



## The *New* American Farmer

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Larry Thompson and family, Thompson Farms

Boring, Oregon

### Summary of Operation

■ *32 fruit and vegetable crops on 100 acres*

■ *Direct-marketing through farmstand, farmers markets, pick-your-own*

### Problems Addressed

Low profits. Raising berries using conventional methods and selling them to wholesalers brought low returns to the Thompson family. Moreover, they lacked any control over price-setting.

Heavy pesticide use. In step with their neighbors, the Thompsons used to apply regular doses of soil fumigants and pesticides. They sprayed on frequent schedules recommended by the manufacturer — at least six chemical applications a season at about \$72 per acre.

“In our area, that’s how everyone did it,” Larry Thompson says. “We didn’t want any bugs, good or bad, in the product. When I was 12, I’d apply Thiram on a tractor and drive through the fog. The thicker, the better. You’d try to hold your breath through the cloud.”

### Background

Larry Thompson’s parents, Victor and Betty, began raising raspberries, strawberries and broccoli in the rolling hills southeast of Portland in 1947. They sold their produce to local processors, where agents for the canneries always set the purchase price. In 1983, Larry took over the main responsibility of operating the farm and sought more profitable channels.

He first tried selling broccoli to major grocery stores around Portland. He found he could negotiate a fair price, at least at first. But as the grocery stores consolidated in the 1980s, shelf space shrank. With cheaper imports flooding the market, vegetable prices dropped.

### Focal Point of Operation — Marketing

“In the mid- to late ’80s, we decided we needed to do something different,” Thompson says.

The family flung open the farm gate to the suburban Portland community. They began by offering pick-your-own berries and selling the fruit at a stand they built at the farm. Strawberry sales were so strong, Thompson decided to plant new varieties to extend the season.

“We had good, open communication with our customers, and they started asking about other crops, so we started diversifying our types of berries,” Thompson says. They added broccoli and cauliflower “and found we could ask a price that was profitable but still less expensive for them than going to the store.”

The Thompsons soon attracted a loyal following, primarily from Portland 20 miles away. They began selling at area farmers markets, too. The enterprise grew steadily. Now, the family and 23 employees raise 38 crops and sell them at six markets, two farm stands and through on-farm activities such as farm

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tours and pumpkin picking. Retaining different marketing channels gives Thompson a chance to cross-promote. Everywhere Thompson Farms sells products, workers distribute coupons for produce discounts, along with recipes and calendars specifying crops in season.

All of their printed material features a “crop update line” phone number, which plugs a caller into a pre-recorded message that Thompson changes daily to reflect what’s fresh. He records the message every morning, seven days a week, in a chipper voice — regardless of how he slept the evening before.

In essence, Thompson is a pro at “relationship” marketing, forming bonds with customers who see a value in local produce raised with few chemicals — which they can see with their own eyes after making a short trip to the farm. Thompson regularly offers tours — to students, other farmers, researchers and visiting international delegations — to show off his holistic pest management strategies and bounty of colorful crops.

Thompson attributes their success to uncommonly good-tasting products. He also feels confident that his customers like how he has reduced pesticides in favor of beneficial insects, crop rotation and cover crops.

Profits are up, but Thompson realizes such marketing strategies have come at a price.

“It’s a whole different type of farming,” he says. “You have to not only know how to farm and raise the best crops, but you have to suddenly take on the marketing of those products. There is more stress, more rules and more work. Farming is a lot of fun, but you have to look at it as a business as well as a way of life.”

### Economics and Profitability

To Thompson, profitability means that at

year’s end, he has earned more money than he spent. “I reach that level consistently,” he says. In 1996, heavy rains cut into earnings, but “other than that I’ve been profitable.”

As ruler of his destiny, rather than the more passive role the family once took with processors, Thompson makes sure he earns a profit. He figures the cost of planting, raising and harvesting each crop, then doubles it in his asking price. His most profitable crop, consistently, is strawberries. He also found that selling cornstalks after harvest reels in surprisingly big bucks.

His wife, Kathy, works in town and carries health insurance for the family. The Thompsons aren’t rich, but Larry is happy with the stability his aggressive marketing program brings.

“I’ve tried to create a stable income,” he says. “There is so much volatility in the prices offered year to year — some years my dad would make really good money and some years he would go broke. Being more diversified, we don’t have years where we have either no crop or a low price.”

