

Considerations for Starting a Market Garden

The number of UK market gardens and small edible horticulture enterprises is on the rise, building resilience in small scale supply chains and actively increasing the amount of locally available produce. Whether a seasoned horticulturalist or a new entrant starting out in the sector, starting a market garden requires in depth planning across the board to ensure your business has the strongest start possible.

This fact sheet will present both practical and business considerations to assist with launching your new venture.

Choosing the right business model

There are a number of different business models suitable for a market garden or similar small-scale enterprise, and finding the right one requires an understanding of three key areas:

What to sell, how to sell and who to sell to

These three factors will determine how the business will generate income, what resources are required and when and how to get started. Some of the most popular models include:

- Wholesale
- Box scheme / CSA
- Restaurants/ hospitality
- Pick your own

The option you choose will influence what produce you grow, who your target consumer is how the business will operate.

There are pros and cons of each. For example, wholesale requires the scale and machinery to produce large amounts of produce to be sold at a lower value but in higher quantities. In contrast, a box scheme can be successful on a relatively small area of land and less machinery needed. However, it requires growing small



amounts of a large variety of produce, making it knowledge, labour and time intensive. Are you going to grow all year round or just for part of the year? If all year round will you require seasonal labour? If part of the year, how will you maintain customer interest 'out of season'?

Supplying restaurants can be a reliable income stream for businesses that have the means to produce high quality crops on a reasonable scale, however demand will vary from restaurant to restaurant, and depending on geographic location, it can be a challenge to find chefs and businesses interested in investing in local seasonal produce year round.

Pick your own, such as strawberries, squash or sunflowers has a short but lucrative season but requires a good understanding of tourism.

Routes to Market

For most market gardeners, direct consumer sales are the most profitable way to generate income. Produce can be sold at a significantly higher price, and putting produce directly into the hands of the consumer means there is no 'middle man' to take a cut. However direct sales can be time and labour intensive. The time and cost involved with picking and packing, delivery and retail, and marketing and promotion needs taking into account.

Whether opting for direct sales or wholesale, there are numerous ways to sell your produce. Some routes to market have been covered above but there are many more to consider:

- Farmers markets
- Independent food retailers
- Box Schemes
- Community Supported Agriculture (CSA)
- Farm shop
- Online store
- Pick your own
- Wholesale e.g. larger retailers, food hubs,
- Restaurants / hospitality

On site farm shops are a fantastic resource if the market garden allows. Considerations are access, parking, cash handling and stock management. Farmers markets can mean long periods away from the farm but are a great way to engage with local consumers and an opportunity to build up a strong customer base.



Supplying wholesale to food retailers is a great option for businesses that want to limit time spent on deliveries, however depending on the outlet, produce may require specific packaging and labelling to suit the retailer and consumer.

If your model is based on producing a box scheme, can customers collect directly from the farm or do you need to deliver? Box schemes and delivery services may require specialist software to manage orders and delivery schedules.

Tyfu Cymru have recently delivered a training session on the financial considerations of setting up and running a box scheme. <u>Click here to watch.</u>

If Community Supported Agriculture is your chosen model, Tyfu Cymru are offering fully funded support through Social Farms and Gardens. To arrange a one-to-one session, please contact tyfucymru@lantra.co.uk

Routes to Market are covered in more detail in the first webinar in the Diversifying into Horticulture Programme which is available to watch now on the Tyfu Cymru Knowledge Hub.

Identifying your customer

Before settling on a business model, creating a profile of your key customer is essential and carrying out some basic market research is key. Are you going to create a consumer market for what you want to produce, or are you going to design a business model around a market that already exists?

If there are already five veg box schemes in your local area, are there enough customers to satisfy your business? Check whether there are waiting lists for other schemes in the area, or whether there is a different geographical area for you to target. If you plan on supplying to restaurants, do you know whether local chefs want high volumes of basic produce such as carrots, potatoes, and brassicas, or are they high end restaurants interested in speciality and high-end crops? Does your market garden have the infrastructure to grow these crops and are there enough local restaurants who would buy from you on a regular basis to consider the upfront investment?

An alternative option is specialising in one or a small number of specialist crops e.g. wasabi, mushrooms, culinary herbs, and creating a market directly around that product. This could mean targeting specific retailers or restaurants, or establishing a mail order service if target customers are not local.



Marketing

Once you've settled on a business model, a route to market and a consumer profile, the next step is developing a strategy for attracting your targeted buyer. How do you capture their attention and how do you make them buy from you?

There are numerous routes to promote a business, some more time consuming and costly than others. Most market gardeners do not have the luxury of outsourcing marketing, so the strategy needs to fit in with the day to day running of the market garden.

Print e.g. leaflets, adverts in local newspapers – A great way of reaching a local audience but design and printing can be costly. Do your target audience read local newspapers or is their presence more online?

