A Farmer's Perspective on COVID-19 Markets

SUMMARY KEYWORDS
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SPEAKERS
Steve Strasheim, Iowa State University Extension and Outreach, Christa Hartsook, Joe Hannan

Christa Hartsook 00:15
Hello, and welcome to the Small Farms Podcast, a production of the Small Farms Program at Iowa State University Extension and Outreach. Our podcast covers the opportunities and challenges associated with rural life.

Joe Hannan 00:29
Greetings, everyone. I'm Joe Hannon, Commercial Horticulture Field Specialist at Iowa State University Extension and Outreach. And welcome to the Small Farms Sustainability Podcast. With me today is Steve Strasheim of Twisted River Farm up in Mitchell. Welcome, Steve. Thanks for joining me today.

Steve Strasheim 00:47
Hey, Joe. It's been a pleasure to be on today.

Joe Hannan 00:50
Yeah, it's awesome to finally get an actual farmer to come on and join me and talk a little bit about production and marketing and what's happening. So, let's jump right into it. Steve, tell me a little bit about yourself and a little bit about who or what is Twisted River Farm?

Steve Strasheim 01:07
Sure. Twisted River is a small Salad Greens Farm. We do some microgreens as well, but we primarily specialize in leafy greens, baby leaf salad production. We're in our seventh year as a farm. This is about our fourth year or fifth year of garden production. We are we actually
started the farm years ago with pasture broilers and really never set off to be a garden farm, but gardening kind of found me and we found that kind of fit our lifestyle a little better, so we made the transition and never looked back.

Joe Hannan 01:38
You're still doing a few broilers again now though, aren't you?

Steve Strasheim 01:40
No, we are completely out of the chicken business. We haven't done anything commercially with chickens since about 2017. It was kind of one of those things where we decided we could either be chicken wranglers or farmers, or you know, salad farmers, and it was hard to be both so we picked one and stuck with it.

Joe Hannan 01:59
Gotcha. Salad greens don't talk back like chickens do I'm sure. So, Steve, let's talk a little bit about how markets have evolved and changed for you over the last three or four months. Doesn't seem like I should have to remind people but for historical reference, going back in March, Coronavirus Pandemic started setting in across Iowa here really and across country. Then the governor put restrictions on a lot of our sales markets, our restaurants, farmers markets. Were you harvesting and selling at that point when things started shutting down?

Steve Strasheim 02:31
Yeah, we grow microgreens year round, so we did have that in production when all that started to happen. We were just kind of starting to get some stuff started for the outdoor production. So we really didn't have any sellable produce for probably about the second month of the COVID crisis here. So, we found our way through it with just our microgreens stuff. To give you a little bit of a background, what our typical market streams look like, we sell into grocery stores, we sell into restaurants, and we do a couple of farmers markets as well. And how we kind of navigated our way through the initial stages of COVID was grocery was never really a big thing for us to start off with, you know, we always kind of thought restaurants were going to be our way forward. But last year, we really kind of started seeing some opportunities with grocery. And you know, looking back, that was one of the smartest moves we could have ever made because that's what saved us if we would have been a year prior with what our marker strings used to look like, I'm not so sure we would have survived as well as we did. But, we went really strong towards grocery this last year and a half, and that was really what took us through without much trouble. We literally lost 90% of our restaurant business virtually overnight. And you know, there wasn't a whole lot of panic, just because we have pulled some away from restaurants, it wasn't as big of a piece of the pie anymore, so you know, it wasn't like we didn't worry about it. You don't want to lose that much business, but it wasn't the biggest piece of the pie anymore, so we thought okay, how can we replace that? You know, we, at that time had no clue how long this was going to las. You know, is it going to be... You know, initially if you remember back, Joe, it was well, maybe 30 days, you know, we'll just kind of
everybody's gonna, everybody's gonna hunker down for 30 days and then you know, by April we should be we should be back up and running. Right? Well, we found out that wasn't the fat, you know, so much the truth. But anyway, we started kind of looking at home delivery as an option to kind of fill that gap a little bit. We have dabbled with some home delivery over the years and didn't really ever seem like a viable option. It just didn't have the interest level that we thought we needed to make it work financially but we thought hey, you know, grocery stores are really doing a lot of you know, online shopping, maybe this is the time to try it again. And I'll tell you to be very frank, we ended up three Xing what we did with restaurants with home delivery, it really exploded. People were really interested in it, took advantage of what we had to offer, and again, we just had microgreens. So it was kind of shocking, to say the least, that it was that popular. And we continue to do it to today, we started to see things kind of plateau a little bit back in May, you know, we'd been through a couple months of COVID already, people are starting to go in and go back out in the communities a little bit more, maybe it was just a couple months thing, you know, we'll drop it off. So I started talking to some of our customers that we were doing home delivery for pretty regularly and kind of questioned them a little bit, you know, hey, is this something you'd want to continue doing regularly? Or should we just maybe stop it and perhaps pick it up next winter or something? And everybody said, no, absolutely. We like to have you keep on doing it. So we kind of just consider it one of our streams now and so far, it's been working out pretty well.

