



Gorman Farm

Laurel / Columbia MD.
Between Baltimore & Washington D.C.

Dave Liker
39 years old.



What Have I gotten Myself Into?



I didn't start this farm as conscious as I could have been!

Scaling Up was what we did, but I didn't know where it was going

*I'm proud of what I've done

*It's been scary & fast growth

*I still question what I'm

*Made lots of mistakes

*Made lots of smart moves!



Year 1 - 2009



- 28 CSA members
- 1 farmers market
- 2 months of honor system market on site
- No running water, no power, no refrigeration
- 0 equipment experience
- Ridiculous learning curve
- Doubting what I'd gotten myself into
- Lost lots of money
- Had our first baby 1 week before first CSA pickup.
- A million cooks in my kitchen with no farming experience.



2010 Season #2



Quadrupled everything

- Sales, CSA's, labor, production
- 100 CSA members
- 1 farmers market
- Onsite farm stand
- New building to facilitate CSA distribution & farm stand
- Bought in outside product to sell only – not for CSA



2011 Season #3



- 200 CSA Members
- Dropped our farmers market
- 4 days/ week farmstand
- We made the cover of the Baltimore Sun. Were all over the media. Multiple News paper covers, magazine articles. On television multiple times including fox news. It was amazing – the public was freaking out for us. I couldn't believe it.
- 3 days of CSA pickup
- Got Small Farm Central for CSA data management
- Increased Brokered product for farm stand
- Tightened up displays
- Our scale started making these conditions cramped & difficult to service

+ 2011 – A Big Year of Growth

Quality Got Better



We Became More Efficient





2012 Season #4



- 300 CSA members
- 5 day/wk Retail Farm Store
- Pick your own strawberries had huge results
- Website & Social Media got tighter
- WE MADE A PROFIT!!
- Staff got raises - bonuses & off season retainers.



2012 – An Explosive Year

Growth was hard to manage



Critical Mass!

- All our new efficiencies are obsolete. We are way too big for our infrastructure
- 16x20 fridge to small Cool bot powered units couldn't keep up
- Running out of field space
- Rotations and crop charts are getting very tough
- Management – Payroll - Accounting

I can't do everything!!

- 7+ employees, everyone depending on me & my success for their success
- 2 babies & one on the way
- Multiple enterprises under one umbrella
- I can't avoid become a mechanic
- All I do is fix stuff all day! Put out fires, keep people on course
- I'm the only one who knows how to farm, & my field crew and I speak different languages literally!

+ 2013 Season #5

Huge Additions to infrastructure



- 400 CSA members
- ½ of Retail Space is CSA only
- 5 day/ week farm store
- Rehabbed the old barn, turned it into farm stand
- Added a 20x30 walk in with 2 condensers & 4 evaporators
- Concrete floor connected the pack shed and old fridge to new farm stand
- Everything is on wheels or palettes
- No more moving 15 melons at a time to satisfy 120 members/day
- CSA distribution is organized as if it's going to a drop site. The drop site is only a few feet away.
- Sales & distributions that would wipe us out energy wise are now a breeze.



2014: 6th Year of Production

2014 Ended with

450 CSA's = >50% of Sales

Added Enterprises to make it work:

- Retail Farm Store
- Pick your own Strawberries
- Pumpkins, Local Fruit, Value Added
- Christmas Tree Sales



+ We've come a long way

Year 1



Year 6 CSA





Equipping up

I have more horse power than I need, but my equipment doesn't get overloaded & my jobs and growth are obtainable

Get the right equipment for future growth

- I sought & seek advice from guys way more advanced & sophisticated than me
- I am very proud of my capital expenses. I bought equipment & infrastructure that acomodates future growth
- I didn't know this at the time. I was so stressed fear about spending large sums of money

Common Scaling Mistakes

- Not getting the bigger piece of equipment, because it's overkill.
Then when your ready to go bigger you can't. Huge problem!!
- Seeking advice from the wrong people. Talk to people who have done what your wanting to do.
- Around 100-200 CSA &/or 5+ acres of crops you need everything on wheels. Don't underestimate post harvest handling.
- Trying to crop several acres with one big tractor
- We went from a few crates of cucumbers to palletes of cucumbers. I had no bearing on that as it happened. I only knew someone was going to get hurt!





