

Start your own farm business!

FabJob Guide to
**Become an
Organic
Farmer**



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Contents

About the Author	9
Acknowledgements	10
1. Introduction	11
1.1 A Growth Industry	12
1.2 Owning an Organic Farm	15
1.2.1 Products	15
1.2.2 Services.....	17
1.3 Benefits of Being an Organic Farm Owner	19
1.4 Inside This Guide	20
2. Getting Ready.....	23
2.1 Organic Farming Skills and Knowledge You Will Need	24
2.1.1 Growing Field Crops, Fruits, Garden Vegetables, Etc...25	
2.1.2 Livestock and Dairy Farms	28
2.1.3 Requirements For Organic Certification	32
2.1.4 Other General Farming Skills and Knowledge	39
2.1.5 Other Issues Related to Organic Farming.....	43
2.1.6 Basic Business Skills	47
2.1.7 Financial and Marketing Skills	51
2.2 Educational Programs	55
2.2.1 Degrees in Agriculture.....	59
2.2.2 Business Courses	60
2.2.3 Distance Organic Agriculture Courses.....	61
2.3 Learning by Doing	63
2.3.1 Work on an Organic Farm.....	63
2.3.2 Internships, Apprenticeships, & Volunteer Opportunities	64

- 2.4 Learn From Other Business Owners.....67
 - 2.4.1 Talk to Organic Farmers67
 - 2.4.2 Join an Organic Farming Association69
- 2.5 Resources for Self-Study.....78
 - 2.5.1 Books and Magazines78
 - 2.5.2 Websites80
- 3. Starting Your Organic Farm.....84**
 - 3.1 Choosing Your Niche.....84
 - 3.1.1 Vegetables and Fruits86
 - 3.1.2 Alternative Crops87
 - 3.1.3 Organic Meats & Animal Products88
 - 3.1.4 Organic Farm Tourism.....90
 - 3.1.5 Organic Sidelines.....90
 - 3.2 Options for Starting an Organic Farm.....91
 - 3.2.1 Buying an Existing Farm91
 - 3.2.2 Starting a New Organic Farm97
 - 3.3 Choosing a Name for Your Farm97
 - 3.4 Your Business Plan.....99
 - 3.4.1 What To Include In a Business Plan.....101
 - 3.4.2 Start-Up Financial Planning.....107
 - 3.4.3 A Sample Business Plan.....117
 - 3.4.4 Business Plan Resources.....130
 - 3.5 Start-Up Financing131
 - 3.5.1 Getting Prepared.....132
 - 3.5.2 Equity vs. Debt Financing133
 - 3.5.3 Borrowing Money.....135
 - 3.5.4 Finding Investors.....137
 - 3.5.5 Government Programs For Organic Farmers.....140

3.6	Legal Matters.....	143
3.6.1	Your Business Legal Structure	143
3.6.2	Business Licenses.....	150
3.6.3	Taxes	151
3.6.4	Insurance.....	154
4.	Setting up Your Organic Farm.....	158
4.1	Finding a Location.....	158
4.1.1	Possible Locations.....	159
4.1.2	Points to Consider	161
4.2	Initial Seed Inputs and Equipment Needs.....	171
4.3	Setting Up Your Retail Space and CSA.....	173
4.3.1	On-Farm Store, Roadside Stand, and Market Stall Exteriors	173
4.3.2	On-Farm Store Interior	176
4.3.3	Community Supported Agriculture (CSA) Program ..	178
4.4	Displaying Produce and Other Merchandise.....	181
4.4.1	Maximizing Sales in a Store	182
4.4.2	Maximizing Sales at a Farmer’s Market	182
4.5	Equipment and Supplies	184
4.5.1	Items You’ll Need	184
4.5.2	Suppliers	188
5.	Sales Operations and Finances	191
5.1	Direct Market and Wholesale Sales Operations.....	191
5.1.1	Developing a Procedures Manual.....	192
5.1.2	Areas of Operations Checklists	194
5.2	Inventory Management	197
5.2.1	Inventory Software	197
5.2.2	Inventory Tags and Labels	198