Joe Hannan  05:49
Cool, I was gonna ask what's staying now after, after the changes, the home delivery sounds like it'll continue to stay?

Steve Strasheim  05:55
Yeah, home delivery, everything's kind of remained the same restaurants are starting to come back now, so we have been picking up some more restaurant business, but it's an avenue that we're not as aggressively out trying to pick up anymore. You know, a few years ago, I was knocking on every restaurant's door trying to move product through them. And you know, if they come to me, now we'll service them, but we're not as hungry for it as we were. Grocery continues to be a big channel for us. We've now... We're in seven retail locations, three Hy-Vees, and a couple of independent owned around the area. And those continue to just keep growing, which, you know, if you had asked me a few years ago, if we were going to be set up to service that many grocery stores, I don't think I would have saw the potential with that. We're too small, and I guess I didn't really touch on it too much, we're an extremely small farm. I mean, we only farm on a quarter of an acre, you know, in field production and our microgreen production area, it takes up about 80 square feet. So it's not, it's not real huge. But you know, a salad greens and microgreens, you can move a lot of product out of that small area. So our product line has evolved, where a few years ago, when we were first starting and kind of getting to know the market, we were still doing a lot of leafy greens, and pretty much that's all we did, but we were doing some some carrots, and we were doing some some small root vegetables. And we've pretty much eliminated all that now we were doing some herbs, we've kind of cut most of that out besides basil. And we refined our product line down in our leafy greens selection to virtually three or four branded products. We have a Summer Crunch Lettuce, a Spring Mix, Baby Spinach, and occasionally we'll throw in some arugula by itself as
an option. So we've kind of doubled down on what was selling really well where we could grow really easily and sell a lot of. And so now we've, we literally are just down to basically those four products, and we grow a lot of it and move a lot of it, so...

Joe Hannan 07:52
Well and a couple of basics of the products that are consistent over time, I think really, probably helps you with the grocery store market.

Steve Strasheim 08:00
Oh, absolutely. Absolutely. And, you know, we kind of took some lessons from some of the big boys out in, in the world of how they you know, name and brand their product, you know, put a nice sticker on it, UPC codes, I mean, we're we're doing all that now. And it's kind of fun when you hear people come up to you, we still do farmers market, and they come up and say, "Oh, we love your Summer Crunch Lettuce," you know, and that's just the name we came up with, you know, and it's now they're, they're just using that and it's kind of fun sometimes when stuff like that catches on.

Joe Hannan 08:30
Yeah, it is. And, you know, when things look pretty, I mean, obviously you want your produce to look good and taste good, but having professional packaging and things like that really draw people in and help them set you above other folks that don't do that additional branding and things.

