

Grow Your Small Market FarmTM Business Newsletter

April 2007



Special points of interest:

- **Featured Graduates: Stephen and Jean Moseley**
- **Tips for Improving your Business through Marketing and Signage**
- **Network Meeting Review**
- **Meet the New Class**
- **Frontier Natural Products Co-op looking for Iowa Producers**

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Featured Graduates: Stephen and Jean Moseley by Lynn Nixt

As graduates of the first Grow Your Small Market Farm class in 2001, Steve and Jean are still learning and relying on information from the class to grow their farm produce business near Hudson, Iowa.

The Moseleys operate a traditional 400-acre family hog, corn and soybean farm. About eight years ago, they decided to modify their hog operation and stop farrowing pigs and started buying feeder pigs, raising them to market weight. At the same time, the Moseley's started growing vegetables to sell at local farmers markets in the Waterloo-Cedar Falls area twice a week.

Growing vegetables has allowed Steve and Jean to apply their existing garden knowledge and experience to a new profitable venture that supplements the family income. As a Registered Nurse, Jean could have gotten a part-time nursing job off the farm but raising a vegetable garden was her love. "I actually went back to work for 18 months", says Jean, "but the farm got really busy." Her time was needed to build this new business and there was no doubt they could make money selling their vegetables in local markets.

Steve and Jean devoted two acres of their Black Hawk County farm to their new produce operation. In the

beginning, the vegetables raised were cucumbers, tomatoes, green beans, peppers and lettuce. The business has since expanded to include baked goods, raspberries and

ing to institutional buyers is very different than selling direct to consumers at a farmers market. "When we first started, it was all about price" says Jean, "but then



blackberries, jams, cut flowers, plants and herbs. Their marketing strategy has also changed and expanded to include wholesale clients including two restaurants, four nursing homes and schools.

The Moseley's are among a growing number of farmers and institutional food buyers in Northeast Iowa that participate in the Northern Iowa Local Food Project. A "Buy Fresh Buy Local" campaign was formed to emphasize the benefits of local food purchasing and capture food dollars that were leaving the community. It connects institutional food buyers to nearby farms and processors.

According to Jean, sell-

they get to know us. Our customers know where their produce is coming from and they appreciate the high quality, taste, and freshness of locally grown vegetables."

To help their wholesale customers get to know them better, Steve and Jean offer occasional farm visits. According to Steve, "that personal touch can make all the difference". "There was this one chef that was reluctant at first to work with us," said Steve. "He came to the farm and saw the operation for himself. He's been a customer ever since."

Steve's advice to farmers thinking of getting into the

Featured Graduate continued...

wholesale business is to “have your market determined before you decide to sell wholesale”. In the beginning, Steve made cold calls to nursing homes and restaurants, he recommends persistence and patience is required.

Institutional buyers have historically discounted the merits of locally grown foods, questioning if small-scale production can produce enough food on a consistent basis to meet demand. This has not posed a problem for Steve and Jean as they work with each customer on their specific needs and build that into their annual plan.

One such customer is Rudy’s Tacos in Waterloo. From June through September, Steve and Jean supply all the tomatoes to meet the restaurant’s weekly needs. They connected with the owner of Rudy’s Tacos through the “Buy Fresh Buy Local” campaign. After getting a taste of



local foods, the restaurant’s owner now buy the majority of his food supplies from local farmers. “Buy Fresh Buy

Local” posters and table tents are displayed in the restaurant that list the producers and consumers involved in the program. At Rudy’s Tacos, Steve and Jean are known as the “tomato people”.

The Moseley’s connection with Rudy’s Tacos inspired them to improve their tomato-growing operation. Through time and experience they have created a unique “in-the-ground” greenhouse tomato operation. Steve and Jean have now expanded that operation to two greenhouses providing additional room to rotate crops as they expand volume and variety of their products. Today they produce grape and cherry tomatoes as well and even sell them strictly as garnish to some of their wholesale clients.

