The Event: Blue Ridge Naturally Workshop: Connecting Medicinal Plant Growers with Buyers

When: September 14, 2013, 10 AM to 4 PM

Where: AB Tech Enka Campus, Haynes Conference Center, Room 200, 1459 Sand Hill Rd. Candler, NC 28715

What the event was about: Natural products manufacturers are looking for medicinal herb growers and local medicinal herb growers are looking for buyers. But how do they find each other? This event was designed to help connect current and potential medicinal plant growers with manufacturers and raw material buyers for the natural products industry in North Carolina. It featured panels of new and experienced medicinal herb growers and natural products buyers/manufacturers to discuss their unique experiences, challenges, goals, and needs as it relates to natural products and raw materials. There was time for discussions between growers and buyers. There was also a presentation on the new Blue Ridge Naturally branding effort, created to raise the awareness of the superiority of botanical raw materials and quality natural products (personal care, pet care, cleaning, tinctures and supplements, functional food and beverages) from the Blue Ridge Mountains region of North Carolina.

The event drew over 110 people and was, in my opinion, very successful. There was enthusiasm and lots of networking going on. The next step will be to design a way for growers and buyers to continue to network and form relationships. This will probably involve a web based program that everyone can subscribe to. Although there will be an open forum section, most agreed that there also needs to be a way that business transactions could take place in a more private setting, probably with a trusted coordinator so buyers and growers could keep prices, quantities, and other business issues off the open forum. We used a similar model years ago and will try to build on what we did then.

Below are my notes from the event. Please keep in mind I was taking notes while moderating the event. I did the best I could!

Buyer Panel: Three local buyers and a nurseryman introduced themselves, explained the role they play in the industry and answered questions from the audience.

Ed Fletcher, Strategic Sourcing, Banner Elk, NC

1. Buys medicinal herbs, primarily dried, in large volumes. He then cleans, bulks, and cuts them as his customers want. He buys and sells globally.
2. He consolidates herbs from different growers to meet the needs of the buyer. Customers want the herbs in different forms.
3. Growers need to know your target; what do the buyers want?
4. Communication is so important!

**Rob Fletcher, Gardens of the Blue Ridge Nursery, Newland, NC**

1. His great grandfather started the nursery. Mostly sells plants direct to gardeners. Does some wholesaling. Many landscapers doing work with native plants. Native woodland plants, including many medicinal herbs, are a specialty of the nursery. At times he runs short on a particular plant and looks to buy from other growers.

**Kara Errickson, SkinFare, Asheville, NC**

1. She is a small manufacturer making body care products. She started the company in the spirit of collaboration about three years ago. All ingredients are certified organic. Originally thought she could use all local ingredients; didn’t realize she couldn’t source most of them here.
3. Potential local plants that she could put into products include ginger, spearmint, chamomile, sage, thyme, helichrysum, and basil.
4. She is an industrial designer.
5. “Farm to Face” is a new term she would like to help make popular.

**Jeannie Dunn, Red Moon Herbs, Asheville, NC**

1. Small manufacturer of herbal products. Company has been in business for 20+ years; she recently acquired it.
2. Wants distilled essential oils from the area.
3. Grew up on a farm in Orange County.
4. Tried to be an artist and art therapist. Moved here in late 90s.
5. Works with prolific local herbs, many are what we consider weeds.
6. Know what your buyer wants; they all want something different. She works a lot with common medicinal herbs that grow wild all around us, like nettles. People should pay attention to what is growing around them.
7. They have to buy some things from big companies because they aren’t available in WNC. For example, nettles and oat straw, cut, sift, and dried. Why do we have to purchase nettles from somewhere else?
8. Most herbs she purchases are in quantities of 5, 10, and 50 pound lots.
9. Buys really high quality material from Moonbranch Botanicals. That is the standard to live by.

**Questions from Audience and Answers from the Panel of Buyers:**

1. Q: Do more people want to grow medicinals in their gardens?
   A: Rob has noticed that they do, especially in the last 8-10 years.
2. Q: How can a grower penetrate this market for nursery plants?  
   A: You need to get the word out to gardeners and landscapers that you have those plants. Advertise; go to shows; display at festivals; word of mouth.

