Specialty Crops + Farm Diversification

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Successful Farmer Series
February 7, 2020
Don’t put all your eggs in one basket

• Increase your enterprises, cash flow
• Spread out risk
• New crops, new production methods
• New markets
• Get social!
Specialty Crops Defined

• Farm Bill:
  • Fruits + vegetables, tree nuts, dried fruits, horticulture + nursery crops
    • Includes floriculture
  • Food, medicinal purpose or aesthetic gratification
  • Processed products shall consist of greater than 50% of the specialty crop by weight
  • Bees/Honey

• What it does not include:
  • Hemp (fibrous crop), sugar beets, livestock products, etc.
Early entrepreneurs of alternative crops

By History Nebraska

Nebraska farmers have long experimented with alternative crops. Joseph H. Black was likely Nebraska's first celery grower. By 1859, there was an estimated 100-150 acres of celery grown in the Platte Valley near Kearney. The Kearney Hub newspaper praised the "superior quality and nutty flavor" of the locally grown celery.

Most of the Nebraska celery was shipped by rail to commission houses in Omaha and Kansas City. When the national companies which bought Platte Valley celery started mining crops on their own land, production in the Kearney area gradually stopped.

According to Nebraska newspaper reports throughout the early 1900s, early farmers experimented with many other alternative crops to increase their wealth. (The following excerpts on alternative crops originated from the Nebraska Writings’ Project, a Depression-era work relief program that trained unemployed writers and other professionals with various research projects.)

"On Jan. 6, 1902, the Columbus Journal told of a bold man who was endeavoring to interest his neighbors in the growing of peppermint. It was his conviction that every farm had several acres unsuitable for crops generally grown in Nebraska, and that growing peppermint on this land would make every inch of the farm pay. "The fact that peppermint grows wild on low lands in the Platte Valley leads naturally to the conclusion that it might succeed as a cultivated crop," he stated.

"Another suggestion, this time for reforesting the state with trees which would yield a profitable produce, was advanced by a Butler County farmer in 1883. It was his idea to create huge forests of sugar maple. The trees would be an asset to farmers because they would produce sugar after a few years of growth. "Once bring the farmers of Nebraska to understand that there is money in trees as well as in grain or livestock, and the problem of how to get forests started and grown on our now useless prairies would be in a fair way to being solved," he claimed. The plan was scoffed at by persons who doubted whether maple trees would produce sugar in this climate, but when the farmer displayed a cake of maple sugar which he said came from a ten-year-old tree on his farm, the critics were forced to admit that perhaps there was something good about the scheme.

"Along the same line of thought was a plan introduced in an article in the Nebraska Express for Dec. 19, 1872. According to this writer the common box elder tree yielded a sap very rich in sugar. It was said that on several occasions farmers in southeastern Nebraska had succeeded in making sugar from the sap of the box elder. And, besides its value as a sugar-producing tree, the Express said that the box elder was also an excellent source of good firewood."

In submitting old photos to the Midwest Messenger, send a large resolution copy of the photo and your contact information — including phone number — to Midwest Messenger, Box 239, Tekamah, NE 68061. Digital submissions can be sent to support@midwestmessenger.com.
Many Thanks to Roy Lambeth, Edinburgh Scotland for the photo of Hops pickers / stringers. (Hops is used to flavor beer!)

HOP PICKING starts
MONDAY
Aug. 24

Cabins have been erected with running water and showers as well as cooking facilities. Families may sign up now and reserve cabins.

Apply to
Oneida Chief Hop Farms
Bridgewater, N. Y.
Top Vegetable Producing States

1. California
2. Idaho
3. Washington
4. Wisconsin
5. Florida
6. Minnesota

• Top 3 produce over 75%
• Fresh market + processing
Top Fruit Producing States

1. California
2. Washington
3. Florida

- 86% of sales, 76% of acres
Stats

• Vegetables
  • 5% of total ag sales (16% increase from 2012)
  • Vegetable farms increased, acreage decreased
  • Fewer acres that US farms overall
  • Higher sales, greater production expenses, and higher net income
Opportunities

• Diversify
• New markets
• Processing/value added products
  • Value Added Producer Grant
    • USDA Rural Development
• Local markets
• Growth
• What we do know:
  • We can grow just about anything in the Midwest
  • Nebraskans don’t eat enough fruits + vegetables
Challenges

• Market – “reverse production”
• Infrastructure
• Equipment
• Drift
• Labor
• Chemicals
• Climate
• Imports
• Growth
Understand the market

Before planting...

• Who will buy your product?
• What varieties do they want?
  • Do they grow well here?
  • Are they disease resistant?
• How much do they want?
• What type of hop product do they expect?
• How much will consumers/grocers/etc pay?
Markets

• Open market
• Contracts
  • Product quality, volume, delivery date, delivery form, weather events
• What if you can’t sell it to the primary market?
• Market volatility
  • Trends or long term adjustments
Production costs

- Labor
  - Can you pay $15/hour?
- Equipment rental/share/purchase
  - Can you borrow it? Do you need to buy it?
- Inputs
- Processing
  - Does your buyer need wet, whole cone (dried), and/or pelleted?
  - Canned/chopped fruits or vegetables
- Storage
  - What will your learning curve cost you?
Production costs

• **Timing**
  • Are you currently a farmer? Does the hop production calendar fit your crop rotation? Your lifestyle? Do you like summer vacation?

• **Location**
  • Climate, soils, water access
  • Do you live close to scout your crop?

• **Opportunities cost money**
  • What else could you do with that acre of land?
  • What else can you do with the money?
  • What is your ultimate goal?

• **Specialty crops are not a get-rich-quick scheme**
Other Considerations

• Is it the best ROI option?
  • High value – tomatoes, peppers, cucumbers

• Can alternative crops improve soil health?
  • Crop rotation

• Opportunity: benefits for a young producer to consider using ground for alternative crops rather than traditional corn/soybean rotation
Markets

- Be a “wanter-needer-finder”
  - Steve Tucker, Agriforce Seed
- Farmers Markets
- Community Supported Agriculture (CSAs)
- Wholesale
- Retail/Farm stand
- Restaurants
- Institutions (schools, hospitals)
Organic production

- Transition period
- Expensive annual certification
- Is it sustainable?
  - Yields
  - Soil degradation
- Is it regenerative?
- Is there a market?
Just in case you’re curious about Hemp production...

• (Why I think you’re smart to not invest in hemp production)
• Licensing
• No labeled pesticides
• Thrive in well-drained soils
• Sensitive, expensive seed
• When hemp is “hot” = torched
• Drying
• Equipment
• Market share (cbd, fiber, grain)
Thank you!

Stay in touch:

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