience. The Canadian Food Inspection Agency regulates the importing and exporting of horticulture product, including quarantine requirements.

It's a good idea to prepare a short list of countries you are interested in exporting your horticulture products to. Before you select an international market remember to research regulations, trade barriers, tariffs and taxes, market size, the degree of competition both domestically and from foreign operations, the distribution network and political issues.

Advantages and disadvantages of marketing methods

Advantages

Direct Marketing

- lower marketing costs, larger customer base and potential for increased income
- able to earn more profit on products you sell
- a market to test new products
- direct contact with customers

Indirect Marketing

- some indirect sellers are most cost effective and efficient due to economies of scale
- buyers and sellers are linked together very efficiently
- some types of indirect sellers take responsibility for marketing your produce

International Marketing

- expanded markets can increase profits
- will have a larger and more diverse customer base
- less chance of sharp sales decline if selling to many different economies

Disadvantages

Direct Marketing

- additional time required to sell products
- may need additional capital for buildings
- extra costs if transporting products to customers
- need to comply with legal restrictions and licensing requirements

Indirect Marketing

- adds an extra cost to your product
- lose contact with the customer if you sell through indirect channels only
- you may find there are few indirect sellers interested in distributing your product

International Marketing

- your product must meet the growing standards of the country you wish to sell to
- need to manage foreign currency exchange, cultural differences and additional market research
- need to invest capital and patience to wait for return on investment

What Price Range do my Competitors Charge?

Take an industry focus on your pricing by researching what price competitors are charging. Use competitors' prices to help design a price range. When competition is less intense for certain crops, you can charge at the top of the price range. If competition is intense, you should price at the lower end of the range unless you can distinguish your product through quality or a unique selling feature.

There are six steps you can take to learn more about the competition and their pricing.

- **Step 1 - Prepare a main competitor list**
Prepare a list of all the competition and then select who your key competitors are. You want to focus on main competitors, otherwise the price range may be too large and not appropriate to your horticulture business. To learn more about the competition you can do a secondary research study of your industry and ask customers and suppliers for their opinions.
- **Step 2 - Analyze the main competitors**
Ask customers about your competition. Tour competitors' businesses to learn how products are priced and distributed. Prepare a list of your horticulture products, along with their strengths and weaknesses. Do the same for each of the main competitors. Be sure to link product price to each competitor.
- **Step 3 - Welcome customer complaints**
Make it easy for customers to tell you what needs improving and act on it. Customers can tell you how your price compares and what you can improve. Include your customers in market research as they are often well informed.
- **Step 4 - Assess whether new competition will enter your market**
Most industries are open to new entrants and you should expect more competition. Constantly check with customers, suppliers and your competition to see if they have heard of any new businesses.
- **Step 5 - Discover where the competition is selling**
You need to find out which stores purchase goods from the competition, and why. Try to find out if the competition offers other types of reductions or price cuts to buyers.
- **Step 6 - Observe trade show activity**
Trade shows can help you find new customers and learn more about your competition. If you sell bedding plants, take the time to attend industry trade shows to see how your competition prices and markets its products.

By researching these six steps you will know the prices competitors charge and why they charge what they do? Use this analysis to develop the upper limit of your price range. Be sure you compare your products to competitors.

For example:

Plump Berry Farm competitor Assessment

Competitors	Strengths	Weaknesses	Price Range
Southern U-Pick	Lower price, broad selection of field berries	Customers must travel to farm and pick produce	\$3.00 per 2 pint basket
Berry Merry Market	Attractive baskets, clean, bright specialty shop	Higher priced goods, limited range of sizes	\$4.00 per 2 pint basket

What is the Customer Demand for my Product or Service?

Demand is a term used to show how badly the customer wants your bedding plants or organic vegetables. You can use the customer demand for your produce to set price. To price according to demand you must know more about the size and nature of your customer base and their feelings about price.

Asking some basic questions can reveal a lot about customer wants, needs and feelings about price. These questions might include:

- How many buyers are there and where do they live?
- How old are my customers, how much do they earn and what is their education level?
- What size and type of family does my customer have?
- How does my customer like to spend money?
- What does my customer do in their spare time?
- Does my customer believe price indicates the quality of a product?
- Where could I improve on competitor's products?
- What type of service does my customer value?

To answer these questions you will need to do research. You will need to keep your eye on general market trends, particularly if your horticulture products have many substitutions. For example, the demand for horticulture products is expected to increase due to larger disposable incomes, an aging population and increased public awareness.

You can use two types of market research to answer demand questions: primary data and secondary data. Primary data gives specific information about the wants and values of your customers. This type of research asks target customers to answer carefully worded and sequenced sets of questions. Formal primary research often requires a market research professional to design the research method and to interpret the data.

Primary research asks people for their opinions and ideas in more detail. You can conduct informal primary research in your business by listening to customers. Question your customers about pricing, service, quality and new products. Invite your customers to fill out customer comment cards or brief

questionnaire forms.

Formal primary research uses specifically worded questions to identify and measure customer wants and needs. To accurately assess people's attitudes the market researcher draws on marketing, psychology and statistics knowledge. If you plan to make major changes to your products or pricing, you may want to seek the services of a market research professional. They know how to word statements, design questionnaires and analyze the results to provide unbiased information.

More elaborate primary research could include written surveys, telephone interviews, focus groups or on-site customer interviewing. To learn more on primary research you can use how-to-books, contact business people who have used primary research or contact an Rural Development Specialist - Business or Agrifood Development Specialist at Alberta Agriculture, Food and Rural Development.

Secondary data uses existing materials and research. While the information is often general, you can learn more about customer characteristics and typical prices for horticulture products. Secondary data is inexpensive since most can be found in public libraries, over the Internet or through publicly funded business development centres.

All research projects should begin with a secondary data search. To learn more about target customers and their attitudes toward pricing, you can check Statistics Canada, Business Development Bank of Canada (BDC), Dun and Bradstreet reports, trade magazines, government newsletters and the Internet. There are many types of trade magazines. They can provide information, intelligence and contacts in the horticulture products industry. Some trade magazines of interest to the horticulture products sector are: Greenhouse Canada, Alberta Greenhouse, Alberta Market Gardeners Assoc. Newsletter, Grower Talk, Fruit Facts, Herbal Times or Growers Grapevine.

Understanding how to price your horticulture product is an essential step in developing your business. You must continually monitor your price including your costs of production, your competition and your customer and be prepared to make adjustments. In competitive businesses, the successful product is the one that can change quickly and continue to operate profitably.

Government of Alberta Agriculture and Rural Development web site is a remarkable resource for product pricing information. There are fact sheets, such as the information included here, that assist in pricing, marketing, research, analysis. Visit the site regularly, use the Information tab and follow the links to answers to many questions. Enhance this manual by printing off what you want to use and remember, then file it in the proper location. The manual will grow with your business!

GETTING CONTROL OF YOUR PRICING



A four part series: On-farm Marketing Controls

Bob Cobbledick

formerly of Ontario Farm Fresh Marketing Association



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Getting Control of Your Pricing

On-farm Marketing Controls – part one

By Bob Cobble Dick for the Farm Direct Marketing Initiative, AAFRD

On-farm Marketing Controls

Introduction

This whole concept of improving controls with on-farm marketing started about 11-12 years ago when a farm marketer I knew was having financial problems. He was concerned that he might lose his business if he didn't get a much-needed loan. He had pretty well borrowed all he could from the normal lending institutions and so he went to a relative who operated a very successful business. The relative said he wouldn't loan him any money because he felt more money wouldn't solve his problem, but he offered to do something even better, he offered to go over his books with him and show him where he could "control" his costs (expenses). This process was a real eye-opener for the struggling marketer, because he thought he was already very lean. After his business began improving, he shared his experience with me. After that success with controlling costs, we often got together to discuss how we could improve other areas of the business, where controls could improve his profitability. It was a valuable learning experience for me, and one I'd like to share.

In on-farm retailing there are a number of places where introducing different kinds of controls will help you better manage your business and improve sales and profitability. The answer isn't always increasing your gross sales, yet that is where many marketers focus their energy. I hope after you read over each installment in this series of articles on "Controls" that you can have a discussion with your family members who are involved in on-farm marketing, to see if any of these techniques might fit into your operation. Some may not fit, but they each have a concept that you might be able to massage to fit your business.

Profits can be from higher margins (increase prices), increasing your volume of sales, or reducing costs. But there is a new level of management that you can advance to if you look at how you can

introduce “controls” into your retail operation. The more controls you put in place, the better you can track & manage your business.

The topics we will be covering, will highlight many of the areas where farm marketers involved in on-farm roadside markets, Pick-Your-Own (PYO) operations, and farmers’ markets have experienced problems and developed solutions. They will include:

Controlling Your Parking

Controlling People Movement and Light

Controlling Theft and Handling Cash

Getting Control of Your Pricing

Controlling Your Parking

Some may wonder what parking has to do with controlling anything, but parking is very important in PYO and can have some subtle impacts for roadside markets as well. The in-term today is “Curb Appeal”, which simply means your operation should be as attractive and inviting as possible from the road, to help pull customers onto your farm. That includes landscaping, keeping the buildings painted, attractive signs, weeds removed, grass mowed, etc. but also, well organized, high and dry, properly placed and safe parking.

In Ontario, because they have had roadside markets for decades, they often started out as picnic tables by the side of the road. Then, as business grew, they graduated to a more permanent market building. Parking, for the picnic table, was often located along the edge of the road, so as they grew, they just built their new market building back behind where the picnic table was located and installed a semicircular driveway out front with 2 driveway entrances/exits that customers could use to pull off the road and access the market (diagram 1). Parking cars off the road was an improvement, from the perspective of safety, but the problem was that people coming from different directions along the roadway could access the semicircular driveway from the 2 different ends and on a busy day, 4 or 5 cars parking at different angles, and heading in different directions could completely fill the parking area. This congestion would discourage other potential customers from stopping.