Understanding Economy of Scale:



I'm still trying to figure this out

- My operation keeps growing so I can retain my people
- I have a great location & amazing sales opportunities, but retaining seasonal skilled labor is an issue.
- I live in one of the most expensive areas in the country. My staff struggles to survive at the rate most farms can pay
- My peak season payroll is over \$25K/month – not including me & my family
- CSA doesn't provide the cash flow to maintain this
- We must have other enterprises to bring in \$\$.

Capitalize Boldly

- Do your research from people who have done it before
- Seek advice from people better than you
- Get the components of the system that work, & will give you years of service



Managing Labor — Labor Costs will be your biggest slice of the expenses pie:

Your business is only as good as your people are:

- Build a team
- Spend time training
- Move on the moment you know you can't work w/ someone
- Delegate & Let Go —
 - No one will do it as good as you
 - You make poor decisions when your physically exhausted

Understanding Labor Costs:

- If you can get your labor costs under 50% of Gross Sales - I think you can make money in farming. Labor is about 35% of Gross sales.
- Do the math at \$10/hr
- 1 guy/gal 40 hrs/week = \$400
- X 4 weeks = \$1600/month
- Can your people reasonably live on that per month
- X 10 people = \$16,000/month
- Are you going to pay yourself?





Run your business like a business

Get Organized



Do your accounting – Your working blind if not

- Get advice. Pay a cheap book keeper to get you off and running. If it costs you \$1-3k to get that ball rolling do it!
- Do not merge your personal expenses with your business, keep it separate.
- Know what your earning, & know what your spending

Getting Organized

- Build an office & systems
- This is my biggest challenge
- Heading into year 7 this is my #1 goal
- From labor charts – to SOP's Standard Operating Procedures – Employee manuals – written directives

+ Key Points on running an expanding farm operation:

- Your CSA season should be only as many weeks as you can produce quality
- Growing the crop right
- Plant every week
- Stagger your plantings
- Give Quality and cream of the crop to CSA first
- The farmer should make the CSA list
- Reduce Handling
- Build Customers & Keep them
- Have policy on paper, & available for members
- Be careful making promises!!
- Pickups – Market style on site or off site keep them nice.



+ Grow the Crop Right!!

- If your product is excellent, you'll have happy customers.
- Your logistics will fall into place
- None of the bells & whistles matter when the product is so so
- Get better at being a farmer, then spend time sprucing up your scene
- Avoid all the #2 grade product & the explanations & disclaimers that come with #2's
- Better efficiencies in the field, handling, display & distribution
- Better morale for your staff
- Save time that you can put into sprucing up your program
- Many of our issues come back to poor product
- Things go very smoothly when you have a handle on your product
- Feel better about it in your heart, we waste a lot of time & energy worrying & stressing

Everything will fall into place when you get this together!



*Don't avoid this step
Get good at farming first!*

Plant something every week & plant successions of more than just the big cash crops

My first few seasons I planted on average every 2 weeks.

I had huge gaps in my distribution where I didn't have good variety

My late summer august didn't have anything but tomatoes and peppers.

Get fall crops in early, some things need to go in June & July for fall.

Don't worry in the beginning years if you waste a lot of produce, try to sell it elsewhere.

- If you can't sell it quickly & efficiently - move on,
- You can spend valuable time and energy chasing small inconsistent aux. sales
- Most aux. sales are small compared to the income CSA brings in.
- Cherish your CSA sales



I thought I was being so great to my CSA members by giving them all the extras, they don't know what to do with it. They are going to feel like value is lost if they toss it. At least **you** have a big compost pile.

Reduce Handling

- Before the crop is harvested I always know where it's final home is
- Many times it can be packed in the field & doesn't need another process in the pack shed.
- If I have 171 pick ups on Wednesday. I want 180 – 190 lettuce heads in a bin from the field.
- It goes right to the fridge, then rolled onto the csa floor. The second handling is to spruce it up as display dwindles
- We use to bring it in then re handle it all several times before it went out

Start Harvest a week ahead.

