

Direct from the Source: Direct Market Produce from the Crows' Farm

Ricky and Claudia Crow had had about all the years of thin profits growing wheat that they could stand. Then they hit upon the idea of selling fresh vegetables at the local farmers' market in Shawnee.

That was nearly two decades ago, and they're still going strong.

"This has been how we make our living, how we pay our bills. We had to find a way to make enough to stay on the land," says Claudia Crow.

"We don't have enough land to make it on wheat," she explains. "And they were starting a farmers' market in Shawnee."

In that new market, the Crows sensed opportunity.

The first year, they grew five acres of watermelons, and another acre of assorted other vegetables. The following season, they doubled that area. Within three years, they were growing vegetables on all 40 acres.

Pott County Cornucopia

"We grow everything that can be grown. We're nuts," Claudia laughs.

"We start everything from seed," Ricky elaborates. "That's the only way we can grow all the varieties we want. Our early crops are English peas, beets, turnips, cabbage and broccoli, strawberries. We grow four different varieties of sweet corn, to stretch the corn picking out as long as possible."

"The main things are tomatoes, yellow squash - we put a planting in the ground every so often, and have it all through the year," he adds. "Cucumbers are real important."

"We raise a lot of southern peas, which a lot of people don't - blackeyes, purple hulls, crowders," Claudia adds. "We raise fresh pinto beans too, and those sell pretty good."



The Crows' farm belonged to Ricky's grandparents. He was raised there, with cash crops of wheat and alfalfa. As time went by, though, the profits seemed to leak out of wheat farming.

"We weren't getting anywhere. We started getting farther behind," he recalls.

"At least with vegetables, if you get a hailstorm, you can go back in and replant. You can't do that with wheat."

A New Row to Hoe

Just recognizing the problems with growing wheat, though, didn't automatically make the switch to vegetable production smooth, quick, or trouble-free.

"We started with a push tiller and two hoes," Claudia remembers.

"We didn't go to the bank and borrow a lot of money," says Ricky. "We borrowed some money along, but never a huge amount."

"We kept expanding, learning," Claudia continues. "We went to any kind of symposium they had. We worked with OSU Extension. We always tried to stay on top of the changes, because it's a changing industry."

“People in this country are used to having cheap food. If they don't make some changes and get real about keeping the farm going, they're going to have to import their food supply.”

– *Claudia Crow*

Among the changes: a hoop house to extend the season, and adding strawberries, blackberries, and asparagus to their mix of crops.

Marketing vegetables also had a steep learning curve. But the Crows started up that one with one lesson already well learned from wheat - the one about low returns from wholesale bulk commodities.

Claudia says they have always tried to sell their crops retail. “If you get into wholesale, there's no money,” Claudia says.

“If you get into wholesaling, you might as well go into wheat or something,” Ricky agrees. “We still do very little wholesaling. Wholesaling to a grocery store is not the same as wholesaling to a wholesaler. We've sold to Sterling's Produce up there in the City over the years.”

Changing Times, Changing Tactics

Another marketing lesson learned is that markets are as ceaselessly changing as production.

“What we've done to stand out,” Claudia explains, “is to put a huge emphasis on quality. If it's not USDA grade number one, it just won't get sold.”

“The marketing is changing. Twenty years ago, the people we marketed to had more of a farm background. Families ate a lot more at home. They canned more, so they'd buy large batches of things like beets. Bushels.”

Nowadays, she says, “They've gotten a little more educated. They don't mind paying for quality, but the quantities have gotten less. You have to give them recipes, tell them a little about how to eat what they're getting.”

“We're not organic, but unless we absolutely have to, we don't spray,” Claudia says. “As a rule, we don't spray our corn. In Shawnee, people are used to worms [and know it is an indication that the corn was not sprayed with pesticides]. In the City, they want worm-free and pesticide-free.”

“We're marketing to a different group of people at the farmers' market,” says Claudia. Catering to Generation X, she says, requires a more event-driven approach. “They want to be entertained, go out, visit with their friends, sip a little bit of coffee.”

At the Pottawatomie County Farmers' Market in Shawnee, where the Crows do most of their selling, she says, “We have a lot of events. We're even adding music this year. We have some square dancers coming out.”

Growing Growers

The market needs a draw for vendors as well as customers. “The downtown Shawnee farmers' market has had some struggles over the years,” says Ricky.

“There are no young people. I have two sons. How do I tell them in good conscience, 'Come back and do this'?” Claudia says.