Social media e.g. Facebook, Twitter, Instagram – Free to use and as time heavy as you make it. Can take a while to reach the desired audience. Can double up as a website for those who don't need a separate site. Paid advertising may be required.

Events e.g. markets, pop ups, local festivals – A great resource to reach a lot of people but depending on the event/market stall cost can he high.

Trade shows – Useful for market gardeners with added value products such as chutneys, jams, cider etc.

<u>Cywain</u> is a business-led programme dedicated to developing new and existing micro businesses and small and medium sized enterprises in the Welsh food and drink sector.

They recently delivered a webinar for Tyfu Cymru to support products by Welsh Growers to reach new markets and to create opportunities to strengthen links between your business and the supply chain. Click here to watch Keep it Welsh:

Maximising Your Business Potential for Growth

Tyfu Cymru host regular webinars and training sessions with <u>InSynch</u> to provide support to Welsh Growers on marketing and promotion. These include:

Logo Design and Branding for Business

Get more from Facebook & Instagram

Take your email marketing to the next level using Mailchimp

Can your customers find you on Google? Analysing SEO for your business



For upcoming training sessions and webinars visit the Tyfu Cymru Workshops and Events page. There are further marketing resources in the Communication section of the Knowledge Hub.

Access to Land

Access to land is one of the biggest barriers to new entrants looking to launch a horticulture business or to enterprises looking to expand. It can take a substantial amount of time to find a plot suitable for your chosen business.

As a starting point, a firm crop plan to go alongside your business plan is essential from the outset to know what and how much land you will require.

Here are some points to consider:

- How much land do you need to accommodate the quantity you need to grow to make the business viable? Is there room for scaling up if successful? Is there excess land that would be time consuming to manage?
- Is the geographical location suitable for your chosen market? If customers will be coming to the farm, is it convenient for them to get to? Does the locality give you good access to your target delivery area or will you need to consider extra time/expenses in mileage.
- Is the aspect of the land right for your business model? Is there shading cast from trees/structures that would restrict light to polytunnels? Is the land in a frost pocket or in a wind tunnel?
- Do you need access to electricity? If yes, is this already on site or will there be a cost to installing a supply?
- Is there suitable access to water? Is it from natural resources or a mains water supply? Do you need a separate meter added? Do you need a borehole installed?
- Is the soil type suitable for your chosen crops? We recommend a soil analysis test.
- Is there suitable infrastructure in place or will you need to purchase polytunnels, glasshouses, storage facilities? Will you need planning permission for new infrastructure?



- Does the land have fit for purpose access? E.g. If you plan on setting up a farm shop, is there public access available, space for parking?
- If leasing, what contract will you have with the landowner? What fee do you agree on? What is included and what are your rights?

Many of these points are discussed in further detail in our <u>Diversifying into</u>
<u>Horticulture: Considerations for leasing land and creating contracts with landowners</u>
webinar.

Finance - Start up costs

intensive growing on a small scale can require a sizable upfront investment, especially if the operation includes protective cropping such as polytunnels, glasshouses or if the enterprise requires heavy machinery. Costs to consider include:

- Infrastructure polytunnels, glasshouses, storage facilities, cold storage, packing sheds
- Machinery tractor, rotavator/power harrow/loader, weeding equipment
- Tools spades, forks, hand weeders
- Propagation equipment trays, pots, heated benches
- Seeds, compost, plug plants, mulches
- Irrigation
- Materials fleece, Environmesh, Mypex
- Rent
- Initial staff costs
- Marketing materials
- Utilities e.g. water, electricity

There are ways to reduce upfront costs. For example, if you anticipate large tool or machinery demands, try building a relationship with local farmers and contractors who may be able to lend machinery for the limited time that you need it. But don't forget, in seasonal growing, everybody requires the use of the same machinery at the same time! Finding land with existing infrastructure is a challenge but definitely possible. Also buying second hand rather than new can bring material costs down significantly.

Tyfu Cymru regularly deliver financial training sessions and webinars allowing industry experts to share knowledge and best practice with Welsh growers. The following are examples of what is currently available on the Knowledge Hub:



Webinar: How to master Financial Spreadsheets using Microsoft Excel
Horticulture Professional Development Programme: Managing Cashflow

Toolkit: Finance Crisis Management for Horticulture Businesses

Certification

If choosing a sustainable operation method as part of your business model, organic or biodynamic certification may be a consideration. Certification comes at a cost but it demonstrates to your customers and suppliers that you work to a recognised standard. Due to the higher cost of producing food to these standards, organic produce can be retailed at a higher premium. Take a look at the Soil Association Horticulture Produce Prices for their fortnightly breakdown of wholesale and retail pricing.

The largest and oldest organisation, certifying over 70% of UK organic food, is the <u>Soil Association</u>, followed by <u>Organic Farmers & Growers</u> who currently certify 50% of UK organic land.

There are also several regional and smaller UK certifying bodies including Welsh Organic Scheme / Quality Welsh Food Certification, Organic Food Federation, Organic Trust Limited and the Irish Organic Association.

