



# FARMER TO FARMER

podcast



## **EPISODE 166**

**Mike Madison of Yolo Press on Organic Fresh Flowers, Olive Oil, and Value-Added Products in California's Central Valley**

**April 12, 2018**



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Chris Blanchard: It's the Farmer to Farmer Podcast episode 166, and this is your host, Chris Blanchard. Mike Yolo raises 14 acres of organic olives, cut flowers, and a variety of tree fruits, as well as the occasional vegetable crop at Yolo Press near Davis, California. With his wife, Diane, Yolo Press creates olive oil and a variety of value-added products that are sold with the cut flowers through independent grocers and farmers' markets in Davis.

Chris Blanchard: Yolo Press has provided a living for Mike and Diane since 1986. We dig into the development of Yolo Press' crop mix and markets, and how they develop to accommodate farmer labor, and to provide a good living for Mike and Diane. Mike provides all of the production labor on the farm, so we discuss the hows and the whys of making that work, as well as the economics of the farm business, and the value-added products.

Chris Blanchard: Mike is also the author of the recently published Fruitful Labor: the Ecology, Economy, and Practice of a Family Farm.

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Chris Blanchard: Mike Madison, welcome to the Farmer to Farmer Podcast!

Mike Madison: Yeah, thanks for inviting me.

Chris Blanchard: So glad you could join us today. I would like to start off by having you tell us about Yolo Press, where you guys are located, what you're growing, and how you're marketing it.

Mike Madison: Sure, so let me set the scene a little bit. California has a big valley down the middle of it, about 430 miles long, 70 miles wide, a flat ground, wall-to-wall intensive agriculture. We're in that valley about a third of the way down from the north end, and over toward the west side, which puts us right in-between Sacramento and San Francisco. My farm is 22 acres, I'm cultivating about 14 acres of that, and of that 14 acres it's roughly 60% orchard, and the remainder is row crops.

Mike Madison: The orchard is a variety of things. We have small amounts of apricots, figs, plums, persimmons, pomegranates, and various kinds of citrus fruit. Most of the orchard, more than 90% of it, is olive trees. We have about 1,700 olive trees, they're pretty good-sized trees. And then the row crop ground is primary cut flowers. So, that's ... And sometimes I'll grow a half acre, an acre of watermelons or cantaloupes, but essentially it's flowers.

Mike Madison: That seems like kind of an add mix, flowers and olives. There's a history to how I ended up getting that way. When you're running a small farm, you're basically being compensated for your labor, and I need to spread my labor out through the years, so I could work as many hours as possible. If I had planted the whole thing say to apricots, which is a very nice crop, it comes in in a very short period of time, maybe two weeks in June, I'd have two weeks of total pandemonium, I'd have to hire 50 people to get the crop picked, and then I'd have 50 weeks with nothing to do.

Mike Madison: So by going to flowers, which for us has a very long season, I'm able to spread my labor out through the year. So we start in mid-January, the flowers start coming in, we're harvesting Anemones, we're harvesting Prunus mume, and then by mid-February, we're harvesting tulips, and then we just go through this sequence of crops, continuing all through the year up until about mid-October, it starts to taper off. We may still have a few flowers as late as Thanksgiving.



- Mike Madison: Olive harvest starts in mid-October, runs for a couple of months, I try to finish up before Christmas, and as soon as olive harvest is done, I have all these trees to prune, which is 8 to 10 weeks of pruning. So that overlaps with the early phases of the flower harvesting season. The upshot of that is that I have something to do all the time, and I have income coming every week of the year. You know, if you just have a very brief season and you get a big lump of money, and then you watch it melt away month after month, that can be a little disconcerting. So, we always have income, we always have things to do.
- Mike Madison: Our sales are about 15% to two independent supermarkets, and about 85% to our local, small town farmers' market, which is seven miles from the farm. The market is twice a week, Wednesday nights and Saturday mornings, 52 weeks a year. It never shuts down. This isn't Minnesota where in October you can pack up the Buick and go down to Florida for a couple months. We pretty much farm every single day of the year, which has its advantages and disadvantages.
- Mike Madison: The advantage is it's very productive agriculture, the disadvantage is we never get a day off. Yeah. so that's more or less the nature of ... I didn't start out with that as a plan, I started out to be a flower grower. And part of the reason I went in that direction was that our intent was to sell in our local farmers' market. And there were already a bunch of very competent vegetable growers in that market. They had beautiful stuff, they knew exactly what they were doing, that was going to be a very competitive scene.
- Mike Madison: And the same was true for fruits and nuts. There are pistachio growers and walnut growers, and all the citrus people, and apricot people, and people growing apples, and all those people were on top of it. But flowers were more or less an empty niche. It was mostly a little side hustle for vegetable growers, and typically they were doing a poor job with it. In my case, my father was a flower grower, I had studied horticulture, I had worked in a botanical garden, I had a pretty good idea of what I was doing, and I thought I could come in here and dominate that niche right out of the gate, and that's more or less what happened.
- Mike Madison: So that was the flower scene, but we still had that empty couple of months in October to November, December, to January, when there wasn't much going on with the flowers. And so the olives fit into that very nicely.
- Chris Blanchard: So you started farming ... I mean this isn't a recent undertaking for you.
- Mike Madison: No, we started in 1986 at this location, so we're into it for 32 years now.
- Chris Blanchard: And when you talk about planting the olives, with the intention of the olive harvest fitting in with your flower harvest season, was that something where you were very intentional about that, or did you just happen to stumble on, "Oh, look the olives that we planted happen to be harvested in October, November, and December"?
- Mike Madison: It was a combination of things. I actually initially planted olive trees for purely aesthetic reasons. I mean, there's a road in my neighborhood where there's these old olive trees, they make kind of a Gothic arch over the road. I think



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that's a beautiful thing, but I only plant olive trees along my driveway. And then somehow that, so that kind of got me going in that direction initially before I actually had a coherent business plan about it.

Mike Madison: But also when I was looking at crops that I could grow, I made a list of every possible thing I could grow, and I looked at a bunch of issues, I wanted crops that did not require bees for pollination. Bees are expensive to rent, and they have various problems with them. I wanted crops that were drought tolerant, because my water supply's very expensive, and there are years when water may not be available. And so I went down this list of stuff, I actually found the most profitable thing I could grow was Christmas trees, and I wouldn't do it. I thought, "That's an insult to this soil, and my top soil's 300 feet thick, I'm not going to spend it growing Christmas trees."

Mike Madison: But olives fit in very nicely. It's wind pollinated, it's very drought tolerant, I could skip irrigation altogether. The trees might sulk a little bit, but it really wouldn't make a big difference. And then they're very forgiving in the harvest. So if you're harvesting something like apricots or peaches, they're coming on fast, you've got a very narrow harvest window, maybe just 24 hours to get a piece of fruit off the tree. Before that it's too early, and after that it's too late.

Mike Madison: With olives you have six months. So we start harvesting in October, some people start even in September, and we could still be harvesting in March, if we were so inclined. And so that's a very permissive aspect of that crop.

Chris Blanchard: How does one harvest an olive tree?

Mike Madison: Well, the way I harvest, I don't use ladders. So initially we were using ladders, and I find that ladders are dangerous and they're inefficient. So I thought, "Okay, I'm going to organize things here to do no ladders." We spread nets on the ground, and I basically just used big panels of 60% shade cloth. And then early in the season when the fruit's green, it doesn't want to come off the tree, it's hanging on tight, I'm essentially pulling it off with my hands onto the net, and then moving it into small, ventilated boxes.

Mike Madison: Later in the season as the fruit's starting to get ripe, it comes off the tree more easily. The fruit's turned black now, it's forming an abscission layer at the base of the fruit. At that point I harvest the trees by spanking them with a stick. I have long fiberglass poles, which are the handles of long-handled pruning saws, and I simply spread my nets on the ground around the tree first with a 6 foot pole and then with a 12 foot pole, whack, whack, whack, whack, whack, and the fruit comes down, and that goes pretty fast.

Mike Madison: By the end of the season I'm harvesting maybe 1,500 pounds a day working by myself.

Chris Blanchard: I mean 1,500 pounds of some crops is a lot of a crop, and 1,500 pounds of other crops is not a lot of a crop. Is 1,500 pounds a lot of olives?