“We have no health insurance, no retirement plan. Everything you make has to go back into the farm. We're overtaxed, overinsured. This country's going to have to depend on a foreign country for its food supply.”

Of the Crows' two sons, one is getting a degree in horticulture at OSU. But, Claudia says, “I don't think either one is coming back. It's a lot of work for too little money.”

The Crows are brimming with suggestions for how to make direct marketing fruits and vegetables a more attractive career option.

“They need to let the farmers' markets do what they're supposed to do, not have the health department breathing down their necks. You need variety - baked goods, and so on,” says Claudia.

“There are too many restrictions. It's too hard for a small person to come in and meet the requirements

for their kitchens.”

Regulations are so restrictive, she says, that man's best friend is no longer even welcome where man buys homegrown tomatoes. “There are no dogs allowed at our farmers' market. It's against health department rules.”

Following the Money

In addition to more reasonable regulations, the Crows can see ways in which direct marketing efforts could benefit from a fairer share of the nation's plentiful food and farm subsidies.

“One thing that would help the farmers' market is not to have to charge tax,” says Ricky.

“If you can sell on the farm, why can't you take your stuff to the farmers' market and sell it without taxing it?”

“Also, the senior nutrition program,” says Claudia. “The Chickasaw Nation has that, but it's mostly in Ada. That would help tremendously.” [1] (See Chap. 5)

“One thing that would help the farmers' market is not to have to charge tax.”

– Ricky Crow

“Tax, phone, garbage - it's all billed at the business rate, whether you're Wal-Mart or a small mom-and-pop store,” Claudia says.

“We need a bigger push from the Department of Ag to have grants to help us do the advertising we need to do,” she adds. “An ad has to generate a minimum of an extra \$200 a week just to justify the cost of putting it in the paper.”

“Another thing is fuel costs,” she adds. “There's nothing we can do here that doesn't cost money.”

“People in this country are used to having cheap food. If they don't make some changes and get real about keeping the farm going, they're going to have to import their food supply.

Who Sells at Oklahoma's Farmers' Markets? Vendors Speak Out ^[1]

- Fifty-six percent of vendors are 55 years of age or younger (compared with the 47% of all Oklahoma farmers who are less than 55 years old). [2]
- Thirty-four percent of vendors are female (compared with the 11% of all Oklahoma farmers who are female).
- Eighty-eight percent are Caucasian (compared with 92% of all Oklahoma farmers).
- Sixty-nine percent said agriculture is their primary occupation (compared with the 55% of all Oklahoma farmers whose primary occupation is farming).
- Seventy percent consider their farmers' market income as part-time or extra income.
- Twenty-five per cent consider their farmers' market income as a portion of full-time income along with sales through other outlets.
- Seventy-three percent of vendors have an annual household income below \$60,000.
- Vendors have sold at farmers' markets for an average of almost four and a half years.
- Vendors travel an average of 28 miles to their farmers' market(s).
- Two-thirds said produce was their top selling item at the farmers' market.
- Those who farm grow an average of nearly 6 acres of produce.
- Forty-four percent ranked “receiving retail value for products sold” as their number one reason for attending the farmers' market.
- Over three-quarters are mostly or totally satisfied with their profitability from their farmers' market sales.
- Two-thirds are somewhat or very interested in expanding production for sales through their existing farmers' market.
- Nearly two-thirds are somewhat or very interested in attending a second farmers' market.
- Half are somewhat or very interested in expanding production for sales through other retail outlets.
- Two-thirds would like to have more customers at their farmers' market.
- Fifty percent want more produce vendors at their farmers' market.
- Forty-four percent have found it somewhat or very difficult to find reliable employees.
- Forty percent would like more shade at their market.

“People don't realize how much money you could make off just one acre of vegetables.”

– *Ricky Crow*

Branching Out

Unable to do much about such obstacles besides cope, the Crows stay busy making sure their farming situation is as well adapted to them as possible.

“We're lucky because we have water,” Claudia says. Ricky agrees: “If you're going to do vegetables, you'd better be set up to irrigate.”

“We have a wash line; we chlorinate and all that. We have a refrigerated truck, and cold water tanks that stuff goes straight into, then through the wash line, and then into the truck. We need to build an air conditioned room for tomatoes.”

Being able to compensate for drought still doesn't cover other potential shortages. “We pray every year that we'll get enough labor,” says Claudia.

“We've talked to the employment office. We've been down that road too many times,” Ricky elaborates. “We could put an ad in the paper for twenty dollars an hour to pick. Half of the people who came out would leave at noon. The other half wouldn't show up the next day. Even paying above minimum wage, you're still not going to get enough.”