3. Q: Concerning raw land, pastures and woods. Who will come to their property and tell them what is growing there now and what would be good to grow there?  
   A: Ian Snider, of Mountain Works Sustainable Development, introduced himself as someone that would do that. He was at the conference representing Ridge Runner Trading in Boone, NC because Tony Hayes couldn’t be in attendance (middle of ginseng season). Ian collaborates with them. He could come out to your property and do a woods walk. Jeanine mentioned that there are a number of herbalists and permaculturists in the region who also do this for a fee.

   More recommendations from the panel: Walk your land. Learn what is there. Use a good plant identification book. Go out at twice a month all year long. Different plants bloom at different times of the year.

4. Question to Ed, what volumes do you buy herbs in?  
   A: Ed always talks in dried pounds. For goldenseal, 10-20 lbs is an average purchase. For Echinacea, he looks for larger volumes; growers are usually producing an acre or more. So it depends on the herb.

5. Question to Ed: What kind of prices are you paying for woodland botanicals?  
   A: Ed said that black cohosh is bringing $3.50 to $4.50 a pound dried. Fresh it is $1.00-$1.50 per pound. Goldenseal is bringing about $30 per pound. Remember people are going to eat these roots; so get them clean!

6. Q: What are low tech drying solutions? Can the buyers dry the herbs and roots instead of the growers? The audience member asking the question said it can be hard to dry herbs and roots properly here; especially this year with all the rain we’ve had.

   A: Ed said he has not found it too difficult to dry herbs here in the mountains if you remember to have lots of moving air. Don’t try to dry in direct sun. There is a solar drying project at Appalachian State University that looks promising; it will be portable. There are also plans to build a big and a small dryer that came out of the Medicinal Herbs for Commerce Project led by Jeanine Davis at NCSU. Those plans can be found on Jeanine’s website at [http://ncherb.org](http://ncherb.org). Jeannie wants to build a facility where they can dry herbs that they purchase.

7. Q: Can a grower use the same field equipment for both conventional and organic production?
A: Yes, a grower just needs to clean it thoroughly in between. Talk to your certifier for specific instructions.

8. Q: Can existing stands of trees be certified organic? I would like to sell organic cherry bark and such from my forest.
A: Yes, existing forests can be certified organic. Finding dense enough stands to make it economically feasible might be difficult though. Not sure how the certifying agencies charge for that. Also, think about sustainability of the species because bark collection often destroys the tree. There are ways to harvest bark that won’t kill the tree. Each species is different. And you can collect and sell other parts of some trees. For example, with walnut, collect green hulls. Slippery elm, witch hazel, sassafras, fringe tree, and cherry are examples of barks in demand.

Need to know exactly what the buyer wants. For example, if the label on a herb product says root bark, it can’t have tree bark. So if you combine the two, that manufacturer can’t buy that product from you. Another label might say “root and tree bark”, then combining them would be okay.

9. Q: What paperwork does a buyer want from the grower?
A: Jeannie buys wild harvested and organic herbs, but doesn’t require certified organic. She has a form she has growers fill out. She is getting ready to revise it. She wants to have a farm visit to know where the material is coming from and she will educate the grower/harvester herself. She might ask for photographs. Growers are often confused about their seed sources. They are not certain if they have the species they think they should have. Keep good seed records.

Ed: The more information that can be provided the better. Having the wrong species is a common problem. Keep good records. Where the seed came from, when and where planted, how it was fertilized, when it was harvested, and how it was treated. Positive identification is very important. Rob has purchased plant material for the nursery that wasn’t what it was supposed to be. Echinacea that was supposed to be native was hybrid, for example.

10. Q: Is there buyer interest in muscadine grapes?
A: Yes, Kara said companies are looking at it for skin care. It might have SPF properties for sun protection. The skincare industry is trying to replace many of the chemicals they are using now. She buys helicrysum oil; pays about $8,000 for a quart jar of it. Jeanine and her staff are experimenting with growing it. We need a distillation facility. There are many different distillation methods.
Greg Cumberford, of Bent Creek Institute in Asheville explained that the Bent Creek Institute labs have vacuum distillation and critical CO₂ extraction capacities being developed. Need more support for to get the steam distillation unit.

