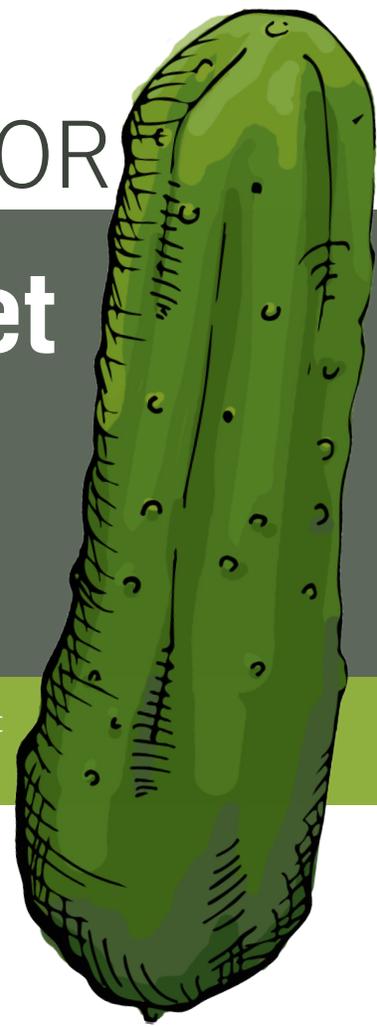




CONSIDERATIONS FOR

# the Small Market Vegetable Producer



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**Growing vegetables as either a part-time or full-time enterprise can be an enjoyable and rewarding experience.**

Not only can you produce fresh food for your own table, you can provide supplemental income to your family's budget. While that may sound great, there are several considerations to bear in mind before you jump into this endeavor. Items to consider before becoming a small market grower include time commitment, capital, available resources, licensing, insurance, taxes, and marketing.



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## Time Commitment

Growing fresh produce is rewarding, but can also require a good deal of time. Even a small garden, like a quarter of an acre or less, will require an hour or two each day to keep up with the harvest and maintenance. Many people underestimate how much time it takes to successfully grow a garden. You can't just plant seeds or transplants and expect to reap the rewards. Fertilization, irrigation, weed control, disease and insect control, as well as continued harvests are some of the things you must contend with during the growing season. In addition to laborious tasks, the summer garden can bring unpleasant conditions such as high temperatures, humidity, and biting insects. You must be willing to put in the time and commitment to succeed in this venture. It is usually better to start with a small-sized garden and work up in size as you gain confidence and experience. You will also need to determine whether you will be doing all the labor, or if you will need to hire someone. Hiring someone opens up a whole new dimension of tax issues and other employer responsibilities. Some people find it difficult to farm part-time when holding down another full-time job. Other folks grow vegetables and sell them as a supplemental income to retirement. Once again, it is important to start small and build slowly.



## Capital and Available Resources

If you are going to grow vegetables, you must own land or be able to rent it. If you buy a tract of land to produce vegetables part-time, it could take a long time to recover your investment. In addition to available acreage, take an inventory to see what equipment you have on hand. In addition to an assortment of hand tools, many small farm operations have a gas-powered tiller. A tiller of eight horsepower or more would be most beneficial to the small market grower. A power tiller can handle gardens up to about three quarters of an acre. If the size of your garden approaches this size or more, you may want to seriously consider a small garden tractor. A 20-50 horsepower farm tractor can do a multitude of tasks and save a lot of labor.



Implements should include some type of plow or disk, a small planter, a fertilizer spreader, and perhaps a PTO power tiller. Having a small tractor on hand is a great asset, but can be a large expense if you don't already have one. Lower line tractors can cost \$4,000 to \$6,000, and brand name models can easily be \$20,000 or more. Used garden tractors can be an option to save money over the cost of a new one. Be sure to inspect any used tractor carefully to look for damage or leaking hydraulics.