Mike Madison: It depends on the whole scale of your operation. All of our olives are processed for olive oil, and we do that ourselves. And the deal with processing olives for oil is that they're pretty fragile, they need to be processed right away. Because as



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soon as you harvest the fruit, it gets a little banged up, and it starts to oxidize, things start to happen, you're going to start to lose quality of the oil. So, essentially I harvest olives during the day, and then after dinner I run them through the mill to get the olive oil out, same day.

Mike Madison: And then the waste material, which gets pumped into a big tank is just spread back into the orchard. And so through that harvesting season, October, November, December, I'm essentially accumulating olive oil day by day.

Chris Blanchard: And how much olive oil do you get out of 1,500 pounds of olives?

Mike Madison: It's variable. It depends on the variety of olives, it depends on how mature they are, and it depends quite a bit on the weather, because if there's been a lot of rain, and the fruit's sucked up a bunch of water, that's going to decrease the proportion of oil. If the weather's been dry, and the fruit's even a little bit shrivelly, then you'll have a very high content of oil. But typically we aim for somewhere around 35 gallons per ton.

Chris Blanchard: How much of your business comes from the olive oil side of things, and how much of it comes from the cut flowers side of things?

Mike Madison: Let me add a little corollary to the whole olive oil story. So, unlike wine which improves with age, olive oil is only going to go downhill. It's at its best when it's fresh, it may still be good if it's stored correctly, it may still be good in two or three years, but it's steadily losing character and losing intensity. So we always sell our oil in the current year of production. Which means when we get to the end of this season, and the new crop is starting to come in, we still have oil left over.

Mike Madison: We have a few options with that oil. We could sell it wholesale at a fairly low price to somebody who's going to re-bottle it under a different label. We don't do that. Actually what we do is we give half of it to the food bank, and the other half, my wife, Diane, makes into skincare products. But she makes soap, she makes hand salve, she makes lip balm. So the hand salve and the lip balm are a combination of olive oil and beeswax, and a couple other things. As it turns out, the skincare products are the most profitable component of the olive oil business, even though we can use our lower grade oil for doing that.

Mike Madison: So to answer your question, the combination of olive oil plus the skincare products that are made out of olive oil, is roughly half of our income. Flowers are roughly ... say, 40%, maybe 35%. Then the remainder is the other fruit that we grow, all of which is processed into jam, or almost all. We sell a little bit of fresh fruit. Fresh fruit's a tough business for a variety of reasons. So pretty much all of the fruit, apricots go into apricot jam, blackberries make up blackberry jam, citrus fruits become marmalade, and it's sold as a value-added product.

Chris Blanchard: And when you say that the value-added products that you're doing with the olive oil, I mean olive oil, I guess in and of itself, you could call that a value-added product. But when you're talking about these skincare products as being the most profitable thing that you do with the olives, does that include the amount of time that you've got put into them?



- Mike Madison: Well yeah, even with the amount of time, I think it works out to... I mean you take a little tub of a hand salve that's made out of olive oil and beeswax, and it retails for something like \$4, there's very little product inside of it, and it's not all that much time. So you make up a fairly good-sized batch, you're going to knock out 100 tubs in a part of a day. Yeah, it is probably still the most profitable part.
- Mike Madison: With the jam it's quite variable. I think blackberries, I mean you can make a batch of blackberry jam in 20 minutes, and it's ready to go in the jar. With the citrus marmalade it's a three day process, it's a very complicated thing where it has to be soaked and then drained, and different parts moved this way and that, and recombined and so forth. So that's a more labor intensive one.
- Chris Blanchard: I mean on the subject of profitability, how much money are you guys making? Are you and your wife making a living on the farm?
- Mike Madison: Yeah, we have, and it's been our sole source of income for all these years, and that's an important question, "How much money do you make?" When I was first starting, that was a question that I really needed to know the answer to. I'd go to the farmers' market, and I'd see, here's a farm, the guy's got a brand new \$40,000 pickup truck, and I said, "Well, farming might be good. It looks like somebody's doing really well."
- Mike Madison: But maybe he has family money behind him, or he has a spouse with a good job, or he's neck deep in debt. And then you'd go to the next farmer, and he's got a 50-year-old truck with a green door and a pink fender, and everything looks trashed, the value of this farm doesn't show. But maybe he's just eccentric, he just likes his old truck, and he actually has \$200,000 in the bank, and there's no way to know other than short of just going and asking people, "And how much money do you make?"
- Mike Madison: And that's a rude question, and most people ... And so it's difficult to ask ... And most people won't give you an answer anyway. And yet it's really important. And I don't mind sharing my numbers with you. So our gross revenue hovers right around \$100,000, that's from our farmers' market and from markets we sell to. But then when you go to fill out your schedule F, which is the part of your income taxes called "Profit and loss from farming," you have to tote up all your expenses, and typically our expenses look like something like \$70,000, which means that our net income is around \$30,000. That's for two adults working 360 days a year.
- Mike Madison: So it's pretty pathetic. It's like \$5 an hour. But schedule F is misleading, and it's much more discouraging than reality. And let me mention a couple of the ways that works. There's a line item for use of your automobile in business expense. They let you charge 54 cents a mile. Well, I buy my vehicles used, I hunt around for a good bargain, I take care of them myself, I'm driving on flat ground with no hills, so there's not a lot of ... My gas mileage is good. And my true cost of operating a vehicle's maybe 20 cents a mile. So on my income, on my schedule F following the instructions, I'm going to say that my vehicle expense was \$6,000 last year, which in reality it was 2,500.



- Mike Madison: Depreciation is another one. Say, okay, your buildings are losing value, your equipment's losing value, and you get to write that off year by year over a period of time. In fact, a well built, well maintained buildings actually increasing their value, and the same with some of your equipment, as it may actually be holding its value pretty well, especially like certain highly desirable cultivating tractors, and other specialty kinds of things. They may still be worth what you paid for them.
- Mike Madison: So the depreciation thing is also somewhat fictional, and it's also not money that came out of your pocket in the current year. I mean, it's a reflection of something that happened years ago. And the main thing though, is that a lot of the labor on the farm increases the value of the farm. It increases your wealth. But it never shows up as income. If I decide I'm going to add an acre of trees, and I make cuttings of olive trees that are on their own roots and not grafted, so I can grow them from cuttings.
- Mike Madison: I make cuttings, I grow them in the nursery for a year or two, I go out there, I survey, I plant them, I dig trenches and lay pipe, I stake the trees, I prune them, all this stuff. There's no income associated with that, but it has increased the value of the farm. If I were going to turn around and sell the farm, I'd say, "Well now it's got an acre of established orchard that adds 5 or \$6,000 to the value of the farm."
- Mike Madison: So I made sort of a crude calculation about that, but I think that something like \$9,000 a year of income is in the form of labor that I've done to increase the value of my farm, which doesn't show up as income, it just shows up as an increase in wealth. So it's not that bad. I mean, the schedule F says that I'm making \$30,000 a year, the reality's probably closer to 50. And I think it's important to look at these things from both a global and historical perspective.
- Mike Madison: I mean, we live really well. We have a comfortable house, we have potable water, we have good food, we have medical care if we need it, we have schools for our children, we have a relatively stable society, and we have a currency that we can use, and all these other advantages. I would say that we probably have more comfortable lives and better wine to drink than the king of France had in the 17th century. So even if the numbers look pitiful by some standards, they're actually pretty good.
- Chris Blanchard: You talk about increasing the value of your farm, and yet, I mean, you're 70 years old. You're either looking now, or going to be looking soon at how to hand off your farm to somebody who's probably younger than you are.
- Mike Madison: That's correct. Yeah, so yes I'm 70, I actually don't ... I'm still in good health, and I don't feel any different than I felt when I was 35. But I have to recognize that a sudden demise is always a possibility. Yes, well we have two daughters, they love to farm at their lifelong home, but they're not interested in farming. So you're right, I need to find some way to shift the farming operation over to younger people. And we've already started doing that. I think we're in our sixth year now of leasing out a few rows of olive trees to a young couple who want to be in the olive oil business.



