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Farm Decisions: Scaling Up, or Not
“Understanding Economy of Scale - Honing In & Finding Your Place”

I will share my experiences from a personal perspective through my story of what many call quick growth of a small farm. Through this context I will focus on the perspectives I have gained in growing our farm quickly. We have experienced several stages of scale and had it rear its ugly head numerous times. As a diversified organic vegetable operation with a limit on land availability and a strong market we have had a range of challenges. I will dig deep in my experiences that are fairly personal and my analysis of the profound conclusions I have come to. All of which were outside the realm of conventional wisdom and where I thought I was going with this career choice. I can focus on the aspects that really came about as my business grew quickly and the moves I couldn't for see as I moved up in scale.

I started my farm with market garden experience. We went from \$48,000/year in sales to \$515,000/year in the first five years. We had 10 full time employees, had 3 children in three of those years along the way, ~500 CSA members, a full farm store with over 100 SKU's including some value added. We started at nothing and grew to having a full farm operation quickly. All in all I still consider my business a small farm but have a very different point of view on growth then I did a few short seasons ago.

We started incorporating agro tourism & really pushing onsite retail through a farm store, some pick your own, and season extension. We quickly became a staple in our community. We grew rapidly and never slept. As our kids grew my wife's involvement became less and less. My monthly payroll costs were more than I had ever made in one year prior to my career in farming. Management became a monster, and wearing all the hats became overwhelming as owner operator.

In 2015 I made huge changes and honed in on what was really working in the business and what was not. I was up against everyone from staff, family, and customers; everyone thought I was crazy for making such drastic changes. We had a better bottom line profitability, and a new trajectory that wasn't at a constant tipping point. This is where we honed in. This is largely the context of my discussion; how I realized I have to slow down in order to speed up, what led to those decisions, what they were, and the experiences that followed.

Identifying who you are as a person, determining and understanding your logistics, taking your hard work ethic to your smart work ethic, understanding and working with capacities, changing yourself as your business changes, managing growth are all parts of the discussion.

Although all farms are unique to each situation many of the hurdles, and successes on our farm are common on most vegetable farms today. From growing rows of organic crops to farmers markets, farm stands, CSA's, labor, equipment, striving for net profits and quality of life.

Farms today exist in a variety of sizes. What one farmer calls a large operation another farmer may think is small. The details surrounding size are vast. The particular circumstances, available markets and resources, have everything to do with scale. As we make important decisions about growing our businesses often many variables surrounding management and actual logistics are overlooked due to our lack of experience. For some being a small farm doesn't make sense or vice versa. We may have pre dispositions as we thought we wanted to be this size or that size of a farm. Your economics and what you can do with your particular variables to make a profit determine that.

From equipment, to labor logistics, systems and procedures, often what you thought was smart is no longer the case as you scale up. Many concepts that flourish at a smaller scale are often illusive and misleading as we move up in size. More often than not a small issue can become very drastic at a slightly increased scale. So how do you make the move without the experience and survive the learning curve? I can share my trials and tribulations of just that.

It takes time and exploration to find out what works for your particular circumstance. There is no bulletproof rule to the ratios involved with scaling up. Some large general rules of thumb are available, but it is the unforeseeable details that really make it work or not. The economy of scale with in your farm is all about how you settle into it and make the most out of what you have and can actually accomplish.

I have always been seeking answers that only experience can give. Although growth was challenging it has been extremely rewarding in many areas of my life. It goes way beyond producing great healthy vegetables, and it is only partially about the money. My farm has been an interpersonal journey with expectations all over the place. Some have been met and exceeded beyond belief while others have been a big let down and created hurdles I never imagined. I was operating many economies of scale in different areas of my farm and not seeing the interconnectedness of it. I will share these experiences and what I had to do.

Everyone asks - To scale up or not?

This is not a question anyone can answer; there are so many variables that come into play. A decision of this magnitude can only be answered through deep evaluation of your logistics and circumstances that are unique to you as a person and your operation. I can tell you about my experience with no business background, no college education, and having little farming experience. I am a first generation farmer, and grew up in the city. I had an idealistic concept of growing healthy food and living the dream... ha...

We exploded and stepped confidently into many marketing areas that lead to a larger business than anticipated. Maintaining semblance as an operation internally was the meat of the matter.

For years I farmed year to year. All season the M.O. was “just get through the season we will figure it all out in winter”. Each year we took on more and more, we never had a break to figure it all out.

Some people invite change and flourish within it. Other’s find change so difficult and battle it all through out its evolution. My story is a little bit of both.

Growth can be deceiving and hard to keep up with. Where to find balance points, where and when to evaluate them and dig deeply has everything to do with the health of your business.

Farming presents many challenges and is a job that is never done. We had to determine cut off points with what we were going to go after. It took time to push capacities to their max to realize I don’t want to do that. I went through an intense period of feeling very alone as my business grew faster than my people could keep up with. I had to change my management style and sometimes my personality in order to keep the business on track.

At the end of the day, regardless of your accomplishments, your farm is a business and must have profit.

For the first time in 2015 I was operating my business at its capacity of what it could produce while everything from systems, procedures, facilities and employees were not constantly pushed to the edge. I’m nowhere near out of the weeds; I’m still working just as hard, but getting smarter. This season was the light I’ve been looking for and it had nothing to do with weather. It’s fairly easy to be aggressive, think big and go all in. But pulling through with out getting hurt and having a future is where it counts.