- 5.3 Pricing Merchandise 199
 - 5.3.1 Guidelines..... 199
 - 5.3.2 Retail Pricing Formulas 201
 - 5.3.3 Profit Margin vs. Percentage Markup..... 202
- 5.4 Getting Paid..... 205
 - 5.4.1 Accepting Debit Cards..... 205
 - 5.4.2 Accepting Credit Cards 205
 - 5.4.3 Accepting Payment Online 207
 - 5.4.4 Accepting Checks 207
- 5.5 Financial Management 208
 - 5.5.1 Bookkeeping..... 208
 - 5.5.2 Financial Statements and Reports 210
 - 5.5.3 Building Wealth 220
- 5.6 Employees 223
 - 5.6.1 When to Hire Help 223
 - 5.6.2 Recruiting Staff 225
 - 5.6.3 The Hiring Process 228
 - 5.6.4 New Employees 233
- 6. Getting and Keeping Customers 237**
 - 6.1 Marketing Techniques 237
 - 6.1.1 Advertising..... 238
 - 6.1.2 Free Publicity..... 243
 - 6.1.3 Donations..... 246
 - 6.1.4 Networking and Referrals..... 247
 - 6.1.5 Your Grand Opening..... 248
 - 6.1.6 Other Marketing Ideas..... 252
 - 6.2 Marketing Tools 254
 - 6.2.1 Printed Materials 255

6.2.2	Your Website.....	261
6.2.3	Social Media	266
6.3	Customer Service.....	270
6.3.1	Greeting Customers	270
6.3.2	Making the Sale.....	272
6.3.3	Getting Repeat Business	276
6.4	Concluding Thoughts	278



1. Introduction

Congratulations on taking the first step toward realizing your dream of becoming an organic farmer! Perhaps you've imagined what it would be like to abandon your cubicle for a greenhouse, swap your briefcase for a tractor, and trade your city-dwelling lifestyle for a simpler, more rural existence. Or maybe your goal is to improve the urban community in which you live by supplying healthy, organic products for a population that has limited access. Whatever your motivation, popular books such as Michael Pollan's *The Omnivore's Dilemma* and documentaries such as "Food, Inc." have helped to fuel a mainstream movement toward eating consciously and buying local. This is good news for the prospective farmer since it has also created an increased demand for organics. For those with a passion for sustainable living, the constitution for physically demanding work, and a genuine desire to serve their local community, organic farming is poised for enormous growth.

One key to a successful transition into organic farming is to arm yourself with the facts, the skills, and the advice of those who have already traveled the path you are beginning. The *FabJob Guide to Become an Organic Farmer* is designed to be your guide along this path toward

starting your own small farm and to help you avoid the potential pitfalls along the way.

In this guide, you will learn the requirements for organic certification, what to look for when purchasing farmland, and how and where organic farmers market what they produce. You will also gain an understanding of how to leverage your existing skills and experience to tap into a niche market, how to develop new skills to improve your chances for success, and where to find the resources you need to help you become not only a successful entrepreneur, but also a good steward of the land with an understanding of the importance of biodiversity. So let's get started!

1.1 A Growth Industry

There has never been a better time to become an organic farmer; the market for organic food keeps growing and growing! The Economic Research Statistics arm of the United States Department of Agriculture reports that “consumer demand for organically produced goods has shown double-digit growth during most years since the 1990s, providing market incentives for U.S. farmers across a broad range of products. Organic products are now available in nearly 3 of 4 conventional grocery stores, and often have substantial price premiums over conventional products.”

The USDA's 2008 Organic Survey data on organic farming and U.S. economic census data stated that the number of organic farming operations nearly quadrupled in the sixteen-year period between 1992 and 2008: from under 4,000 in 1992 to almost 15,000 by 2008. And in 2015, a USDA press release went on to say that:

14,093 certified and exempt organic farms in the United States sold a total of \$5.5 billion in organic products in 2014, **up 72 percent since 2008**. The top 10 states in sales accounted for 78 percent of U.S. organic sales in 2014, with California leading the nation with \$2.2 billion. Additionally, the industry shows potential for growth in production as approximately 5,300 organic producers (39 percent) report that they intend to increase organic production in the United States over the next five years. Another 688 farms with no current organic production are in the process of transitioning into organic agriculture production.

Today's organic farms are also doing well financially. More than 4,000 of U.S. organic farms earned \$100,000 or more in annual revenues in 2008. The National Academy of Sciences of the United States of America reported in 2015 that:

When organic premiums [the extra price that a supplier can get for producing organic food] were not applied, benefit/cost ratios (-8 to -7%) and net present values (-27 to -23%) of organic agriculture were significantly lower than conventional agriculture. However, when actual premiums were applied, organic agriculture was significantly more profitable (22-35%) and had higher benefit/cost ratios (20-24%) than conventional agriculture... Total costs were not significantly different, but labor costs were significantly higher (7-13%) with organic farming practices... With only 1% of the global agricultural land in organic production, our findings suggest that organic agriculture can continue to expand even if premiums decline. Furthermore, with their multiple sustainability benefits, organic farming systems can contribute a larger share in feeding the world.