Another aspect with semicircular parking was that it completely obstructed the view of the potential customer driving by, from seeing what the farm had for sale. It was also difficult to control dust kicked up by cars entering and exiting the semicircular driveway from drifting into the market. Besides, if the prevailing winds came across that semicircular driveway, you constantly had dust blown into the market.

But most importantly, the front of your market is your “show window”, just like any store widow on Main Street down town, or in the mall. You aren’t selling cars, so why allow them to be front and centre. Besides the cars restrict a consumer’s visibility of your image and possibly an outdoor display of products you have for sale.

Since parking in front of the market is not the proper location, where should it be? I would recommend that parking should be at the side of the market. But which side? I’d suggest the “far” side. What is the far side? Simply ask yourself, where most of your traffic is coming from? If most of your traffic comes from the west, then you would put your parking on the east side of

the market. In this way, they can see the market and be influenced by your curb appeal. Then, after passing the market, they get access into your parking area (diagram 2).

Placing the parking on the “far” side, also gives you an opportunity to “control” where people enter and exit your market, which also gives you more control over how your market is presented to the public. We will cover entrance and exit later.

Another advantage with parking off to the side is, most farms have lots of depth, so you can allow your parking lot to grow for 10 cars to 20 cars to 30 cars as your business grows and it does not interrupt your market. In diagram 2, you will notice the dotted lines, at the bottom of the parking lot, indicating how you can easily expand your parking capacity.

With PYO, it is important to have an attractive presentation from the road as well (curb appeal). Often that can be a weed free PYO crop growing right up near the road, to show them the best of what you have to offer. It is better to plant the latest variety of that crop nearest the road, so that it will look the best the longest through your PYO season.

With PYO it is also important to control access from the parking lot, onto the farm. You don't want people accessing your fields from several different spots. You want them all to enter your PYO at one location, where they can be advised of any rules, purchase containers if needed, and where you can tell them where they can pick that day. But the most critical reason for parking controls with PYO is, you want everyone to flow back through that one spot, which is where your checkout should be. You want them to pay for what they have picked, before reaching their cars. If some customers have to go to the car to pick up some money, have a few shelves near the checkout, where they can leave what they picked before going for their purse or wallet. We'd like to think that everyone is honest, but the reality is some people aren't, and as a retailer, you need to reduce the opportunities for those that might steal from doing so. I will get into security later, but just take my word for it, some people will steal from you. Our job is to reduce the likelihood of that happening by restricting “opportunity”, by having proper controls over how customers move around your farm. If we were to draw a flowchart, it would be: PYO crop → checkout → parking lot.

One practical way to control everyone's movement, so they go through the checkout, is to put snow fence or some other fencing around the parking lot or the PYO field. I think it's better to fence the parking lot, but you may have parking in several locations, which might make that not practical. You don't have to completely encircle the parking lot or crop, but if you do at least the one side closest to the PYO field, or closest the parking lot, depending on which you fenced, that might be enough. Ideal would be all 4 sides, but 1, 2, or 3 sides is preferable to nothing. Fencing will make it very obvious if someone is trying to avoid the checkout, then you can check that one person out, rather than having to try and keep track of dozens of people approaching the PYO or their cars from all angles. So look at your set-up and see how you can “control” access from the parking lot into your PYO farm.

I also recommend 90° parking, as pictured in diagram 2. It is what most people are used to. It is also the most efficient use of space. If you can mark rows, so people park up to a designated

line, you need approximately 20 ft. of depth (length of a car), and about 30 ft. for the travel aisles. For the parking in diagram 2, you'd need a parking lot $20' + 30' + 40' + 30' + 20' = 140'$ wide. Using this system, you can park about 110 cars per acre. You only need 25' wide driveways, not 30', if cars parked bumper to bumper. But you can't count on that. So it is better to add another 5 feet to driveways to compensate for that.

Thumb Rule 1 of Marketing

Do not allow parking out in front of your market. Use that area to create your farm's image. Put parking off to the side and preferably, on the "far" side of the market.

For PYO operations, fence your parking lot so customers have to enter and exit near your check-in / checkout, so everyone pays before returning to their cars.

Diagram 1

Roadside Market with Semi-circular Parking
(Not Recommended)

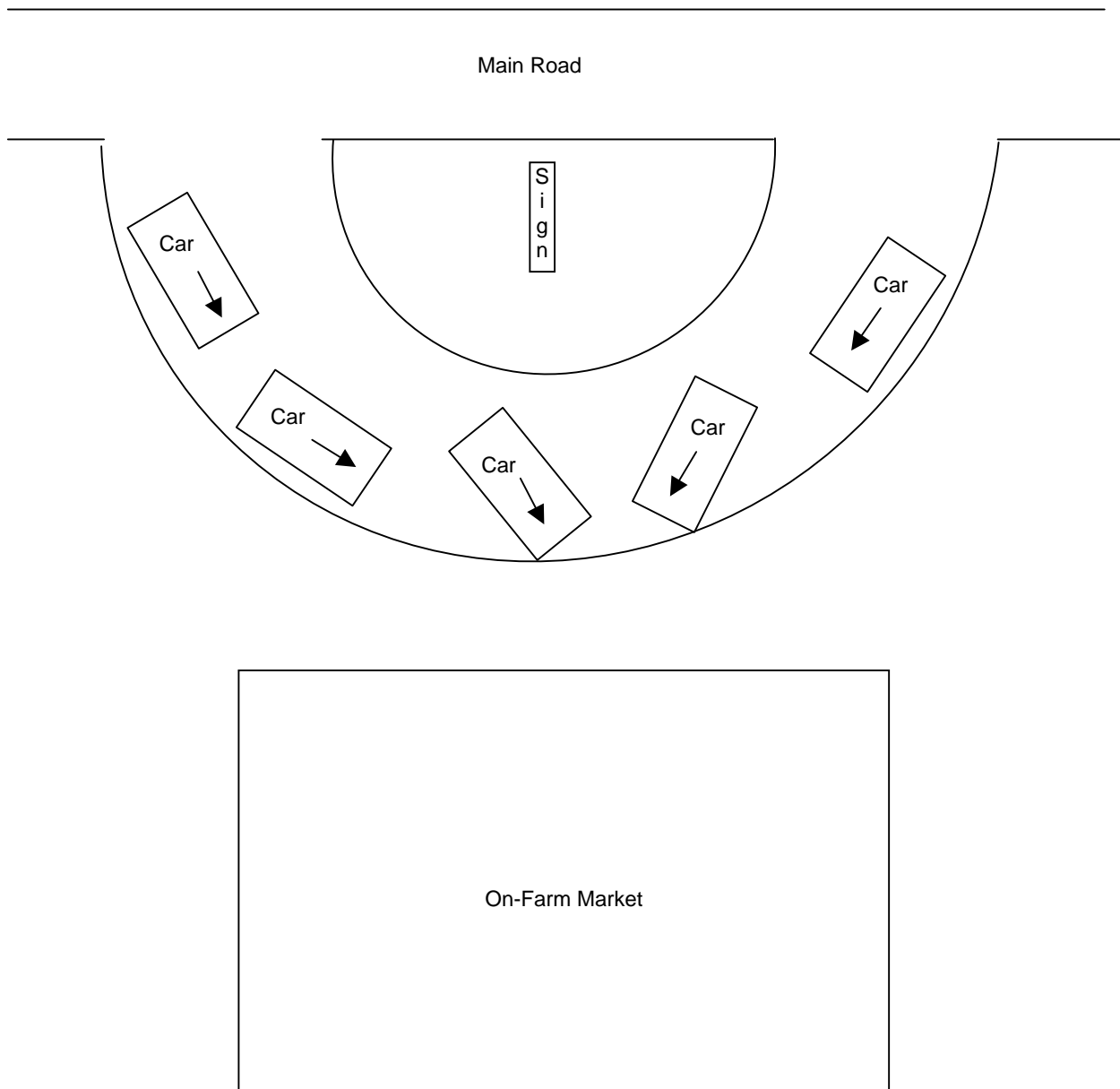
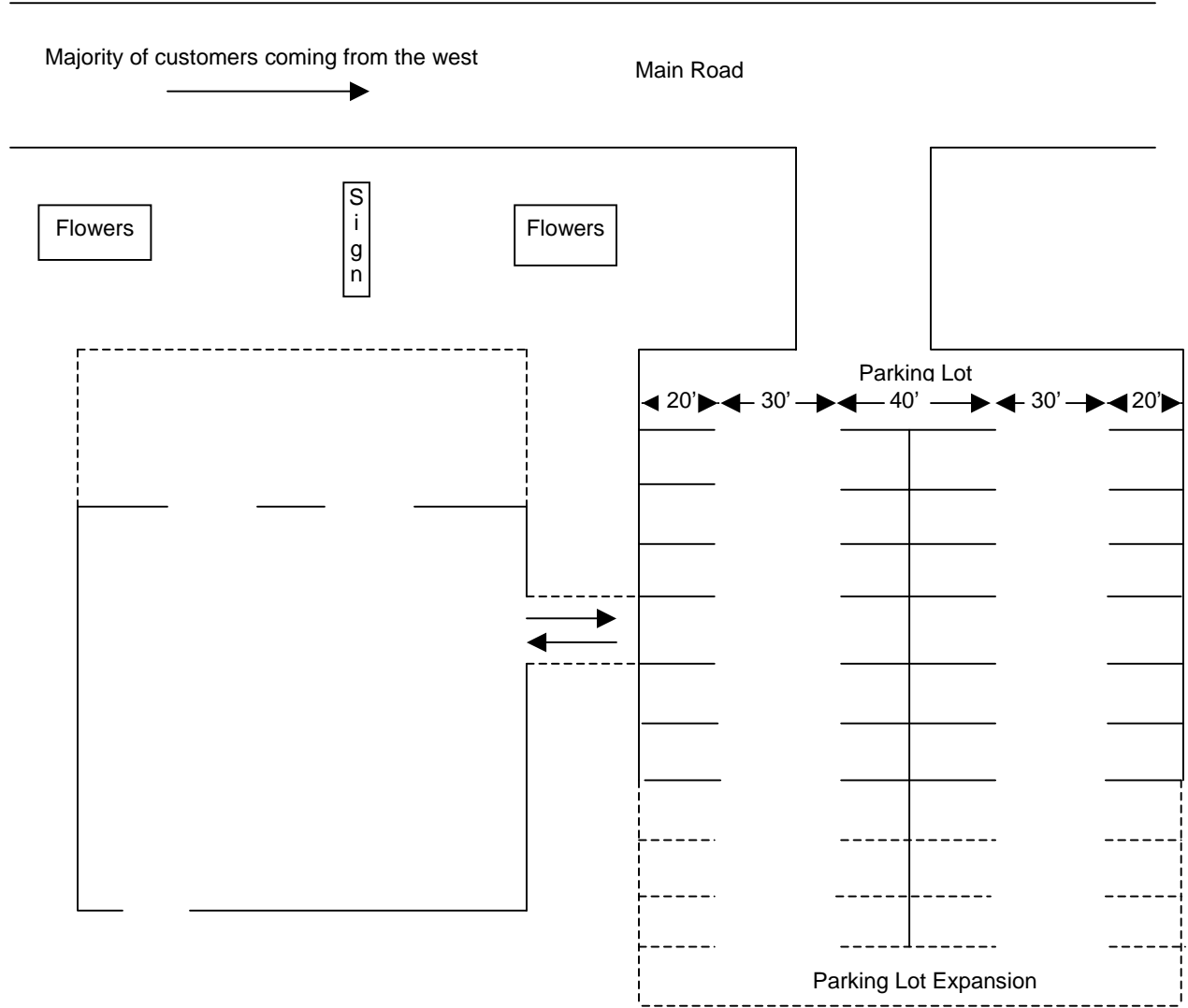