Steve Strasheim 08:49
Absolutely, that makes, especially in grocery, that makes a huge, and farmers markets for that matter, makes a huge, huge difference. I mean, and you know, our packaging when it's sitting on the shelf at a Hy-Vee looks pretty basic compared to like the multicolored, you know, labels of you know, Organic Girl and Earthbound and all those that are out there. And we've kind of done that on purpose because we want to kind of... we want to look professional, but we want to look local at the same time, so we don't want to be overly flashy. And so we've kind of purposely made it a little bit more simple and straightforward. It's not quite as like you know, the white can with beer stamped on the side of it, but it's pretty close.

Joe Hannan 09:30
Yeah, and I see that happen a lot of times because that's kind of exactly where you want to be. Like, you don't want to look like the big guys, because you're not, but you also want to set yourself above from others. So it's it's a really fine line having, having the branding, the marketing, the stickers, UPCs, all that on there, but yet still looking "Hey, I still am a small place. I'm just down the road."
Steve Strasheim 09:52
Yep, we're still in the community. We're still your neighbor. You know, we're still approachable, yeah.

Joe Hannan 09:57
I'm assuming you're kind of like a lot of the other folks that I'm hearing this year, that demand is skyrocketing for local produce items, food items and in general?

Steve Strasheim 10:07
Absolutely, yeah. We've mean, when you listen to these, some of these podcasts, and people always say, "Yeah, we're doing really well," and they don't really say too much specifics. I'll share. We're up about 85% over last year, as of today. It's been a phenomenal year. And I say that knowing that every farmer out there and every business out there has had that kind of luck. You know, we don't say that braggadociously, but it's just been kind of mind boggling the amount of interest and the volume that we're running this year. So it's, yeah, we're thankful that we were able to come out of this ahead, were, you know, I know not so many other people were so lucky.

Joe Hannan 10:48
Yeah, I know. There are, there are other folks that are more dependent on farmers markets, and, and they're finding other outlets and things, but you know, anybody that's at the downtown farmers market, if that was your market, you've got to be hurting, because suddenly 10s of 1,000s of dollars of potential on the weekend is gone.

Steve Strasheim 11:06
Yep, yeah. And that's been kind of our strategy from day one. I always say if we've ever done anything, right, it's that we've had multiple channels, you know, where we've always been in farmers market and restaurant, and now having the grocery. So it's kind of a place where if we can't sell it in one channel, we can sell it in another and if they won't take it, then another one will take it. So it's really helped, and I mean, I can't even remember the last time we threw product on the compost pile. I mean, we've always got a home for something, so it's really nice in that regard. But it's a built in shock absorber, when you lose an entire channel, like we did with restaurants, well we still had two, or now three, other ones to go to and start moving stuff. So I feel like we've kind of set ourselves up pretty well, in that regard. Again, we're in North Iowa, we don't have a huge population, like we can't just rely on a big farmers market to make our year, you know, we got to kind of spread out a little bit more and have diversity in our market streams.

Joe Hannan 12:07
And that's really good advice for everybody listening, is to not be in one market once or one off. I mean, you get to a restaurant and they turn off and you're up a crick so...

Steve Strasheim  12:20
Yeah, we kind of early on, we experienced, it wasn't anything that set us back really bad, but bad enough. When we were first starting, we had gotten in with a restaurant, and they were our biggest account, steady, you know, bought a lot of product from us. And we still were diversifying, and we were still doing the farmers markets and stuff, but that was our, our cash cow, and they closed rather unexpectedly. And you know, that was "Oh boy, how are we... how are we going to replace this?" And so we had to get busy and get out there and pick up some more business to replace that. And it took literally three other accounts to replace that one, so it was a lot of work for a couple months to bring those online and replace that. So that was kind of eye opener early on. And luckily, like I said, it wasn't enough to sink us at the time, but it taught us a lesson not to be too reliant on one, especially one business, let alone one stream. So I tell new farmers that I kind of run into and talk to you all the time is yeah, it's it's tempting to find one big account or one big place to move all your stuff, but what happens if? You know, then what are you going to do with it?

