

# Securing the Future of the Fruit Industry through Successful Farm Transitions

**Moderator:** Russell Redding, Dean of Agricultural and Environmental Sciences, Delaware Valley College

**Panel members:**

Sidney and Dave Kuhn, Kuhn Orchards, Cashtown, PA

Justin and Ed Weaver, Weaver's Orchard, Morgantown, PA

Ben and Dave Wenk, Three Springs Fruit Farm, Aspers, PA



# Three Springs Fruit Farm

## David, John, Ben Wenk

- \* Business structure  
Multiple LLCs
- \* Year founded  
1979 (formally)  
2011 (as presently  
constituted)



# Business Focus

## Diversified Marketing

*Growing, Fresh fruit pack market, Tailgate retail, Wholesale, Processing*





# Main Crops Produced

- \* Apples, Peaches, Pears, Cherries, Small Fruits, Specialty Veggies



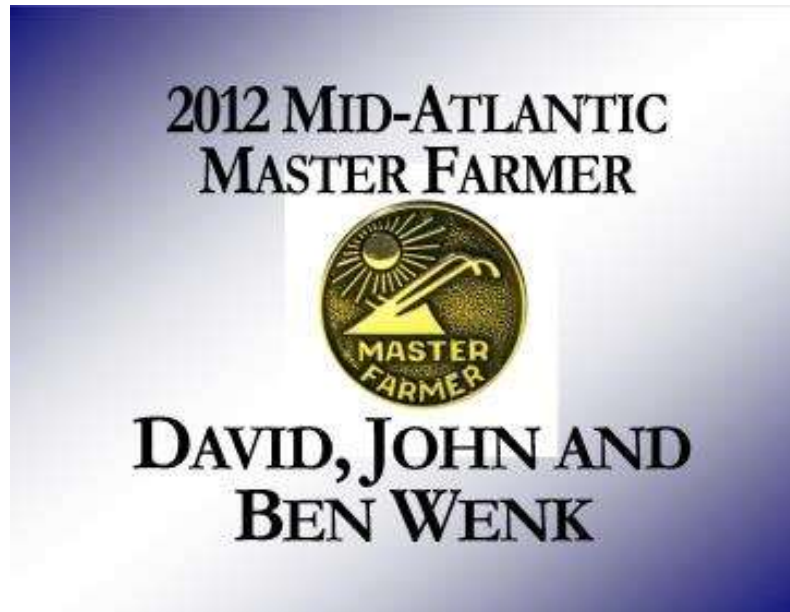
# Important Milestones in the Farm's History

- \* Since early 1800's - Ongoing partnerships/sole proprietorships
- \* 1979, 1983 – Father and son partnerships (“to steer first Dave and then John back from college”)
- \* 2009 – LLCs formed; amended in 2011 to include Ben



# Important Milestones in the Farm's History

- \* 2010 - Food Alliance certified
- \* 2012 - Master Farmer



**"These guys have the best apples!" - Jenn of  
Straight from the farm Philly Food Blog**



# Biggest Hurdle

## *for Moving Transition Plan Forward*

- \* **Communicating better**
- \* **Finding a good facilitator to get that communication going**



# Weaver's Orchard Inc.

## Weaver's Orchard Inc.

*Corporation – Sub-chapter S*

*Owners – Ed and Anne Weaver*

*Production Manager – Justin Weaver*

*Property originally purchased in 1931*

*Daniel & Sadie Weaver (Ed's grandparents)*

*Incorporated in 1974*

## Weaver Fruit Enterprises LLC.

*Owners – Ed Weaver, Justin Weaver*

**2013 - 35 acres purchased for production  
and new market**





# Business Focus

- \* *Production of tree fruits, small fruits, vegetables*
- \* *Retail sales through pick your own, farm market, Orchard2Office, seasonal offsite farmers markets*
- \* *Wholesale to other farm markets, cooperatives*
- \* *Agritainment, including festivals, birthday parties, corporate parties, weddings*



# Main Crops Produced

- \* Apples, peaches, sweet and sour cherries, pears,
- \* Plums, nectarines, strawberries, blueberries,
- \* Raspberries, blackberries, asparagus, pumpkins



# Important Milestones in the Farm's History

- \* **1974 - Incorporation**
- \* 1998 - Shift from off-site market sales to focus on onsite farm market
- \* 2003 – Ed and Anne purchase Ed's father and brother's shares in corporation
- \* **Next generation's decision to be involved in the business**





# Biggest Hurdle

## *for Moving Transition Plan Forward*

- \* Establishing an acceptable financial transfer
- \* Communicating that plan with family members not actively involved in the business



# Kuhn Orchards, LLC

**Sidney Kuhn – Owner and General Manager**

**Anthony Herring – Production Manager (Sidney's husband)**

**David Kuhn – Senior Management Advisor (Sidney's father)**

**Mary Margaret Kuhn – Office Manager (Sidney's mother)**

*LLC formed in 2010*

*Farm has been in operation since late 1800's*



# Business Focus

- \* Since Kuhn Orchards began to attend farmers markets over 20 years ago, **direct marketing (and growing everything that we direct market)** has become the main focus of the business.





# Business Focus

Although only utilizing  $\frac{1}{4}$  to a third of our total crop production, ***sales from farmers markets now make up approximately 60% of the income***

- \* Wholesale of apples, peaches and nectarines targeted to customers with higher-end retail markets remains our second largest source of income (approximately 40% of total income)



# Main Crops Produced

- 20 acres of apples, 50 acres of peaches and nectarines
- \* small acreages of pears, asian pears, table grapes, strawberries, raspberries, blueberries, blackberries
- \* rhubarb, apricots, plums, cherries, currants, gooseberries, asparagus, heirloom tomatoes, various other vegetables, cut flowers and herbs





# Important Milestones in the Farm's History

## **Early 1900's - Fruit first grown on the family's farm**

*75 acres of the 175 acre farm grow apples sold through brokers and commission markets for sale in East Coast cities and exports overseas*

## **1958 - Floyd Kuhn takes over the operation**

*Apples and sour cherries sold for processing to the Knouse Foods factory, peaches sold to brokers for market in nearby cities*





# Important Milestones in the Farm's History

- \* 1976 - Floyd and son David enter into partnership to operate the farm as "**Kuhn Orchards**"
- \* 1990's - **David** realizes growing fruit for the processing plant and wholesale brokers is becoming less profitable and **takes the business in an entirely different direction**
- \* Kuhn Orchards begins selling direct to consumers at **tailgate farmers** markets in Northern Virginia and Washington, DC



# Important Milestones in the Farm's History

2010 – **Sidney forms Kuhn Orchards, LLC** and begins **operation of the farmers markets as a separate business** with purchases of produce from her parents

2012 – **Sidney transitions into ownership** with the purchase of the majority of the business operation from her parents

(with long-term leases on some land retained by her parents)



# Biggest Hurdle

## *for Moving Transition Plan Forward*

### Finding the Right Team

\* consultant, attorney, accountant, lenders

*Once we had the right team members together, the plan for the financial part of the transition came together very quickly*





# Biggest Hurdle

## *for Moving Transition Plan Forward*

- \* **Interpersonal issues** – such as “what happens to grandpa”, “what part does my sister play in this? Or my husband? Or my aunt?”
- \* “How do I help my **parents** continue to be a necessary part of the operation, but also take **steps towards retirement?**”



- \* It helped a lot that **we discussed these issues** at the beginning **before** we even got into the “**dollars and cents**” part of the plan
- \* It’s also important to have an **outside consultant** help you sort all these things out – **someone who can be objective**