Diagram 2

On-Farm Mareket with Parking Off to the Side





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Getting Control of Your Pricing

On-farm Marketing Controls – part two

By Bob Cobbleddick for the Farm Direct Marketing Initiative, AAFRD

On-Farm Marketing Controls

2 – Controlling People Movement & Light

I'd like to group 2 topics under the title "People Movement". One deals with the movement of people into and out of a market, (entrance and exit), while the other area deals with the movement of people inside the market, (customer traffic flow). They are both more critical than many marketers realize. Studies show that up to 60% of purchases at on-farm markets are impulse, so the more products the consumer walks by, the more likely you are to make a sale. That means the way you design your market's layout, will influence customer traffic flow, which will influence the size of each customer's purchase.

Thumb Rule 2 of Marketing:

The easiest way (not the only way) to increase gross sales is to increase your "Average Sale per Customer". What that means is, if your average customer spends \$10 now at your market or at your farmers' market stall, if you could increase that average sale to \$12, you will have increased your annual gross sales by 20% without attracting 1 more customer. That can have an amazing impact on your bottom line.

By focusing on increasing your "Average Sale per Customer": (1) you have not had to spend any more money on advertising to attract more customers, (2) you haven't had to hire more staff to cover that increase in customers from increased advertising, nor (3) did you have to expand your product line (more cost, more inventory to manage). But your increase in sales means, all your expenses can now be divided over your higher gross sales, meaning that your overall profit should be higher.

Entrance & Exit

We talked in the 1st article about having the parking off to the side of the market. One reason for that is to allow you to have outside displays, at the front of your market, which will help attract the people driving by. It is preferable that those outside displays be under a roof or canopy to protect them from

the sun and rain. They should also be surrounded by an attractive 3' high fence, possibly a white rail fence. This means the consumer can see the attractive outside display area, but they cannot access that display without 1st going inside the market. It is quite common for marketers to put their biggest draw item(s) outside at the front of their market, as a method of attracting the customer's attention. The same is true at a farmers' market. If it is strawberry season, you want your strawberries to be front and centre because you rightly believe they will attract the customer's attention and bring them to your stall.

With an on-farm market, you can surround that display area with an attractive fence to allow them to see inside, but not access the display. The main reason is, if the customer were allowed to walk directly into that outside display, many would pick that 1 item that drew their attention, pay for it and leave, without ever seeing any of the other products on display inside the market.

On the other hand, if the customer could see those outside displays, yet could only access them by coming inside the market first, then they would have to walk through at least some of the market, where they would see many of the other products you have on display, as they are walking toward that outside canopied area. If you have done a good job on your inside displays, (realizing that about 60% of sales are impulse), you should be able to increase that Average Sale per Customer. Having a fence around any outside displays also prevents people exiting through the front of the market without having paid for their purchases. We will deal with that in a later article.

Inside Traffic Flow

This leads us to the inside of the on-farm market. If you think about your last trip to the grocery store, you may remember that most grocery retailers strategically place high demand items near the back of the store. For example it would be unusual to find bread or milk up near the front of the grocery store where it would be convenient for the customer who is just popping in for milk and bread on their way home from work. In most stores bread and milk are in opposite corners of the store, usually toward the back. Their hope is, on your trip to the milk and bread displays, you will pass by something that will grab your attention and before you know it, the grocery store has increased their Average Sale per Customer.

Some retailers also lay out their retail space to encourage one-way traffic. Several retailers are particularly good at this concept. One is Stew Leonard's, a small chain of fairly large food outlets on the east coast around New York City. Another is IKEA, the Swedish home furnishing Company. One-way traffic has some important advantages. It can steer the customer by more displays, hopefully increasing the Average Sale per Customer. It also allows for more orderly movement of traffic, because they are all traveling in the same direction. This will result in less congestion. The one-way system also brings everyone to the checkout counter which is at the end of their trip through the store, making it easier for the retailer to know that everyone exiting their store has paid before they leave. If someone is going against traffic, they stand out and staff can watch to see that are not leaving the store without paying. On-farm markets, and farmers' markets can design traffic flow in a similar fashion, but because we are smaller, it is less obvious to the consumer.

Traffic can also be directed to where you want them to go by the size of the aisle. Customers are more likely to take wide aisles than narrow ones. Therefore, if you have a main aisle that is wider (possibly 8' wide), you can have narrower aisles (3'-4' wide), that are short cuts, so staff have quicker access to the checkout, or to get to the back room to restock a display. Yes, some customers will take

those short cuts, but the majority will follow the wider aisles to the checkout. Lay out those wide aisles to take your customers by most, if not all of your displays and deposit them at your checkout.

If you do have a larger retail area and you choose to have a number of aisles, it is recommended that you have even numbers of aisles, so that customers can visit all the aisles and end up back at the entrance where the checkout is also located.

The other method of directing traffic is to place high demand items in key locations within the market to help draw people through more of your retail displays. Lighting can also help direct their attention, and we will get to that in another section.

Checkout

It is important that your checkout is the last thing in the market before they exit. You do not want to have any displays past the checkout for several reasons: (1) those items are more vulnerable to theft, (2) customers have already checked out. If they were to see something that they liked after having gone through the checkout, it would require them to go through the checkout again, which is a waste or both their time and yours.

It's also important that the checkout be oriented so that you or your staff member at the checkout is facing into the market, rather than with their back to the market, because they are also part of your security system to prevent theft. We will talk about theft later.

Light

It is a well-known fact that people's eyes are attracted to light. We can use this to our advantage by directing light at the things we want them to buy. By controlling where the light falls, we control where the consumer focuses their attention.

I am a strong believer in spotlights for several reasons:

(1) Most spotlights emit the entire light spectrum, which gives the consumer the best appreciation for the true colour of what you have for sale. There are spotlights that bring out and enhance any red pigments in a product. Some retailer will use them over unripe tomatoes and over the meat counter to make the items look redder than they really are. The problem with lights that distort colour is, they often result in the customer being disappointed in their purchases when they get home. They see that the tomatoes aren't really as ripe as they thought, so they can't be used in today's dinner. I believe a marketer should exceed a customer's expectations, not disappoint them and I think spotlights that don't show a product's true colour will cause the customer to be disappointed and that doesn't stimulate repeat sales.

(2) Spotlights focus the customer's attention on the products you have for sale. If you walk into a retail store that uses fluorescent lighting on the ceiling, you will see that the walls, floor, and displays are all receiving the same light. Knowing that a person's eyes are drawn to light, we should use that to our advantage. We don't want to give equal lighting to the floors and walls, because we aren't selling floors and walls. Also, fluorescent lights don't do a good a job covering the entire light spectrum, so many products will not show as well as they would under full spectrum spotlights. Spotlights, because they focus the customer's attention on what you have for sale, can easily increase the retailer's Average Sale per Customer.

(3) Under spotlights you will see that products glisten, making them even more appealing. Then, if we have leafy vegetables that would benefit from occasionally being sprayed with water from a hose with a misting nozzle, you will see that many colours will jump out at you. They appear much brighter. Red radishes glisten, orange carrots are brighter, purple beets are darker etc. Also, if you

have leafy vegetables, the water will help them retain their freshness, because the produce won't lose moisture and appear wilted and dull.

When installing spotlights, it is better if they do not shine straight down, but rather come in from a slight angle, so that if you have tiered displays you don't have shadows that don't show off your produce at its best light.

Spotlights are more expensive to install and more expensive to operate, but their benefit in helping your products look their best and focusing the customers attention on what they are there to buy, far outweighs that cost difference.

On the other hand, fluorescent lighting is ideal for work areas.