Joe Hannan  13:31
Well, and you know, even if you're in restaurants and grocery stores, you know whatever, and somebody comes in and cuts you five cents, sometimes you'll get the boat over five cents. I've seen it happen.

Steve Strasheim  13:42
Yeah, then that's why we have set up, you know, inside of those different streams, we have multiple customers and accounts inside of those streams. So we've kind of purposely built you know, we I always say we have a lot of a little accounts just to have that shock absorber in there if we if we lose 1, 2, 3, It doesn't sting too bad. I mean, it's always going to sting, but it's not going to sink you.

Joe Hannan  14:05
Yeah, you can still keep planting and still keep rolling and pay the bill.

Steve Strasheim  14:09
Yeah, yeah. Well, and it buys you some time to go out, you know, you're not panic selling.

Joe Hannan  14:16
Panic selling, go out there in your own prices.
Panic selling, go out there in your town prices.

Steve Strasheim 14:18
Exactly. Exactly.

Joe Hannan 14:20
Or not sleeping, not eating, because you're like, "I can't pay my mortgage."

Steve Strasheim 14:24
Yeah, exactly. Exactly. But the farmers market when you, I guess we kind of cut it off, about what's the markets look like? Our farmers markets have been really strong. There was some question there, I'm on the board for one of our markets, and we had a lot of discussion over zoom for those first couple of months before market open where, you know, we weren't really sure what the regulations were going to be, you know, what's the proclamations going to look like? And we weren't, you know, are people even going to come out here? Is it going to be too much? And really from day one they've been pretty strong. Our farmers market sales have been up this year, not double digit percentages, but enough where it's noticeable that they're up.

Joe Hannan 15:06
Yeah. Wow, with people not going to as many restaurants and then things... People are cooking at home and if they're going to cook at home, they want good ingredients.

Steve Strasheim 15:15
Yeah, exactly. You know, I kind of think, you know, I've had so many conversations like this with fellow farmers around the area, and even customers at the farmers market, and I kind of get asked, you know, what is it about it? You know, why is business increasing so much now? And I kind of think it's a number of different factors. Obviously, at the beginning, it was just scarcity. People weren't sure if there was even going to be food on the shelves. So they were kind of buying up stuff. So I think people were kind of buying at a place of scarcity initially, and then it kind of seemed to transition to where people just wanted to be healthy. You know, like, hey, there's, there's a pandemic setting in and we could get sick, we want to nourish our bodies with like, good food. And so I definitely heard a lot of that kind of stuff, you know, around April and May. And now, I think it's, you know, there was like, with the farmers markets, it's certainly an element of people are just like, and, you know, when the markets first started, I think people had just been tired of being cooped up in their houses for three months, and so they just wanted to get outside and, and go do something. So, you know, there was some really good traffic at the farmers markets initially. And I think now people, through all of that, have just become more aware of what's available, especially in North Iowa, where, you know, we don't have a huge local food presence. You know, we've been working on it really hard for the last couple years, we have a great organization up here Healthy Harvest in North Iowa that does a
lot of education and promotion of local food. But it's always been, you know, trying to get the wheels underneath of the message to the masses, and it's been a struggle, and now it's like people that we never really expected to take notice are taking notice because it got so much, you know, publicity and local media has been a big help in that. Some news stories and newspapers have been doing A) what's available for food in North Iowa kind of stories and that's been a tremendous help too.

Joe Hannan  17:10
Never get free marketing from the local media, ever.

Steve Strasheim  17:13
Yeah, ever! Nope, you can't put a price on it.

Joe Hannan  17:17
Nope, you can't. Talking about buying up food back in April, May and things, I think some of it too was just, I know I can afford and get good food now, I don't know that I can afford to get good food in 30 to 60 days, so I'm going to eat like a king now.

