



Great Lakes Fruit, Vegetable & Farm Market EXPO

Michigan Greenhouse Growers EXPO

December 9 - 11, 2014

DeVos Place Convention Center, Grand Rapids, MI



Organic Opportunities and Markets

Thursday morning 9:00 am

Where: Gallery Overlook (upper level) Room H

CCA Credits: CM(2.0)

Moderator: John Biernbaum, Horticulture Dept., MSU

- 9:00 am Innovative Tools and Practices on Organic Vegetable and Berry Farms in Vermont
- Vernon Grubinger, Vegetable and Berry Specialist, Univ. of Vermont
- 10:00 am Cultivating Farm Resiliency and Our Transition to Organic
- David Coveyou, Coveyou Scenic Farm, Petoskey, MI
 - Laura Judge, Produce Field Manager, Coveyou Scenic Farm, Petoskey, MI
- 11:00 am Session Ends

Cultivating Farm Resiliency and Our Transition to Organic

Coveyou Scenic Farm
4160 US Highway131
Petoskey, Michigan 49770
Coveyouscenicfarm.com
Coveyoufarm@gmail.com

David Coveyou: Owner/Manager
Laura Judge: Produce Field Manager

Coveyou Scenic Farm is a 140 year old family farm just outside the city of Petoskey in the far northern portion of Michigan's Lower Peninsula. This present day 330 acre farm has been agriculturally focused over five generations. The farm has gone through a number of transitions over the decades and it's this ability to adapt and continually transform which has resulted in a resiliency that we will talk about today. The farm still plays a key role in the local community with Organic vegetable production a major part of our diversified crops and a major contributor to our diversified sales channels. To start we need to understand why we are using this word "resiliency" to describe a farm.

Most people speak about farms these days as wanting them to be "sustainable". But what that means can be very different to the person hearing the word. To some people it refers to the growing practices used on the farm and how ecologically aligned they are. To others it refers to the desire to maintain the open spaces and rural views for the larger community. Many farmers may view the word to imply the ability to make enough money to keep going while others may look to it to mean how to keep the farm in agriculture generation after generation. Sustainable may mean something else entirely to you. So what's resiliency?

I think of resiliency most when I think of weeds. Some weeds can handle really poor soil, drought conditions and someone uprooting them only for them to keep growing. That's resiliency. The ability to withstand or recover quickly from difficult conditions. It's that ability to adapt, to transform ones operation that keeps the farm a farm. We can plan for the known...and even the likely... but it's the threats of the unforeseen and how we structure our mindsets as well as our farm business that allows us to stay the course. It's hard to understand our farm resiliency without understanding a little of our farm history.

Originally homesteaded in 1874 our farm started its roots just as the railroads pushed north into the upper portions of the state. Logging was big in these early years and the farm built and ran a saw mill that capitalized on the demand for lumber as the region and country were expanding quickly. The original mill used a band saw that allowed for quicker processing of the larger diameter virgin timber with its 9" wide and 30' long blade. Band saws were just becoming available in the mid 1870's and it's the first reference to the use of new technology on the farm. Logging was the winter focus of the farm, however, a typical diversified crop and livestock operation was also in place during the summer. Sheep were a big part of the early years as was a small dairy herd.

Honey production by the family had its day up through the 1920's as one of the Coveyou brothers, Elias, created an entire business around his apiary focus. A large scale producer he would pack up a large number of the colonies into his 1920's model T "semi" trailer for the long ride to Georgia for the winter months. A leader in his field, Elias patented a honey decapping tool in 1921 showing how innovation played a role in his success. The Great Depression brought an end to this venture.

This Northern Michigan region grew a lot of potatoes from the 1930's through the 1960's with our farm evolving to be one of the larger growers in the local area. My father's design and construction of a potato

digger that self loaded into trailers at a time when that was all very new eliminated the need to hand pick up potatoes from the ground saving enormous amounts of labor and allowing increased scale. Market economics and disease led to the end of the potato era by 1964.

Cereal grains evolved to take the place of potatoes as the farm grew seed quality grains enabled by a cleaning mill and other tools to clean grain to a level that it could be supplied to other farmers throughout the local area. Seed grain production remained the focus up through the early 1990s but with many of the local farmers going out of business in the 1980's and 90's this business model didn't have staying power.