Pangea Organics, a national company, visited here recently. They do organic skincare. They have a short video on their chamomile growing and distillation. It was recommended that people watch it.

11. Q: Are there guidelines for wild-harvested material?
   A: It has to be legally harvested, you have to tell the buyer where it came from, how close to the road it was, etc.

Kara encouraged growers to form a cooperative or some other kind of communal effort. Work together to make things happen. Kara’s skincare product business was birthed and born at Blue Ridge Food Ventures in the natural products facility there. Ten to fifteen companies are currently using the natural products facility.

AHPA, the American Herbal Products Association, is a member organization. It has a detailed Good Agricultural Production and Collection Practices document posted on their website (http://www.ahpa.org/Portals/0/pdfs/06_1208_AHPA-AHP_GACP.pdf). The World Health Organization has one, too (http://whqlibdoc.who.int/publications/2003/9241546271.pdf). Membership dues for AHPA are based on annual sales. Ed is very involved in the organization and serves on the Board. There are lots of committees working for the industry. Collaboration was strongly emphasized.

Fresh material has to be delivered immediately. In general, it takes seven to eight pounds of fresh material to make a pound of dried. We need a Mountain Rose East. Jeannie wants astragalus, but no one is growing it.

12. Q: Who sets the market price? The grower or the buyer?
   A: Jeanine shared the old bloodroot story as an example. Bloodroot was in low demand and wild-harvesters were only receiving about three to four dollars a pound for it. Then a German company came to this area looking to buy hundreds of thousands of pounds of wild-harvested bloodroot every year. This was to be used in a European animal feed product. The prices shot up, but some of the buyers they approached indicated that it was not a sustainable plan, so the company said “Can you grow it?” A number of research projects were initiated, a graduate student did her research on it, and on-farm test plots were established all over Western NC. People were very excited about the future of bloodroot. Unfortunately, the company had a top price that they were willing to pay per
pound that we soon realized would not support cultivation, i.e., growers wouldn’t make any money at that price. Additionally, the company was impatient with how long it would take to produce a crop. That company then learned that Chinese plume poppy also produced the compound they were looking for, it grew “like a weed”, and it was inexpensive. So suddenly we had all this bloodroot growing and no market for it. Kara said she would have made a product out of it. Other comments were that the growers should have worked to create multiple markets for it. Many of the growers were diversified so it didn’t hurt them to just let the bloodroot grow; now there is a strong market for it again.

13. Q: How do we maintain sustainability in the industry here? Who will look out for the plants?
   A: More small farms should be growing more herbs.

14. Q: Not everything can or will be cultivated. There will always be wild-harvesting. How will the wild populations be protected? The ginseng regulations aren’t working.
   A: We need more information and new regulations with enforcement. There was a black cohosh harvesting study, for example, that provided good information on how much harvesting a black cohosh population can withstand and still regenerate itself. That information can be used to develop guidelines for wild-harvesting black cohosh, but who is going to enforce them?

   Quality issues drive the need for more cultivation. Cultivated herbs can be more consistent and not have the contamination and adulteration issues that some wild-harvested herbs have but growers want more money for cultivated than wild. “Consistency, better quality, and no heavy metals” are strong marketing aspects for cultivated herbs and should be used.

Comment: There was concern over what scale we can grow here in the mountains. Since, we can’t compete on price; compete on value and quality.
Response: That is true for some herbs, but we have an abundance of forests here full of native plants used in the industry. We can use our forests to grow more of these herbs. Red Moon buys weeds; what a great niche market! They only need 2.5 lbs to yield a great deal of product. St John’s Wort, as an example, is one they like to buy from small urban lots because big fields of it are often destroyed by the Klamath beetle.

There was an interesting discussion about whether a grower needs a contract from a buyer or should control their market themselves.
Grower Panel: Three farms, two local and one from the Piedmont, introduced themselves and described their farms.