- Our whole weeks CSA distribution is mostly set in stone on the first day of the current week CSA distribution.
- We then start to harvest and prepare for the next week
- Stay ahead of the ball

It's Hard to reduce handling when you have 4 grading scales w/ in one crops pick –

Grow uniform crops & don't waste time with the dregs



Bok Choy for Wednesday distribution counted and binned in the field. The pickup truck in front of the tractor has Thursday's bok choy all counted and ready.



Learn How to Learn

- I have 2 crop consultants that help me make decisions, evaluate, keep me on track, push me & test my skills, hold me accountable, test plants soils, & compost
- I aim for commercial looking crops, it's what your customers are use to.
- Learn your fertilizer math, & feed plants regularly at bedding and thru drip & sprays
- I push something through the drip almost every time the pump is on. Organic Nutrients &/or organic fungicides
- Keep **great** records
- Proactive weeding
- I'm an info junkie, attend conferences, classes, seminars.
- Frequently talk to great crop producers
- Find and follow good advice

I thought I was a good grower, but I was not. I realized fast I had a lot to learn in the field



Managing CSA & Retail

Understand the nature
of retail

Do **NOT** underestimate
Aesthetics & Customer
Service

Retail is expensive to
operate, you can't cut
corners & be sloppy

CSA is Retail

They better get what
they paid for



Building a high quality reputation slowly is better than trying to re-kindle peoples fire for you after you have failed to meet their expectations. You won't get a second chance!



Nobody knows the variables in the harvest like I do!

This is my business, I know my customers, I built the program from scratch, I do all the planning, I monitor everything, I make the adjustments and decisions that make it what it is.

- I have great help, great advisors, family, staff I love, people who have come along way & learned a lot

- What I don't have in common with any of them:

NONE of them farm and put the back breaking hours of labor, & research into it like me.

The Farmer should make the CSA list & all pertinent decisions that affect the farm's ability to earn





Give CSA “Cream of the crop only”

- I don't give the #2 product w/ disclaimers anymore to CSA

- It's forgivable from the customers perspective when it's every once in a while. On a regular basis you become a #2 farmer w/ some good stuff here and there

- I had some good wholesale accounts in my early years. I worked hard to get them & gave my best stuff away and CSA ended up getting the seconds. My priorities were not in align. That does not happen anymore!

- We consistently get rave reviews from customers on amazing bounty & quality



*Watch your grading scale and move on!
Focus on your #1 product for your customers*

It's ok to throw away – compost – donations – feed animals

+ Have policy available to your customers, don't make them have to ask.

- Who cares what CSA is!

Describe what **YOUR CSA** is

- All CSA's are different
- How does *yours* work
- Rarely are people going to spend hundreds of dollars on something they don't know what it is.

- Clear up expectations early

Think about where your customers point of view is...

- Think about how you make large purchasing decisions. You need **ALL** the info.
- If it gets to complex you walk or become unsatisfied



“We don't want your business unless it's good for you”



Build Customers & Keep Them

2013 - We were recognized by SFC as have one of the highest rates of CSA member retention: I had no idea

Make Huge Changes Each Season

Keep people inspired
Staff & Customers



Customers witness our constant growth
All upgrades improve aesthetics & functionality



Have your CSA season only as long as you can produce quality

Year #1 was 18 weeks. If I promised more & couldn't deliver quality I would have shattered the great reputation I spent all season killing myself for

I did 20 weeks for 2 seasons

I did 22 weeks when I knew for sure I could, regardless of the weather.

2013 I did 24 weeks, we pulled it off, but it was two long of a season for us. Why beat yourself up if you don't have to.