That is to say, although it costs a bit more to produce organic crops, the premium an organic farmer can command is quite profitable at present, and organic farming can be expected to remain profitable even if the premium were to decline.

In Canada, the development of organic farming has shown a similar pattern. The number of organic farms grew by nearly 200% from 1992 through 2008. In 2014, about 3,800 organic producers were operating in Canada. And according to a press release from the Canada Organic Trade Association, organic sales in Canada in 2015 posted a new record, with total organic product sales hitting \$4.7 billion, a \$1.2 billion increase from 2012. Canada is now the 5th largest organic market in the world exceeded only by United States, Germany, France and China.

There's an increasing amount of concern about genetically modified food sources, too. According to a December 2016 Pew Research study, 39% of US adults believe that GM (genetically modified) foods are worse for health than non-GM foods (and 55% of those same consumers believe that organic produce is better for health than conventional produce). The Genetic Literacy Project reports on a new organization addressing these concerns, the Non-GMO project.

Regulatory Trends

Regulatory trends in North America indicate ongoing government recognition and support of this booming industry. In 2002, the USDA implemented national standards via the landmark National Organics Program. In 2008, the U.S. Government introduced a number of new measures into the *Food, Conservation, and Energy Act of 2008* (2008 Farm Act) to encourage organic farming practices. Among the new legislative additions were the certification cost-share program, organic conversion assistance and crop insurance fairness provisions. The 2014 Farm Bill supported USA organics in a number of ways, including funding research and data collection.

All of these initiatives are designed to help make things easier for anyone thinking of starting or transitioning into organic farming. In Canada, federal and provincial governments offer a number of similar initiatives for organic farmers, as well as overseeing organic certification standards.

Consumer Trends

One consumer trend that represents good news for organic farmers is that organic food sales are the fastest growing sector in U.S. food sales. The Organic Trade Association reports that:

Organic sales in the U.S. in 2015 posted new records, with total organic product sales hitting a new benchmark of \$43.3 billion, up a robust 11 percent from the previous year's record level and far outstripping the overall food market's growth rate of 3 percent, according to OTA's 2016 Organic Industry Survey. Of the \$43.3 billion in total organic sales, \$39.7 billion were organic food sales, up 11 percent from the previous year, with non-food organic products accounting for \$3.6 billion, up 13 percent. Nearly 5 percent of all the food sold in the U.S. in 2015 was organic.

Interestingly, though perhaps not surprisingly, the Baby Boomer generation has been one of the segments of the population most open to purchasing healthier, organic products. According to an informal, online survey conducted in June 2010 by Whole Foods Market, one of the largest retailers of organic products in North America, 54% of Boomers buy more organic today than ever before. Most of

this population segment are increasingly concerned about fats and cholesterol in their diets, as well as growth hormones and antibiotics added to dairy and meat products. Almost 75% also expressed their preference for organic produce given prices comparable to more conventionally grown produce.

But the Millennial generation is stepping up to the organic plate. According to a 2016 press release by the Organic Trade Association, “America’s 75 million Millennials are devouring organic, and they’re making sure their families are too. Parents in the 18- to 34-year-old age range are now the biggest group of organic buyers in America...Compared to Millennials who account for 52 percent of organic buyers, Generation X parents made up 35 percent of parents choosing organic, and Baby Boomers just 14 percent.”

According to the OTA 2016 Organic Industry Survey released in May, fresh organic produce sales in the U.S. reached \$13 billion in 2015. (Total sales of organic fruits and vegetables, including fresh, frozen and canned, amounted to \$14.4 billion.) The \$13-billion market includes \$5.7 billion worth of organic produce sold in the mass market (supermarkets, big-box stores, warehouse clubs), \$4.7 billion sold by specialty and natural retailers, and \$2.7 billion in direct sales (farmers’ markets, CSAs, online). And according to the USDA’s Economic Research Service, “organic products are now available in nearly 20,000 natural food stores and nearly 3 out of 4 conventional grocery stores.”

Another important trend identified by the OTA survey is that consumers still purchased the bulk of their organic foods and other products through “mass market channels”, including retailers, club stores and conventional grocery stores. The market share of these types of outlets has increased steadily since 2005. Smaller market channels such as farmers’ markets, co-ops, community based agriculture, etc., sold about 8% of the total organic foods in 2009.

1.2 Owning an Organic Farm

1.2.1 Products

Organic farms come in many sizes and produce a variety of items, both plant- and animal-based. In addition to marketing farm-produced

products direct to customers through farmer's markets, roadside stands, on-farm stores, farm co-ops, and community supported agriculture programs (CSAs), many organic farmers supply local restaurants with seasonal produce, meats, or eggs.