- Mike Madison: So the terms of the lease are that I do the irrigation, and everything else is in their lap. They harvest the fruit, they make the oil, they prune the trees, they take care of all that stuff. And making olive oil is not an easy deal, it's a complex business. I have my own little processing plant here, I have a collection of machinery that I purchased in Italy and shipped over here. There are many variables in that thing, it's got 13 variable speed electric motors, it's got all this stuff happening. And to learn how to use it takes a long time.
- Mike Madison: So eventually you learn that when this thing is happening, you have to do these three other things to try to fix it. But if you hear that sound, particular sound, you've got about 30 seconds to turn off a pump before you have a big mess on your hands. So they've mastered that, they've learned how to make the oil, and the idea is that they will gradually ramp up in terms of taking over the olive oil side of the business. They've established their own brand, they have their own markets, which are in Oakland, Portland, and Seattle, so they're not in competition with me. And at the moment they have small children, but as their kids get older and so on, it's quite possible ... they can shift into a greater role with the olive side of the business.
- Mike Madison: And then on the open ground, just starting on January 1st, I leased out two acres to a young woman who's a competent farmer, who grows Asian vegetables on contract for a Korean restaurant in San Francisco. This is actually a great business model for a small farmer, because she's an employee of the restaurant, so she gets a paycheck, and she gets healthcare. And she grows all these vegetables, whatever it is that the restaurant thinks they need, but in terms of carrying a risk, it's the restaurant that carries all the risk.
- Mike Madison: So she's moved out here. You know, I'm not sure of the terms of our lease. It's a 10 year, asymmetric lease. The asymmetry is that I'm obligated to let her stay 10 years, but if she wants to leave, if something comes up and it's not working out, she can leave without penalty at any time, that's the asymmetry. The lease amount for two acres is \$1,500 a year. Now for that she gets to use the land, she gets her irrigation water, which is probably worth 6 or \$700, and she gets the use of all my equipment.
- Mike Madison: So if she wants to use tractors, implements, tools, workshop, any of that kind of stuff, it's available to her. And that's great for a starting farmer, because she doesn't have to put up all that capital to go out and purchase a tractor and a bunch of implements to go with it. She had to put up a hoop house that was basically her only capital expense. So that's a good relationship, and it has the potential that she can gradually expand.
- Mike Madison: Now, whether she wants to deal with the flower business or not, it's still up in the air. I had a lot of perennial crops, I have an acre of peonies out here, I've got a bunch of other kinds of things that would be a shame to plow them down in order to plant cabbages. But that's still unresolved.
- Chris Blanchard: You talked, when we were talking about profitability on the farm, about the value that you are adding through your labor year over year over year. Is that value that you expect that you're going to get back out of the farm in the transition models that you're talking about?



Mike Madison: No, so we don't intend to ever ... That would show up as a capital gain if I sold the farm. Well I'm not going to sell the farm. So we tend to hold it as a long term family asset, and who knows, maybe my grandkids will want to farm it. So no, without selling the farm I'm not ... The only way I would sort of reap the increased value of the farm is because I would be able to charge a higher rent for the lease. But my sympathies are actually with these young farmers who are starting out, and I set my lease hold terms pretty low.

Mike Madison: And then there's an issue that comes up here, is that you might wonder, why did the young vegetable growers choose to lease land rather than purchase it? In this area, farmland's very expensive. If you're buying a big parcel, you could get it for \$30,000 an acre. So that means 100 acres is \$3,000,000. A small parcel, that per-acre price is going to be higher, so that, for example right now there's a 20 acre piece down the road from me, it's listed at \$1.1 million. Well, no farmer's going to buy that. I mean, the farmland has just been ... the price of it has been totally put out of reach of beginning farmers.

Mike Madison: And there's a reason for that, it's partly because United States farmland is seen as a global investment opportunity. There's Chinese money, there's Saudi Arabian money, there's German money, looking to buy up farmland in the United States. So far it's been mostly in California, Oregon, Illinois, and Iowa, but it's spreading throughout the country. And that has two results. It drives up the price of farmland, which puts it out of reach for a lot of people, but it also makes a lot of land available for lease. And my advice to the young farmers who I'm coaching in my area is, "Don't think about buying a farm." Because the farms you can afford to buy is 40 miles down a dirt road up in the hills, it's class three stony ground. And you're too far away from your markets. You're going to be a truck driver half time and a farmer half time. And yes, soils can be improved, they're resilient, you can do great things with class three soil over a period of decades, but that's a heartbreaking way to farm. You're much better off to seek out a long term lease of really good land close to your markets, especially if it's good land, close to your markets, and then, long term lease.

Mike Madison: Her lease is 10 years, but a lot of land in my neighborhood has 30 year leases. And that's typically because the tenant wants to plant an orchard. But if you're going to put big expense into planting pistachios or walnuts or something like that, you want to be certain that you're going to be able to reap the benefits of that investment. And so a 30 year lease typically will be written into the deed, so that if the property is sold, the lease remains intact.

Mike Madison: And that's my advice to young farmers in this area, anyway, is that, "Try to find a long term lease, asymmetric lease that gives you an escape clause for really good soil, class one soil, close to your markets." And yeah, it's actually not so much an economic problem, it's a psychological problem. Because people think, "I really want to own my own farm." That's a deep, fundamental instinct, and I certainly felt that way. And yet, it doesn't make economic sense, and you have to sort of revise your thinking to say, "Well, if I have the use of this piece of land for 20 years or 30 years, it's my farm. My name's not written down in a big book in the Recorder's Office, it doesn't really matter."



- Chris Blanchard: And of course, when you bought your land in 1986, that whole land price situation was completely different than it is now.
- Mike Madison: It was. It was. Yeah, I paid \$4,000 an acre, which seemed like a high price and a bit of a stretch for us, and yet now the market value of my farm is, if I were to sell it, would be well over \$1.5 million, which just seems crazy. I mean, no farmer's going to buy it. Who would buy it would be a wealthy couple, both professionals who want to build a mansion in the country and keep a horse. And then that's not going to take up the whole property. Then they're going to have land available to lease. Again, it comes down to the situation that ownership of land is going toward a class of people who are not farmers.
- Mike Madison: And so, farmers have the option of being able to step into those situations and secure leases.
- Chris Blanchard: So you live really close to your market. Do you take advantage of that by having the public out to your farm, or is that primarily an advantage for you because of quality of life issues, and the fact that you're not having to be a truck driver?
- Mike Madison: Yeah, I mean, there are people who come out and they'll want to talk for five hours and be shown everything, and we're pretty busy. And so we mostly avoid that, but yeah, it is primarily ... our closest to our markets, neither of us likes to be stuck in traffic.
- Mike Madison: And there's an interesting economic side to that, because prices in our market are low. We're in the middle of a dense agricultural area, it's really competitive with the result that prices tend to be low. So we'll sell premium, ripe, organic apricots, just a beautiful piece of fruit. That's \$2 a pound at retail at our market. We sell a premium bouquet of flowers, really gorgeous, big bouquet for \$7.
- Mike Madison: And if I took that same bouquet to San Francisco, I could sell it for 20 or 25. So just by driving 60 miles, I could triple the price. The problem is, I don't want to drive to San Francisco. I mean, traffic on Interstate 80 is horrible, and I'm a very impatient guy, and I don't want to be stuck. Just because I've got a pocket full of money, is not enough motivation for me to be stuck in traffic on Interstate 80. So no, we're happy to take the little back road into town, sell in our local market, recognizing that the quality of life is better, but there's less income because of that.
- Chris Blanchard: And you talked about getting into the flower business, because nobody else was in the flower business. Was the same thing true for getting into the olive oil business?
- Mike Madison: You know, it pretty much was. The olive oil business has developed as ... We started doing olive oil, planting olive trees in 1991. And so this whole artisanal olive oil thing had not yet taken off. And one of the reasons I had to go to Italy and purchase my own milling equipment was because there were no mills around here. I was taking it to a mill that was 150 miles away, and scheduling was difficult, and there were many troublesome aspects of that.



