

Division of Marketing
Agricultural Development and Diversification (ADD) Program
1994 Grant Final Report

Grant Number 09069

Grant Title Organico Food Processing Project (Phase 3) and Chequamegon Farms -
Northern Wisconsin Organic Marketing Cooperative

Amount Awarded \$17,000.00

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Certified Organic Food Production & Processing

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Organico Food Lab (Phase III) 1994-1995

Final Report June 15, 1995

A. Original intent of Organico Food Lab Project and perceived benefit to Wisconsin agriculture.

Organico is doing the work to research and develop a small scale food processing facility and cannery. The project will be a model that can be used in other agricultural areas. Perishable produce is given durability and added value. New uses and better uses can be made from locally grown fruit and vegetable crops. The perceived benefit is to help expand organic agriculture by providing area organic farmers access to canning and food dehydration facilities.

B. Summary of how the project created:

1. Jobs. By researching and developing value added products that can be made from local crops, Organico is helping to reinvigorate the local economy. There are many small and abandoned farms in Northern Wisconsin that are producing little or no crops. In Phase II of this project, we stated that this food lab could serve as a model small scale cannery that many rural areas could benefit from. The food lab processes and markets surplus or perishable produce into shelf stable products, thus increasing its marketability. This year, we worked on developing vinegars and spritzers to use fruit, apples, honey, and grains that can be grown in the area.

2. New capitol investment. We've been continuing to improve the facilities. This year, Ken built an addition to the building and bought some stainless steel bulk tanks for fermenting vinegars and a steam jacketed kettle to use for cooking and canning produce. Equipment for carbonating, such as a regulator and hoses, were purchased for use in making spritzers. A filler machine was also purchased.

3. Diversification or expansion of the production or processing of agricultural products or development of new agricultural products, technology or production methods. Organico is processing and marketing the following organic goods: Apple Butter, Apple Chips, Apple Fruit Leather, Cannola Oil, Catsup, Honey Mustard, Green Salsa, Hot Salsa, Salsa, Relish, and Pickles. We have been continuing to experiment with different mustard recipes, vinegars, spritzers, jams, pickles, fruit leather, and salsa.

We produced more certified organic produce than before. Using our existing equipment, we were able to make apple fruit leather. We experimented with juicing cherries and strawberries and used the juice in vinegar production. With some research, Ken found that many of the small dairies in our area that went out of business had stainless steel milk tanks. The tanks that are suitable for fermenting vinegars. This demonstrates that many agricultural areas already have equipment that could be put to use to expand and diversify the production.

4. Market expansion.

Organico has combined its marketing efforts with Chequamegon Farms Organic Marketing Cooperative. To that end, Organico's products are labeled with the Chequamegon Farms logo. This will help increase the publicity of the regions agricultural production. By organizing our marketing of produce, our processed foods can help market other farms fresh produce, and viceversa.

6. Improvement of the competitive position of Wisconsin's agricultural industry. Organico is processing and marketing certified organic food products, which are becoming higher in demand as consumers learn about and demand food grown without insecticides, herbicides, and fertilizers. Organic honey vinegar, cider vinegar, and malt vinegar can be made from local agricultural crops and can be flavored with a variety of local herbs and small fruits.

7. Efficient use of farm land or other agricultural resources. Organico coordinates with small organic growers to buy and process surplus perishable produce. We have bought, processed, and marketed organic produce from seven small farms. We'll continue to develop this facility and be glad to help others in the research and development of facilities like this one in their area. We also plan on making the kitchen available for other people in the community to use for their own use, as the kettles and sinks, and food processor are much more efficient at handling large amounts of produce than a home canning operation.

C. Evaluation of the results and benefits of the project. In addition to producing and processing our established organic foods, this year, we experimented with honey vinegar, malt vinegar, and cider vinegar. We experimented with mustard recipes; apple/maple syrup mustard, onion mustard, ginger mustard, cayenne mustard, etc. We also experimented with making spritzers. Following is a discussion:

Vinegars take a long time to ferment and takes up quite a bit of space. While we were working on this project it became

apparent that to produce a lot of vinegar would require room, preferably a specially designed facility with a root cellar to age the vinegar (Probably what the vineyards have). Nevertheless, a lot of vinegar can still be made in a small space. Fermentation of vinegar was done in various containers: a barrel, cornelius tanks, carboys, cider bottles, a keg, and stainless steel bulk tanks. Used stainless steel bulk tanks are widely available in this area because of the number of old dairies.