For examples, red raspberries sold for 20 cents a pound at the processors in 2000, the lowest price since the 1970s. That same year, Thompson sold a pound of red raspberries for \$1.61.

### Environmental Benefits

Thompson relies on cover crops to control weeds and provide habitat for beneficial insects. He began using covers with his father to slow erosion, but found multiple benefits in insect and fungus control. He likes a mix of cereal rye, which grows fast in a variety of climates, and Austrian winter peas, a powerhouse nitrogen fixer. He overseeds rye on all his vegetables and it germinates, even under a canopy of larger crops. By harvest, he has a short carpet that will grow all winter.

Rye helps him control his two biggest soil-dwelling pests: symphylans and nematodes. Using rye as a natural nematicide means he has not had to fumigate his soil, a common practice among most berry growers, since 1983.

Thompson allows native grasses and dandelions to grow between his berry rows. The dandelion blossoms attract bees, efficient berry pollinators. The mixed vegetation provides an alluring habitat that, along with flowering fruit and vegetable plants, draws insects that prey on pests. Late in the year, Thompson doesn’t mow broccoli stubble. Instead, he lets side shoots bloom, creating a long-term nectar source for bees into early winter.

“To keep an equilibrium of beneficials and pests and to survive without using insecticides, we have as much blooming around the farm as we can,” he says.

Thompson’s pest management system has eliminated chemical insecticides and fungicides and reduced herbicides to about one-quarter of conventional recommendations for weed control.

Runoff used to be a major problem at Thompson Farms, which sits on erodible soils. Thanks to cover crops and other soil cover, virtually no soil leaves the farm anymore, Thompson says. The permanent cover also helps water infiltration.

Thompson believes strongly in the concept of sustainable agriculture as a way to preserve natural resources for the future. “How I make my living has to fit in with my goals as a caretaker of the land,” he says. “When I leave this ground, I want it to be in better shape than when I arrived.”

### Community and Quality of Life Benefits

Thompson hires the same farm labor crew

from Mexico each year; one worker has stayed with Thompson Farms for 15 years. Thompson helps find them housing and pays them what he describes as a fair wage in return for their experience.

“They’ve got to earn a living and we’re willing to spend extra money for labor,” he says. “I can send them out to harvest, and I trust them. The nicer the product looks, the more I’m going to sell and the more they’ll get to pick. That’s a huge advantage with having the same crew year to year.”

Thompson Farms is a true family farm; all of the sales crew has a family connection. Larry’s mother, Betty, remains an active partner in the business, putting her considerable charm to work at the farm stand. Larry’s children and some of his nieces and nephews also work on the farm. Meanwhile, Thompson emphasizes family time on twice-a-year vacations.

As past chairman of the Western Region SARE program, Thompson offered valuable input to the grant selection process. Thompson liked the leadership position, despite the many hours involved, because he wanted to bring an on-the-ground view to the group.

#### Transition Advice

Decreasing reliance on chemical inputs is a long-term proposition, Thompson says. “Don’t say: ‘Today, I’ll stop using chemicals,’ ” he says. “It won’t happen overnight. Observe your fields, look at your pest populations and evaluate whether you need to apply anything.”

It takes about three years to grow populations of beneficial insects, he says, and it’s important to reduce chemical applications to allow that. In the process, farmers may experience crop damage, but a diverse base and creative marketing can absorb the loss.



*Larry Thompson sold red raspberries for \$1.61 per pound in 2000 when processors were paying just 20 cents per pound.*

“If I lose a small patch of cabbage to aphids, for instance, I have other acres of cabbage planted right behind it,” he says. “I’ll disk up that crop and the beneficial population will be high for the next crop.”

New marketers should be sure to charge the prices they need to make a profit. “Don’t open a stand and give your product away,” Thompson says. “People will pay for it if you let them know what you’re growing, how you’re growing and who you are.”

They also should consider advertising, despite the expense. Thompson is convinced that his daily phone recording, featuring the farmer himself with an up-to-date farm report, sets them apart and gives him the chance to push a just-harvested crop.

#### The Future

Thompson plans to expand the on-site

farm stand to provide more shelter for customers, and may build an enclosed building to advertise his products better. He also wants to expand the pick-your-own operation and improve an existing corn maze with three additional acres.

“We’re looking at bringing more people on the farm with an entertainment factor, but we won’t turn into an entertainment farm,” Thompson says. “Everything we do will be related to farming.”

■ Valerie Berton

#### For more information:

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