“Agriculture depends on immigrants,” Claudia concludes.

“We'll probably have to cut back as labor gets more expensive. We really want to get some goats and add that to our cattle.” Already, she says, “We've taken 10 acres out of vegetables and put it into hay.”

“We just leased 200 acres for alfalfa,” Ricky adds. “We sell it for horses, and to a lot of goat people.”

The Crows' efforts at labor management and diversification took an unusual turn six years ago, when they bought a fruit market in town, calling it Crows' Main Fruit Market.

“It's been the 'Main Fruit Market' since back in the forties,” Ricky explains. “It's got a lot of family history in it. People who came in there as kids bring their grandkids in now.”

“We sell the stuff we raise; also jams and relishes - stuff you can't get in the grocery store - things from Amish groups, specialty items. Chocolates, spices, apples, oranges, roast peanuts.”

“The store is self sufficient right now. It pays its own bills. But we give it a lot of stuff - for example, we grow extra vegetable plants and sell them there.”

What It Takes

To make an approach like the Crows' work, says Claudia, “You have to be a disciplined person.”

“Variety and consistency,” Ricky concurs. “Be there every day all day, from the start to the end of the season.”

“Truck farming used to be a big thing back in the forties and fifties, and even further back,” he observes. “Vegetables used to be a lot bigger thing around here than now. It's kind of interesting how things have changed over the years.”

“People don't realize how much money you could make off just one acre of vegetables - more than from showing a calf. But the school ag programs, all they push is showing animals.”

At Earlsboro, where Ricky went to high school, the prospects are even worse than that for rearing a new generation of vegetable growers. The school isn't even training kids to show livestock now; its ag program was cut in the sixties.

Restoring it - and hundreds of others all over Oklahoma - could help the state grow a fresh crop of young farmers. Easing the regulatory and financial obstacles for small farms and direct marketers could help them take root.

Until those things happen, people curious about how to make a living farming vegetables on a small acreage will still have examples like Ricky and Claudia Crow, changing with the times, and finding a way.

Farm Direct: Direct Sales' Potential for Increasing Community Food Security

Farmers have been hearing that they have to get big or get out since the go-go days of the 1970s. By now, many have recognized that line for the breed of bull that it is. Some have gone further, grabbing that bull by the horns in a direct approach – direct farm sales, to be exact.

To understand what's behind that approach, it helps to know exactly what direct sales are. A decent rule of thumb is that if the farmer and the customer see one another's faces, whatever business they transact can be tallied up in the direct sales column.

CSA (subscription) farms are the new kids on the direct-sales block. [1] Farmers' markets and farm produce stands are classic examples, as are pick-your-own operations.

Agritourism and agritainment are newer names for another longtime regular in the direct-sales lineup. Selling the farm experience as much or more than the crops they grow, these farms encompass everything from corn mazes to cow-chip bingo. [2]

More recently, online farm sales have begun to blur the boundaries of what constitutes "direct." If a transaction takes place entirely in cyberspace, the farmer and customer may never lay eyes on one another, hear one another's voices, or seal the deal with a handshake.

Yet online sales are growing. That's plain from the success of the Oklahoma Food Co-op (see Chap. 8). USDA direct-sales experts advise that a website is a fundamental part of the farm business plan. [2,3]

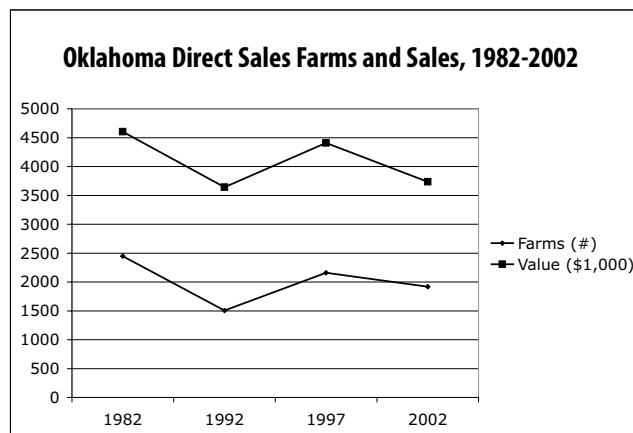
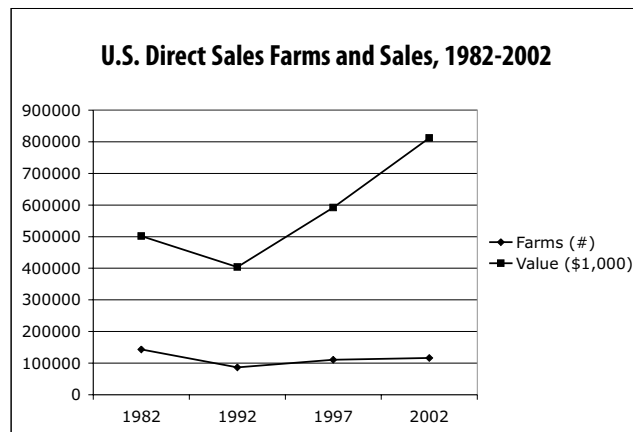
Direct sales over the Internet may not happen face-to-face, and that highlights another key aspect of what makes direct sales direct: the absence of intermediaries between farmers and customers.

