

# Carron Farms

One in a series of profiles for the Friends of the Greenbelt Foundation



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Supporting the long-term viability of farming within the Ontario Greenbelt is a primary objective of the Friends of the Greenbelt Foundation. This profile of Carron Farms is one of a series capturing the business practices and management skills of successful and innovative Greenbelt farmers.



# **Carron Farms**

#### Introduction

Jason Verkaik is the fourth generation in his family to farm in Ontario. In 1934, Jason's grandfather and his two brothers moved to the Holland Marsh to clear land and begin farming in the area. Thirty years later, each of the three brothers decided to create their own family business. Jason's grandfather started Carron Farms in 1964, naming his new company after their two main crops: carrots and onions.

In the mid-1970s, Jason's father and uncle took over the farm. They continued growing carrots and onions in the Marsh, and started producing cabbage on high land mineral soils outside the Marsh. Low profitability in cabbage production prompted a conversion of the high land acres to a corn, wheat, and soy cash crop rotation. In 1979, a state-of-the-art bulk onion curing facility was added to the farm,

and in the 1980s they entered into vegetable packaging, building a carrot packing facility for their own crop. Carron Farms vegetable growing now involves 250 acres of Marsh and high land, and they buy vegetables from other Marsh farmers to supplement their own production.

Jason returned to the farm full-time after graduating from Ridgetown College in 1992. The strategic focus turned to generating more revenue in 2003 when the Verkaiks invested in a packing line and automated packing system for onions. Five years later, Jason completed the process of buying the farm from his father and uncle. It was then that Jason began a re-branding of the business, including a new marketing approach based on telling

# **Company Aspirations**

Jason Verkaik loves both farming and the family benefits derived from living and working in agriculture. He also finds the promotion of Ontario food and the sustainability of Ontario food production personally rewarding. While Jason is proud of Carron Farms and its present operations, he has ambitions to grow the business further, connect more closely with consumers, and continue to innovate.

his family's story of farming and where food comes from. In order to concentrate on marketing, he employed staff to assume some of the tasks he had been spending a lot of time on, including managing both packing plants.

Jason pioneered the Harvest Share Box program in his area, based on some previous endeavours with FoodShare in Toronto. He hired his sister to manage the new initiative as a separate enterprise. In only five years, Harvest Share has grown from 64 to over 500 customer families. The Verkaiks provide a few of their own vegetables in the weekly box, and source the rest from other growers of quality produce, or from the Ontario Food Terminal – all Ontario grown. Not only is Harvest Share self-sustaining, it has propelled Carron Farms into trying new products, such as Indian Red Carrots and multi-coloured beets, to meet the desires of consumers, including new Canadians.

Trials with various carrot varieties provided the knowledge needed to introduce a multicoloured carrot pack sold through Sobey's. More than 50 acres of East Indian Red Carrots and 100 acres of multi-coloured heirloom carrots are now grown in Ontario every year.

Jason began a complete re-branding of the business, including new marketing based on telling his family's story of farming and where food comes from.

#### **Successes**

While Carron Farms has grown under Jason's direction, there have also been trying times and challenges. Strengthening the balance sheet through debt reduction has limited the direct returns to him as the owner of the company, but has positioned the business for further growth. He explains: "There's a lot of work still to do, and also a continual drive to keep going."

The growth of the Harvest Share Box program is a source of pride, as has the introduction of new vegetable varieties and colours. These successes have been widely recognized: Jason was a finalist for



the annual Ontario Outstanding Young Farmer, based on his innovation, business management, and industry contributions.

# **Current Challenges**

Jason expects that their current water use and waste water disposal issues will grow more intense, and that drives a search for innovative solutions. Jason's growth plans include building the food box program its own on-farm facility to allow it more production autonomy, and an educational component involving on-farm student cooking. He also hopes to introduce more fruit into the food box.

# **Strategic Focus and Decision-Making**

A three year business plan guides Carron Farms and annual reviews and revisions keep it current. Jason appreciates the value that a strategic plan could bring to the business, and has one in the development stage.

The company was more export oriented 10 to 15 years ago, but fluctuations in U.S.-Canadian currency rates favoured an increase in domestic sales share. Carron Farms now markets 70 per cent of its products in Ontario. The Harvest Share Box program has helped in achieving that goal.

Purchases from other farmers have increased to optimize efficiency of expanded packing capacity.

Flexibility in the varieties and types of vegetables produced has been critical to their success. Carron Farms abandoned attempts at growing ethnic vegetables on their high land after experiencing extreme production variability. They focus on innovation and diversity within their core vegetables - carrots, onions, and root crops such as beets, and exploring further ways of directly engaging consumers.

