

Selling Your Greenhouse Tomatoes



Greenhouse tomatoes are about a \$2.2 million business in Louisiana, assuming growers can sell what they produce for a profit.

One of the secrets of profitability is to keep your business small enough to handle sales yourself, as much as possible. You can be the producer and the retailer. Most operations do, however, move most or all of tomatoes through an established retail market. Thus you have direct and indirect marketing potential, but you must have a definite marketing plan in place by your first fruit set. It's best to have it lined up before you plant the first seed.

With direct marketing, you get more for your produce, but it takes time. Options include farmers' markets, roadside stands, cafeterias, sandwich shops, restaurants and on-site sales from the greenhouse. Most growers don't choose this last approach because of the inconvenience, liability, etc.

The other approach is indirect marketing, and it requires much forethought. Outlets include supermarkets, quick-stop shops and produce stands. Step one is to find out what they want, including how, when and how much. You must deal with business professionals who have their own market plans. They generally are worried about their profits because they were buying tomatoes from other suppliers before you approached them. A change on their part is a risk; they may lose past suppliers. Many markets will want supply guarantees. To meet these demands, you may need to work with other tomato producers to even out the supply better – or expand your business.

Know what the buyer requires in size, ripeness and quality. Markets often expect tomatoes in 8- to 10-lb. single layer boxes or 20-lb. double layers. They will specify the delivery. You may or may not get the empty carton back.

You may be asked to enter into a contract. Remember your limits and the protection you deserve. Be sure an 'act of God' clause lets you off the hook if need be; that's farming – even in a greenhouse. Get some exclusivity so the market won't bring in other similar products. Insist on language that lets you opt out if agent or others are in breach of duties. Know exactly what the contract says or doesn't say.

Many think marketing co-operatives are the solution. Co-ops cost money to run, restrict options and require many growers to work together. Few succeed. More successful are marketing associations where growers get together and agree on a marketing plan but still market their own produce.

Some growers guarantee sales and take back whatever will not sell. If you take this approach, price accordingly in case you must eat some of the fruit. Try to maintain a reasonable, steady price with the market outlets. Don't follow what 'other tomatoes' are doing until perhaps the last few weeks of late-spring sales. You have a special and expensive-to-produce product. In your tomato wholesale price, include the cost of marketing, insurance and delivery. Remember, some clients are not worth having; don't risk your business and your sanity.



Always treat your markets with respect. Deliver what you promise. Grade out as agreed to by the market, and keep those grade standards. Warn buyers of imminent shortfalls. If there is a bad fruit-setting period, the lack of deliverable fruit will show up in about six weeks. Markets and their customers don't like to be surprised or disappointed. If they are expecting a problem, maybe they can deal with it if given enough notice.

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Author:

Thomas J. Koske, Professor (Horticulture)

Louisiana State University Agricultural Center

William B. Richardson, Chancellor

Louisiana Agricultural Experiment Station

David J. Boethel, Vice Chancellor and Director

Louisiana Cooperative Extension Service

Paul D. Coreil, Vice Chancellor and Director

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