Vinegar can be made with wild yeasts or commercial varieties of yeast. We tried both methods. We found that some growers who produce apple cider have to take back their cider from a store if it has begun fermenting. Making vinegar out of such cider is a perfect way to make use of an otherwise wasted item. We also discovered that honey vinegar, made from honey and water was cheaper than buying cider. Vinegar is made from any liquid that contains enough sugar to ferment. We experimented with tomato water that is removed from the tomatoes when we make salsa since the tomato water had a fair amount of sugar content. In all cases, the vinegar developed a strong acid, which was good (pH of 2). The flavor of the honey vinegar and the tomato vinegar was pretty strong.

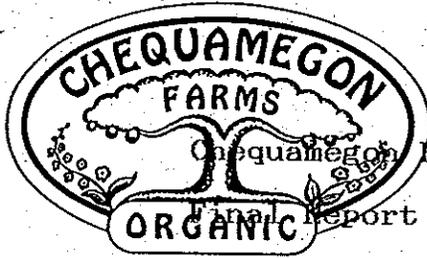
We researched making spritzers. With lots of apple, blueberry, and strawberry growers in the area and lots of clean water, carbonated fruit beverages seems like a good product to make. We purchased a CO2 regulator and hoses so that we can carbonate and dispense one five gallon cornelius tank at a time. We have the equipment to make and dispense fresh spritzers, however, we don't have the equipment for processing spritzers. The equipment for processing spritzers for retail is very expensive and the market is very competitive. The containers should be filled with a cold liquid and capped because more CO2 stays dissolve at colder temperatures. We made fresh spritzers using apple juice, strawberry juice, and maple sap.

We finished this year having accomplished a lot and are looking foreword to another year to produce and market new products, as well as continuing to make our established products. Our markets are gradually increasing.

D. Description of informational or educational materials developed through the project. Organico has compiled a list of suppliers for bottles, lids, labels, and other equipment that would be useful for anyone who was establishing a small scale food lab. Organico has gained a lot of experience setting up a small-scale food processing facility and processing foods and we would like to share this information with anyone who could benefit from establishing a small-scale cannery in their community.

E. Future projections as result of grant funds. Organico is going to continue marketing and experimenting with new types of agricultural products. This small scale food processing facility can serve as an example of developing new products and markets for under used agricultural products. With the new products we make, comes the added incentive for growers to produce the crops. Organic growers will be able to grow organic raw materials and get paid a premium for them.

Jordan Sawance June 15, 1995



Certified Organic Food Production, Processing & Marketing

Chequamegon Farms Organic Marketing Cooperative
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Annual Report

June 15, 1995

A. Original intent of project and perceived benefit to Wisconsin agriculture.

The purpose of the project is to organize a marketing cooperative in Northern Wisconsin. The formed cooperative will assist growers in packaging and marketing their produce. By helping the farmers market their produce, the farmers can devote more time to growing the crops. Also, providing regular and guaranteed markets for produce will stimulate the regions agricultural production.

B. Summary of how the project created:

1. Jobs. By helping the farmers market their produce, the marketing cooperative will free up the farmers time so that he/she can devote more time into production. The formation of a farmers marketing cooperative will allow the farmers to receive a premium price for the crops they grow. As the cooperative gets established, it could begin marketing produce outside the region and help expand the regions production, thus creating jobs.

2. New capitol investment. With increased markets, farmers will be stimulated to grow more crops and invest in equipment. The Organico Food Lab, which works with Chequamegon Farms Cooperative has purchased the following equipment to produce and market new products. A steam jacketed kettle with a new boiler and an exhaust hood was installed this winter. It will be used to cook and can the products. It can also be used to blanch vegetables for processing into frozen vegetables. Organic Frozen Vegetables is a whole new area of marketing to explore.

3. Diversification or expansion of the production or processing of agricultural products or development of new agricultural products, technology or production methods. Having a market for products and production of the products goes hand in hand. The marketing cooperative is working to stimulate the regions organic agricultural production. Working with Organico, Chequamegon Farms has purchased, processed, and marketed surplus perishable produce into value added products like salsa, relish, pickles, vinegar, and apple chips. When growers know there will be a market for their crops, they are stimulated to expand production.

4. Market expansion.

Organico has combined its marketing efforts with Chequamegon Farms Organic Marketing Cooperative. To that end, Organico's products are labeled with the Chequamegon Farms logo. This will help increase the publicity of the regions agricultural production. By organizing our marketing of produce, our processed foods can help market other farms fresh produce, and vice-versa.

C. Evaluation of the results and benefits of the project.

The cooperative consists of farmers and producers from the Chequamegon Bay area. We've had ongoing meetings. Last summer, we had four meetings with Mary Myers of Cooperative Development Service to conduct a feasibility study of the cooperative.

