

## **Growing Great Food Cheaply How We Grow Organic Food for 10-15% of Retail Costs**

**by Jim Sander 2022**

A lot of people have asked me how we can grow such high quality food so cheaply. Another question is: Why aren't more people doing this?

I'll answer the first question with a brief description below of the simple economics of our operation.

The answer to the second question is that we don't know why more people aren't doing this. We're trying our best through this website and farm visits to get more people to consider doing something similar. If you know someone who might be a candidate, please send them a link to the website ([wildflowerlanefarm.org](http://wildflowerlanefarm.org)), and let's talk.

So, how do we grow organic food for 10-15% of the retail costs in stores? And how do we get it to food recipients in such a short time?

Let's start with a cucumber as an example. Today, cukes sell for about \$2.00/lb in the stores, and you get 2 cukes in a pound. An average cucumber sells for about a dollar.

1. Subtract 40% for the food store profit. The store buys produce at a wholesale price from the farmer, which is about 60% of retail. So, the store pays the farmer 60 cents for the cuke, and re-sells it to the customer for \$1.00. The store makes 40 cents. The farmer takes home 60 cents. (No store profit in our model, so take off 40 cents.)
2. The farmer's gross income for the cuke is 60 cents. Small organic farms such as mine generally need to make a profit of 25-50% to keep going. Let's assume the farm needs to make a 33% profit. When we take 33% profit from the 60 cents, we end up with 40 cents. (No farm profit in our model, so take off 20 cents.)
3. Labor costs on the farm are generally 30-40% of the farmer's gross, so let's assume 33%. When we take 33% from the original 60 cents, we end up taking another 20 cents off, which knocks the cost down to 20 cents. (No labor costs in our model; all labor is volunteer. Take off another 20 cents.)
4. We're now down to 20 cents for the cucumber. You can take another 10 cents off that price because we eliminate these costs: No advertising, marketing, transportation or packaging costs. Additionally, there are never any "seconds" or unsold items. All produce grown finds a home, whether it's a little too big, small, or curved etc. This is a huge cost that farms have to deal with that we have eliminated. In three years we have never let one piece of produce go to waste. And when you eliminate packaging costs, it's a great plus for the environment.

5. This leaves about 10 cents left for "hard costs" such as compost, fertilizer, seeds, irrigation lines, seedling trays, black plastic, small hand tools etc. These costs are fixed. All other costs have been eliminated, because there is no corporate profit, farm profit, labor costs, or other incidentals.
6. In simple terms, the \$1.00 piece of produce bought in a local food store is supplied to the food group for about 10 cents, maybe 15 cents, maximum.
7. In our model, we pick from 8:00-11:00 am. The produce is cleaned, weighed and packed by 11:45, and in town by noon. Volunteers at Table then deliver from 12:30-2:30, getting food recipients their produce in a matter of hours from harvest.
8. Normally, produce in food stores can be 3 or 4 days old, sometimes up to a week. It can be trucked over long distances, passing through numerous trucks, landing docks, highways, and storage spaces. It can go from cold to hot back to cold again. It may be grown with chemicals and harvested by people making minimum wage. Compare that to our model: no chemicals, certified organic, grown and delivered by people who care, in a matter of hours. Additionally, there are no packaging costs and the food miles racked up are a fraction of conventional farming. Is it time for a change?