Steve Strasheim  17:34
I don't think you're wrong. I definitely saw that on the meat side. You know, people were definitely stocking up on the meat. I think produce certainly had some of that, but I don't think there was as much imminent shortage worries as there was with meat. You know, back in April, we didn't have a whole lot of local veg available at that time, either, so I don't think you're wrong, but meat certainly was the benefactor of that for sure.

Joe Hannan  17:57
Yeah by far. I mean, that was there and on the counter to get. I may have had a steak and a few other...

Steve Strasheim  18:03
Oh, yeah. Yeah. Well, we're friendly with a couple of beef and pork growers around the area. And, you know, ground burger was just like, I mean, they used to be sitting on quite a bit of inventory, and a lot of them are out of product, you know for a couple of months, and it wasn't so much that they couldn't get in to get butchering dates. It was just they ran out of animals. It was crazy.
Joe Hannan 18:26
Yeah. Which that actually brings me to a point we didn't talk about, not necessarily specific to your farm, but to your market area up there. Are you seeing a fair bit of multiple farmer suppliers banding together for delivery and logistics and things like that at all up there?

Steve Strasheim 18:44
I don't know if it was widespread. We did some. We partnered with a farm friend of ours, Laura Tedric, who owns a farm called Mossy Cut Farm north of Clear Lake and she's a meat producer. And so we bundled some greens with some pork, and then she had found a local baker, and so we were offering baked goods, meat, and greens, and that was extremely popular. We were moving a lot of product that way. We have an organization up here called North Iowa Fresh, which is a food aggregator that works with I think we're up to about 15 or 20 different farms. That's an about its fourth or fifth, maybe sixth year now I don't quite recall. But anyway, they aggregate through an online it's almost like a big CSA, they service about 150 drop boxes per week. And that has grown this year. But I haven't seen too many independent farms band together and do a lot of home delivery. A lot of farms were doing home delivery on their own but I think myself and Mossy Cut were, in our area anyways, the only two that I could think of that had kind of partner together.

Joe Hannan 19:50
Yeah, I'm seeing here a little bit of that were I'm at but nothing that is grossly taken off and sets an example of 'this how you do it.'

Steve Strasheim 19:59
Yeah, well, it's challenging even just the two of us, you know, coming together. It took a lot of texting back and forth, you know, "Hey, what product are we going to have this week? What kind of bundles we want to put together? And who's going to take what delivery where?" You know, there was a lot of those issues that, you know, frankly kind of got kind of tiring after a while, because it was just a.. seemed like an endless amount of back and forth. But, you know, at the time, we were just like, hey, we need to move products, so this is just what we're gonna do. And it worked out, I mean, in the end. It was just, it was a little labor intensive, just from the time commitment to work out all those logistics, and we were really doing it, you know, we didn't have any fancy software or anything like that to procure orders, it was just a lot of people emailing and calling and texting and, you know, trying to channel all those orders into one place without doubling up. And so yeah, that was just kind of a logistical challenge. To say the least. Well, Steve, I've kind of kept you here longer than I promised I would keep you. Well, you know, when you and I get together, Joe, we can talk for hours, so I figured we would probably go a little late!