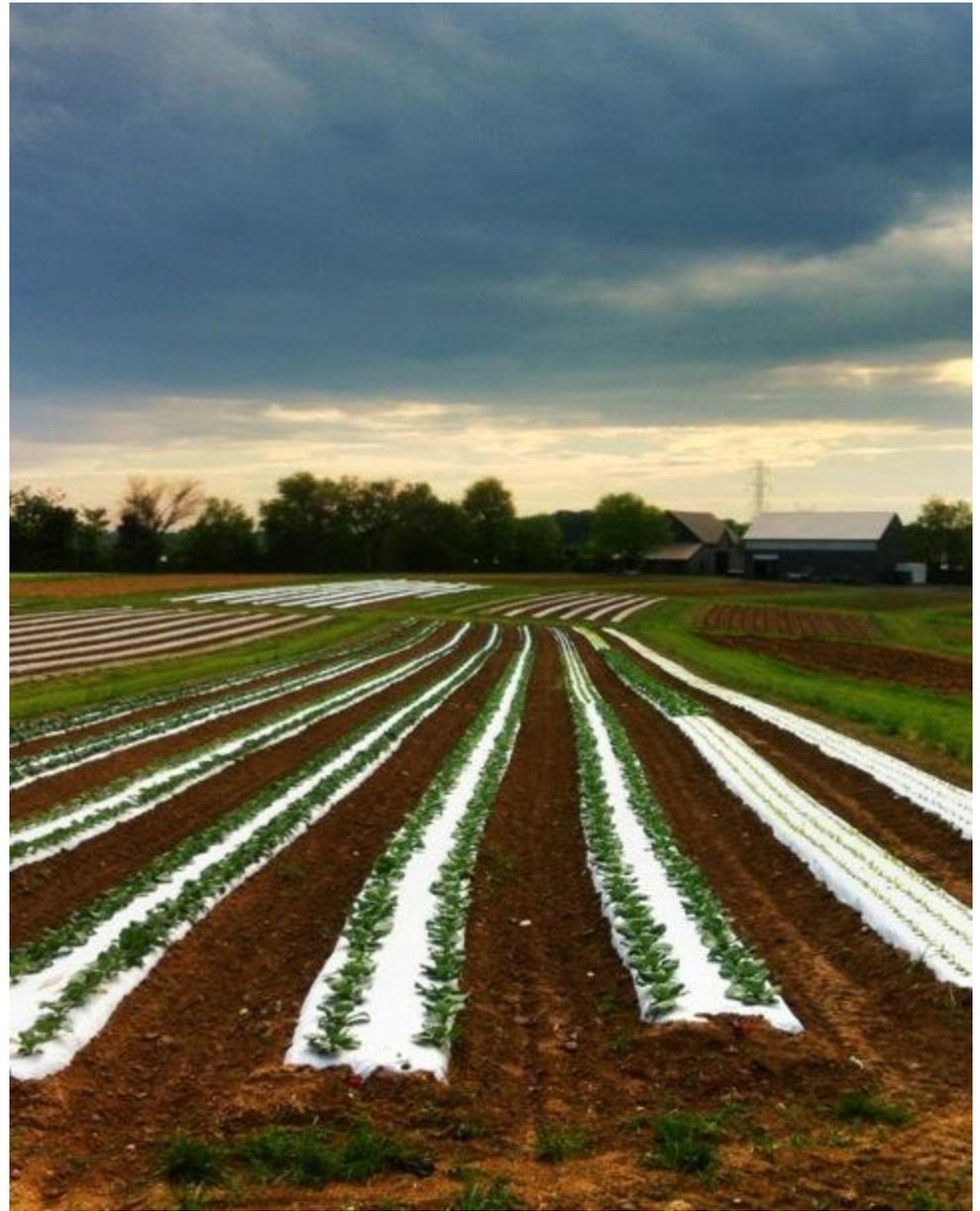
Be Careful Making Promises – You can't keep

- Don't say your going to do something unless your absolutely sure you can.

- Nothing worse than the farm who follows through on 50% of what they say.
BAD Business

- 2013 season I lost a multi year returning CSA Member because she had to know on Monday what she was getting later that week. I told her I can't tell you exactly, she understood and we parted ways with peaceful understanding.

- She's returned one year later as she was unhappy with her alternate CSA farm in 2013. She will take our quality over her "need to know". She's a die hard CSA'er. I bet we will keep her for years now.



+ CSA - Aim for a market style pickup however you can.

- If it says "1 bunch of beets" there better be a bunch of beets.
- Refresh it often, re organize consolidate it, clean up the broken leafs, cull out the squished tomatoes etc.
- The last pickups shouldn't get the dregs.
- Always have more than you need.
 - Treat CSA members as if they are at a store
- They pre-paid – YOU CANNOT short change them.