Charles and Pam Leonard, Gentle Harmony Farm, Lexington, NC

1. They were not farmers before. They started with a blank slate after they retired from their careers. Started with organic certification in 2012.
2. They are located just south of Winston-Salem at 740 feet elevation, so different growing season then here in the mountains.
3. They have 3 1/8 acres and 2 more leased acres. Eight more acres are available to them.
4. They built a greenhouse to produce their own starts. It will hold 64 trays.
5. They have 2,500 sq ft plots.
6. Their equipment consists of a new Kubota tractor and a BCS.
7. They put in irrigation and use leaf mulch.
8. They hand harvest everything. An electric hedge trimmer works great for tulsi.
9. Dehydrate with small kitchen type dehydrators.
10. They also built drying rooms with racks and screens. Clothes drying racks; can be folded up and taken out to make it easy to clean the room.

Amy Hamilton, Appalachian Botanical Alliance and Appalachian Seeds, Asheville, NC

1. Runs a small farm, an heirloom tomato seed company, and started the medicinal herb grower’s cooperative, Appalachian Botanical Alliance.
2. Grows a wide variety of herbs in a sandy loam soil.
3. Harvested her first valerian this year. Roots gave low yield compared to the heavier soils she had grown it in previously.
4. Converted a greenhouse into a dryer. 30 x 60 feet, with permanent frames and cattle panels as shelves. Simple and cheap. Has really big fans to keep air moving. They oversized the fans; they can always turn a few of them off but glad they have them when temperatures are really hot. A tarp is used to cover the greenhouse; they uncover part of it to give heat control (solar gain). Don’t let sun onto the drying plant material.
5. They use landscape fabric as a mulch or hay or bare cultivation.
6. Washing herbs is tedious. They built a wash station using cattle panels and screens under a tent and drinking water quality hoses.
7. Amy’s background is that she worked in Jeanine Davis’ program for seven years, worked for an acupuncturist in his apothecary, worked at Gaia Herbs, and with an Ayurvedic herbalist. She left Jeanine’s program when she had her baby. She became a full-time mama and a full-time farmer.
8. Knowing what the end product looks like and tastes like is very helpful.
9. ABA, an herb growers coop. Need grower led efforts to form a community.
Dianne Tolman, Big Pine Native and ABA, Marshall, NC

1. When she started 27 years ago, there was nothing on her farm; she started from scratch.
2. She has tried to grow a lot of different plants. Her farm is a typical small acreage homestead farm in Madison Co. There is a creek and cliffs. She has four acres of flat land. Very diversified.
3. Started hobby farming. First grew tobacco, then culinary herbs. Started a basil cooperative. Sold in Atlanta to move all the herbs. Then sold through Mountain Food Products in Asheville.
5. Then moved into native plants. Now has a native plant nursery. It is very small scale.
6. Participated in the Medicinal Herbs for Commerce project in Jeanine Davis’ program at NC State University. That is where she met Amy. That really got her into medicinal herbs. Taught her what she liked to grow; and taught her she doesn’t like dandelion. She also put in a test plot of Chinese medicinal herbs as part of another project with Jeanine and Amy. She generates almost a full year of income from those farm enterprises and does landscaping on the side.
7. Recently she teamed up with Amy to form ABA.
8. As part of the Medicinal Herbs for Commerce project, she was provided with a small box dryer (slightly larger than a big chest freezer). It is a great little dryer; holds a consistent 110 degrees and dries beautifully. It is at the Madison County Extension office so others can use it, but she monopolizes it right now.
9. Sells some of the medicinal herbs she grows fresh; which is what she prefers to do. Time and labor to dry is tough.
10. Her favorite herbs are some of the Chinese medicinals. Nettles are her favorite herbs to grow. She also likes St Johns Wort.

Questions from Audience and Answers from the Panel of Growers:

1. Question for the Leonards: How much traffic do you get on your website?
   A: Weekly inquiries. Always new contacts. It is worth it.

   Comment from Amy: She is certified organic and making a personal decision to become certified biodynamic. She thinks biodynamic sprays have allowed her to grow organic tomatoes even with late blight in the region; horsetail tea is key.