About Organic Sales....

In 2015, the USDA reported:

The selection of organic products sold by U.S. farms in 2014 was diverse, from dairy and proteins, to fruits, vegetables and grains. The top five commodities in organic sales were:

- Milk, \$1.08 billion
- Eggs, \$420 million
- Broiler chickens, \$372 million
- Lettuce, \$264 million
- Apples, \$250 million

The vast majority of organic agricultural products sold in 2014 were sold close to the farm. According to the report, the first point of sale for 80 percent of all U.S. organic products was less than 500 miles from the farm, compared to 74 percent in 2008. Of the sales of organic products in 2014:

- 46 percent were sold within 100 miles
- 34 percent were sold 101-499 miles
- 18 percent were sold 500 or more miles
- 2 percent were sold internationally

Additionally, 63 percent of U.S. organic farms reported selling products to wholesale markets. These sales accounted for 78 percent of U.S. organic farm sales. Wholesale markets, such as buyers for supermarkets, processors, distributors, packers and cooperatives, were serving as the marketing channel of choice for U.S. organic farmers to get organic agriculture products to customers.

The following list represents some of the most typical farm-produced organic products:

- Vegetables (including heirloom varieties)
- Fruits (including popular u-pick items like berries or pumpkins)
- Herbs (dried, fresh, or medicinal)
- Potted or cut flowers
- Vegetable seeds, seedlings, and plants for home gardeners
- Christmas trees and wreaths
- Grains including wheat or corn
- Hay or straw
- Dairy products (including cow's or goat's milk and farmstead cheeses)
- Eggs
- Meats, livestock, and poultry (including heritage varieties)
- Honey and beeswax products
- Wool and other fibers
- Compost
- Specialty products made with farm-grown ingredients (including soaps, jams, syrups, salsas, or baked goods)

1.2.2 Services

Community Supported Agriculture (CSA) Programs

In addition to offering farm-grown or made items for sale at traditional farmer's markets and roadside stands, there is a growing trend toward building Community Supported Agriculture (CSA) programs. CSAs give local residents a stake in the success of your farming operation, and benefit the farmer as well as the community by providing up-front working capital.

Running a CSA typically involves an added level of service for your weekly customers, including dividing and boxing the shares for members. Most CSA's require subscribers to pick up their shares, but others also offer a delivery service option within their local region. You may choose to charge extra for delivery, or incorporate it into the standard share fee. Remember to factor in the cost of fuel for transport to drop-off points in addition to the value of your time or cost to hire someone for this task. You'll find out more about CSAs in section 4.3.

Educational Programs

Educational programs are another value-added service you may choose to offer to the community. Formal lecture or hands-on experiential programs on home composting, organic gardening, or cooking with seasonal ingredients, for example, may be offered if your farm is set up for it. These programs might be provided for free in order to attract customers and increase your farm's brand visibility, or you might choose to charge a small fee for attendance.

Additional Services or Attractions

One of our experts, Roz Ressler of Earth Friendly Organic Farm, runs a bed & breakfast on her property, which is complementary to her farming business. Guests often take advantage of the farm's u-pick offerings during their stay as well. Consider seasonal activities for which you might charge an additional fee, such as a corn maze or hay rides during the Halloween season.

Some farms provide temporary or permanent refuge for homeless or abused farm animals. Farm Sanctuary operates several facilities; Vegan.com maintains a directory at their website with many great examples of how a few families have successfully incorporated their love of animals and passion for animal rescue into their farming experience. In addition to doing a great kindness, this can attract visitors with young children, scout troops, or local students interested in learning about the animals.

There are any number of creative ways you can use add-on services both to attract customers to your farm, and to make a positive impact on your community – consider ways you can use the skills, interests, talents, and contacts you've already developed throughout your non-farming career.

1.3 Benefits of Being an Organic Farm Owner

There are many reasons why organic farming continues to grow in popularity as a hobby, as a business enterprise, and as a way of life. Some of the benefits include:

Creating a Sustainable Community

Many organic farmers are drawn to the industry because they have a sincere desire to use their management and people skills to build cooperative relationships. They seek to contribute to their communities and make a lasting impact not only on the health of their families and neighbors, but the health of the land and animals with which they are entrusted. Organic farming can be extremely satisfying in this regard since you can see the immediate and measurable results of your work each growing season. As you build trust within the community, you have the opportunity not only to create a thriving business, but to educate the public about how organic principles benefit them personally, and positively impact the environment by limiting the need to ship products long distances and cutting down on fuel consumption. It is a tangible way of making a difference not only in your way of life, but in the local and global community.