In addition to the equipment, you will also need access to some type of irrigation. It would be virtually impossible to grow a consistent garden without irrigation. Most growers find that some type of drip irrigation system is the most economical and efficient method of watering their gardens over time. You will need access to either city water, a well, or some type of pond. Once again, water can be an expensive addition to your garden if you have to start from scratch. A new well will cost \$5,000 to \$7,000.

Another consideration is some type of storage facility for your harvest. Unless you plan to take your harvest immediately to the market to sell it, you will need some type of cold storage to hold it. On the smallest of scales, a large cooler and some ice will do the job for a few days. At least one dedicated refrigerator is a much better option for larger enterprises.

## Licensing, Insurance, and Taxes

Depending on the county you live in and the type of produce you offer, there may be license requirements. Many counties require a business license to sell produce on your farm or at a farmers market. In addition, if you are selling processed goods such as tomato sauce, canned vegetables, or baked goods, you will need a special cottage food license. If you intend to sell chicken eggs, you will need a candling certificate. For residents of Georgia, all of these licenses are available through the Georgia Department of Agriculture. In addition to licensing, you may also want to consider insurance. Insurance is not normally an issue unless you are having consumers come out to your farm, such as a pick-your-own operation. A million dollar liability policy is normally considered the minimum. For larger farm operations, you may also want to consider crop insurance. Crop insurance is for coverage of crop failure due to natural or other catastrophes. You would only normally consider this if you have a substantial investment in your crop.

There may be certain tax benefits you can claim on your equipment and other expenditures dedicated to your vegetable farm production. In addition to any tax benefits, you will also be liable for collecting sales tax and reporting income on your income tax statement. It is highly recommended that you consult a tax advisor familiar with farm enterprises to answer all tax questions you may have.

## Marketing

Growing the best vegetables in the world does no good if you can't get them sold at the market. Careful planning and experience will help you learn what to grow and how much to produce. Before you ever plant the first seed, however, you must have a market to sell in. Many counties have local farmers markets that meet one or two days a week that may provide a good venue for sales. A good idea is to visit several local farmers markets near your farm's location to get a feel for what is selling, as well as pricing information and volume of customers. Most farmers markets charge a small fee to the producer in order to participate.



In addition, some counties have online farmers markets where you can use the web to list your vegetables for sale. Some producers choose to distribute using a CSA, or Community Supported Agriculture. With a CSA, you set up pre-orders with clients for vegetables that will be produced each week. Customers may choose to buy weekly or monthly baskets of produce. In order to compete with other growers, as well as grocery stores, your pricing and availability need to be attractive. On the other hand, don't underprice your vegetables — you will probably lose money and anger other growers. Offering unique vegetables that no one else has can also add to increased market sales. Remember that quality, particularly for small market growers, is what the client is looking for. Resist the temptation to sell poor quality vegetables just to get rid of them. You can, however, sell blemished or damaged vegetables if you market them as “seconds” or for canning purposes. Most people buy these and know there will be some damage, but are attracted to the lower price. Once you get going, the best advertisement for small growers is word of mouth. In addition to selling at the local markets, consider selling your vegetables to people you know at work, church, and at other familiar venues. Remember that it is beneficial to have a variety of quality vegetables available to attract a broader range of customers. Consider labeling your vegetables as home grown, naturally grown, or locally grown if you meet those criteria. Organically grown vegetables can only be labeled as such if they come from a certified organic farm. Organic certification is done through USDA, and involves inspections as well as certification fees. Certified “natural grown” is another designation that follows organic principles, but is monitored by other participating farms. It is somewhat less involved and less expensive than certified organic.

## Final Considerations

Growing vegetables for profit does not have to be all work. You should only go into this business if you enjoy growing things for your own personal use, as well as to make a little bit of money. Considering the initial investment and time requirement, small market farming is something you must enjoy in order to stay committed. But with a little planning and some good decision-making, you can have plenty of fresh produce to eat while making a little pocket money.

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