- Mike Madison: In the meantime, olive oil has become sort of a fad, and these sort of wealthy tax write-off people who, years past, would have had a winery, now are doing olive oil. So yeah, there's a lot of players increasingly in that business. The market is pretty saturated within California, although as soon as you leave the state lines, that market's wide open. We have kind of defined our own niche. We're well known to our customers. We have very loyal customers, and we have no difficulty selling our oil.
- Mike Madison: We also have shifted how we're doing it. We're typically, on the scale of artisanal prices, we're kind of at the bottom end of the scale. We're typically low priced farmers, and that's a whole conversation in itself. But we've also shifted away from small bottles into selling ... We sell the bulk of our oil in three liter jugs, just short of a gallon. One thing, that saves us a lot of time and expense on packaging, but it's also a different perception of the food.
- Mike Madison: If people have a little tiny bottle that was expensive, they tend to hoard it. Whereas if they have a great big jug that was relatively inexpensive, they feel rich in olive oil, they'll use it freely, and it's a healthy food and they should be using it freely. So we're kind of stimulating demand simply by selling it on that bigger scale. But yeah, there's new competition coming on board all the time.
- Chris Blanchard: I like what you said about selling it in large bottles and making people feel like they've got an abundance of it. It's sort of like the pile it higher and deeper philosophy of selling produce at farmers' market. I mean, when you have a lot out there, it loses its preciousness, and people buy more.
- Mike Madison: Yeah, yeah. I mean the absolutely hardest thing to sell is the last bunch of flowers. You know? Because nobody wants it, "What's wrong with this one? It's the only one that's left." And you just trade it for a [inaudible 00:33:25] or something. It's ... Yeah, you're right. It's the more you have, the better it sells. But also, in terms of the farmers' market setting, I should say that the more different things you have, the better you will do.
- Mike Madison: Because if you're going to go stand ... Say you've got a five hour market, it goes from 8:00 AM to 1:00 PM. You actually had to get up at 5:00 in the morning and load your van and drive to the market and set up your stall. The market goes, the market ends, you've got to go pay your fees, you have to reload your van, drive home, unload the van, put stuff back in the cooler that didn't sell. The five hour market actually takes 11 or 12 hours.
- Mike Madison: And if you're going to stand there for 11 or 12 hours, you want to make as much money as you can. So at a typical market this time of year, my wife goes to the market, and maybe she will sell \$800 worth of tulips, and \$600 worth of olive oil, and \$300 worth of jam, and \$200 worth of skincare products, and \$100 worth of fresh kumquats, which we're harvesting right now. She could have gone ... if we were just doing flowers, we could have gone to the market and sold \$800 worth of flowers. \$ 800 is nothing to spit at, it's good money. But it's not as good as \$2,100 or whatever, that the total thing was.



- Mike Madison: So the more different things you have, and the greater the depth of your display, as long as you're putting in all that time, you might as well sell as much as you can.
- Chris Blanchard: In California, is direct-marketed olive oil ... Well I'm sure it is now, because like you said, there's this whole artisanal thing going on around olive oil here in 2018, that wasn't the case back in the 1990s. But was it something that was difficult to sell at a farmers' market when you first put it out on display? Because I can imagine, like, well for me, and I'm a Midwesterner now, I buy olive oil in the grocery store. That's where you get it. You don't get olive oil at a farmers' market. Did you run into that when you guys started selling the olive oil?
- Mike Madison: A little bit. I mean there had already been such a strong promotion of the Mediterranean diet as a heart-healthy diet, and olive oil was one of the bases of that. So there was a receptive public there. But basically we had to educate people about what's good olive oil, and what's not good olive oil. Now you go to your supermarket, and you buy a bottle of Star, or Carapelli or one of those things, it's mostly a rancid, refined olive oil that was a five-year-old oil that somebody bought up cheap in Tunisia, and they steam distilled it and extracted it with solvents and bottled it up and sent it to the United States.
- Mike Madison: There's a lot of really crummy olive oil out there in the stores, and so good olive oil, fresh olive oil, it should be flavorful, it should have certain kinds of flavor profiles to it and so on, and so we did lots of tasting, lots of education, and we still do lots of education. That's the important part. I mean we've educated a large part of our regular clientele, but we're still all the time spreading the word, talking about it, "What's good oil, what's not, what's bad oil? Olive oil's light sensitive, don't buy it in the clear bottle, it should be either in a can or in dark glass," and on and on.
- Mike Madison: Early on, so I joined various groups of olive oil producers, and one of them once made the comment, he said, "We hope someday to be competitors, but for the time being, we're colleagues, and our joint job is to educate the public." And that's kind of where we were, and where we still are to some degree.
- Chris Blanchard: Now, you said that there was a lot to talk about with regards to your pricing philosophy. Talk to me about your pricing philosophy.
- Mike Madison: Well, we tend to be at the bottom end of pricing. And especially with things like olive oil, there are a lot of vendors, a lot of artisanal producers who will say, "Okay, I'm going to enter my product in all these different competitions that win a bunch of gold medals." And when you have gold medals about as easy as getting a trophy in AYSO soccer, there's not much to it. "And then I'm going to advertise on social media, I'm going to hype my product really hard, I'm going to get a really premium price for it."
- Mike Madison: That whole scene just kind of wearies me, I don't really want to take part in it. But also if you have a high price, you're essentially cutting out people who aren't wealthy from your customer base. And we're very much concerned about, I mean there are poor people in our community, and I think they ought to be able to have olive oil just as much as anybody else. What I'd love to be able to do is



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to give it to the poorer people, and charge a medium price to medium people, and charge a high price to rich people. But of course, there's no way you can do that.

Mike Madison: But typically we're setting our prices on the low end of the spectrum, because we're concerned about who our customer base is, and because we're not particularly ambitious to be wealthy. I mean, there's a concept which has kind of disappeared from our society, which is the concept of "Enough." How much is enough stuff? How much is enough money? Well our concept of enough is pretty low. You know, I don't need to drive a Tesla, my 20-year-old Honda serves me very well.

Mike Madison: And so, I'm actually not all that interested in the money side of the thing. That's not the primary business that I'm involved in farming. The other thing is that because we're old, our concept of the value of money was fixed somewhere back about 1960. And we're clearly out of date. When I look at young people, they think a \$5 bill is a throwaway item. And to me a \$5 bill still has some value. So we're just out of touch with the times, we haven't sort of ... Our concept of the value of money hasn't jumped up with inflation.

Chris Blanchard: Now when you talk about the product that you're doing, this combination of perennial fruit trees, obviously perennial olive trees, and then the annual flowers and occasional annual vegetables, that actually strikes me as being something that, well, a lot of people are talking about now, with this idea of a permaculture setup on your farm. Is that a philosophy that you're following? Does that resonate with what you're doing in your operation?

Mike Madison: Yes and no. So, often if you look at the permacultural literature, they will have like trees with the understory of herbaceous plants, either perennial or annual and that kind of thing. When we started out, we set up the farm with alley cropping, that was my original intention. So I would have like a row of trees every 40 or 50 feet, and then I'd be growing annual crops in-between. And that was a failure.

Mike Madison: And the reason it was a failure was primarily because of sparrows. But other birds and rodents that are herbivores that are sort of timid animals, they want to stay close to dense cover so they can flee very quickly as the hawk comes overhead, or a coyote comes around the corner. So by doing alley cropping, everything I was growing was essentially a field edge, because there was always a tree 25 feet away. And the result was they had intense predation on any kind of seedling I was trying to get out of the ground.

Mike Madison: So eventually we recognized that as a failure, we ripped out a whole lot of stuff, we reconfigured the ground so that I basically have an orchard area, and I have an open ground area. So I can protect some of the stuff in the middle of the open ground from that kind of predation. That said, yeah we are in something of a permaculture kind of situation. I mean, clearly, tilling up the ground is a ... In some way it's a destructive process. And certainly my preference is to leave it undisturbed, and develop a strong soil ecosystem that I'm not running a big piece of steel up the middle of it every 90 days. And so, yeah, I love the perennial crops from that point of view.