Pocketing the Difference

Direct sales' lack of middlemen is one of their main attractions from the farmer's point of view. Nationwide, for every dollar that shoppers spend on food in stores and restaurants, only 19 cents makes it back inside the farm gate. (That's down from 31 cents back in 1980.) [4]

Farmers engaged in direct sales can capture a much higher share of customers' food dollar, up to all 100 pennies of it.

Those pennies add up. Nationwide, the average value of direct sales per farm is nearly \$7,000. In Oklahoma, the same number is considerably lower, just under \$2,000 (see figures).



Potential Increase in Average per Farm Income from Direct Farm Sales

| Region | County Type | Grocery Spending in County | 5% of Grocery Spending in County | Average Net Farm Income... | ...and Potential Increase from Direct Farm Sales |
|----------------------|-------------|----------------------------|----------------------------------|----------------------------|--|
| CENTRAL | | | | | |
| Oklahoma | Metro | \$1,054,057,000 | \$52,702,850.00 | \$1,901.00 | \$41,564 |
| Cleveland* | Metro | \$163,274,000 | \$8,163,700.00 | -\$3,683.00 | \$6,309 |
| Pottawatomie* | Micro | \$40,668,000 | \$2,033,400.00 | -\$1,873.00 | \$1,223 |
| Seminole | Rural | \$23,526,000 | \$1,176,300.00 | \$1,864.00 | \$1,008 |
| <i>Cluster total</i> | | <i>\$1,281,525,000</i> | <i>\$64,076,250.00</i> | <i>-\$436.82</i> | <i>\$11,884</i> |
| SOUTHWESTERN | | | | | |
| Comanche | Metro | \$59,090,000 | \$2,954,500.00 | \$3,676.00 | \$2,487 |
| Stephens | Micro | \$44,333,000 | \$2,216,650.00 | \$3,186.00 | \$1,631 |
| Caddo | Rural | \$23,773,000 | \$1,188,650.00 | \$10,590.00 | \$790 |
| Tillman | Rural | \$6,789,000 | \$339,450.00 | \$28,053.00 | \$573 |
| <i>Cluster total</i> | | <i>\$133,985,000</i> | <i>\$6,699,250.00</i> | <i>\$1,873.11</i> | <i>\$1,443</i> |
| NORTHWESTERN | | | | | |
| Garfield | Micro | \$111,603,000 | \$5,580,150.00 | \$19,963.00 | \$5,152 |
| Major | Rural | \$17,379,000 | \$868,950.00 | \$12,336.00 | \$989 |
| Woods | Rural | \$9,920,000 | \$496,000.00 | \$1,841.00 | \$652 |
| <i>Cluster total</i> | | <i>\$138,902,000</i> | <i>\$6,945,100.00</i> | <i>\$12,436.38</i> | <i>\$2,551</i> |
| NORTHEASTERN | | | | | |
| Tulsa | Metro | \$845,946,000 | \$42,297,300.00 | \$1,783.00 | \$36,909 |
| Washington | Micro | \$46,995,000 | \$2,349,750.00 | 1,987.00 | \$2,774 |
| Nowata* | Rural | \$11,869,000 | \$593,450.00 | -\$1,061.00 | \$669 |
| <i>Cluster total</i> | | <i>\$904,810,000</i> | <i>\$45,240,500.00</i> | <i>\$967.08</i> | <i>\$15,709</i> |
| SOUTHEASTERN | | | | | |
| Leflore | Metro | \$75,344,000 | \$3,767,200.00 | \$22,503.00 | \$1,955 |
| Pittsburg | Micro | \$21,991,000 | \$1,099,550.00 | \$2,310.00 | \$652 |
| Latimer | Rural | \$11,036,000 | \$551,800.00 | \$4,421.00 | \$748 |
| <i>Cluster total</i> | | <i>\$108,371,000</i> | <i>\$5,418,550.00</i> | <i>\$11,609.13</i> | <i>\$1,245</i> |

- Assumes 5% increase in direct farm sales.