The control of light also extends to the placement of windows. My concern with windows is, they distract the customer's focus. Since they allow in light, the customer will see the window, but not the products around that window. Also that light will be hard on the products that are exposed to that light. Jams will lose their colour and produce will overheat, causing them to lose moisture and become limp and dull in colour. This will increase your waste, which will eat into your profits. You may like windows, because they make the outside of your market look more inviting. That is a realistic argument. But on the inside they are damaging products. I would suggest, if you feel you need windows to improve your outside ambience, on the inside of those windows, you use louvered shutters over the bottom half of the window and use gathered drapes across the top half and down the sides, to reduce the impact of light coming through them. This is not to say you should not have any windows. They could be where you want general lighting, such as near the checkout, rather than in your prime display areas.

One last comment on light, relates to the colour of display tables. Display tables are there, only to place the produce in the best position to show well to the consumer. We are not selling display tables, we are selling the produce or preserves or crafts that are on them, so the display table should not be obvious. It can enhance the products on it, but it is not to be the main attraction. For that reason, it is better to use darker display units, so that the products on the table become the focus. If you use wooden display units, they should be darker green or brown. If you use tablecloths, they should be a darker solid colour, not patterned because the pattern becomes a prominent feature of the display. So unless you also want to sell tablecloths, they should be discrete and not an obvious part of the display.

Diagram

The diagram below incorporates all of the things covered in this section on "Controlling People Movement". Looking at the diagram, you will see that there is an outside covered display area that is surrounded by a 2 or 3 rail fence (the line of dashes). Customers driving by, from west to east, can see that outside display area, because the cars are all parked off to the side of the market. Yet to access the outside display, they have to enter the market from the right (east) side. The hatched boxed areas identify displays. The arrows inside the market show the typical flow of customer traffic.

It is also important that displays help draw customers through the market. In this example, there would be at least one major draw item (☆) in the outside canopied, fenced display area, another

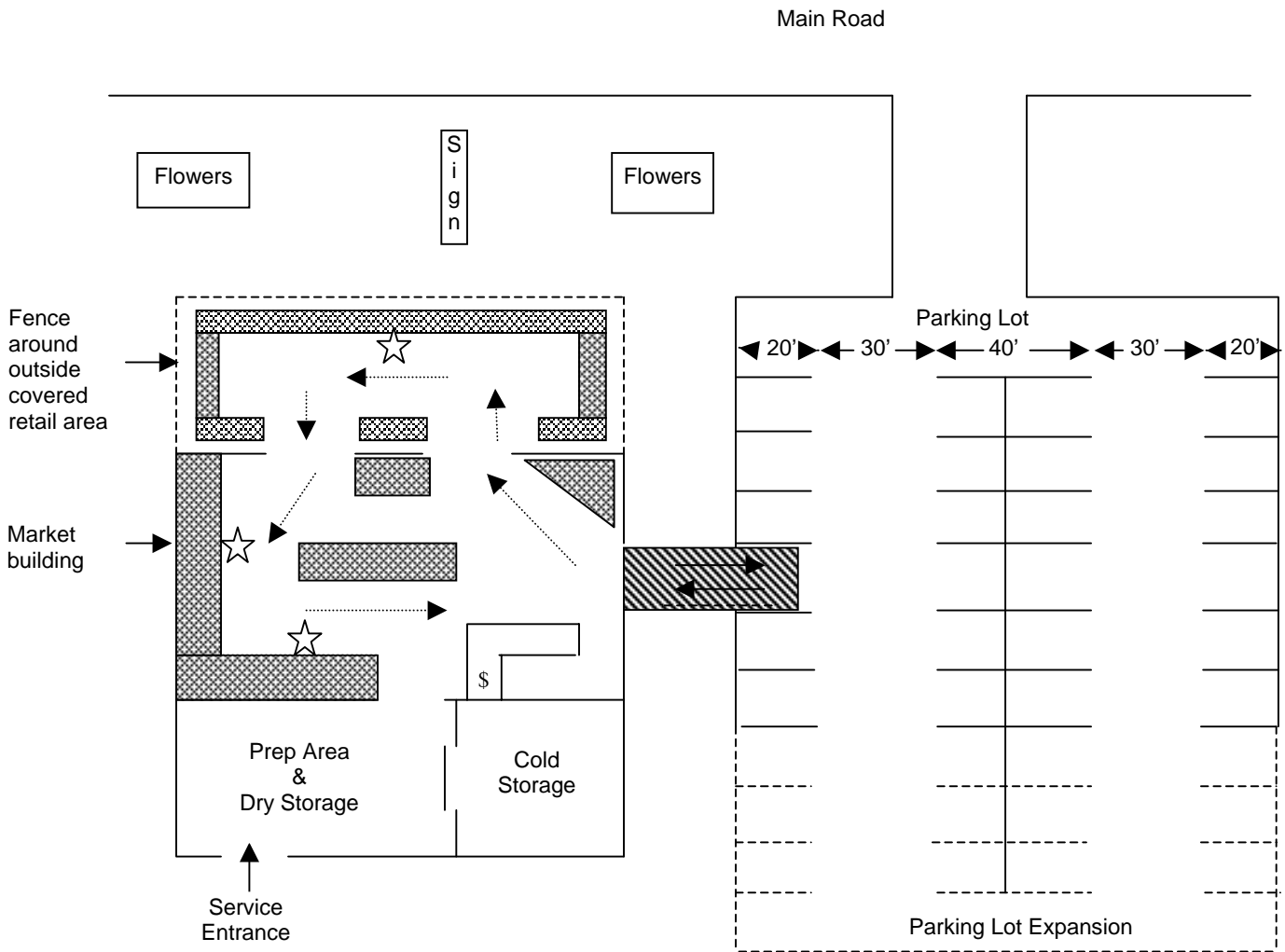
along the west wall and possibly a 3rd along the south wall. Each would help draw customers through the entire retail area.

Inside the market there are two aisles, so that the customer ends up at the checkout, beside the entrance/exit, where they will pay before exiting to their car. The checkout faces into the market so the staff member working the register can also keep an eye on the retail area.

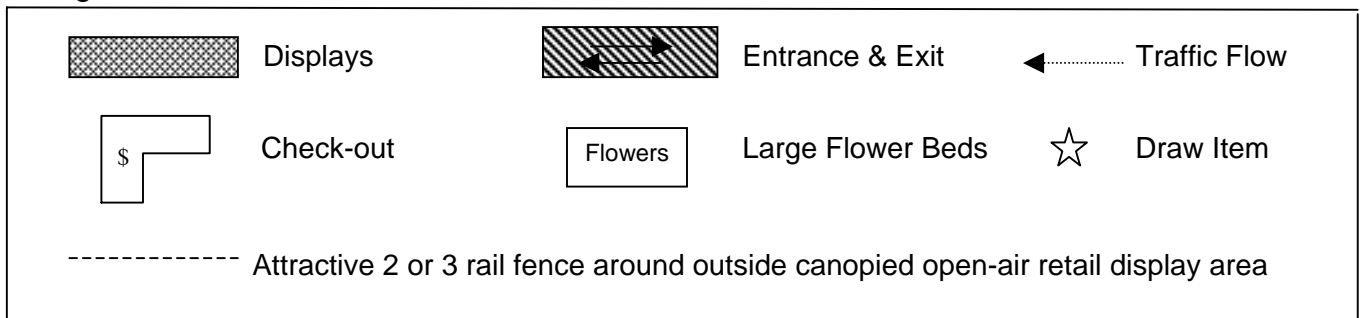
In a farmers' market, individual stalls can follow some of these principals. If their stall is large enough they can set up their displays so that important items are placed to draw the customers through their stall. But also the entire farmers' market can be laid out to encourage customers to walk by more, if not all of the stalls in the farmers' market. This would help increase the gross sales of the entire farmers' market, and it should increase the sales of many of the individual vendors. Farmers' markets might be well advised to make sure that the whole market has an even number of aisles so that if a consumer were to walk the entire market, they will end up at the end where they started, which would usually be at the same end that they parked their car.

Diagram

On-farm Market Showing Customer Traffic Flow



Legend





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Getting Control of Your Pricing

On-farm Marketing Controls – part three

By Bob Cobbleddick for the Farm Direct Marketing Initiative, AAFRD

On-Farm Marketing Controls

3 – Theft and Handling Cash

It is hard to know where to divide both this section and the final section on “Inventory, Margins and Expenses”, they are both so inter-related. This is an issue that many farm marketers find difficult to talk about, but about 8 years ago, the Ontario Farm Fresh Marketing Association organized a workshop on Security. It was the best-attended workshop they have ever had, before or since.

Theft

I am no longer amazed by the stories of theft at on-farm markets and Pick-Your-Own (PYO) operations, both by customers and employees. But the common thread that runs through these stories is, the farm marketers are usually shocked when it happens to them. Many of their customers are repeat, which makes them almost like friends and their staff are almost like family. So to be betrayed by friends and family is almost like your house being broken into. You feel personally violated. You may think that Ontario, being more populated, with bigger cities, will have this problem, but not Alberta, not you. But that is just the complacency that will make you an easy mark. I’m not saying you have a problem, but I can say, that many farm marketers do and unless you develop controls, you could be next.

Whether we like to think about it or not, there is a segment of society that will take advantage of businesses, if that business does not have controls to prevent it. I think PYO operations are particularly susceptible, particularly those that have hired employees and handle cash using a cash box or apron. Those PYO operations would not know if an employee took 5% of the cash receipts that day, because they have no idea what the cash receipts should be for that day. I remember the PYO operation I visited who felt concerned about employee theft and decided to install cash registers interconnected to scales. The day the registers were to begin, 2 of his long-time employees quit.

You may think that this section doesn't apply to you because only family handles the money, but the day your children go off to college, or someone gets sick and you have to hire your 1st employee, this problem will start to apply to you as well. If you haven't prepared for it, you will be as vulnerable to theft as any other farm marketer.

About 10 years ago we carried out a survey of both PYO operations and roadside marketers in Ontario, to see how much of a problem theft was. We received responses from 94 roadside markets and 192 PYO operations.