Joe Hannan 21:12
One more question, I want to ask you tell me a little bit about how you are protecting yourself and your customers when you're out delivering your product?
Steve Strasheim 21:21
Oh, sure. Good question. Yeah. Good question. Being in North Iowa, we are a little bit more spread out, you know, we're not very densely populated up here. So it's, it's been pretty easy to navigate, deliveries and so forth without really any, I mean, even at the grocery stores, I try to get there early in the morning, as much as I can, you know, when the traffic's low, get the, you know, get those shelves stocked and get on out of there. Farmers markets were a big question of, you know, how are we going to keep people from, you know, you've been the farmers markets Joe, it's a feeding frenzy! You know, people come up to those table and, you know, cash is flying, and hands are grabbing, and it's like, how are we going to keep people from doing that. And I have to say, credit to the customers, they have been awesome. Everybody has been keeping their distance, the pace has slowed down, everybody is very patient, and you know, they're spreading out. And most people I'd say, I mean, mask wearing has kind of been, yeah, I don't know if we've been the greatest that mask wearing up here, but I've seen a little bit more now our cases are starting to rise, so I have seen more masks the last couple of weeks at the market. We've been a little bit better about that, too. Are a lot better, I should say, about that too. Home delivery has been a dream. You know, I send out a weekly email letting people know what product we have. They put an order through. We have just a Square store and we just do front door delivery. I send a little reminder email out the morning of delivery, “Hey, make sure you have a cooler out there. It's getting hot out there today,” and everybody has been just really accommodating that way.

Joe Hannan 22:57
That's awesome.

Steve Strasheim 22:58
Yeah, restaurants weren't too gallant. We, like I said, we lost most of our restaurant business March through really the end of May. We were servicing a few of them throughout that time, but we've just started now getting back most of the ones we've lost in the last couple of weeks. So those have been pretty easy so far. Again, I tried to get there early when you know, there's not much staff in the kitchen or drop stuff on the end of the table and leave an invoice and walk out. You know, you can tell I'm a talker. I usually like to sit. I usually like to sit in the kitchens and you know, they will usually sometimes offer you a little bit of a bite to nibble on and I like to chat and you know some of my best sales have happened that way just from getting to know the the chefs and what they like over a shared beer, or a sandwich, or a plate of fries or something. So I don't dawdle like that now, though, I kind of get in and get out and save the gabbing for texts and emails. Yeah. But everybody has been, you know, everybody's... everybody's that way. It's not being rude or anything. It's just that's just the way we got to be now and you know, some of our conversations just happen over text and email now more so.

Joe Hannan 24:05
Just the way it is, unfortunately. So Steve, I think it's good time to wrap up here. Tell me were we can find Twisted River Farm online and remind us, again, where we can find some of your
Okay, so online you can find us at Twisted River Farm - no s - .com. twistedriverfarm.com is our website. We're pretty active on Instagram and Facebook - Twisted River Farm - pretty unique name so... I don't think anybody else has that. So we're pretty easy to find on social media. In the physical sense, we're in Charles City, Mason City, both of them Hy-vees. We're in the grocery store and Osage. We're in a little store called Simply Nourished in Clear Lake. We're in a little store called Purple Ribbon General Store in Clarion. And you can find us at, ooh a handful of restaurants, which you can find that whole list on our website under where to find. And home delivery link is in there. So our strategy or our marketing term for this year is: Local food shouldn't be hard to find. And so we've just really strived to get our stuff out there in the places people are at, you know, that's always been kind of the complaint with local food is, "Hey, I really want it, but where do you find it?" And so we're looking to change that. You know, that's why we're in so much grocery store locations now. That's where people shop. Let's be there.

Perfect. Well, thanks, Steve, for joining me today on the podcast. Great conversation. Lots of awesome information.

Yeah, no, I appreciate the opportunity to come on and you guys been doing a great job of these, so I was flattered that you asked me to be on.

Well, thank you. And hopefully now this will stir a few more farmers to come and join us. So if you're listening and you want to talk, send me a note. Let's get a time scheduled! I guess I also need to say a big thank you to Crystal Hartsock and Olivia Hamlin at the ISU Small Farms Sustainability Program. Thank you to them for putting that effort through there. Steve, any final comments you want to mention today?

Just we could use a little rain and I hope the humidity drops here pretty soon.

I think we're in for it for a couple of weeks here the way it looks.
Steve Strasheim 26:11
I think you're I think you're right.

Joe Hannan 26:14
Alright well, thanks, Steve, very much. Much appreciated.

Steve Strasheim 26:17
Thanks again, Joe. I appreciate it.

Iowa State University Extension and Outreach 26:18
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