   Comment: All the growers on the panel encouraged others to be certified organic. Someone in the audience complained about the record keeping, but the response from the panel was that the new food safety regulations were going to make record keeping mandatory for all growers and it is a good discipline to follow.
Q: It seems everyone in this group “quit their day jobs” to become farmers. How did they do it?
A: The Leonards put a lot of their life savings into the operation. They don’t have to make a living from it. They had full time jobs when they bought the farm and they grew cover crops for years until they were ready to start farming. They recommend doing that. They learned how to use their equipment, buy seeds, etc. before they actually started really farming. She still does some consulting on the side to bring in income. You need to figure out what you can do well and can afford to do. They couldn’t afford to do most of this till they retired. They also recommended that you learn the laws, about present use value, taxes, etc.

Dianne’s response to the “quit the day job” question: She had a fulltime job when she bought the farm; she was a botanist with the U.S. Forest Service. Her farm is paid for. She started farming as a hobby. As her farm business grew, it got hard to keep up with it all. She then quit working full-time with the Forest Service and just did contract work for them. So she still had other income coming in as the farm income grew. Then she quit going for contract positions and her husband retired. So now they are poor people but they are passionate about what they do, it is low tech, they like their lifestyle. It is working for them. She does have to be smart about it. She has a seventeen year old, so she has to make good business decisions.

Amy’s response to the “quit the day job” question: She became a full time farmer when she became a full time mother. The need for money, especially when you have a dependent, is motivating and growing herbs is hard. Hunger motivates. She recommends that you plant 100 foot row of everything you are interested in and learn all about them on that scale. 100 feet of row is small enough to manage but large enough to give you a good idea of what you are getting into. She thinks it takes three to five years to get to the point where you can make a living off these herbs. Keep inputs low. She managed four acres with a garden tiller; it just about killed them. They have a tractor now. She didn’t listen to what she used to say when she was an advisor. That was a mistake. Listen to the good advisors; they have observed lots of farms; they see what works and what doesn’t. The buyers in our region are incredible and full of integrity; especially all the ones in the room. If we work together we can produce for this industry and help it grow. She welcomes growers into the ABA coop.

Pam had another comment: They had planned for a few years to “screw up.” They worked with Tony Kleese as a consultant. His advice was to create a business plan and mission statement-to help motivate them and keep them on track.
Dianne: Even though she is small, it is worth it to be certified organic. She did let it lapse; she is not certified now but will go back there. With the culinary herbs, the buyers began to ask for it.

Charles: Said a buyer told him they would only buy from them if they were certified organic. Cost $750 a year to certify his operation. Certified organic products and seeds cost more.

Amy: It cost $550 last year to get certified and they got 75% back. Because the Farm Bill is not approved, that cost share is not available right now. If Amy certifies biodynamic, it should cost $100 more per year. She filled out the certification forms three times before she finished it. It is tough to get through the first time so leave enough time.

2. Q: Disease and insect control recommendations?
A: Rotate, weed, and keep plants healthy.

Amy: Says there aren’t as many pests and diseases such as Japanese beetles, powdery mildew, etc. in a good organic or biodynamic system. The biodynamic approach is simple and empowering. Horsetail tea is a medicine for people and plants. Cultivate beneficial insects.

Lessons learned early on working with buyers: It is hard to estimate yields. Different buyers have different requirements for the same plant.

Pam: Has learned more from buyers than had trouble from them. They put in 2000 calendulas, lost a third of them. Communicate with the buyers if crop is not working out.

Herbal Harvest by Greg Witten, is a biodynamic herb farming book. Amy said it is a great help to her and everyone should have a copy of it. Chinese Medicinal Herb Farm is another great book by Peggy Schaeffer.

ABA hopes to get as many growers as they can handle, and will work with them. They are open to working with growers across the state. They are creating an internal organization so they can receive, package, combine lots, warehouse, meet federal Good Manufacturing Practices, and ship. They are working on building an innovative herb dryer. There are very limited fresh market sales at this point, so you need to dry.

ABA recently got a grant from Accelerating Appalachia. It will help them grow. ABA is focusing on three western and three Chinese herbs right now: calendula flowers, nettle
leaf, valerian root, chrysanthemum flower (have their own stock), red rooted sage, and Chinese motherwort. They really want nettle right now.

