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Farm Fresh Direct has sights set on growth

By

John Groh, publisher

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A topsy-turvy 2022 has given way to a more normal year in 2023 for [Farm Fresh Direct](#), and with that the company can focus on growing its business.

“Last year, we made it door-to-door with our crop, but it took some excellent inventory management and sacrifices from our total team,” said Mike Hulett, who is in his second year as CEO of the Monte Vista, CO-based grower-shipper of potatoes. “This year we did not have to have anyone on allocation, which is great for the customers and growers alike. We will finish the old crop timely in August and transition right to new crop, again with excellent crop management under the direction of David Tonso on the grower end, and Matt Glowczewski leading production.”

Regarding new crop, Hulett said acreage is up a couple of percentage points over last year at FFDA, and yields are expected to be average, with all indications pointing to good quality.

“The growing season was odd to good,” Hulett said. “A cool, windy and wet spring led to some mixed growth in the Valley. We have some not-so-good circles and also some of the best. The rule of thumb is ‘Rows Close by Fourth of July,’ and while some fields never closed, overall tuber health is quite good.”

While average yields are expected out of Colorado, they are very much unknown as of today. Hulett said there is concern nationally about increased acreage coming off a year with solid demand and solid supply.

“It’s a little complicated because there are so many factors involved,” said Hulett. “For example, we’re not sure if processing will truly consume the added production from the increased acreage. If processors don’t move COGS down to retail, I fear buyers will continue to look offshore for supply, and this will not be good for fresh markets. Domestic processors need to take back the market share they have lost in the last four years to imports due to weather and production supply constraints. They will need to be purposeful to do so and I hope they engage.”

Increased costs have been a major challenge for every segment of the industry in recent years, especially grower-shippers, and Hulett said that while they have come down a bit from the historic highs experienced during the pandemic, they will never be back to pre-pandemic levels.

“We’ve seen some reductions on packaging costs, and fuel has come down a little, though it still remains high, but pallets are in tight supply,” he said.

Another nuance that has driven up costs is the fact that consumer preference is skewing toward smaller pack sizes. Hulett explained that five-pound bags supplanted 10-pounders and are the default pack size these days, but three-pound bags are starting to gain in popularity. Those are

expensive shifts.

“The smaller packs are more expensive, because we have to force more packs through on the same tonnage,” he said. “So, this takes more time, labor and material, which is money. This is a hard cost to pass on in full. Educating our partners and finding ways to share these costs is a must.”

Transportation is another challenge that grower-shippers must manage, and Hulett said Farm Fresh Direct is in a good situation via its partnership with its provider, R.E. Garrison Trucking.

“They are a committed partner to Farm Fresh Direct, and that gives us stability for our transportation needs,” he said. “But it is still something we always need to watch from a cost standpoint. Transportation is always a moving target. Freight has moderated this year, yet we see risks of truck challenges as their costs are high, and we see big companies going out of business, like the recent one, Yellow.”

While Farm Fresh Direct supplies domestic markets coast to coast, Mexico represents an intriguing market with much potential, especially with the opening of the interior of the country for U.S. potato shipments.

“We expect to send more to the interior this year,” said Hulett. “The rule change permitting shipments to the interior occurred last year mid-way through the season, so we didn’t send much. But this year we are much more familiar with the requirements and our growers are much more prepared to meet them.”

Farm Fresh Direct also is one of the larger shippers of organic potatoes from the San Luis Valley, and Hulett said he has plans to continue growing that end of the business.

“Organics are absolutely an important segment of our business,” he said. “Organic potatoes in general have about 3 percent penetration in the market, and 10 percent of our production is organic. We over index for a reason. Customers need that solution, and we are ready.”

He added that Farm Fresh Direct has a year-round organic Russet program, which he called “a big feather in our cap,” and he said the company is working toward year-round yellows and reds.

“It’s actually pretty tough to do year-round organic potatoes,” said Hulett. “It’s a big investment for our growers on varieties and storage, and there are more risks associated without the conventional farming/storing tools in organic production.”

Hulett credits Lonnie Gillespie and Kim Crowthers in leading FFDA’s position nationally on organics for its customers.

“They are always providing solutions for our customers and if you want organics on your shelf 52 week a year, they are who you need as a partner,” said Hulett.

He said Colorado is well suited to grow organic potatoes due to the terrain and elevation, which sees less pest pressure than other growing regions. But even with those favorable conditions, yellows and reds are still a difficult proposition because they do not store as well.

“Those require more partnerships with shippers in other states, such as California, Minnesota and Washington, and we have the best partnerships available,” he said.

Hulett is relatively new to his role as CEO at Farm Fresh Direct, having joined in January 2022. But he previously worked for FFD for seven years earlier in his career, so he is well-versed in both potatoes and Farm Fresh Direct. And now in the second year of his second stint at FFDA, he feels prepared to move forward with his vision.

“My first year as CEO was definitely an adjustment period for both me and our staff,” he said. “It was a period for me to get reacquainted with the company and the business, and it took some time for the team to get to know my ways of working and for me to get to know theirs. Now in Year 2, we are building momentum on the foundation that was established in Year 1, when I was busy installing a new culture at the company. It was all about making sure the people who are on the bus are sitting in the right seats and retooling the mindset for growth.”

Hulett said a number of structural changes have been made to position Farm Fresh Direct for growth. For one, the company brought on an additional packingshed in Prime Packing, based in Center, CO. The company also added a new salesperson in Cindy Adkins, who Hulett said is a seasoned sales professional who “will build on our culture and elevate our game.”

“After taking a mini sabbatical, Cindy is refreshed and ready to build a future at Farm Fresh Direct,” he said. “Previously, she spent nearly three years at Mountain King, which Farm Fresh Direct works with closely in the Valley. She and her family also owned and operated Cinacia LLC. in Center for 20-plus years as well. We are excited to have Cindy on the team and we’re looking forward to her influence.”

Finally, Hulett said he is excited to be continuing with a program that is focused on assisting the lives of Farm Fresh Direct’s farm/production workers, office employees, their dependents, and the wider community.

Named La Pasadera (or “stepping stone” in Spanish), the program creates opportunities that might not otherwise be available to FFDA’s dedicated workers and their families.

Hulett said the program is focused on community involvement and the health and well-being of the ag labor workforce. So far, it has provided \$15,000 in scholarships and community aid, such as supplementing day care costs for workers, and much more.

“The program is aptly named ‘La Pasadera’ because often people just need help with the first step before they can take off, and that is what we are trying to do for them,” he said. “The program is supervised by Mayra McKibbons, and she does a fantastic job. She recently held a horse training clinic with Pueblo-based Creating Connections, which was very well received.

“The clinic was a good experience for me and my girls,” said Eva Salazar, a plant worker who attended the clinic with her daughters. “The coach and staff were very welcoming, and we learned a lot and had fun at the same time. It was a great day.”

Photo: Mayra McGibbons (right), who supervised Farm Fresh Direct’s La Pasadera program, with plant worker Eva Salazar and her daughters at a horse training clinic.

[John Groh](#)

About John Groh | 

John Groh graduated from the University of San Diego in 1989 with a bachelors of arts degree in English. Following a brief stint as a sportswriter covering the New York Giants football team, he joined The Produce News in 1995 as an assistant editor and worked his way up the ranks, becoming publisher in 2006. He and his wife, Mary Anne, live in northern New Jersey in the suburbs of New York City.

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