Within the group of roadside markets, 17% had caught an employee stealing. Within the group of PYO operations, 8% had caught employees stealing. With the roadside marketers, the average employee had been caught taking \$70. With the PYO operations, the average employee theft was \$76. But were they caught during their one and only attempt at theft. I doubt it.

I recall the PYO operator that had an employee come to him and confess that she had stolen money and wanted to pay it back. He asked how much that might be and she said \$1500. He was shocked. I recall the roadside marketer who operated a small on-farm market. She felt that receipts didn't seem to correspond to the volume of produce they had been bringing in from the farm. A policeman friend put her into contact with someone who installed a video camera that recorded the day's events around the cash register. She had a small market, only one employee, but the video showed her putting cash into her own purse from the register several times throughout the day.

Then there was the farm that went to several farmers' markets. They had one, long-time employee who covered one of the markets for them. The farmer kept noticing that their cash receipts for that particular market kept getting smaller and smaller. They started writing down the inventory that she took to market and compared it to the cash sales that were returned. After several weeks he confronted her with the evidence and she reportedly had taken \$56,000 over a couple of years.

After the Ontario survey results were published, and farm marketers were more aware of this potential problem, it would have been valuable to do that same survey again, to see whether the percentages would have changed. Because I believe that the problem is bigger than our Ontario survey revealed. It is just that many farm marketers were not even looking to see if they had a problem.

This same survey also asked farm marketers if they had caught customers stealing. 17% of the roadside markets had caught customers stealing and 40% of PYO operations had caught customers stealing. Among the roadside markets, the average value of the goods stolen was \$23. The average value for the produce stolen at PYO operations was \$29.

The important point to note is that employees were caught stealing almost 2 - 3 times the amount that customers were taking. And keep in mind, a problem employee is likely working there 5-days a week, which means they have a greater opportunity to steal than the problem customer that may come once a week. So controls around employees can be more critical than controls implemented for customers.

Controls With PYO

With PYO, since there is no realistic way to take an inventory of what is in the field, you have to control the way customers exit the fields and how employees handle cash.

For the PYO customer, it is important that there only be one entrance and exit from the field and that all customers pass through the checkout before they can get to their car. It is all too tempting for a customer to drop part of their harvest off at their car, when they are picking up their purse, if they have access to it before checking out. Likewise, having people access the field in their own car, then driving to the checkout can allow people to hide produce in their trunk, under car seats etc. before arriving at the checkout. There are operators that require the customer to open their trunk at the checkout, but there are always those people who say they forgot their trunk key or don't have access to their trunk for some reason. Also they can hide produce, particularly high value produce like raspberries, under spare tires etc. The easiest solution, rather than having to confront customers and get into an argument, is to avoid the problem by separating customers from their cars until after they have paid.

For PYO checkout staff, who are not family, it is important that you have centralized checkouts. Do not use aprons as a means of handling cash transactions. The ideal is to have electronic scales that are tied into a cash register, so that all transactions are automatically inputted into the cash register, giving you a list of all transactions which you can then balance to the cash in the register. If you are not in a convenient location for electricity, consider solar collectors or portable generators to give the scales and registers power.

If you don't want to go to the expense of buying integrated scales and cash registers, you can use a less sophisticated cash register, but require every customer to use your containers (you can sell them to the customer). Then, if you take an count of the containers you have at the beginning of the day, and another count of the containers at the end of each day, you can at least balance the number of containers missing with the count (number of transactions) on the bottom of your cash register tape summary, that you can run at the end of the day. If it says you had 100 transactions you should be able to verify that you have 100 less containers in your inventory.

Controls at Roadside Markets

For roadside market customers, the approach is quite similar. Have only one entrance and exit. Therefore all customers have to pass by the checkout when exiting the market and hopefully the person at the checkout will recognize whether that person has gone through the checkout or not. For customers who conceal items in their clothing, it is more difficult. You can buy equipment to label everything with magnetic price tags, but that is expensive. You can install mirrors to allow you to see hidden areas of the market. Or you can design your displays, so that high value items are displayed near the checkout where it is easier to monitor them.

To verify that you do have a theft problem, you have to track your inventory. That means, know what you bought, what you sold and if there is a difference, see if there is a logical explanation. If you have unexplained shortages, you have to start looking at possible explanations for those shortages. Is it staff, or customers, or breakage, or spoilage or something else?

When it comes to putting in controls to reduce staff theft, there are several things to initiate:

- (1) Give each staff member a separate cash drawer with a designated amount of cash in the drawer that you know, but not the employee, (float). Then, at the end of that employee's shift, you count the cash, subtract the float and the difference should be what your cash register summary indicates as your gross sales for that day. If you only have one register, and more than one employee using it at the same time, this won't work. Consider designating one

employee for a specified time period to handle all cash transactions. Then you could do spot checks, if you feel you have a problem. Just tell the staff you need to balance the register because you are preparing to make a bank deposit.

- (2) It is also better that the employee not balance their own cash drawer at the end of the day. If they are not keying in all sales, they can easily take whatever the cash drawer has, in excess of the gross sales total printed on the bottom of the register tape.
- (3) You should also consider having a policy for the use of the “No Sale” key on the register. If there is no policy, a staff member could use it to open the till, make change, but not record the sale. Some roadside markets require that the owner be called for the “No Sale” key to be used.
- (4) You should also have a policy that the cash drawer is never left open. Firstly, employees can make change without keying in the transaction, but also an unattended cash register with the till drawer left open is pretty inviting to a dishonest customer.
- (5) Likewise markets should have a return policy. If a customer comes back with a damaged squash, do you give them their money back? If so, what tracking system do you have to know if in fact there was a squash returned?
- (6) Do you have a policy for employees buying things at your operation? Can they ring in their own purchases? Are they required to tape the cash register receipt onto the outside of the bag so you can see it has been paid for?
- (7) Do you have a policy on employees buying damaged or reduced items? If staff can take those at no cost or at a reduced cost, are you sure the items in the bag are damaged or from the reduced display?
- (8) It is good policy to occasionally monitor staff who are checking out their friends or family members. There is a situation called “Sweet-hearting”, where an employee rings in \$1.95 for an item being paid for by a friend or family member rather than the item’s true retail value of \$11.95. It would appear to the casual observer that each item is being entered, but it is not entered at their true value.

I list each of those items because there are marketers who have experienced each of these problems.

Conclusion

A police officer, talking to a group of farm marketers quoted the following statistics:

- 50% of employees will steal, when a business has no controls.
- 25% of employees will try to steal from a business, even if it has controls.

I would like to think that those figures are much higher than what we experience in rural Canada at farm markets, PYO operations and farmers’ markets, but employee theft is a serious potential problem that you must be aware of and try to prevent.



The Agricultural Policy Framework (APF)
A FEDERAL-PROVINCIAL-TERRITORIAL INITIATIVE

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Getting Control of Your Pricing

On-farm Marketing Controls – part four

By Bob Cobble Dick for the Farm Direct Marketing Initiative, AAFRD

This is the most critical part to be successful marketing directly to consumers. How do you set a price that ensures a profit for your farm business at the end of the year?

When choosing a title for this section, I considered “Controlling Expenses”, or “Controlling Margins”. But that doesn’t really tell the whole story. Normally, when talking to farmers involved in production agriculture, on how to increase profits, the subject focuses on efficiency and reducing expenses. Controlling costs is an important part of ensuring a profit in any facet of agriculture, but it is particularly true with production agriculture, because commodity prices are, in most cases, beyond the control of the wholesale grower. So they have 2 options, (1) reduce costs or (2) increase yields, if they want to improve profitability. So the title “Controlling Expenses” would be a good title for farms in production agriculture, but not for farms that retail.

For farms that are marketing directly to consumers, they have a 3rd option. They can increase their price. Admittedly, there are limits. In most cases, you are not the only game in town. There are usually other farms marketing bison, or beef, or strawberries, or Saskatoons. But if they can separate themselves from their competition by offering the consumer a more tender product, a more flavourful product, a unique product, they can usually command a higher price. With higher prices, a farm marketer can support higher production costs or better yet, enjoy higher profits. The trick is, the consumer has to be able to distinguish a quality difference between your product, compared to your competition. I have a talk that outlines the 20 factors that influence price. Competition is only one.

All that being said, what I want to focus on is, how you can set prices that will ensure you a profit.

“Getting Control of Your Pricing” is really the crux of the “Profit Club” that we started in Alberta this past November. Although it takes us most of a day to demonstrate this concept, the major point is, marketers need to understand their production and marketing expenses, and then relate those expenses to their gross sales, before they can price a product to ensure a profit.

Relating Everything to Gross Sales

If there is one figure that most marketers in any business can tell you, it is their gross sales. For that reason, most retailers (grocery store, shoe store, hardware store) find it quite helpful to compare many of their expenses to their overall gross sales. This is also a valuable tool for farm marketers to better understand their retail business as well.

Take for example a farm marketer who has annual gross sales of \$100,000 at their on-farm market, or their Pick-Your-Own (PYO), or at their farmers’ market stall. Checking their expenses, they see that they spent \$3,000 on advertising their business, and \$18,000 hiring staff to run the PYO or farmers’ market stall. What that tells them is that they spent 3% of their gross sales on advertising, ($\$3,000/\$100,000 = .03$ or 3%), and they spent 18% of their gross sales on labour, ($\$18,000/\$100,000 = .18$ or 18%).

Relating key expenses to the gross sales, allows a farm marketer to compare one year to the next, to see if their use of labour is getting more or less efficient. What’s even more important, one farm marketer can visit another farm marketer who operates a similar business and ask them what percent of their gross sales they spend on labour or advertising, without the other marketer revealing any dollar amounts. In this way operations can compare their two businesses. If it turns out that they are only spending 12% of their gross sales on labour, compared to our example of 18%, the 2 marketers can discuss how the one manages their labour, that allows them to be so much more efficient.