Blue Ridge Naturally™ Branding: Greg Cumberford, Bent Creek Institute, Asheville, NC; Jennifer Flynn, NC Natural Products Association, Asheville, NC; Daniel Vickers, Botanics Trading Co., Blowing Rock, NC, and Jeannie Dunn, Red Moon Herbs, Asheville, NC:

1. Showed the marketing video; you can view it on the BRN website at http://www.blueridgenaturally.org.
2. There are emerging international opportunities seeking quality, US products. Our seal can help provide that.
3. Red Moon Herbs and Botanics Trading are two of the companies that have adopted the seal.
4. Blue Ridge Naturally signifies all natural, traceable, and authentic.
6. Non-GMO, no synthetic or artificial inputs. Sustainably grown or wild-harvested, or certified organic. Cultivated in 23 counties of WNC. Taxonomic identity confirmed.
7. Manufactured here in WNC, GMP training completed, products don’t use anything on the Whole Foods Market unacceptable list, not been cited by FDA.
8. Check Plus seal-laboratory testing has also been done.
9. Why use a seal? Consumers are looking for an easy way to identify local and natural. The seal is designed to capture attention; it promotes a positive association for the Blue Ridge region, differentiates our products from others, makes it easy to do call out displays and such in the market.
10. Pricing structure: raw ingredient producers are based on acreage, value added based on sliding scale of company revenues. The program needs to be self-supporting and sustainable.
11. We already have a group of companies on board.
12. It is an investment to start, but it is helping grow the industry and should help everyone in the business as time goes on.
13. Jennifer, the BRN brand administrator: the retailers she has talked to are very interested in connecting with value-added manufacturers. Want “hyper-local”; more than just statewide, but really right around here. Asheville based.
14. Red Moon Herbs is hoping to get into Earthfare. Whole Foods is resetting their stores, putting local food and products in special locations. Putting them higher up on the shelves and products from companies outside the region lower down. Earthfare told them they were getting lots of requests for their products because they are local.
15. Whole Foods has a GMO labeling requirement. They are talking with them about how the BRN seal might serve in place of that.
16. Daniel Vickers, a raw materials buyer: He is a consolidator of raw materials from wild-harvesters and growers. He sees that the seal can play a big role in national and international markets. Main thing for him and his customers is that an independent source says their products are what they say they are. He wants anyone who buys from him to know that this organization says that his products are from this region and they are what he says they are. They are clean and the best quality he can get. He wishes he could put the brand on everything he buys and sells; that might come in time. Tony Hayes, Ed Fletcher, and Daniel Vickers have really worked hard to change the industry for the better. It is an ethics thing.

17. FDA regulations have helped push the need for a brand with the Food Supplements and Food Safety regulations.

18. This is a collective community taking advantage of what the international industry says that it wants.

19. Red Moon Herbs was hesitant to join at first. Challenging for them because they have 60 plus products. Couldn’t afford to put all their products through the testing. So they started small with the topical products. Four products can carry the seal and they will add more as they are able. BRN is now doing large industry events and tradeshows; that promotion and exposure will really help their sales. There will be events coming up that Red Moon couldn’t afford to go to alone, but as part of BRN they can have a presence.

20. Daniel: Greg is at all the trade shows. He is there pushing local products and the BRN branded companies at these shows. So look at the exposure you get without even being there. He is the liaison.

21. Q: How are you going to get folks to know the seal outside of our region?
   A: Greg is doing it by talking to the main trade journals and getting articles written about our efforts. He gets unsolicited calls from the editors of these journals. At Expo West, a very large industry trade show held in Anaheim, CA in March, the BRN brand won an award for best partnership by the producers of the tradeshow.

22. Some of this audience didn’t understand that the region already has a reputation in the international herbal and natural products market. The website will promote these items: Purity, identify, third party authentication.

23. Greg likes the idea of putting a video together for an international trade show to show that our products are being sought from around the world.

24. Jennifer talked to an international exporter of products. Her products are sought after because of where they are from.

25. Jeannie intends to stay local. Her markets are the Southeast. We are setting a precedence for other areas.