- Chris Blanchard: And so what kind of management do you have to do with those perennial fruit trees and the perennial olive trees in terms of ... Well I guess I think primarily in terms of weed management, and managing that orchard floor?
- Mike Madison: So the orchard floor takes essentially no management. The olive trees are dense, they're evergreen trees, they cast a pretty dense shade, there's not a lot of weed issues underneath. And years ago I planted a no-till clover mix. All those varieties died out except for one, Medicago polymorpha, which is an annual alfalfa. And that's just become a permanent established crop in the orchards. So we basically have an alfalfa understory in the spring when there's moisture around, then as summer comes and things dry out, that dies down, and I'll mow that with the flail mower.
- Mike Madison: But the trees have their roots down 15, 20, 25 feet. They don't really care about the weeds, and I don't really care about the weeds in the orchard. Now in the annual flower crops, weeds are a very different deal. Probably because when you till the soil, you're planting weeds. Untilled soil will eventually develop some kind of a permanent cover to it. When you go in there with a disc or a chisel plow or something like that and you chisel up the ground, then you're stimulating the growth of annual weeds.
- Mike Madison: And we have a pretty heavy weed pressure here, there's a lot of seeds in the seed bank of weeds here. So anytime I disturb the ground, I'm going to get weeds coming up. In the summertime when the ground is dry, weed management is fairly straightforward. And I should say, this is a Mediterranean climate, so May, June, July, August, September, October, we have no rain. Not one drop of rain during that six month period, which has a plus and a minus.
- Mike Madison: The plus is that soil moisture's totally under your control. You can make it was moist or dry, however you want, because you're managing irrigation. The minus, of course, is that you have expensive, time consuming irrigation stuff to look after. But in terms of managing weeds, it means if I want to cultivate a bed, I can let it dry out, and then I can go through there with a cultivating tractor rigged up with sweeps and knives, and do a pretty good job with the initial pass, and I'll come back with a stir up hoe, and I'll finish cleaning it up. And so that's quite straightforward in the summertime.
- Mike Madison: The big problem for us with managing weeds is for stuff that's planted in the fall with the intention of harvesting it in the spring. A lot of stuff overwinters here because it's a very mild winter. So, many of my flower crops are fall planted for spring harvest, and so I'm planting tulips and iris and anemones or Ranunculus and Calendulas and Godetia, and all kinds of stuff. Sweet peas are planted in the fall for a spring harvest. And we start getting into our rainy season in November, December, the weeds germinate along with the crops, and the ground is wet, I can't cultivate it. These are relatively heavy soils.
- Mike Madison: I can't get out there and you can't cultivate mud. And so I do a little hand weeding, I try to stay on top of it, but sometimes, and maybe we'll get a little dry interval in the middle of December, somewhere in there I can sneak out and do some quick cultivating with a tractor. But generally, I'm forbidden to do that



because of the condition of the soil. So I hand weed some stuff, but in reality a bunch of it gets away from me.

Mike Madison: And I used to regard this as just that, well, it was an unfortunate accident this year, I never got around to weeding the Calendulas and they just got overrun with weeds, and finally I thought, "I'm just gonna mow this crop so I don't have to look at it anymore, because they're so pathetic." But I realized that, since this happened, it's been happening every year for 30 years, that it's not an accident, it's actually a policy. And they could describe the policy as over planting with the expectation of abandoning a whole bunch of stuff because it got away with weeds.

Mike Madison: And well you could think, "Okay, why don't you apply some thought to that, and figure out which things you abandon and stop growing those, or maybe stop growing so much of things." Part of the problem with that is every year it's different, and some years one crop thrives, and others don't. And then another year, the line-up's going to be different. So I don't want to abandon a particular crop just because it had two or three bad years, because in the fourth year it might come in there and save the day.

Mike Madison: One crop I've been thinking about lately is sweet peas. We plant sweet peas in October, there's a lovely crop. They're fragrant, lovely things, but they're fussy, they require trellising. So, we used to pound in posts and set up a trellis work for the sweet peas to climb up, and that was a nuisance and an expense. And then at the end of the season you have this big, tangled mess, you've got to take it all down again.

Mike Madison: So a few years ago we shifted our strategy. We plant a row of Kamut. Kamut is a kind of what from Egypt, it grows about four or five feet tall, it has very sturdy stems. And then parallel to that, and about a foot or 16 inches away, I'll plant a row of sweet peas. And the idea is that the sweet peas will use the Kamut as their trellis, and they'll grow up that. And at the end of the season I can just mow the whole thing, and I don't have to mess around with taking down trellising.

Mike Madison: That actually works pretty well, although for the last, I'd say, five years in a row, we've had a poor crop of sweet peas, because it's gotten overrun with weeds and I just haven't gotten to it, and I'm thinking that maybe this is the crop I should stop growing. Yet, you know, it may be in the sixth year we get a great crop of sweet peas and we make a couple thousand dollars out of it. Well, that's probably worthwhile to have done that in the past.

Mike Madison: But it's taken some attitude adjustment on my part to recognize that when I do my fall planting, it's just like taking a bunch of trials which, some of them are going to fail. And if I knew in advance which ones were going to fail, I wouldn't do it. But I never know that, so I just have to plant with the expectation, okay, half this stuff I'm going to mow it down with a flail mower and be done with it, and the other half will be good.

Chris Blanchard: I guess in my experience, that's something as a farmer, that was extremely disheartening, having to turn in a crop that I had planted, that I had seed or transplants invested in. The work of preparing the soil ... I, and what you're



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talking about is sort of giving me a bellyache as you say that that's kind of policy on your farm.

Mike Madison: Over the years, I keep lowering my expectations and lower and lower and lower until almost anything that works out is a bonus. So, but ... yeah, I mean like I said, it takes some attitude adjustment, but that's just the way it goes. And I see the upside of it, is the point is that some of it's going to succeed, and that's the important part.

Chris Blanchard: Now you and Diane run the farm, it's just the two of you, right?

Mike Madison: Yeah, we have no employees, and actually there's a ... I mean, California's the head of the nation in a lot of different ways, and one of the ways they're out front with us is with heavy-handed regulation. Basically in California, you cannot have anyone working on your farm who's not a member of your immediate household, without providing minimum wage, worker's compensation insurance, unemployment insurance, disability insurance, paid taxes withheld, federal taxes withheld, and FICA withheld.

Mike Madison: That's the law. You can't do it, you can't have volunteers, my brother can't come out and help me pick fruit, and that applies also to interns. You know, when laws are ridiculous, civil disobedience is appropriate, and there have been times when I've had people come out and give me a hand, or I've actually hired some other young farmers who had an empty spot in their schedule, and needed to earn some money. But there's another aspect to hiring people that's worrisome, and that is this. That if somebody gets injured on your farm while they're helping you, okay, they've got their own health insurance.

Mike Madison: They go to their doctor, and the doctor says, "Gee, how'd you break your ankle?" "Well I was working on this farm," and they go, "Oh, you were working on a farm? Well, your insurance doesn't cover that." And farmer's insurance has to cover that. As long as it's voluntary, it doesn't matter. And so, if somebody gets injured on your farm, this is true all across the country. It's just this outrageously horrible healthcare system we have, is that even though they're paying near \$1,000 a month for their health insurance, if they were injured on your farm, then you're the one who's responsible.

Mike Madison: And there was a case some years back in the area where somebody had an employee, they were paying them cash under the table, it was not a legitimate deal, and that guy more or less faked an injury. He came out, "Ah, I hurt my back, I need \$25,000." And so the farmer went to his attorney and said, "What should I do?", and the attorney said, "Give him \$25,000, that's your only choice." And that's kind of cast a chill on the whole underground labor market situation.

Mike Madison: But this is a worry for getting people on the farm. But the other side of that is that I actually like to work alone. I mean, I enjoy my solitude, and I sing while I work, and I'm a very focused worker. I don't have a phone, I don't have an iPod, I just tune out and work hard. And so yeah, I don't necessarily want to have other people around the place anyway.



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- Chris Blanchard: With that we're going to stop here, take a break, get a quick word from a couple of sponsors, and then we'll be right back with Mike Madison from Yolo Press in Solano County, California.
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- Chris Blanchard: All right, and we're back with Mike Madison from Yolo Press. Mike, I wanted to talk a little bit more about the flower production that you're doing. How many acres of flowers do you have?
- Mike Madison: Well, so at the moment, now that I've leased out part of my open ground, I'm running around four acres.
- Chris Blanchard: That's a lot of flowers.
- Mike Madison: That's a lot of flowers. I do not do it as densely as is possible. I've gone to some of this very expensive flower growing ground over on the California coast, where every square inch, I mean even the median strip up a road has flowers growing in it. They're so densely using their land. I'm a little more widely spaced than that. And for example, I plant all my beds, or whatever I'm growing, are planted two rows, 17 inches apart. And the reason I do that is because I have a cultivating tractor that's rigged up to cultivate two rows that are 17 inches apart.