Likewise, a marketer can talk to another farm marketer, operating a business similar in size to theirs, and ask what percentage of their gross sales they spend on advertising. Again no dollar amounts need be shared, but each can discuss how they use their advertising budget to see if one marketer is doing something more efficiently than the other.

Expenses

In the “Profit Club” we spend a fair amount of time on each farm’s individual income and expenses. We begin by dividing up the total farm’s expenses among whatever enterprises each farm wants to track. Those enterprises might be, their PYO, the farmers’ market, their on-farm roadside market, their grain crop and/or beef enterprises.

Once they know what their production and marketing expenses are for an enterprise, it is relatively straightforward to calculate a price that should return a profit to the farm. This process may also show the farmer, of the 5 enterprises they have, one is draining off the profits of the more viable enterprises. That too can be helpful information.

Sample Income and Expense Statement

Farmers' Market Enterprise		
Income:		
Gross Sales of beef at farmers' market	\$100,000.00	
Cost of Production or Auction price (25 head)	\$30,000.00	
Gross Profit (before marketing expenses)	\$70,000.00	\$70,000.00
Margin (%)	70%	
Marketing Expenses:		
Slaughter, cut, wrap & label	14,000.00	
Processing – (sausage, jerky)	5,000.00	
Labour at farmers' market	\$18,000.00	18%
Advertising	\$3,000.00	3%
Supplies for farmers' market	\$3,000.00	
Stall rental	\$3,000.00	
Trucking (to abattoir & market)	\$2,000.00	
Accountant & Insurance (market share)	\$2,000.00	
Repairs -freezer	\$1,000.00	
Debt service (farmers' market share)	\$3,000.00	
Other	\$2,000.00	
Set aside (future equipment needs)	\$3,000.00	
Profit target (farmers' market enterprise)	\$10,000.00	
Total	\$69,000.00	\$69,000.00
Expenses as a % of Gross Sales	69%	
Net Profit Before Taxes		\$1,000.00

Margin

This leads us to a discussion on “Margins”. What is it?

The simplest explanation is, any retail price is made up of 2 parts:

What the item cost you to produce and market, e.g.	\$2.00
Your margin of profit	<u>\$1.00</u>
Total retail price	\$3.00

As a cattleman you have 2 options when you raise a herd of cattle. You can take them to auction or you can choose to market a portion of them yourself by taking them to an abattoir, getting them slaughtered, cut and wrapped and go to a farmers' market. The cost of producing those steers was exactly the same regardless of the market you choose. That is the "Cost of Production or Auction Price" listed in the chart above. But the difference comes when you choose to market it yourself, because you then incur all these marketing costs, which we have listed above as "Marketing Expenses". There is no feed cost or vet bills in this list, because those are production costs. What a marketer needs to know is, does marketing through a farmers' market give him a fair profit for all the extra work he has gone to.

So we start by separating out the marketing costs, (listed above) and then calculating what percentage they are to the total gross sales of the beef he sold at the farmers' market. In our example the marketing expenses are 69% of the gross sales. So for this farmer to make a profit, he needs to cover all these marketing costs. In other words he needs a margin of 69%

Also notice that there are 2 lines at the bottom of the chart that you won't normally see in a normal income and expense statement from you accountant. They are, "Set Aside" and "Profit Target".

For a business to be viable it needs to be constantly upgrading its marketing equipment. That may be new freezers, new display counters, or a new cash register. These projected expenses need to be factored into your selling price, because they are legitimate marketing costs. They may not be coming till next year, but you should be planning ahead for these costs. You can't continue to operate your business if you don't have a freezer on the farm to store your meat, or if your display counters at the farmers' market are falling apart. This is not to suggest that you should be expected to buy all these items in one year and set a price to pay for all those capital improvements, but you should expect that your business will generate enough "margin" to not only cover the basic expenses, but also allow you to make improvements.

Likewise, you shouldn't be going to all this work and not make a profit. So it is also important that you factor in, as a legitimate expense, a "Profit Target" and expect your retail price to generate that profit for you and your family. The only way to make sure you realize that profit is to incorporate it into your expenses which all total up to the "Marketing Expenses" as a percent of gross sales. You deserve to make a profit.

Also note, in our example, there was also a "Profit Before Taxes" of \$1,000.00. This example does not cover a number of aspects like shrink (damaged product, reduced/discounted sales, etc.), and we do not have time to get into inventory and inventory control, but it does show you the basics of how to calculate the margin you require to ensure a profit.

Conclusion

Profit is not a dirty word. Any business should be based on the principal of making a profit. I know that BSE and other factors beyond our control can prevent that. But don't give up; there is always more than one way to make a profit. The goal of "Getting Control of Your Pricing" is to show farm marketers that there is a way to help you establish a retail price, that hopefully will try and ensure that you make a profit.

Summary

Profits can be improved in many ways. You can increase your prices, lower your costs, or increase your overall gross sales. But in the long run, **the system that has the greatest potential of keeping you profitable, is through initiating CONTROLS.** The more control you have over your business, the better you can track its progress and identify its problems.

You can increase your prices, but without controls, a staff member may steal some of it from you. You can advertise to attract more customers, but without tracking your expenses so you know what margin to need to cover your increased advertising costs, your profits could actually decline. You may have an on-farm roadside market, but if you don't control customer traffic flow, your "Average Sale per Customer" may be well below its potential. You may have Pick-Your-Own strawberries, but if (1) you don't have controls on how staff handle cash at the checkout, so you can track it, and (2) how customers move between the field and their parked cars, you are quite likely experiencing theft from both customers and staff. You have worked hard to raise the products you offer for sale, you need the systems in place to ensure you reach your marketing potential and receive what is rightfully yours.

INSURANCE



AgriTourism Insurance Program

Capri Insurance

Location: Kelowna, BC

Contact: Robert Fiume | 800-671-1877 | URL: www.capri.ca



This Self-Inspection process assists members of the AgriTourism Industry to identify risks and hazards which could expose them to financial loss. In addition to this benefit, the Self-Inspection assures certain standards are being met and enables members to access the AgriTourism Insurance Programme. Often members become involved in activities that are difficult or expensive to insure. This insurance programme may accommodate these activities in an economic fashion. The following information provides an overview to the insurance coverage available as well as the steps involved in applying for insurance terms.

What coverage is available?

\$5,000,000. Commercial General Liability (\$1,000. Bodily Injury/Property Damage Deductible)

Coverage Includes the following extensions:

- | | | |
|-----------------------|---------------------------------|------------------------|
| - Personal Injury | - Attached Machinery | - Cross Liability |
| - Occurrence P.D. | - Contingent Employers | - Broad Form P.D. |
| - Non-Owned Auto | - Employees as Additional | - Medical Payments |
| - Blanket Contractual | - Products/Completed Operations | - Incidental First Aid |
- Injury to Participants is covered except for "Rodeo Activities"
- \$1,000,000. All Risk Tenants Legal Liability

Who is eligible?

If you are a member of the Alberta Farm Fresh Producers Association, you may apply for insurance.

The confidential information contained in the Self-Inspection and in your Insurance Application will be used only to determine eligibility and pricing for the coverage indicated above. If for any reason you do not qualify you will be immediately notified. Alternative terms may be available.

Why might I not be eligible?

No one insurance programme can provide the best terms for every possible activity. Some aspects of your operation may require separate arrangements. If the Self-Inspection reveals hazards that you choose not to remedy or if you have experienced numerous claims in the past with no effort to correct the problem, you also may not qualify.

Minimum of 3 years in operation except 5 years for Equine operations is required.

How do I apply?

Complete in full the Self-Inspection and Insurance Application Form. Certain activities are subject to specific Operational Requirements. If your business involves any of these activities, it will be necessary for you to review, sign and submit the appropriate Operational Requirement Form(s) along with your Self-Inspection and Insurance Application.

- 1) Mail the signed completed forms to:

Robert Fiume
c/o Capri Insurance Services Ltd.
Suite 100 – 1500 Hardy Street, Kelowna, BC V1Y 8H2
- 2) or you can Fax the forms "Attention - Robert Fiume" to (250) 860-1213

If any questions arise about the forms or process call Robert Fiume toll free at 1-800-670-1877



AgriTourism Insurance Application

"PLEASE PRINT CLEARLY"



Name (Business Owner or Manager) _____

Business Name _____

Address _____
Street City Prov Postal Code

Risk Location (if other than above) _____

Web Site Address _____

Phone (____) _____ Fax (____) _____ Email _____

Date Insurance Required : Day _____ Month _____ Year _____

Member's Activities:	Annual # of Visitors	Annual Income
Describe "All" Activities Involved on Premises		
1 Alcohol Sales (consumed on your premises) _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
Alcohol Sales (not consumed on premises) _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
2 Amusement Area/Playground/Haunted House etc. _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
3 Animal Related:		
• Boarding &/or Breeding Sales _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
• Equine Riding Lessons _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
• Riding Instruction done by others on your premise _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
• Leasing Animals to Others _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
• Pony Rides _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
• Trail Rides (Equine) &/or Pack Trips _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
• Transportation of Non-Owned Horses (incidental) _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
• Teamster Type Rides (wagon, carriage, sleigh etc.) _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
4 Art Gallery (artisan) _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
5 Bed and Breakfast, Picnics, Camp Sites/RV/Cabins _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
6 Crop Maze _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
7 Dances &/or Live Entertainment _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
8 Farm Market &/or Produce Stand _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
9 Fishing _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
10 Guest Ranch/Working Vacation _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
11 Petting Zoo _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
12 Processed Food or Beverages (processed on premise) _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
13 U-Pick Operations (including Christmas Trees) _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
If "Y", list produce? _____		
14 U-Press Operations _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
15 Restaurant _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
16 Sales (other than any of the above indicated items) _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
If "Y", list items sold? _____		
17 Teamster Type Rides-Motorized (i.e. Tractor Hay Rides) _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
18 Tours - Walking/Cycling/Bus _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
19 Wild Life Park or Animals on Display _____ Yes <input type="checkbox"/> No <input type="checkbox"/>	_____	\$ _____
20 Other Activities - Describe _____	_____	\$ _____
_____	_____	\$ _____
(If more space is required use additional pages)		Total Annual = \$ _____