- Starred (*) counties currently have negative average net farm incomes.

Just bringing Oklahoma farms' direct-sales receipts up to the national average, then, would increase the state's farm-level income by \$9.6 million. [5]

If Oklahomans put just five percent of what they already spend on groceries toward food bought direct from local farmers, it would work wonders for Oklahoma's agricultural economy, increasing the income of individual farms by anywhere from several hundred to tens of thousands of dollars (see table). [5,6]

To reach that five percent, every Oklahoman would have to spend about \$67 on farm-direct foods each year.

That would buy about a pound of vine-ripe tomatoes each week over the entire season at Tulsa's Cherry Street Farmers' Market. (A survey showed tomatoes from the farmers' market could be had for a better

price than at Wal-Mart). [7]

At \$2.74 each week, that's less than many people spend on soda pop.

Fresh from Your Friendly Local Farmer

Direct sales' appeal to consumers may be harder to quantify, but it's powerful nevertheless. The freshness and variety of direct-sale foods undoubtedly contribute – think of heirloom tomatoes and bison steaks, for example.

It may be that all direct sales contain at least a hint of agritourism, in the brush with farm life that comes from receiving a tomato from the hands that grew and picked it, rather than plucking it from the automatically misted racks in the supermarket produce section.

There's nothing wrong with nostalgia for farm ways, but it doesn't contribute much to community food security. Still, direct sales make several important contributions to CFS.

For one, most forms of direct sales necessarily involve farmers and customers from the same community, strengthening the relationships that make up the local food system.

Again, that relationship is less clear for online sales – though the Oklahoma Food Co-op is a prime example of using internet marketing to enhance food sales within the state. [3]

Direct sales also meet community food security's mandate to keep more farms on the land, offering supplemental income to many part-time farmers who might drop out of agriculture without it.

Playing Catch-Up

While direct sales thus offer substantial opportunities for enhancing community food security in Oklahoma, so far the state has not capitalized on them to the same degree as other areas of the country.

Compared to other states with similar populations and rural demographics, Oklahoma has lower per capita direct sales – only half the level in neighboring Arkansas (see table). [5]

Nationwide, the number of farms with direct sales, and the total value of those sales, have been growing steadily since 1982. [5]

In Oklahoma, by contrast, farm numbers and direct sales totals have held fairly constant. [5]

The barriers to the development of direct farm sales in Oklahoma are physical, institutional, and cultural.

The state's extreme and quirky weather make farm production challenging and risky, while the lack of market infrastructure creates a different sort of obstacle. [8]

Likewise, direct sales approaches may require a different set of "people" skills than traditional commodity crops.

Though real, these barriers are not insurmountable.



A determined effort to overcome them could well put the growth of direct farm sales in Oklahoma back on track with the national trend.

That, in turn, could have an impact on Oklahoma's community food security that is positive, dramatic – and direct.

Direct Sales in Oklahoma and Selected Other States, 2002

| State | Total Value of Direct Sales | Per Capita Value of Direct Sales |
|----------------|-----------------------------|----------------------------------|
| Iowa | \$11,651,000 | \$3.97 |
| Kansas | \$9,001,000 | \$3.32 |
| Kentucky | \$10,497,000 | \$2.57 |
| Arkansas | \$5,674,000 | \$2.10 |
| North Carolina | \$17,245,000 | \$2.07 |
| Alabama | \$8,039,000 | \$1.79 |
| Louisiana | \$4,897,000 | \$1.09 |
| Oklahoma | \$3,735,000 | \$1.07 |

Local-plicity: The Large Economic Multiplier Effects of Small Farms

Part of community food security's power is that it alleviates rural economic doldrums even as it forges the links of a more secure food supply.

That argument runs like this: if Oklahomans started spending an extra ten percent of their \$8 billion annual food budget on Oklahoma-grown foods, that would be an \$800 million boost to the state's agricultural income.

But the economic power of local food goes far beyond simple addition and subtraction. Every additional dollar spent on Oklahoma food multiplies its own value many times over.