- Mike Madison: That's a certain amount of wasted space, I could be in it for a skinny crop like tulips or iris or garlic or any number of things. I could put a third row up the middle. But I don't do that, just because my cultivation is set up to do 17 inch rows. So yeah, there's a certain amount of wasted space, less intense production than it could have been.
- Chris Blanchard: Well, and I suppose that with labor being a pretty limiting factor for you on your farm, that makes sense. Because what you're talking about is not trying to maximize your income in terms of dollars per square foot, or really not even being focused on squeezing as much money out of things as you can. Making it easy would seem like it's more important than maximizing production.
- Mike Madison: That's true. But there's another side to that, and that ... and is this is an interesting thing to me ... is that farming is not unskilled labor, it is skilled labor. And even something like picking fruit or setting out transplants is skilled labor, and part of that skillset is being fast. Early on we had volunteers come help us pick olives. I thought, "Well, the fast people would be a little bit faster than the slow people." Actually, the fast people are like 20 times faster than the slow people, and there's the whole range in-between.
- Mike Madison: Something about focus, about hand-eye coordination, all those kind of things have to do with the skill of being a fast worker. And I am like, at 99th percentile fast worker, I'm really speedy. I use up a lot of oxygen, and I just bear down, pedal to the metal, and stay with it. Now I'm not necessarily thorough and I'm not necessarily accurate, but I'm fast. And that's of value to us. So yeah, so that's part of the production side of the thing, is there's being fast.
- Mike Madison: And it's also true, you see some people come out, they're going to come out and work, and they work a little bit, then they take out their phone, they look at it, then they work a little more, and then they fiddle with the adjustments on their iPod, and then they take out their phone. I'm like, "Oh, that's a failed human being as far as farming's concerned," and you just know to get them off the farm. It's really ... it does take a certain amount of focus just to get down and get stuff done.
- Chris Blanchard: For the flower farming, do you have refrigeration on the farm?
- Mike Madison: Yeah, we have a walk-in cooler. Now, ideally I would run it at about 34 degrees, as a compromise between saving electricity and net cost, we typically run it around 38 to 40 degrees. But yes, we try to sell everything from the day or harvest, or the next day. So we're not holding anything long term. I know if you go to a big commercial floral operation, they start accumulating roses for Valentine's Day, they start accumulating that stuff in December, and they put it in cold storage.
- Mike Madison: And that's why often holiday flowers that came from the supermarket don't last very well, because they've already been in storage for quite a long time. We tend to move stuff out very quickly. And part of being able to make that work is being able to drop stuff off at one of our wholesale situations. And we have a lot of tulips coming, we just finished up tulip harvesting season. So tulips start in mid February, we finish them up toward the end of March.



- Mike Madison: Well, tulips can come in pretty fast. We have various places we can take them in addition to our farmers' markets, or we can hold them in the cooler, so that's stuff's always pretty fresh. And the tulips, I might say one other thing about tulips. I always used to plant my tulips, and I typically would plant between 10 and 20,000 tulip bulbs every fall. We treat them as annuals, it's not cold enough here to establish tulips as a perennial crop. And our soil is so full of western pocket gophers that they will have eaten two-thirds of the tulips by the end of the year anyway, eating the bulbs.
- Mike Madison: So we treat them as annuals. I always used to plant them on my hands and knees, get out there in December, which is when we ... So we get them, it's not cold enough here, so we have the tulip bulbs put in cold storage. So we don't get them until December, and by the time we get them in December, they've already experienced winter in cold storage in a big facility up in Oregon. I used to plant them on my hands and knees, one at a time.
- Mike Madison: This last year I bought a potato planting machine made by a little outfit in Wyoming, US Small Farm Equipment. Lovely machine, they rigged it up for me, your know, some different sprockets to make the spacing more appropriate for tulips than it is for potatoes, and I was able to plant 10,000 tulips in 90 minutes. That was, talk about making life easy and fast, that was something I should have done 30 years ago.
- Chris Blanchard: I farmed in the desert for a couple of years. I remember what pocket gophers could do to a crop, and just how quickly ... And you're talking about having a large population of those. That must be hard on just about everything that you're growing.
- Mike Madison: It is. They'll even take out ... I think the discouraging thing about pocket gophers is that they're essentially committing vandalism. They like to eat the junction of the stem with the root, that particular part of the plant. And so they'll take out a five-year-old tree. They'll go in there, they'll chew it right at that spot, they'll knock over a great big plant. They'll chew a sunflower right at the base.
- Mike Madison: If they were going to eat the whole thing, I'd say, "Okay, fair's fair, live and let live, let them eat it." But they don't. They go down the row, they kill each plant by taking a little bite or two right at the base of the stem, and then they go onto the next plant. So that's discouraging. I used to trap a lot of gophers, put a lot of effort into that. It was like taking water out of the ocean with a tea cup, it just goes right back in again, and I finally gave up. I decided my best management tool for pocket gophers is building nesting boxes for barn owls.
- Mike Madison: A nesting pair of barn owls will eat about 3,000 rodents a year, and so we put up a lot of owl boxes, and that's helpful. It doesn't completely solve the problem, but it helps.
- Chris Blanchard: That seems to me to be kind of a focus on your farm, what I might call that agro-ecological approach to managing things. From what I read in your book, it seems like you apply that same sort of thing too. I mean, you talked about the weed control challenges, well, or I should just say the weed control in your flower crop. But I think you're also doing some of that in terms of weed



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management in your flower crop, not just relying on cultivation, but trying to set things up biologically, so that you are planning for the future.

Mike Madison: If I had more ground, I would follow like a medieval practice of fallowing. Where, I mean, one way to clean up the weed population is to fallow a piece of ground for several years, maybe with cover crops on it. And I don't have enough space to be able to have that luxury. We do grow cover crops, so we have a winter rainy season, so cover crops are all over wintering cover crops. We grow that on any piece of ground, any square foot that doesn't have a crop on it. In the wintertime, it's going to have a cover crop.

Mike Madison: We used to be pretty heavily planting in the direction of legumes, beans, and veg, and winter peas. Actually we have sufficient nitrogen in our soil, but we're a little short of organic matter. So I've shifted over now to growing primarily oats and triticale as my winter cover crop, as a soil building process.

Chris Blanchard: Are you rotating your flowers with those cover crops then, or is it really more of you getting in and catching any open pieces? Or is there intentionality behind how you've designed the cover crop rotation combined with the flower rotation?

Mike Madison: Yeah, good question. No, well there's intentionality in the sense that yeah, I want to ... I mean, bare ground is like a violation of the natural world. And so, I don't like to see bare ground on my farm, and I will hope to have something growing on pretty much every square foot all the time, even though in the summertime, things do become pretty dormant. The earthworms retreat down 18 inches deep and curl up in a little ball and they wait for the fall rains.

Mike Madison: In terms of the rotations, I try to rotate the crops around from space to space, but I know people who have like Excel spreadsheets, all their crop rotation, might have mapped out five, six, seven years ahead and behind, and that's splendid, I admire that. I'm not particularly that way. I really rely on my memory which is slightly dodgy, and yeah, I think I had this here last year, I'm going to move it over there this year.

Mike Madison: And so I do move things around, and there is a rotation, but it's not scientifically regulated.

Chris Blanchard: Now, Diane is an equal partner in the farming operation with you?

Mike Madison: Absolutely. So the way it shakes out is that I do the farming part of the thing, the crop production side of it, and pretty much all the harvesting, and she does value-added things. She makes all the jam, she makes the skincare products, and at times she does most of the sales, which is great. She is this social person, a great charming personality, I'm not social. I don't have a charming personality. And so it's great, she can do the sales, we make a good team, and I can be out here mucking around, producing the crops.

Chris Blanchard: So do you guys do farmers' market together, or?