AgriTourism Insurance Application

"PLEASE PRINT CLEARLY"



Claims History (Provide details of all insurance claims during the past five years):

Date _____ Type of Loss _____ \$ _____
 Date _____ Type of Loss _____ \$ _____
 Date _____ Type of Loss _____ \$ _____

Equipment, Materials Or Items Supplied To The Public:

	Describe "All" Items available for Public Use	# Available	Signed Releases	Income
1	Bicycles.....	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>	\$ _____
2	Skis.....	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>	\$ _____
3	Snow Shoes.....	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>	\$ _____
4	Canoes/Kayaks.....	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>	\$ _____
5	Snowmobiles.....	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>	\$ _____
6	All Terrain Vehicles.....	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>	\$ _____
7	Motorcycles/Scooters.....	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>	\$ _____
8	Other Describe.....	_____	Yes <input type="checkbox"/> No <input type="checkbox"/>	\$ _____
			Total Annual =	\$ _____

(If more space is required use additional pages)

If Horses Are Allowed On Your Premises:

How many horses do you own / use / borrow / lease that are used for commercial operations? _____
 Do you Organize: Horse Shows Yes No Horse Clinics Yes No Rodeo Type Events Yes No
 Any Riding Lessons on your premises? Yes No
 Do you allow riding instruction by others on your premise? Yes No If 'yes', you must verify they have Liability Insurance in force with a minimum limit of \$1,000,000.
 Do you Board, Breed or Transport horses belonging to others? Yes No
 If "Y", maximum number any one time is _____ and maximum value any one horse is \$ _____

APPLICANT'S STATEMENTS PERTAINING TO THIS INSURANCE APPLICATION

I state that any Equine Riding Participants will sign a Release and Acknowledgment Form provided by Insurer.
I understand failure to use the Release provided for any Equine Riding may rend insurance Null and Void.
I understand that any Release Form supplied by the Insurer is a requirement for insurance purposes only and that the Insurer and/or the Insurer's representative imply no other legal validity for this Form.
I understand it is advisable to seek advice of legal council regarding the use of this and other Release Forms.
I understand the insurance applied for is based on the information I have provided on this Application Form.
I understand misrepresentation by me of the information provided may render insurance Null and Void.
I state the information I have provided on this Application is accurate to the best of my knowledge and belief.
I understand this private information will not to be revealed to others without my express permission except for the sole purpose of obtaining insurance terms on my behalf from insurance underwriters.

Signature of Applicant _____ Date Signed _____

Capri Insurance Services Ltd.
 Toll Free 1-800-670-1877 Fax (250) 860-1213
rfiume@capri.ca



AgriTourism Self-Inspection

"PLEASE PRINT CLEARLY"



Name (Business Owner or Manager) _____

Business Name _____

Address _____
Street City Prov Postal Code

Risk Location (if other than above) _____

NOTE: Operational Requirement Forms must be adhered to and signed prior to the binding of coverage under this Program.

General Information:

1. Operating Hours _____ Operating Season _____
2. Business hours are posted and adhered to ('by appointment only' is acceptable) Yes No
3. Areas accessible to guests are well maintained and free from hazards Yes No
4. Clean toilet and hand washing facilities are available to customers Yes No
5. Separate hand washing facilities with soap and clean paper towels are available to customers if you operate a Petting Zoo, U-Pick or U-Press Yes No
6. Access road or driveway is safe and well maintained Yes No
7. Safe and adequate parking is provided for customers Yes No
8. Property has adequate lighting. Yes No

Alcohol Sale, Service or Consumption

Is alcohol sold, served or consumed Yes No If 'no', go to next section.
 Type of Liquor License: Permanent License Temporary Permit for Events
 Alcohol is served only with food Yes No

Amusement Areas (including Playgrounds / Haunted Houses)

If 'none' check here and go to next section.
 Is there any existing or planned Playground Equipment Yes No
 Is there an existing or planned Haunted House Yes No
 Is there any existing or planned Mechanical Rides Yes No
 Signs are posted stating parents are responsible for the supervision of their children Yes No
 Fully describe any other Amusement activities on the premise:

(NOTE: Photographs MUST BE PROVIDED for all items indicated above)

Animal Riding (Horse / Pony)

If 'none' check here and go to next section.
 A Release and Acknowledgement Form will be signed by each and every rider Yes No
 All employees or independent contractors involved will be fully informed of the Operational Requirements Yes No
 If an independent contractor is used, they have provided you with evidence of valid insurance with 'you' added as an additional insured Yes No

Crop Maze

If 'none' check here and go to next section.
 Any added features to the maze are inspected with any deficiencies repaired or replaced Yes No
 Fully describe any special features or attractions added to the maze:



AgriTourism Self-Inspection

"PLEASE PRINT CLEARLY"

(Page Two)



Entertainment (Live and / or Dances)

If 'none' check here and go to next section.

Fully describe the types of Live Entertainment anticipated over the next 12 months:

Equipment / Items Provided or Rented to the Public

If 'none' check here and go to next section.

A Release and Acknowledgement will be signed by all participants

Yes No

Indicate all types of equipment available to or rented to the Public:

Type	Quantity Available	Type	Quantity Available
<input type="checkbox"/> Bicycle/Tricycle/Pedal Cart	_____	<input type="checkbox"/> Motorcycle/Scooter	_____
<input type="checkbox"/> Mountain Bikes	_____	<input type="checkbox"/> Downhill Skis	_____
<input type="checkbox"/> Boats	_____	<input type="checkbox"/> Cross Country Skis	_____
<input type="checkbox"/> Canoes/Kayaks	_____	<input type="checkbox"/> Snowshoes	_____
<input type="checkbox"/> Fishing Gear	_____	<input type="checkbox"/> Snowmobiles	_____
<input type="checkbox"/> Horses	_____	<input type="checkbox"/> All Terrain Vehicles	_____

Fully describe any other equipment not listed above that is available to or rented to the public:

NOTE: Scale of water difficulty must be very easy with few riffles, small waves and few obstructions

Firework Displays

If 'none' check here and go to next section.

Fireworks will only be handled by licensed pyrotechnician(s) operating under a permit for the location, dates and times for the display

Yes No

The pyrotechnician will provide evidence of valid insurance with 'you' added as an additional insured

Yes No

Evidence of insurance provided by the pyrotechnician will be submitted to Capri prior to the event

Yes No

Guest Ranch / Working Vacation

If 'none' check here and go to next section.

A Release and Acknowledgement will be signed by all participants

Yes No

Fully describe the activities available / provided / expected of all participants:

NOTE: If animals are provided or rented to participants, make sure you have completed the 'Animal Riding' section



AgriTourism Self-Inspection
 "PLEASE PRINT CLEARLY"
 (Page Three)



Petting Zoo

If 'none' check here and go to next section.

Hand washing facilities are readily available for public use Yes No

Soap and clean paper towels are available at the hand washing facility Yes No

Indicate all the type of animals on display at the Petting Zoo:

- | | | | | | |
|--------------------------------|---------------------------------|---------------------------------|----------------------------------|---------------------------------|--------------------------------|
| <input type="checkbox"/> Horse | <input type="checkbox"/> Cattle | <input type="checkbox"/> Swine | <input type="checkbox"/> Chicken | <input type="checkbox"/> Donkey | <input type="checkbox"/> Bison |
| <input type="checkbox"/> Dog | <input type="checkbox"/> Turkey | <input type="checkbox"/> Mule | <input type="checkbox"/> Elk | <input type="checkbox"/> Cat | <input type="checkbox"/> Goose |
| <input type="checkbox"/> Llama | <input type="checkbox"/> Deer | <input type="checkbox"/> Rabbit | <input type="checkbox"/> Duck | <input type="checkbox"/> Alpaca | <input type="checkbox"/> Goat |
| <input type="checkbox"/> Sheep | <input type="checkbox"/> Birds | | | | |

Fully describe any other animals involved that are not mentioned above:

Processed Food or Beverages (processed on premise)

If 'none' check here and go to next section.

What food and / or beverage is being processed on the premises:

Restaurant

If 'none' check here and go to next section.

Any frying (deep fat or other) done on the premises Yes No

If 'yes', are all frying areas protected by an automatic fire suppression system Yes No

Is the automatic fire suppression system inspected annually Yes No

Date of last inspection was (mm/dd/yyyy) _____

Washrooms are maintained in an above average state of cleanliness Yes No

Washroom door locks are operational and in proper working order Yes No

Washroom(s) are adequately stocked with soap, paper towels and toilet paper Yes No

Waste receptacles are emptied on a regular basis Yes No

Kitchen and washroom lighting is adequate and in good order Yes No



AgriTourism Self-Inspection
 "PLEASE PRINT CLEARLY"
 (Page Four)



Teamster Type Rides

If 'none' check here and go to next section.

NOTE: All wagons, sleighs, buggies, carts, carriages and non-motorized conveyances are hereafter referred to as "vehicle" or vehicles"

Vehicles are operated by an employed driver or independent contractor at all times Yes No

All passengers will be assisted in and out of the vehicle Yes No

All employees or independent contractors involved will be fully informed of the policy requirements and will agree to enforce them Yes No

If an independent contractor is used, they will provide evidence of valid insurance with 'you' added as an additional insured Yes No

U-Pick Operations

NOTE: Includes Christmas Tree harvesting by the public

If 'none' check here and go to next section.