Price expectations on the part of the wholesale buyer can also be an issue according to Steve and Jean. Wholesale buyers expect to get a better price. Steve and Jean negotiate with each wholesale client on price, but only to a point. They both remember pricing discussions in class about recovering your costs and making a profit.

Jean says, “If you work hard and produce quality products, you have to set your price to make money. While you can charge more at the farmers markets, you can move a lot of vegetables on a

weekly basis through wholesale buyers to make up for price reductions”.

Steve and Jean agree that building personal relationships with their customers has been a major key to their success.

Whether it’s a returning farmer’s market patron, an owner or chef of a local restaurant, or a nursing home nutritionist, it’s that same farmer-consumer bond that creates the foundation for continued sales. “I’ve had some farmers’ market customers for eight years” says Jean. She says her customers know her, they know her story and that’s why they return over and over again.

“They understand how much time and effort we put into our products,” according to Jean, “and they trust they will get consistent quality and freshness”.

One of Jean’s major accomplishments this past year was to establish a new farmers market in Waterloo. Her experience with local markets over the years inspired her and a friend to start the Kimball Ridge Farmers Market where visibility, access, and customer profiles were a better match for them. “It’s still quite small,” says Jean. “We had four vendors last year and hope to

add three or four more this year”, she says. A \$1500 Wells Fargo grant helped them get started along with additional funding from the Kimble Ridge Marketing Association.

“We don’t just sell to anyone”, says Jean. “Being selective about your customers is important. You want a relationship that is built upon the quality of your product and not just price.” Jean’s baked products are a hit at the farmers markets according to

Steve. Orders for her cookies, specialty breads and sweet rolls are often taken if she sells out at the market. According to Jean “if they like your baked goods, they will buy your vegetables”.

“We’re still learning,” says Jean. Each year brings more experience and more connections with their customers. While corn and soybeans will remain their core business, the Moseley’s goal of expanding the new business to replace the hog operation will become a reality this summer when their hog operation will end. Sales from farmers market remain their primary source of income in the new operation, but their wholesale customers allow them to have different markets and strategies in their business plan.

For more information about Rose Hill Farm, Steve and Jean Moseley can be reached at 319-988-4455 or at sjmrosehillfarm@yahoo.com.



Marketing Tips for Business Success

10 Steps to Better Photos (and more effective sales materials), by Darcy Maulsby

1. **Don't skimp.** Take lots of photos—digital makes it easy (and inexpensive) to experiment and practice. Also, don't trust the screen.
2. **Move in.** Think you're close enough? Take another step or two closer to your subject, and you'll create a better photo.
3. **Make the most of natural light.** Use the "golden hours" of "environmental shots."
4. **Avoid "fig leaf" poses.** Use props, have subject sit on the edge of a desk or table, etc. to get a more natural look.
5. **Adjust your perspective.** Change your shooting angle (get up on a step stool or ladder, or squat down) to create interesting images.
6. **Follow the rule of thirds.** Use this to add visual appeal to your images.
7. **Look at all opportunities.** Take photos with "blank" space to create

good backgrounds for graphic design (think of field shots, fences, etc.)

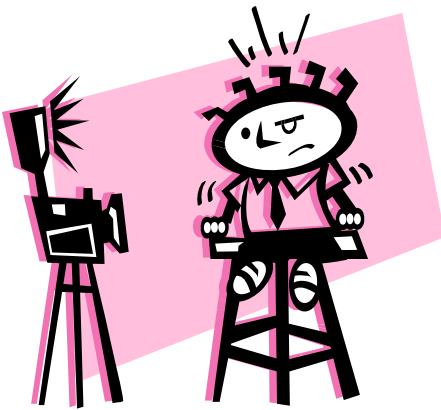
8. **Notice the details.** Watch the background (avoid distractions) and pay attention to the foreground—look for creative ways to frame your subject.

9. **Don't force one photo to do too much.** Find the interesting element in the scene and key in on it.

For more than 10 years Darcy Maulsby of Lake City, Iowa, has been helping agricultural clients with marketing. In addition to

her newspaper and magazine freelance work, she specializes in writing and

editing marketing materials for businesses in a variety of industries. For more information, contact Darcy at:
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yettergirl@yahoo.com
www.darcymaulsby.com



A Call For Photos!!!