Mike Madison: I do the Wednesday night market, which is a fairly mediocre side of the market in the sense that we don't sell a whole lot of stuff. People don't buy flowers in



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the middle of the week, they buy flowers in the weekend, 'cause that's when they do their entertaining and marrying and that kind of thing. And it's a much ... A Wednesday night market has a different feel to it. There's usually a band and a beer garden and food vendors, and so it's more of a party with a farmer's market on the side, whereas the Saturday market's a serious market, it's a much bigger market, it has many more vendors.

- Mike Madison: So she does the Saturday market, I do the Wednesday market, and then she takes care of all the other sales delivery to the supermarkets and that kind of thing.
- Chris Blanchard: Does she do all of the value-added stuff?
- Mike Madison: Well I run the olive oil mill to make the olive oil, so she makes the jam. She makes the skincare products, and she deals with all the business side of the thing. So like ordering ... Our biggest expense on our farm is packaging. That's one side of the value-added stuff. We spend a lot of ... We have pallets and pallets and pallets of bottles and jugs and jars and labels and lids and all this stuff needs labels, and it has to be compliant with a bunch of different regulations, and she takes care of all that stuff.
- Mike Madison: And so if there's the ... I mean the big brown truck of happiness comes down our driveway at least three times a week to drop stuff off, and that's pretty much her doing. And that is a very time-consuming thing.
- Chris Blanchard: On my farm we didn't do value-added stuff per se, but we did a lot of packaging of our products. And it did take a shocking amount of time just to make sure that you had the inventory that you needed when you needed it.
- Mike Madison: Right. Another thing that happened with us is that when we first started doing olive oil, I got 5,000 labels printed up, and then I had to throw them away because I had failed to comply with all the labeling regulations. For example, you have to say, "500 milliliters, and 16.9 fluid ounces," both the metric and the English style measurements have to be on the label. And there has to be a 24 hour contact information if there were some food security issue with your product, you need to be ... All this kind of stuff has to be on labels, and before you print up labels, it's a good idea to check that out with the various authorities who regulate that.
- Chris Blanchard: So value-added, I mean if you spend any time at all in the non-profit world in agriculture, you get familiar with grants that are out there, and the various programs. And everybody's always talking about value-added this, and value-added that, and how fantastic it is. Is it something that you look around, and go, "Why aren't other farmers doing this?"
- Mike Madison: It is, to some extent. Now let me share with you a piece of information that I just find fascinating. The principle row crop in my district is tomatoes for processing, to go to a cannery. And 1,000 acre tomato fields, one after another, you may not be accustomed to seeing tomatoes in that kind of scale, but that's what it is here. The farmer works up the soil, builds his beds, plants his crops, they're all transplants. Irrigates it, fertilizes it, manages the pests, harvests it, puts it on a truck, takes it to a cannery, and at the cannery, the price paid last



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year is 3.5 cents per pound, it's three and a half cents a pound for ripe tomatoes.

Mike Madison: It's just unimaginable how low that price is. And you go to the store, and you buy a can of tomatoes, and it's 99 cents, it's pretty obvious that the money being made in our food system is being made in processing and distribution, it's not being made in farming. And given that situation, if you're a farmer, why not capture some of the downstream profit?

Mike Madison: So for me with olives, I can sell a ton of olives to a packer for \$600 a ton, but if I take the oil out and sell the oil instead, I'm getting \$3,000 for that ton of olives, instead of \$600. And same with the jam. Like we grow apricots. Apricots are just a superb fruit. It's aromatic, it's fragrant, it's luscious, it's delicious, and it's really fragile.

Mike Madison: And so we'll pack a shallow, single layer box, and just getting it seven miles to the market, a bunch of that fruit's going to get bruised. And not only that, but when our apricots come in in June, everybody else's come in in June. And so you go to the market, and there's 12 farmers selling apricots, and there's too much fruit in the market. And so it's a very competitive situation. Our price that we get for organic premium apricots, fresh apricots, is \$2 a pound at the market. And then there's a bunch of shrink that goes with that. You could take a half a pound of apricots, okay? I have \$1's worth of apricots, put them in a big copper pot with some sugar and some lemon juice and make apricot jam and put it in a nine ounce jar, and it's worth \$7. So you've gained two things. You've gained value, but you've also turned a really perishable product into a non-perishable product. Instead of having a 24 hour window to sell that fruit, you now have a year to sell it, and that's very compelling, that's very compelling for making value-added products out of at least part of your produce. And it seems to me that there's a huge empty niche for vegetable growers, and that is pickled vegetables. Pickled green beans, pickled okra, pickled cauliflower, pickled carrots, pickled cucumbers, all this stuff. I mean there's tremendous demand, and people love that stuff. There's demand for it. And I see very little of it in the farmers' markets that I go to.

Mike Madison: You can either do a sort of a short cut where you're basically taking vinegar and salt and garlic or something to make your pick, or you can do a genuine fermentation with lactobacillus, and you get that great lactic acid taste on those pickles. Now, there is a caution that goes along with that. And it's this, that the health authorities consider pickled vegetables to be low acid foods, which are potentially a source of food poisoning, or some kind of infectious problems then.

Mike Madison: So they're highly regulated. And if you're going to get involved in making pickles, you're going to become involved also with the health authorities in your region. Now a few states have cottage laws, you might be able to do this on a small scale in your kitchen. But generally, if you want to step up and do this in a serious way, there's a bunch of issues that go along with that. On our farm we have a dedicated food processing plant. It's a separate building, it's not big, it's 1,100 square feet. In fact, it's much too small. We have our olive oil press in there, and we have our jam kitchen in there. And that building is licensed by the California Department of Public Health. Well they have a bunch of



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requirements. They want to see drains on the floor, they want to see rubber baseboards, they want to see shatterproof light bulbs, they've got a list of stuff.

Mike Madison: And their requirements are not unreasonable, but you need to check with those before you build the building, so you don't build something wrong and have to redo it. Well, they charge us a fee. To get our license, we pay the Department of Public Health \$450 a year, and there's a \$100 surcharge because it's organic. Then we pay the California Department of Agriculture, our organic registration, we have to pay an extra \$50 a year to register as a processor as well as a producer.

Mike Madison: And then our organic certification, so the certifying agency requires us to have two certs, one as the producer, and one as the processor. So the processor cert costs \$300 and some a year. So basically we're looking at something like \$900 a year in permits, in order to be able to operate our little facility where we do our value added products. That's going to set the lower boundary on how much stuff you produce. Because if you're only making 450 jars of pickles, you'd be paying \$2 a jar just for the permit, it doesn't make any economic sense.

Mike Madison: You're going to have to jump in with both feet, and get right up, now get your production up right away to 3, 4, to 5,000 jars a year anyway just to dilute the permit cost. So as a strategy to going into that business, I would say, "Get your recipes really figured out. Get your packaging figured out, get your labeling, make sure you have a supplier who you can call up and get a pallet of glass if things are going fast and you're running out of glass for packaging," and all that kind of stuff.

Mike Madison: All that should be ready and in place before you actually jump in and start doing that. The other thing is on the question of packaging, packaging is, if you're going to do a packaged product, if you're going to do a value-added product, typically it's going to be packaged. It's going to be ... And there might be a dried something in the bag, but it still has to have a label on it. Anything processed has to have a label on it.

Mike Madison: The packaging's really important. And people respond to packaging. And you need to go out, and don't just get your high school kid to fiddle around on their computer and make a label for you. You need to go hire a graphic designer. You need to have really good packaging. It's very important in selling stuff. Even though our kids are skilled at that kind of thing, we hired a graphic designer to set up our initial labels.

Mike Madison: So the soap is packaged in like a little ... The soap is beautiful, it's made in molds, rather than being cut from a brick, so it has a lovely design on it, and it's packaged in a beautiful little fiber board recyclable box that has a hole in it, so you can look in and see the soap through the box, it's got a very nice label on it. And that bar of soap sells for \$6. Of course the soap in itself has some value, but many people are going to buy this to give it as a gift. So packaging is very important and that kind of thing.

Mike Madison: I mean, you're not only adding value by your labor, but you're also adding value by your artistic judgment, and your knowledge, just like having a good recipe for



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making your jam or whatever it is. That's part of this idea. It's not just the labor, but it's also the information.

Chris Blanchard: All right. With that, we're going to turn to our lightning round. First we're going to get a quick word from one more sponsor.