“Organic farmers are the heroes of the 21st Century, leading the next wave of human innovation that moves us away from 10,000 years of exploitation toward responsible stewardship of the planet and its inhabitants.”

— *Derek Denckla,*
President, Founder, FarmCity.us
and Chair, SlowMoneyNYC.org

Independence

While farming represents a true interdependence with the natural world, many farmers are also drawn to the freedom this type of enterprise can represent. The freedom to choose the types of crops you grow, the size of the operation you want to manage, and the people you want to work with are additional benefits of starting your own organic farm. In addition, being able to produce most of the foods your own family eats not only cuts back on grocery costs, but also allows

you more control over your food – you know exactly what went into producing it every step of the way and where it came from.

As an organic farmer, you also have the freedom to choose a niche that you have a particular interest in – for example, you might consider a u-pick operation or offering educational programs for local school groups if you have a desire for regular interaction with the public or like working with children. The options are unlimited.

Some organic farmers seek an even greater level of independence and choose to live completely “off the grid”, providing all or some of their own energy to sustain the farm using eco-friendly options, including solar.

Challenge and Variety

Because they work with many different types of people, a variety of crops requiring a diverse knowledge base, deal with unpredictable weather patterns and pests, seasonal responsibilities, and uncertain harvests, organic farmers have the unique challenge of keeping up with a lot of different sources of information – and getting by on very little sleep! Creating a viable business requires an understanding of marketing and emerging trends, a talent for sales, and a tolerance for long work days and physically demanding challenges.

To run a successful farm, you must be prepared to wear many hats. According to Chris Sawyer, co-partner at Jake’s Farm in North Carolina, a successful small farmer “must be proficient in carpentry, plumbing, electricity, insect and disease controls, and above all be a salesman and enjoy the public.” To some this may seem overwhelming, but it can also be a rewarding endeavor that constantly presents new learning opportunities if you have the flexibility and desire to challenge yourself.

1.4 Inside This Guide

The *FabJob Guide to Become an Organic Farmer* will take you step-by-step through the process of transitioning from employee to business owner, from how organic farmers produce and sell their crops, to finding resources to meet your educational and practical needs. The guide is arranged as follows:

Once you understand the basics of what an organic farmer does, Chapter 2 (*“Getting Ready”*) will help you discover the many opportunities, both formal and informal, that exist for learning and practicing the skills you’ll need to be a successful organic farmer. This chapter covers suggested areas of study for those interested in pursuing an agricultural degree or certificate program, as well as business courses. You will also discover how to find valuable internship and volunteer programs that provide hands-on experiential learning opportunities and an understanding of organic farming fundamentals, as well as resources for conducting your own research.

Chapter 3 (*“Starting Your Organic Farm”*) will walk you step-by-step through the process of deciding what type of farm is right for you. We’ll cover urban and traditional farms, various potential niche areas such as produce, animal products, and alternative crops, as well as the pros and cons of building your farm from scratch versus taking over an existing farm. This chapter also details how to write a business plan, and the essentials of budgeting, financing, and setting up the right business structure for your individual needs.

Chapter 4 (*“Setting Up Your Organic Farm”*) offers the practical information you need to actually locate and purchase farmland, identify your equipment needs, and set up a successful on-farm store, CSA, and farmer’s market stall. You’ll also learn tips and tricks for setting up a produce display that attracts customers.

Starting a new farm venture can be exciting, but it can also be overwhelming if you aren’t informed about the selling end of the process. Chapter 5 (*“Sales Operations and Finances”*) takes you into the day-to-day challenge of running your direct market and wholesale sales operations once your farm is up and running. It explains how to develop a procedures manual, and covers inventory management, financial management and pricing, and working effectively with staff and customers.

You don’t need a degree in marketing or a big publicity budget to attract business. Chapter 6 (*“Getting and Keeping Customers”*) offers lots of ideas on how to reach out to your local customer base. There are many free and low cost options for designing and hosting your web site, and writing and distributing press releases – this chapter will show you where to find them.

Throughout the guide, you will also find relevant practical advice from organic farming experts with backgrounds in many different areas from growing to marketing, and with experience in both rural and urban farming environments. By following the steps in this guide, you will be well on your way to living your dream – operating your own successful organic farm.

You have reached the end of the free sample of the *FabJob Guide to Become an Organic Farmer*. To order and download the complete guide go to <https://fabjob.com/program/become-organic-farmer/>.