Is any equipment provided to the public Yes No

If 'yes', indicate all equipment provided:

Hand Saws Chain Saws Ladders Shears Other

Fully describe any "other" items provided to the public:

U-Press Operations

If 'none' check here and go to next section.

Do you press the fruit for the public Yes No

What type of fruit is being pressed:

Apples Cherries Grapes Pears Other _____

Waterborne or Adjacent to Water Activities

If 'none' check here and go to next section.

Is swimming allowed on the premises Yes No

NOTE: If any equipment is provided or rented to the public, make sure you have completed the 'Equipment Provided or Rented' section.

Wild Life Park

If 'none' check here

Indicate all the type of animals on display (animals behind fences; no petting allowed):

Horse Cattle Swine Chicken Donkey Bison

Dog Turkey Mule Elk Cat Goose

Llama Deer Rabbit Duck Alpaca Goat

Sheep Birds

Fully describe any other animals involved that are not mentioned above:

General Safety and Policy Requirements for All Operations

1. Accident Report Forms will be completed for all known incidents.
2. A qualified staff person is always on site with a valid First Aid Certificate and CPR.
3. Some type of camera will be available to photograph accident scenes.
4. A safe environment is maintained for the public.
5. Hazards are identified and rectified to minimize slipping, tripping and falling.
6. Hazards are promptly reported, removed, repaired or replaced.
7. A staff person is assigned responsibility for regular safety inspections.
8. Maintenance of all equipment is done on a regular basis.
9. Equipment is inspected before and after use by the public.
10. Operational Requirements must be signed for the following operations:
 - Amusement Areas (including Playgrounds / Haunted Houses)
 - Animal Rides (Horse / Pony)
 - Crop Maze
 - Entertainment (Live and / or Danes)
 - Equipment / Items Provided or Rented to the Public
 - Firework Displays
 - Guest Ranch / Working Vacation
 - Petting Zoo
 - Processed Food or Beverages
 - Restaurant
 - Teamster Type Rides
 - U-Pick Operations
 - U-Press Operations
 - Waterborne or Adjacent to Water Activities
 - Wild Life Park
11. Release and Acknowledgement Forms will be signed by every participant for the following operations:
 - Animal Rides (Horse / Pony)
 - Equipment / Items Provided or Rented to the Public
 - Guest Ranch / Working Vacation
 - U-Pick Operations (where tools or equipment for harvesting is provided)
 - Waterborne or Adjacent to Water Activities

I / We declare that the information contained in this Self-Inspection is accurate and that no material information has been withheld.

Signature _____ Date Signed _____

**AN ASSOCIATION FOR
FARM DIRECT MARKETERS**



Originally incorporated as: Alberta Market Gardeners Association

Established 1985

Contact: 800-661-2642 | URL: www.albertafarmfresh.com

Local Food
Local Fun
Local Farms



Alberta Grown

Simply the best!



Get to know us!

- ▶ There are over 180 members across Alberta representing farm direct sales of fruits and berries, vegetables, meat, poultry, eggs, honey, fruit wine, mead, herbs, bedding plants, perennials, trees, shrubs and other specialty items.
- ▶ Voluntary, non-profit organization designed and dedicated to farm direct marketing. Most AFFPA members market directly to consumers via farm gate sales, U-Pick operations, community shared agriculture and/or farmers' markets.
- ▶ The association, formerly Alberta Market Gardeners Association, was established in the early 1980's. In 2004, it expanded to become known as AFFPA and include all aspects of farm direct marketing.



Alberta
Farm Fresh
Producers Association



Consumer Demand

Locavore, one of the newest words in the dictionary shows the continued interest by consumers to seek out local foods and the people who provide them!

Consumers want to shake hands with the grower and see where their food comes from. Nearly one billion dollars in sales are generated by the farm direct industry.

Many AFFPA members feature a cafe or teahouse serving local foods!



An association dedicated to farm direct marketers and their ventures!

- ▶ To develop a profitable and sustainable farm direct marketing industry that will strengthen and contribute positively to the health and economic well being of the people of Alberta.
- ▶ To develop a profitable and sustainable farm direct marketing industry through promotion, education and collaboration with government and industry partners.

Vision



Alberta
Farm Fresh
Producers Association

Mission



Alberta Farm Fresh
Producers Association
Annual dues: \$145.00



Benefits of Membership >>

If you are a farm direct marketer, and aren't a member of Alberta Farm Fresh, it's time to fill out an application and join this group of vibrant, highly motivated agripreneuers. AFFPA members are dedicated to providing the 'best of the best'!

Participation in the

Come To Our Farms *Guide*

Marketing your farm direct business is a difficult task. One distinct benefit of AFFPA membership is this Guide. Well received across Alberta, this guide provides information and product education to consumers.



5-Star Consumer Rating

The guide features:

- 40,000 Distribution
- Contact Information
- Driving Directions
- Maps
- Product Information
- Convenient Size
- Colour Cover
- Consumer Demand



Membership Includes Complete Business Listing on...

www.albertafarmfresh.com

Alberta
Farm Fresh
Producers Association

*Experience a taste
of the country...*



*...from our hands
to yours!*

Local Food... Local Fun... Local Farms!

Alberta grown is simply the best!
**This website is your electronic guide
to locating food and specialties
and the people who provide them!**

About AFFPA

Fruit Growers

Vegetable Growers

Protein Producers

Specialties

Google Mapping

Join AFFPA

Free Guide

Contact Information

FAQ's & Tips

News & Information

Members Corner

Related Links

Recipes

Alberta Toll Free:
1-800-661-2642

About the website:

- Over 200,000 visits
- Member Pages
- Information
- Member Corner
- Recipes
- Links of Interest
- Guide Request
- Join AFFPA Link
- Google Map Link
- Frequent Updates



Get to know us! Click here for "Farm Fresh Talk"

Alberta
Farm Fresh
Producers Association

A great added benefit!

Google Mapping

A special thanks to our friends at Alberta Agriculture and Rural Development for all their efforts designing interactive mapping featuring AFFPA members.

www.ropintheweb.com

Click “Maps”



*Save money, order the
best varieties of*

Strawberries

*...bulk order means
lower cost and great
profit!*

**AFFPA sponsors a
yearly bulk strawberry
order from the best berry
plant producers in
Nova Scotia and California.**



Alberta
Farm Fresh
Producers Association

For more information, call
1-800-661-2642

That`s not all! **What`s in it for you!**

- Comprehensive Agritourism insurance through Capri Insurance, exclusive to AFFPA membership.
- Provincial Berry and Vegetable School held annually.
- Reduced rates on AFFPA courses and workshops.
- A vote at the annual general meeting.
- Savings through group purchases.
- Representation by the Board of Directors on various committees of interest to members.



Farm Direct Marketers and consumers agree...a bakery is the place to be!



History of Alberta Farm Fresh Producers Association

Alberta Farm Fresh Producers Association traces its roots to 1985 with its original incorporation as Alberta Market Gardeners Association. 2010 marked the 25th year for the association, which has grown considerably over the years!

Planning for the association began in November, 1984 when 45 interested people (representing 30 producer farms and interested others) met in Red Deer to discuss the possibility of an association for market gardeners. A constitution and bylaws were drafted and directors elected. Serving on the first board were: Dan Marusiak, Sharon Seefried, Doug MacDonald, Wayne Doan and Jim MacIntyre. Lloyd Hausher, now from retired Alberta Agriculture and Rural Development, was a driving force behind the association. He served as secretary for many years and worked with each board to achieve goals and set higher food production standards in Alberta.

In 1985, the first budget was \$5,000.00 and incorporation was received in May of that year. The group commenced plans for the first AMGA convention and trade fair, which was held in November, 1985. There were 65 in attendance and eight exhibitors. The fee for membership was \$75.00.

A toll free information/price line was established and there were 400 calls the first year. The first newsletter was written, a logo was designed, slogan "Fresh From Alberta Gardens" adopted, membership certificates were developed and sent to members. The group began to explore the possibility of highway signage. In 1986 the first listing of Alberta market gardeners (fruit & vegetable grower guide) was produced and offered to consumers. This guide is still in production today, distributing 40,000 annually.

AMGA was instrumental in the formation of Alberta Horticultural Congress and Trade Show, along with the Alberta Fresh Vegetable Marketing Board and the Alberta Greenhouse Growers Association. The first event was held in November 1987 and featured 50 exhibitors.

AMGA continued to grow in membership, offer courses & workshops, supply promotional items, develop marketing tools and became a lobby body representing the industry.

In 2002 AMGA was introduced to the Internet and the first website was developed. January through October, 2002 there were 28,011 page views and 8101 hits to the home page.

That year, the board also recognized the increasing focus on agri-tourism, agri-tainment and on-farm retailing of more and more products as Alberta's population continued to urbanize and lose personal contact with its food supply chain. The current trend followed on the earlier success of the AMGA in leading the way in direct farm marketing. It was proposed at the 2002 Annual General Meeting that the vision/mission of the association be changed to include all aspects of consumer direct marketed from the farm products, such as meat, eggs, chickens, honey, greenhouse products and many others. A year of discussion followed and in 2004, the association became Alberta Farm Fresh Producers Association.

Development of a new website began and it debuted online in July, 2004. It has since been redesigned and offers consumers a variety of informative areas, including reference to all member farms and local food availability. There have been nearly 500,000 page views and 318,000 hits to the home page since the latest version was introduced in 2006.

The association has been sustained over the years by membership fees and strawberry plant sales, which were initiated in 1988. The first outside funding was received in 2007 to assist with logo development and marketing of the 'new" AMGA...Alberta Farm Fresh Producers Association. Since then, the association has received funding to assist in marketing, promotion and development of a manual to provide steps to success in farm direct marketing. This manual should be introduced later in the summer.

Everything starts with a seed...and the seed which has become AFFPA has been one of great strength and quality. Thanks to all farm direct marketers for your passion, dedication and commitment. Without you, AFFPA wouldn't exist!