

Farmer Rancher Grant Program

Final Report Form

Please fill out the final report form and post it on MySARE. If you do not have Internet access, return the form to the North Central Region-Sustainable Agriculture Research and Education (NCR-SARE) Missouri office. The report may be prepared on a computer or handwritten (please write or print clearly) but electronic reports are preferred. The final payment of your grant will be awarded when the final report and final budget report are received and approved.

Use as much space as needed to answer questions. You are not limited to the space on this form. The more details the better.

I. PROJECT IDENTIFICATION

Producer/Project Leader: Christopher J. Patton
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Project Title: Developing Commercial Elderberry Production in Minnesota
Project Number: FNC13-925
Project Duration: 2013-2014

Date of Report: March 24, 2015

II. PROJECT BACKGROUND

1. Briefly describe your operation.

This group application was submitted by Christopher Patton, Dan Moe, Loren Nickelson, and Paul Otten on behalf of current and potential elderberry producers in MN. Collectively, the four producers also constituted the initial board of directors of the recently incorporated Minnesota Elderberry Cooperative (MEC). The MEC was formed to be the vehicle by which small farmers could work together to determine the feasibility of wide-scale production of elderberries in the state and region, for subsequent cooperative processing and marketing of value-added juices, wines and concentrates.

2. Before receiving this grant, did you carry out any sustainable practices? If so, briefly describe what they were and how long you had been practicing them.

The four growers affiliated with this application were searching for new crops that strengthen existing sustainable farm operations by accessing new markets (i.e. health conscious consumers). Each has been engaged for several years in commercial small fruit production, though with a diversity of marketing strategies. Each wanted solutions that were sustainable commercially and environmentally.

III. PROJECT DESCRIPTION

This is the core of the report. Consider what questions your neighbors or other farmers or ranchers would ask about what you did with this grant. Describe how you planned and conducted your research or education activities to meet your project goals and discuss the results.

The primary issue addressed was whether small sustainable/organic farmers can further diversify their businesses by profitably growing and processing elderberries in MN. The University of Missouri's financial *pro forma* suggested that small to medium sized producers can add modest elderberry plantings (4-10 acres) at an establishment cost of \$2500-\$4500 per acre. Under market conditions in Missouri, experience-based projections suggested that growers could earn \$500-6500/acre net return. Would the experiences of elderberry production in Missouri directly transfer to Minnesota?

However, with emerging niche markets, the issue is almost NEVER that of "production" but of "marketing". Experiences in other places suggest that a mix of market opportunities may be accessible to small growers (sales of fruit to wineries, sales of juice or jellies at farmers markets, etc.), but no such research has been done to assess these opportunities for Minnesota producers. Further, would a growers cooperative contribute positively to elderberry growing, processing and marketing elderberries and elderflowers?

GOALS

List your project goal(s) as identified in your grant application.

1. **Conduct a market study**
2. **Conduct grower outreach and education**
3. **Further business development**
4. **Capitalization of a growers cooperative**

PROCESS

Describe the steps involved in conducting the project and the logic behind the choices you made. Please be specific so that other farmers and ranchers can consider what would apply to their operations and gain from your experience.

1. **Over the course of the year Minnesota Elderberry Cooperative Steering Committee held several meetings in person and through email. In these meetings we worked with Cooperative Development Services Bob Olson and Kevin Edberg on the market and feasibility of production study, discussed grower education and outreach as well as membership structure and benefits.**
2. **We completed the Feasibility Study delivered by Cooperative Development Services (CDS) in August of 2013 and presented at the Minnesota Fruit and Vegetable Growers Association Conference on January 16, 2014.**
3. **CDS completed the Business Plan in October of 2014, which was presented to the Steering Committee on September 26, 2014 and December 5, 2014. They will be discussed at the March 28, 2015 members meeting.**
4. **Based on the completed Feasibility Study and Business Plan, Chris Patton prepared and delivered (multiple times) a presentation on marketing elderberry in Missouri and Minnesota. Memberships were solicited and gained to begin capitalization. Additional grants were identified and efforts organized to apply for them in order to capitalize MEC.**