Jason is the company's decision maker as the sole owner. Suggestions from staff are encouraged and the advice of an accountant, personal financial advisor, business consultant, bank manager, and Jason's father are all carefully considered.

# **Best Management Practices**

#### Marketing

Carron Farms strives to serve consumer and customer desires for high quality, nutritious, and bold tasting vegetables. Innovation in product offerings is a strategy which works for them, opening doors to retailers looking for new products and engaging chefs

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seeking ways to differentiate in offerings to their patrons. Food safety and traceability plans underpin a commitment to meeting consumer expectations. Jason maintains an eye on market opportunities by reading culinary magazines and business publications like Canadian Grocer.

Carron Farms is certainly not the first farm business to build direct consumer contact through a food box business, though the growth in their program demonstrates that they have their finger on the pulse of consumer demand. They are capitalizing on the growing food buyer's desire to buy locally and sustainably produced food.

Carron Farms has an impressive website, promoting the business, the Harvest Share Box program, and local food.

The introduction of new vegetable varieties and colours is the main area of Carron Farms' production innovation. In terms of marketing, the Harvest Share Box program and Jason's efforts to connect with customers and chefs are at the forefront.

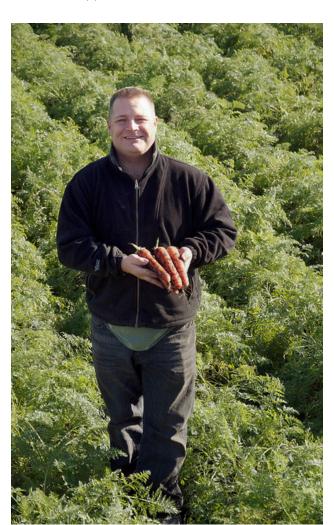
# **Financial Management**

Jason notes: "It is a competitive industry. There are financial pressures, competitors in the marketplace, and the red tape that is in our industry (water, etc.) from where it used to be – all of that has brought a lot of challenges to farmers today."

Jason cites continuous learning as a critical success factor and includes reading, attending trade shows, LinkedIn conversations, and networking with researchers and other farmers as means to stay current.

Jason readily admits that financial management was not a strength when he took over direction of the farm, and that in the early days of his ownership he thought finances would take care of themselves if production was done well. He stresses that financial management is more important now than ever in achieving success. Carron Farms benchmarks costs informally and measures business performance regularly, and finances are reviewed weekly.

Carron Farms takes advantage of opportunities for cost sharing with governments and agencies where the objective of the program coincides with the objectives of the farm business. Environmental Farm Plan funds and support from Lake Simcoe environmental funding have been accessed.



Jason states with pride that he is learning to become a better farmer, to understand the needs of the vegetables, and, like an increasing share of Ontario farmers, the needs of the soil.

#### **Human Resource Management**

Jason cites the empowerment of employees as a key to the success of Carron Farms. As the business has grown, trusting staff with daily operations frees up valuable time for him to make larger scale management decisions. Jason's sister operates the Shared Harvest Box program with a great deal of autonomy. He has matured from a micromanagement approach to operations.

#### **Risk Management**

Carron Farms participates in the government funded risk management programs offered to fruit and vegetable producers – AgriStability, AgriInvest, Self Directed Risk Management, and Production Insurance for hail and frost.

The firm also carries business interruption insurance.

No single customer represents more than 25 per cent of sales to safeguard against accounts receivable risks.

#### **Outside Advisors and Support**

- Relations with public officials can be very beneficial. Carron Farms works closely with the Muck Crops Research Station on production matters and with the Ontario Ministry of Agriculture, Food, and Rural Affairs on water and wastewater projects, some of the most challenging issues for Marsh growers and Carron Farms. "These relationships and the support of these organizations are what has kept farmers farming in the Marsh."
- They conduct on-farm research trials every year, and Carron Farms works with the researchers from the Muck Crop Research Farm on publicly funded trials. Sharing experiences and findings with researchers provides valuable insights and potential innovation opportunities.
- Jason views participation in farm and business organizations as beneficial to Carron Farms as a source of industry intelligence, trends, and emerging issues. He has served four years on the Ontario Fruit and Vegetable Growers' Association Board and is currently Chair of the organization.
- Jason cites continuous learning as a critical success factor, and includes reading, attending trade shows, LinkedIn conversations, and networking with researchers and other farmers as a means to stay current. "Having a good perspective and understanding of the benefits and challenges in the industry as a whole is important."

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