

Bye - Bye Middleman[©]

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ABOUT US

Our nursery is in a rural setting just 7 min drive from the center of Palmerston North, a city of over 70,000 inhabitants. The location is very close to a small college and a major university. Two key features in the success of the venture are covered by this paper.

The nursery was established for the production of bare-root perennial plants for the domestic market and specialty flower bulbs for export. The main work load for the operation is from autumn to spring. The summer work is much lighter involving weeding, watering, and maintaining plants in an open ground setting.

Being a wholesale nursery and propagator we are far removed from the end consumer with our nursery plants. We have succumbed to the temptation to open to the public on special occasions with disappointing results. Being off a main road and not having good display areas we did not find this a worthwhile endeavor without investing heavily in advertising, a dedicated display area, and staff assigned to retail sales. Therefore we rely on sales to other nurseries and liner growers.

TIME FOR CHANGE

The world as we knew it started to change from 2007. The building boom had slowed right down as did our sales of our landscaping lines. The trends of “Growing Your Own” and “Buying Local” were back to the forefront once again. We made a decision to end our export business from New Zealand as our costs had made us uncompetitive and exchange rates were very volatile. We needed a new enterprise to fill in a gap over our slower period in summer and autumn. Sales of our nursery plants are naturally slow over that period.

I have always had an interest in growing vegetables organically and my early horticultural training was at the Organic Garden Project with the University of California, Santa Cruz. So we jumped on the bandwagon and planted up a big garden using organic growing practices to produce homegrown, locally sourced produce. The aim was to fill up a gap when I had surplus time and money coming into the business was very scarce.

WHEN AT FIRST YOU FAIL ...

It was realized from the start we were not going to be on a scale to supply supermarkets with our vegetables and we only have one or two small organic food stores locally so we decided to go direct. A second hand trailer was converted into a veggie stall that could be pulled out to our gate or moved up to a main road. We painted it bright green and branded it “Fresh Fridays.” After two seasons we went back to the drawing board. We had a good following of committed customers but each week we would throw out up to half of our beautiful fresh produce. Here is what we felt went wrong:

- We didn't have enough traffic going past, even when we changed to a location on a main road.
- We provided lots of choice but customers were shy to try something different.
- Some quick growing items such as cucumbers and zucchini need harvesting twice a week to avoid getting too big.

LOOKING FOR CUSTOMERS TO TRAIN

In our immediate neighborhood we had professional people who were time-poor, placed a value on healthy fresh food, and they were right on our doorstep at the university and college. We could supply fresh vegetables at a reasonable price if we could only predict how much to grow and therefore reduce our wastage. Not unlike some other schemes used overseas we developed a subscription-type direct marketing program where we set

the rules.

TASTY TUESDAYS OR FRESH FRIDAYS

To overcome the problem of rapidly ripening produce we went to twice a week service at two pick-up points within 5 min drive from our garden. At a large institution it is easy to advertise our service by internal email. We found one contact person at each pick up point to help build up our customer list and sort through any teething problems. Yes they are bribed with flowers or pot plants. Customers sign on for a 10-week period and pay in advance. We run a 10-week session from midsummer to autumn and a second one from autumn to early winter. Produce is delivered to a collection point in re-useable grocery bags with each customer having three bags to their name. One to be filled, one to be returned and one in case they forgot to return. We promise at least 12 different items and provide enough quantity of an item to give a serving for two. Often they get 15 items and when we have a good harvest they get extra servings. We have no waste and they benefit from any surplus in production.

BAG DIVERSITY

We are providing “Home-Grown” so we often use heirloom selections that are not available at the supermarket. Asian greens and European heirlooms are complimented with the latest lettuce cultivars. We like to add colour so we grow yellow, white, red, purple, and orange carrots. We do three colours of beans and most of our leafy greens come in green or bronze. With our summer fruiting crops such as peppers, tomatoes, eggplant, squash, cucumbers, and sweet corn we use a range of 3-5 selections. As autumn comes these are substituted with apples, pears, peaches, and feijoas, both from our own production and fruit from the university’s teaching and research orchard. Herbs such as parsley, thyme, and rosemary are supplied bunched. Herbs that wilt easy like coriander, basil, and dill are supplied in small pots so leaves can be picked from live plants.

THEY GET

- Free delivery as the pick up point is at a front desk.
- Fresh produce that is picked on the same day.
- Value, because we don’t have waste they get more for their money.
- Variety as we grow the new, old, and reliable edibles.
- Recipes and a weekly newsletter on what is happening in the garden.

WE GET

- Pre-payment at the beginning of a 10-week session.
- Reliable income and work load.
- No waste, which is very satisfying to a grower.

FREQUENTLY ASKED QUESTIONS

Q. I’m going on holiday, can I skip 2 weeks?

A. No. You’ve already paid so give your bag to a friend for 2 weeks.

Q. My children don’t like green beans, can I substitute?

A. No. You have paid for 12 items minimum so there are always a few items you didn’t pay for. Give them away or compost them.

Q. A whole bag is more that we can get through; can we order a half bag?

A. No. Why not share a bag with a colleague at work.

We find it important to remember how to use the word “no” in order to keep our price reasonable and service sustainable.

PROBLEMS

- A bag is not collected. We leave it a few days then give it away to our person who looks after the collection point. It is already pre-paid so it is not our problem.
- Our empty bags are not returned. We give them one extra bag in case they forget 1

week. If they are hoarding our bags they have the embarrassment of their produce arriving in plastic bags.

- We have a crop failure due to weather, bad timing, or disease. We have a few friends who are also producing in a similar way and we can exchange goods with them.

OPPORTUNITIES

While this enterprise does not come in with a high gross margin return, it is one of the few enterprises at our nursery that has the potential to greatly expand. Fruit and vegetables will always be in demand and we feel we have solved the difficulties of direct marketing. Could we be selling fresh cut flowers or punnets of annuals by subscription? This is our next challenge.