Both media coverage and scholarly analysis tend to see such economic benefits in large farms only. For instance, some studies of confined hog feeding operations – which have grown explosively in Oklahoma in recent decades – portray them as a source of sorely needed jobs and earnings in rural communities.

However, 3,000 hogs can be raised as well on twenty-odd small farms as on one large one – and the small farms together will provide jobs for 32 people, against the large farm's 21 employees. [1]

In addition to their greater employment capacity, small farms have deeper economic roots in their own communities.

Small farms make more of their purchases from local businesses, thus increasing the level of local economic activity more, per dollar of output, than larger ones. [1,2]

Small livestock operations in the U.S. have been reported to make 80% of their purchases within 20 miles of the farm, as opposed to 50% for large farms. [3]

Sharing the Wealth

Economists call these effects economic multipliers – the amount by which each additional dollar of output increases employment, income, or economic activity in the local community.

Any enterprise has a multiplier effect, [4] but because small farms are more tightly linked with other local businesses, the money they earn stays longer and circulates more in the local economy.

In other words, smaller farms have larger multipliers.

As one example of economic multipliers in action, consider farm direct marketing. This option appeals to many farmers because of its higher profits. [5]

In addition, direct-sales outlets such as farmers' markets create similar windfalls for the local communities where they sink their economic and physical roots.

Three thousand hogs can be raised as well on twenty-odd small farms as on one large one – and the small farms together will provide jobs for 32 people, against the large farm's 21 employees.

How large a windfall?

One study found that every dollar spent at an Iowa farmers' market generated \$1.58 in additional sales, and every dollar earned by vendors translated into \$1.47 in income to others.

For every 100 farmers' market jobs, 145 additional jobs popped up elsewhere in the state's economy. [6]

In Georgia, the estimated farmers market income multiplier is 1.66. [7]

Because every community develops its own unique patterns of linkage between local businesses, these numbers cannot be applied directly to Oklahoma. [8] Still, they clearly illustrate the economic returns that

Because small farms are more tightly linked with other local businesses, the money they earn stays longer and circulates more in the local economy.



might reasonably be expected from relocating food systems.

Relocalizing Rural Economies

Those returns extend beyond strict dollar terms to the very social and cultural fabric of rural communities.

In a classic comparison of two California farm towns, sociologist Walter Goldschmidt observed that the one situated in a landscape of small family farms not only had higher retail trade and family income, but also more churches, schools, parks, and playgrounds, than a similarly-sized community surrounded – and isolated – by large corporate farms. [9] The majority of subsequent studies have backed up this “Goldschmidt hypothesis.” [10]

Farms are by no means the only small enterprises with a hand on the lever of economic multipliers. In fact, the current structure of Oklahoma’s food system lends a double-barreled potential to rural revitalization strategies based on economic multiplier principles.

Since Oklahoma imports so much of its food, one of those barrels involves replacing imported food with the produce of small Oklahoma farms. [11]

The second barrel’s charge would channel some of the state’s immense production of grains and live-stock out of raw commodity exports and into small, locally owned, value-added food processing enterprises. [12]

Community food security is both about making sure that food is affordable, and making sure that enough small local farms stay in business to grow it – two goals that can seem contradictory.

As small farms and other local enterprises increase economic multipliers, that contradiction vanishes. Economic multipliers increase communities’ material prosperity, and thus their food-purchasing power.

Multiplied together, these facts make economic multipliers a powerful concept for completing the circle of community food security.

Direct Marketing

Goal: Increase the total value of direct sales made by Oklahoma farmers to consumers so that farmers and their communities can retain a higher share of their food dollars.

Public Policy Priorities:

- Eliminate sales tax on all direct food sales in Oklahoma.
- Increase the advertising for farmers' markets. Kerr Center market manager surveys suggest that support for brochures and flyers, direct mail advertising, and market-day signs and banners would be most effective.
 - Make farmers' markets a family-friendly destination through increased support for special events and family-friendly activities on market days.
- Increase educational outreach and training for farmers' market managers, in such areas as budget management, liability insurance, farm inspections, market expansion, community involvement, WIC/ Senior Farmers' Market Nutrition Program and food stamps, and market promotions and events.
- Foster coordination between the Oklahoma agriculture department and local civic institutions to increase the support that both provide to farmers' markets. Cooperation of municipalities to assist in securing locations with adequate shade, visibility, and customer traffic are some examples gleaned from Kerr Center farmers' market manager surveys.

See Chapters 7, 10, 11, and 12 for more policy priorities relating to direct sales and small farms.