We NEED pictures showing off your farm business! Any pictures of you, your family at work, your animals, produce, other products, selling to your customers, etc. would be greatly appreciated.



Please send .jpg formatted pictures to Bridget at bkwelch@iastate.edu.



Books to Read

The Perfect Sales Piece: A Complete Do-It-Yourself Guide to Creating Brochures, Catalogs, Fliers and Pamphlets by Robert W. Bly



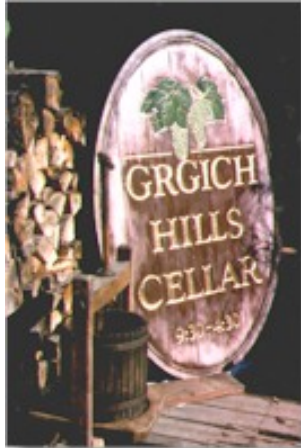
The Value of Signs for Your Business

Excerpt from Signline a newsletter published by the International Sign Association, Issue 38, 2002, Alexandria, VA.

“Clearly, the chains, corporations, and franchises that utilize these powerful forms of signage, tied in to national advertising campaigns, have a tremendous advantage. How can “mom and pop” compete with such an advantage? What will grant the small business owner entry to the American marketplace?

The answer is simple: the on-premise sign. It is the least expensive, most effective form of advertising available to the small business. In its most basic form, it has

been shown to be responsible for bringing in as many as half of all new customers, though 25% is more likely to be the case. When it is designed as



part of an overall site motif, and tied in with other forms of advertising, its benefits to the bottom line can be even more substantial.

Signs open the doors of a community to all and allow all to participate in the economic activity going on there. Half of all first time customers will stop because they saw the on-premise sign. The sign allows any American who wants to open a business, no matter who they are, to effectively compete with a wealthy or well-connected

business owner. Furthermore, the sign tells everyone who sees it that they are welcome to come inside and conduct a business transaction.

Sometimes a business owner dismisses the value of a sign because he or she believes that “everybody knows me.” But this ignores an important truth about our culture: that not only are we a mobile society, but we are to some degree a portable society. Fully 18.6% of our populace relocates each year – and that figure does not account for the number of people who change jobs each year and no longer commute to a particular trade area.

This means theoretically that almost 20% of a business’ customers must be

replaced each year as they move away.

A note from Penny: This would also apply to those who have their farmers market stands. More attention needs to be paid to your signage.



Typical Cost Per 1000 Consumer Exposures Comparison

Example that you can then convert to your trade area.

Assumptions	Television	Newspaper	Outdoor Advertising	On-Premise Sign
Trade Area	40,000 households	40,000 households	333,350 cars per day	30,000 cars per day
Consumer Exposure (per 30 days in thousands)	1,250	4,750	10,000	900
Media Cost	\$16,500	\$16,500	\$16,500	\$274*
Cost Per 1000 Exposures**	\$6.60	\$1.56	\$0.82	\$0.30

*Although the initial cost of the sign is \$16,500, this cost is adjusted to account for a seven year depreciation period and the addition of 10% for finance charges and maintenance costs. This works out to a cost of \$274 for each 30-day period. Obviously, signs have a useful life far beyond a seven-year period.

** Formula for Cost per 1000 exposures is Media Cost ÷ Consumer Exposures. For example, the cost per 1000 exposures for television is calculated: 16,500 ÷ 1,250 = \$6.60.

We Missed You!!!

On December 12th, over baked potatoes and ice tea, Penny led many class members (current and former) in a discussion about the current educational needs for class members. Suggestions included: a refresher course on QuickBooks Pro, how to market, how to deal with perishable items, and how to find the appropriate pricing point for commodities. Other suggestions included starting a website for discussion between members, for the posting of political action alerts, and to have a market place for everyone's products. Professor Terry Besser from Iowa State University talked about the benefits of formal networking, but it was generally agreed that GYSMF worked best as an informal network. If this informal network is to continue, however, it is vital that members contact Penny to let her

know if they are willing to volunteer time to create newsletters and organize meetings. If you are willing to help out, please contact Penny at: BrownPennyL@aol.com. We loved seeing everyone that attended and hope all will join us in December 2007 for our next get-together.