5. **On April 13, 2013 and May 31, 2014, we conducted a daylong growers workshops and field tours. Both Spring Workshops focused on evaluation of the elderberry opportunity for growers, planting options and installation, field management, pest control and the organic certification process.**
6. **In 2013 we conducted an online Growers Survey prepared by CDS. (Link on: <http://minnesota-elderberry.coop/cultivation/>). In 2014 we conducted an email survey of participants, which indicated a significant number of growers would prefer to attend workshops during the workweek rather than the weekend due to their ongoing farm activities/marketing.**
7. **June 10-14, 2013 we participated in the First International Symposium on Elderberry hosted by the University of Missouri at Columbia, which paralleled the annual workshops held in Missouri by Terry Durham of River Hills Elderberry Processors, in which Chris Patton participated and presented on behalf of MEC. He did so again on June 12-13, 2014.**
8. **August 24, 2013 we hosted a Berry Day Workshop at Natura Farms from 8 am – 5 pm that included educational presentations, Q&A as well as in-field demonstrations and tour. We conducted an email survey of participants.**
9. **We brought Patrick Byers from the University of Missouri Agricultural Extension service to speak at the MFVGA Conference January 16-17, 2014. He summarized his over 15 years of working elderberry in Missouri and suggested areas for particular attention in studying elderberry commercial production for the more northern zones typifying Minnesota and Wisconsin.**
10. **August 22-23, 2014 MEC hosted a Field & Processing Workshop for members and prospective grower members. Terry Durham and his crew trained us in how to harvest and process elderberries using his de-stemmer. Dan Halsey of Southwoods Designs presented on the use of elderberry in permaculture design on farms and for rural residences. Other presentations covered field management (& tour), the potential health benefits of elderberry, marketing options, organic certification and pest control. ([Watch short video](#))**

PEOPLE

List farmers, ranchers, or business people who assisted with the project and explain how they were involved. List any personnel from a public agency, such as the Extension Service, Natural Resources Conservation Services or Soil and Water Conservation Districts who assisted with this project. List people from non-profit organizations who helped you.

The planning and conduct MEC's activities and execution of this grant's objectives were largely the work of Chris Patton and Paul Otten. Besides the individuals mentioned in the Process section above, others who contributed more than once include: Dave Birky of Ag Resource, Inc., Michelle Menken of Minnesota Crop Improvement Assoc., Dr. Annie Kirk (and others) of the University of Minnesota Entomology Dept., and Paul Hannemann of onFarm Storage, Inc.

RESULTS

What results did you achieve and how were they measured? For production projects, include yields, field analysis, and related data. How do these compare with conventional systems used previously? For education projects, include outcomes achieved and how you measured them through surveys, attendance, or other methods. Were these results what you expected? If not, why not? What would you do differently next time?

- 1. A well researched, written Feasibility Study and Business Plan were produced for MEC that favorably assessed the potential profitability of elderberry cultivation, processing and marketing of ingredient products under present conditions.**
 - a. In 2013 over 95% of elderberry used in the USA was imported from 4-5 European nations that produced something over 100,000 tons a year.**
 - b. CDS estimated that less than 1000 tons are currently produced in the USA, most of which goes to wineries.**
 - c. Short-run opportunities include frozen berry sales to River Hills Harvest for bottled juice; sale of fresh and/or frozen berries to local wineries; on farm and local sale of de-stemmed frozen and possible fresh berries and flowers to consumers as home production hobbyists.**
 - d. Significant long-run opportunities exist for processing elderflower and elderberry harvests as dried, powdered and IQF ingredients for the functional beverage, alcoholic beverage and natural colorant categories both domestically and for export.**
 - e. These combined opportunities indicate first tier support for 22,500 acres of commercially grown elderberry in the USA.**
- 2. Members were solicited and enrolled representing seven producing farms and fifteen persons. Dozens more attended MEC events. Several are in the early stages of evaluating elderberry as a crop, and we anticipate a doubling of membership in 2015.**
- 3. Our members produced, processed and sold over 1000 lb. of frozen and fresh elderberries in 2014 as well as some dozens of pounds of flowers. MEC conducted successful training in proper harvest and processing methods and began development of quality control through identified evaluation standards at various process points.**
- 4. Grower surveys provided an increasing level of quality information on elderberry cultivation and production in MN and WI as well as identified areas for improvement and grower interest for future education.**