In the late 1990's I was faced with the opportunity to transform the farm once again or let it go out of agriculture on my watch. We have some unique challenges and opportunities with where we are located. Above the 45th parallel our seasons are short...but that also increases the desire for something fresh and local. We're not close to a large population center but we do have a larger population of summer residents with higher disposable income...and they are willing to pay for quality. The farm is located on the main highway into the area...but no one (except for farmers) knew our farm name or had pulled into the driveway to buy anything before.

After spending a lot of time exploring different models we chose to move away from the farmer-to-farmer and farmer-to-processor arrangements of the past and move into the farmer-to-consumer model. Additionally, to reduce our vulnerability we planned to diversify our growing to minimize risks with four main thrusts; Spring and Fall potted flowers, Organically grown Produce, Seasonal decorations (Halloween and Christmas), and an on farm retail store. Let's look at a few of the key areas that we feel impact our farms resiliency.

Diversification of what we grow and sell helps minimize risks but also increases our work load and management challenges. Organically grown produce is our anchor but the spring flowers, fall mums and pumpkins and Christmas wreaths allow us to be selling to local consumers over a larger period of the year.

Our farm uses a number of different sales channels to allow us to increase our revenue stream but also mitigate the risks of selling to a single customer. We don't have any customers that account for more than 10% of our sales. We sell our produce and flowers directly to customers from our on farm market, four Farmer's Markets, restaurants, retail food coops and stores, institutions, and through a CSA and Open Market membership programs. The Open Market program is similar to a CSA with one set fee but in this case a customer can come to the farm any day of the week, as often as they want and take all the produce we grow on the farm their household can consume...truly unlimited eating of healthy food. This large number of sales channels is more than we desire but is needed to help us generate enough scale in our small community.

There is a difference between making a profit and making a living and that has to do with scale. We don't have jobs off the farm and we need to be able to generate enough profit dollars to cover our farm overhead, production costs, and capital investments as well as live. Structuring how we do things around systems that are scalable help us expand without needing to change the methods we use. Our Organic vegetable seeding, transplanting, irrigation and processing/packing area are all scalable as we grow.

In addition to scale we have focused on trying to put into place systems that help reduce our production or operating costs. Our on farm market is repurposing an old wooden livestock/hay barn. This structure adds a lot of character to our market but also provides significant retail space. When we added our walk in coolers and produce washing/packing area in the basement of the barn we chose to invest in the lowest operating cost cooling system available and designed a geothermal run system. Similarly we chose to put in a solar PV array that now provides all the electrical needs for the farm. Our movement to a variable speed drive irrigation pump was driven by the desire to decrease our operating costs. Our vegetable

transplant and flower greenhouses are heated by wood pellet furnaces which run at a fraction of the cost of fossil fuel based systems. Implementing some of these newer technologies adds to the farms resiliency by giving it an advantage of running at lower operating costs. As we reinvent the farm once more we constantly look for ways to keep our production and operating costs low.

Our transition to selling directly to consumers evolved to embrace growing produce without synthetic pesticides or fertilizers. It's how we desire to eat and aligns well with our values. Our passion for improving the food system in itself adds to the resiliency of the farm...when it's more than a job but a passion then we have a stronger will to see success. Over a number of years we made the transition to becoming USDA Certified Organic in 2014. Most of our markets did not require us to be certified. Our relationships with our customers and the confidence they appeared to have in us allowed us to grow and sell at market prices that were similar to Certified Organic. We came to the point of believing that since we grow organically and that we have many of the systems required for organic certification in place that it would not be a big step to become certified. After going through the process we feel the biggest challenge was working with the fact that our transitional acreage requires us to document and store produce with a little more effort. We have now put in place more detailed field maps and have implemented changes to how we store produce in the walk-in cooler and better product labeling, but our planting records and harvest log have been changed only minimally. We only hear very positive feedback from new and old customers and our sales continue to climb year over year. We have been able to add a local organic Coop account due to our being certified but in reality most other channels (restaurants, institutions) did not change their purchasing patterns and still prefer fresh and local over certification. We were not able to raise our prices with certification but still feel that we gained a strength and respect in the marketplace for endeavoring to obtain the certification.

Our farm is solidly in a new chapter with organic produce production and a diversified market focused on selling directly to the consumer. We hope our attempts at structuring our farm results in a resiliency that allows us to quickly adapt to the unforeseen that the market economy, environment and world as a whole bring our way.