Chris Blanchard: Perennial support for the Farmer to Farmer Podcast is provided by Vermont Compost Company, makers of Fort Vee and Fort Light potting mixes. Vermont Compost potting soils are a really special product. I've used Vermont Compost Fort Vee as a blocking mix and potting soil for over 12 years on my farm, and we grew great transplants with it, I mean, really great transplants year after year after year. And at a time in the organic movement when we're seeing more and more companies jumping on the bandwagon, Vermont Compost is a reminder of the art and the craft of making potting soil.

Chris Blanchard: They mix an incredible diversity of ingredients into the compost that forms the basis of their potting soil, incorporating many kinds of manures, along with plant materials and food waste to foster structure and aeration in the compost, something that really carries over into the potting soil. One thing I have always appreciated about Vermont Compost is their ability to put out a consistent product year after year, and in something that's subject to as many variables as market farming, it's nice to have something you can count on.  
[VermontCompost.com](http://VermontCompost.com).

Chris Blanchard: Mike, what's your favorite tool on the farm?

Mike Madison: Yeah, well you know, if I counted every last screwdriver and wrench, I would probably have more than 1,000 tools, and I cherish every one of them. So choosing a favorite's not so easy. I would say by way of a preamble, that tools that you should be using all the time are an oil can and a grease gun. Lubricate, lubricate. That is really critical. Failures of farm equipment, farm tools, farm machinery, almost always have some component of failed lubrication in them.

Mike Madison: So those should be tools that you always use. But in terms of picking a favorite tool, I'm going to say it's an inexpensive little pruning saw, a tri-bevel pruning saw. This is a small saw, it weighs less than a pound. It's kind of in the shape of an arc in the handle, you can use the line of the blade.

Mike Madison: In the history of saws there's basically two styles of saws, there's the Western saws and the Eastern saws. So the Western saws, which date from Roman times and which were in Europe and in North America, there's a metal blade, you've got teeth on one edge, and the teeth are bent outwards, and so it's typically alternating left and right.

Mike Madison: And the idea behind that is that with the teeth being bent outward, you cut a slot or a curve which is wider than the thickness of the blade, so that the blade doesn't get stuck with a lot of friction in the cut as you're going along. The other style of saw, which originated in Japan, is called a tri-bevel saw. There's no set to the teeth, the teeth are not bent outward. And instead, each tooth has three bevels on it, which constitute the cutting edges.



- Mike Madison: And the tri-bevel saw, which is the little saw I'm talking about here, it makes a beautiful cut. It's easy to use, it cuts really fast, it makes a glass smooth cut. Now you can ... There's some very fancy tri-bevel saws that'll cost several hundred dollars, handmade saws where the blade is thinner at the top so there's less friction. I do not buy those. I buy an inexpensive Corona bevel saw, it costs about 25, \$25.
- Mike Madison: The reason, I mean aside from the fact that this saw is just a pleasure to use, the reason I prefer that saw is that it makes a very clean cut. And when you're pruning a tree, you're wounding the tree. And a wound is a problem, it needs to heal. And if it's a ragged cut, moisture will get into it, dust will get into it, spores will get into it, and you're risking some kind of infection of the tree. So the smoother the cut, the better it's going to heal.
- Mike Madison: And the chainsaw's probably the worst, even with a brand new chain, a chainsaw's going to make a ragged cut. So I typically, unless it's the branches. If I'm picking out a trunk that's 10 inches in diameter or something like that, I'll use the small tri-bevel saw.
- Chris Blanchard: Do you have a preferred source for your tri-bevel saws?
- Mike Madison: They're pretty widely available anymore, I think I just get it at my local independent hardware store, but I think even some of the big box stores may carry those. If you examine those saws closely, it'll be pretty obvious what's a traditional Western saw with the set teeth. It only has one sharp cutting edge, [inaudible 01:15:59] for our bevel saw that has three bevels on it.
- Mike Madison: Incidentally, it's almost impossible to sharpen a tri-bevel saw. So once one's getting old, just throw it away and get a new one.
- Chris Blanchard: What is Diane's farming superpower?
- Mike Madison: Well I'd say there's two answers to that. She's certainly great at customer relationships. I mean her cognitive map includes 8,000 people and all their children and all their names, and who they are. And so she's great talking to people, and she's also a great jam maker. Those two things are big, big pluses.
- Chris Blanchard: Do you have a favorite crop to grow?
- Mike Madison: Every crop is my favorite crop on the first day of harvest. So, here's it's the second week of February, tulips start to come in, and ah, tulips, what a great crop! My favorite crop. They're beautiful, they're elegant, people love them, they're profitable, they're easy to grow. Tulips are great. Then we start harvesting tulips like twice a day, seven days a week. By the time I get to day 35 I'm thinking, "Man, I'm so sick of these tulips, I hope I never see a tulip again."
- Mike Madison: And then peonies come in. Okay, now peonies are my favorite crop for a day.
- Chris Blanchard: And finally, if you could go back in time and tell your beginning farmer self one thing, what would it be?



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- Mike Madison: I would say, "Go out and buy a really nice notebook. A bound book, acid-free, archival paper, no lines on it, just blank pages, nice thick paper. And buy a good fountain pen, like a Namiki Falcon or something like that, and a bottle of an ink, and write stuff down." I'm not talking about writing down trivial stuff like, "I spent 30 minutes hoeing the cabbage patch today," but the important stuff. So let me give you a couple examples.
- Mike Madison: Years ago I planted four trees of white nectarines, they're four different varieties. And they're all good, but one of them's just outstanding. I would love to get more trees of that, I don't know of the cultivar name. Because the tags that were on those trees, plastic tags, they kind of disappeared over time. And if I had written it down, I would have that.
- Mike Madison: Another example, I'm out, I'm doing deep ripping in the field, and I look over my shoulder, and there's water bubbling out of the ground, and I'm sure I ran over a pipe. I didn't think there was a pipe in this field. Well, I did my irrigation system all at once, it's done over a period of years, and I add to it, and parts of it became abandoned, then I thought, "Well I'll remember this, I'll remember there's a valve over here, I'll remember where this pipe is."
- Mike Madison: But the fact is I don't remember. And so there should have been a map and a book that says where all these pipes go, and if I were going to go out and do some ripping, I could look in the book before I go out, " Oh, yeah, there's a pipe in this field. Look out for that." Another example, when it's time to change the oil in the John Deere tractor, I don't want to go to the John Deere dealer and pay \$22 for an oil filter, I'm just going to go to the auto parts store and get the cheap Fram filter for \$5. Now what's the part number on that Fram filter?
- Mike Madison: Again, that's something that should have been written down in a notebook, I could look it up. And the reason I suggest getting a really nice book and a really nice fountain pen, is because you want to be in a certain frame of mind when you're writing this stuff down. It's kind of serious, kind of magisterial, maybe your grandchildren could be consulting this book someday. You're not just scribbling with a crayon on a paper bag.
- Chris Blanchard: Mike, thank you so much for being on the Farmer to Farmer Podcast today.
- Mike Madison: Yeah, my pleasure, it was fun.
- Chris Blanchard: All right, so wrapping things up here, I'll say again this is episode 166 of the Farmer to Farmer Podcast, and you can find the notes for the show at [FarmertoFarmerPodcast.com](http://FarmertoFarmerPodcast.com) by looking on the episodes page, or just searching for Madison, that's M-A-D-I-S-O-N. The transcript for this episode is brought to you by Earth Tools, offering the most complete selection of walk behind farming equipment and high quality garden tools in North America. And by Osborne Quality Seeds, a dedicated partner for growers. Visit [OsborneSeed.com](http://OsborneSeed.com) for high quality seed, industry leading customer service, and fast order fulfillment.
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Chris Blanchard: And hey, when you talk to our sponsors, please let them know how much you appreciate their support of a resource you value. If you'd like to support the show directly, you can do that by going to [FarmertoFarmerPodcast.com/donate](http://FarmertoFarmerPodcast.com/donate). I am working to make the best farming podcast in the world, and you can help with that.

Chris Blanchard: Finally, please let me know who you would like to hear from on the show through the suggestions form at [FarmertoFarmerPodcast.com](http://FarmertoFarmerPodcast.com), and I will do my best to get them on the show. Thank you for listening, be safe out there, and keep the tractor running.