Tip of the Month

Fruit and vegetable growers can keep an eye on market trends by visiting www.packer.org. Basic services are free.



Upcoming Events

Food Safety, Introduction to Process Approach to HACCP

This program will be held on June 11, 2007. You can register online at: <https://www.ucs.iastate.edu/mnet/foodsafetyintro/quickregister.html>

Taking Charge of your Farm's Future "A Toolkit for Ag Women" Conference

This program will be held July 25-26, 2007 in West Des Moines. The registration fee is \$99. This is a conference designed by women for women to help deal with the



present and plan for the future, when she assumes responsibility for the farm. The conference will be accompanied with an easy-to-navigate Reality Toolkit to help farm women plan, step-by-step as they assume the role of primary operator of the farm. For more information, visit the website at: www.iowawomeninag.org

Prairie Seed for Sale

Mixed variety prairie seed harvested, fall 2004.

30 lb. bags (15 lbs. of seed and 15 lbs. of non-seed material).

Stored in a dry area and off the floor.

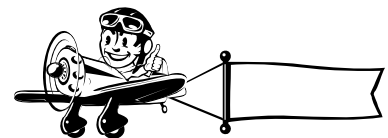
Asking price \$50/bag. Contact Ronald Bartlett:

Anna's Place
3274 30th Street
515.971.2208 (C)
515.986.0565 (H)
Grimes, IA 50111



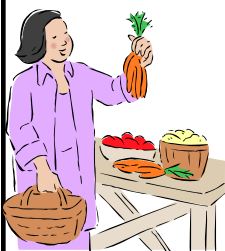
Your Ad Here

Do you have a product or service that may be of interest to other former and current members of the GYSMF course? If you do, you can advertise in our newsletter. Simply contact Penny at BrownPennyL@aol.com, and you could see your advertisement in our next issue!



Looking for Local/Organic Food Growers

Frontier Natural Products Co-op is working to convert it's on-site cafe to 100% organic, with as much local (Iowa) and/or organic food as possible. Frontier's Chef, Liz Hopkins, is looking for seasonal fruits, vegetables, salad greens and sprouts, pre-sliced bread (baked goods), spreads, dairy products, and fresh meats. The cafe runs year-round as a benefit to its 200+ employee base, and is consistently in need of fresh, local, and organic food.



If you are a local and/or organic grower and are looking for a new customer to supply, please contact Liz Hopkins at 319.227.7996 x 1351 or Kimberly Dickey at 319.227.7996 x 1186.





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We are Proud of Our Sponsors



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Iowa Department of Natural Resources

Prairie Rivers Resource Conservation and Development



WE'RE ON THE WEB @
www.iabusnet.org
Mid-Iowa Small Business
Development Center

Business Networks and Rural Economic Vitality is a research project funded by the USDAs Fund for Rural America and the National Science Foundation.



Welcome to the Class of 2007!!!

The new class began in January. We want to welcome all the new students. Pictured in the first row are Ann and Eric Franzenberg. In the second row we have William and Kathleen Eggers, Lois Reichert, and Bob Hipple. Featured in the third row is Penny Brown Huber, Richard Guffy, Janice Marquardt and Carrie Meyer. The fourth row is Ellen Guffy, Barb Orr, Lorna Sellberg, Ryan Marquardt and Eugene Meyer. We don't want to forget those that couldn't be in the picture: Norine and Duane Black.

Check It Out!

Check out SBDC website @ <http://www.iowasbdc.org/calendar.cfm>—look at workshops in

"Grow Your Small Market Farm™ Business" Newsletter is edited by Bridget Diamond Welch, Research Assistant, Department of Sociology at Iowa State University. Please email submissions, classifieds, photos, and ideas to—bkwelch@iastate.edu—We welcome your comments and suggestions.