DISCUSSION

What did you learn from this grant? How has this affected your farm or ranch operation? Did you overcome your identified barrier, and if so, how? What are the advantages and disadvantages of implementing a project such as yours? If asked for more information or a recommendation concerning what you examined in this project, what would you tell other farmers or ranchers?

Through the objective analysis provided by the experienced professionals of Cooperative Development Services, we systematically confirmed our intuitions that elderberry could be a profitable crop. Elderberry's potential contribution to sustainable agriculture is enhanced by its viability as a commercial crop.

Not only can it provide an additional income stream to farmers, but encourages the use of its horticultural properties in managing land and water resources, providing support for pollinators

and wildlife diversity. Local food, beverage and health supplement companies will benefit from locally sourced, higher quality elderberry ingredients to replace European imports. The public benefits from increased access to a traditionally used wild berry with a reputation of delivering a high level of health benefits.

IV. PROJECT IMPACTS

Evaluate the economic, environmental and social impacts of this sustainable practice by completing the Benefits and Impacts form. Also, if possible, provide hard economic data.

This project materially and intangibly contributed to the viable establishment of domestic elderberry as a new specialty small fruit crop in the Midwest.

V. OUTREACH

What methods did you use for telling others about: 1. Your project, 2. Project events or activities, 3. Project results? How and to whom did you communicate this information? Be sure to include details on how many people attended field days or demonstrations, and how information was further disseminated by media covering any events. What plans do you have for further communicating your results? Include press releases, news clippings, flyers, brochures, or publications developed during this project. Also include photos which might be helpful in telling your story to others. (Mail items separately if you cannot send them electronically.) *[Some photos will be attached and pdfs of the MEC brochure and some articles.]*

MEC primarily uses its website and its *Why North American Elderberry?* brochure to communicate with the public and potential growers. MEC member growers and board members participate in a large number of agricultural and local food conferences, professional organizations and educational settings that give them opportunities to share elderberry's potential as a profitable small fruit with other growers and local food producers.

Secondly, we conduct at least three events a year where people can come to a producing elderberry operation, hear presentations, ask questions and learn by doing as well. Besides and active email list of past attendees, we try to get our events listed on the calendars of other sustainable agricultural organizations. And we post results online. For example, we have information and even a short video posted at: <http://minnesota-elderberry.coop/cultivation/index.html>.

In conjunction with Chris Patton's River Hill Harvest Marketers, LLC and Terry Durham's River Hills Harvest Elderberry Producers, MEC has gained access to numerous tradeshow booths, the Minnesota State Fair and the annual MOSES Conferences in LaCrosse, for example. With their help over 10,000 brochures have been distributed during face-to-face conversations with about 15,000-20,000 people throughout the country, though primarily in the Midwest. Many dozens of potential growers have been reached in this way and given the opportunity to learn more about elderberry on the web and to attend our events.

Major MEC Event Attendance (mostly free): April 13, 2013 – 36 participants; August 24, 2013 - 47, May 31, 2014 – 19; August 22-23, 2014 – 24 (members or with paid registration).

VI. PROGRAM EVALUATION

This was the twenty-first year the North Central Region SARE Program sponsored a farmer rancher grant program. Please fill out the Evaluation form. **Done.**

VII. BUDGET SUMMARY

Complete the final budget form and return it with your report. You will only be reimbursed for expenses incurred and items purchased for conducting your project. If you made significant changes to final expenses listed by budget category (\$1,000 or more), please include an explanation for the changes. Call Joan Benjamin with questions at: 573-681-5545.

Submit your final report to:

E-mail: BenjaminJ@lincolnu.edu or mail to:

Joan Benjamin

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