To learn more about organic certification and how to get started click here.

Quality assurance

Whether or not organic certification is right for your business, there are numerous other recognisable standards which may be of interest to your consumer or may be necessary for your business to legally sell to your chosen market e.g. supermarkets. Here are some examples:

<u>Red Tractor</u> is a single scheme accepted by all major buyers, specialising in standards for Fresh Produce, Beef & Lamb, Pigs & Poultry and Crops

<u>SALSA</u> is a food safety certification scheme targeted at smaller food producers and suppliers to ensure safe and legal food practices

<u>BRCGS</u> have developed recognised industry standards in a wide range of areas including Food Safety, Packaging Materials, Storage and Distribution, Consumer Products, Ethical Trade and Responsible Sourcing, Plant-Based Global Standard and a Gluten-Free Certification Program



<u>GLOBALG.A.P</u> are the most widely accepted private sector food safety certification in the world with 700 certified products and over 200,000 certified producers in more than 135 countries

Tyfu Cymru work with Quality Assurance expert Malcom Laidlaw from ML3 Technical to provide the most up to date training on Quality Assurance. There are numerous fact sheets and webinars currently available on the Tyfu Cymru Knowledge Hub:

Article: What is Certification and Accreditation All About?

Webinar: <u>Introduction to Agricultural Standards for Commercial Horticulture</u> Production

Fact sheet: Food Safety: What are the Risks from Food?

If your business would benefit from a one to one support and advice session with ML3 Technical or you would like further information on standards and certification please contact tyfucymru@lantra.co.uk

Business Support

Tyfu Cymru provides fully funded training and support for commercial growers and horticulture businesses in Wales. To be eligible for support you must be a registered (or soon to be registered) commercial horticulture business and based in Wales. We can support new entrants and new businesses provided you have a robust 2 – 3 year business plan and are at a stage where the venture is close to launching.

What can we offer?

Tyfu Cymru source industry experts to deliver <u>workshops and training</u> designed specifically around the needs of the grower. Some examples of areas we currently cover include business development, compliance training (including first aid, manual handling and health and safety), financial management, digital marketing (including building websites, social media and email marketing), cyber security, grower accreditation.

We also facilitate technical horticulture training with specialist growers and industry professionals. Our most recent training has covered topics such as cultivation of crops for seed, soil health for commercial growers, composting, and no-till soil building and integrated pest management. Please visit our Workshops and Events page for details on upcoming training events and programmes



We work alongside our expert training providers to create toolkits and resources which are accessible to you on the Tyfu Cymru Knowledge Hub. This is also where you can find recordings of webinars from past events.

We currently have eight specialist <u>networks</u> for growers wanting support in specific horticultural areas. These are managed by industry experts and include squash and pumpkin, top fruit, soft fruit, vegetable, seeds, ornamental, Christmas tree and Welsh flowers. Each network adapts to the requirements of its members and utilises platforms such as Whatsapp and Facebook for both expert and peer to peer knowledge exchange.

We have experts and advisors on hand to deliver tailor made <u>one to one advice and support</u> for businesses that require it. This could be anything from support to set up an online shop, to looking to diversify into soft fruit production. Support can be delivered online, over the phone or in person depending on the need.

If you are interest in training and support, please complete a Tyfu Cymru Business Review. This should take no longer than 15 minutes.

Other business support resources

<u>Business Wales</u> provide business and financial support to new and existing businesses in Wales. They have a comprehensive toolkit to assist with developing business plans, sourcing finance, networking and more. Visit their <u>website</u> for further information or contact their business support helpline on 0300 060 3000

<u>Farming Connect</u> provide funded and subsidised support for Welsh agricultural businesses which includes mentoring programmes, webinars, practical training, and skill development. Visit the <u>Farming Connect</u> website for up-to-date information and resources.



Useful Links

<u>Social Farms and Gardens</u> - A UK wide charity supporting communities to farm, garden and grow together

<u>Organic Growers Alliance</u> - A network of growers, farmers and horticulturalists that provide peer-to-peer support run by growers for growers

<u>CSA Network</u> - A membership organisation working solely to promote CSA - community supported agriculture - across the UK

<u>Soil Association</u> - The UK's largest organic certification body and a UK charity working across the spectrum of human health, the environment and animal welfare

<u>Landworkers Alliance</u> - A union of farmers, growers, foresters and land-based workers that provide training and support for small scale growers and farmers in the UK

Organic Farmers and Growers - A Community Interest Company with more than forty years experience in the organic sector, providing industry support and guidance

<u>Lantra</u> - One of the leading awarding bodies for land-based industries in both the UK and the Republic of Ireland, developing quality training courses and nationally recognised qualifications delivered through a national network of training Provider Partners

For further information about the support that Tyfu Cymru can offer, please contact tyfucymru@lantra.co.uk