As the marketing coordinator, during the 1994 growing season, I enquired at various restaurants in the area to supply them with fresh local produce. Potential markets for the produce are restaurants, buying clubs, individual consumers, outfitters, and stores. The cooperative has only had minimal success with supplying restaurants. In the beginning, as expected, the cooperative has had supply and demand problems. As the organization grows and learns lessons, the supply of produce will better match the demand. In the future, the local markets will be better tapped and we will be able to ship produce and processed foods to urban areas to the south. At the moment, we haven't any details of marketing outside the region.

We are marketing our organic processed foods through 12 stores in the area with our organic processed produce. We expect to start marketing to another 4 stores soon and then beyond. We've produced a flyer listing our organic processed products, which we mailed to 300 persons this winter. We also want to sell to buying clubs. Also, in an attempt to increase our markets, we contacted two natural foods wholesale warehouses with the intention of marketing our products through them. However, we decided to direct market our products to local stores and consumers (The wholesale price is quite low).

D. Description of the informational materials developed through the project. We have continued attending fairs and markets to sell our products and educate the public about organic agriculture. Ken has made a sign and a display rack for our products to help in our informational booths. Education of the importance of organic foods is part of the marketing effort. T-shirts with the Chequamegon Farms logo were made to help publicize the cooperative and organic food.

E. Future projections as result of grant funds. Chequamegon Farms is going to continue marketing. With the new markets, growers will be able to grow organic produce and ~~get~~ receive a premium price. We have plans to incorporate a small storefront with organic products in ~~the~~ addition to the Organico cannery building that Ken built.

The food service of Northland College has signed a contract with Chequamegon farms to provide the cafeteria 10000 pounds of potatoes and 4500 pounds of onions next fall. The students who are working on trying to get the cafeteria to incorporate local organic produce into their menus are giving us a lot of help. The students, the college, and the farmers will benefit. We are enthusiastic about this contract and possibly can provide other produce, and produce for other cafeterias too.

Chequamegon Farms has hired Carry Linder to coordinate the Community Supported Agriculture organization (CSA) that is being established this year. Forty families have bought shares in the CSA. The first delivery of produce was on June 1. We Purchased a refrigerated cooler to store the farmer's produce as it comes in to be repacked for distribution to the CSA families.

The marketing coordinator's responsibilities in the coming year will include continuing to publicize the cooperative in order to make the regions' consumers aware of the existence of this organization. Also, the coordinator will continue to be in communication with the consumers as well as the producers to know what produce will be available in advance in order to have a ready market for it when it is time to harvest the given produce.

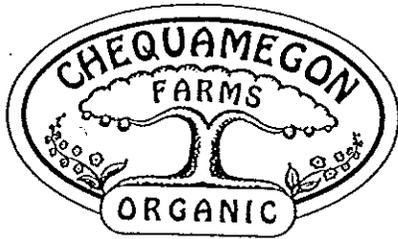
We appreciated all the funding for this project because without it, the processing facility and the marketing organization would have never gotten started.

Thanks again

Marketing Coordinator, Gordan Lawrence *Gordan Lawrence*

Project Coordinator, Ken Raspotnik





Chequamegon Farms
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 715-682-6111

Chequamegon Farms is a cooperative of organic farmers in northern Wisconsin. We use sustainable organic farming practices to produce healthy food while protecting the environment.

When you buy from Chequamegon Farms, your dollars go directly to protecting Lake Superior and the environment.

To place an order, call and leave a message or fax or mail the order form. Minimum order is one case of 12 items, mixed or matched.

Name _____ Phone Number _____

Address _____

City, State Zip _____ Date _____

Item		Price *	Quantity	Total Price
Apple Butter	16 oz.	3.25 each	_____	_____
Catsup	16 oz.	3.25 each	_____	_____
Organic Cold Pressed Unrefined Canola Oil	375 ml	3.50 each	_____	_____
Green Salsa	16 oz.	3.00 each	_____	_____
Honey Mustard	8 oz.	2.25 each	_____	_____
Hot Salsa	16 oz.	3.25 each	_____	_____
Salsa	16 oz.	3.25 each	_____	_____
Strawberry Jam (sugar sweetened)	8 oz.	3.25 each	_____	_____
Summer Blush Jam (sugar sweetened)	8 oz.	3.25 each	_____	_____
Raspberry Jam (honey sweetened)	8 oz.	3.25 each	_____	_____
Relish	16 oz.	3.00 each	_____	_____
Dried Organic Apple Chips	1.4 oz	1.00 each	_____	_____
Apple Fruit Leather		2.50 bag	_____	_____

*Wholesale Case Prices Available

- Call Chequamegon Farms to arrange pickup or local delivery (no charge)
- UPS Shipping 1 case\$10.00
- UPS Shipping 2 cases.....\$15.00
- UPS Shipping 3 cases.....\$19.00

Total Amount of Order..... _____

Shipping..... _____

Total Enclosed _____

Thank You For Your Order