

Farm-Based Businesses Help Boost Incomes

Used Processing Equipment Puts Small Farm Dairy in Business

When John and Judy Davis, Kennan, Wisconsin, began looking for ways to increase income from their small Holstein herd, they figured their options were either to add cattle or to process and market their own milk.

They were already buying a lot of feed. Adding cows was going to require even greater feed purchases or more land. That wasn't what they really wanted.

So they decided to look into processing their own milk. They learned that dairy processing equipment, even for a small farm, was going to set them back close to \$1 million. "It was easy to see why no one else was doing it," Davis says.

Still, they liked the idea of bottling and selling milk, so they looked at used equipment. "Health and sanitation regulations outlawed a lot of older equipment. There was hardly any used equipment available that would pass inspection," he reports. "We could have put together a milk processing plant for our farm from modern used equipment, but the cost was still going to be between \$300,000 and \$500,000."

"We finally found some older used pasteurization, homogenization and bottling equipment that didn't meet state and federal requirements. Some of what we found was in good shape, but just needed guards and shields here and there to be brought up to date," Davis says.

After checking with the Wisconsin Department of Agriculture, Trade and Consumer Protection, they learned that the old equipment could be used if it were updated. Davis figured he could make most of the

necessary modifications in his shop, so they purchased the used equipment and he went to work.

"It took two years to get the equipment together and make all the changes that were required so it would pass inspection," he says. "I had to have some of the parts I needed made at local fabricating shops. I did the work on the farm with the inspectors literally looking over my shoulder. There were times when they made me redo some of the work, but I knew it would pass inspection when I was done."

One of the more difficult challenges was finding a bottling machine. The Davises literally looked high and low for one, even contacting carton and container makers. "We were looking at paper and plastic, but then learned about Stannic, a Canadian company that still produced glass containers. We contacted them and they helped us locate a reasonably priced used bottling machine that would work with their containers."

Once the building and equipment passed inspection and the bottles were delivered, the Davises opened a store at their farm where they're selling whole, 1% and 2% milk (both white and chocolate) and cream from their cows. They also stock butter and cheese from Edelweiss Cheese Co., Marshfield, Wisconsin.

"We sell our excess raw milk to Edelweiss Cheese, in exchange for butter and cheese. When their route man picks up our milk, he delivers the butter and cheese," Davis explains.

The Davises also provide milk to a few area stores and have started a small home deliv-



After bringing some older used pasteurization, homogenization and bottling equipment up to date, John and Judy Davis are able to process and market their own milk.

ery route as well.

To pay for the equipment, the Davises sold part of their herd. They're now milking only 10 cows, but are processing most of the milk on the farm. Volume doesn't require them to process every day, but milk sales from the farm store and through area grocery stores are increasing at a steady rate. They price their milk competitively so they figure they'll continue to gain market share. Right now, they're making as much from the farm as they were milking twice as many cows. "I'm estimating that if I pay myself \$15 per cwt., I can afford to continue processing," Davis says. Their plan is to grow the herd as demand increases, while processing an ever-

increasing percentage of the milk they produce.

While the Davises believe small dairy processing might be making a comeback, they're not sure they'd recommend it to everyone. "We were able to put our plant together for under \$100,000, but it took most of my time over a two year period to do it. There were a lot of legal and regulatory hoops to jump through, and some of them were on fire," Davis says.

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"Chile Man" Makes A Living On 2 1/2 Acres

It takes hard work and some marketing know-how, but Robert Farr figures any innovative grower can make a good living on just a few acres.

Despite a successful career in computer marketing, Farr was really a frustrated farmer. By 1998, his 1/4-acre yard in Virginia was nearly filled with several varieties of chile peppers, herbs, and other plants. One day he decided he was ready for a change in careers.

So in July of that year, he and his wife, Carol, made a move to the country, near Purcellville, Virginia and settled in on a 10-acre farm.

Robert brought along his chiles and herbs and added elderberries, gooseberries, horseradish, tomatoes, and numerous perennial flowers.

The Farris now have 2 1/2 acres of crops. Through direct marketing, they've turned the produce from those acres into a gross income of about \$125,000 last year.

In 2002, they harvested 1.5 million chile peppers (which are quite small in size), along with tomatoes, horseradish, berries and herbs. These crops form the base of 20 different gourmet hot sauces, salsas, barbecue sauces and mustards. They blend and cook the ingredients on the farm, and bottled them up in about 20,000 bottles. That's 18,000 more than they sold their first year, just four years earlier.

The Farris worked together to develop the recipes for each of their products and they sell direct to consumers and restaurants, pocketing the share normally taken by retailers and distributors. A selling point, particularly with restaurants and quality conscious consumers, is that no artificial fla-

vors or colors are added to their product and no chemicals are used in growing their crops.

Rather than just calling them sauces and salsas, each product has a distinctive – and innovative – name. There's Louisiana Lightnin', Hold Your Sympathy, Perfectly Pungent Papaya, Caribbean Shake, and Gimme Some Ginger! If one of those doesn't get your attention, maybe you're up for some Jumpin' Jamaica Jerk, Honey I'm Home, or Respect Your Elderberries. For people who aren't into hot chiles, they offer Born to Be Mild and Just Horsin' Around, a horseradish mustard that contains no peppers.

To reach consumers, they attend more than 20 fairs and festivals, but much of their success comes from open houses at the farm where they hold their own festivals, usually with entertainment, and invite in the public to come out and taste their wares. They'll host 12 such events this year, including two plant sales.

"We invite people to come out not only to taste our products, but to take tours of our fruit, vegetable, and flower gardens," says Farr, who is known throughout the area as The Chile Man. "I host the 30-minute tours throughout the day, and also give tours of our commercial kitchen where we make our sauces and salsas."

With his computer background, Farr put together a website (www.thechileman.com) that also generates sales and contains recipes that use his products.

He credits much of their success to his marketing background, but he says another reason for their success is the way in which they produce their crops. "We use organic production methods and plant crops in raised beds," he says. They control weeds using no-



Through direct marketing, Robert Farr has turned the produce from 2 1/2 acres of crops into a good living. Last year he harvested 1.5 million chile peppers.

till methods and mulch. And they use companion plantings to control insects and enhance production.

Another value-added segment of the Farris' farm business is teaching their production methods to others. In what they're calling the Chile Man Seminars, they're holding a series of classes in organic growing and creating a sustainable garden or small farm. In so doing, Farr figures to capitalize on all aspects of the business.

Farr intends to continue expanding the Chile Man sauce and salsa business, but says eventually he may need to contract with someone to produce ingredients for him.

He recommends that if traditional small

grain and livestock farmers need additional income, they consider the possibilities of value-added products. It could be something like growing cucumbers and making pickles, keeping bees and selling honey, growing berries and making jam to sell, or anything else that interests you that will sell in your area. He predicts interest in such farm-produced products will continue to grow.

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