

### **Midwest Garden Co.**

Don Thien grows hydroponic tomatoes in his greenhouse in Fulton Illinois. He and his family have always been farmers. Growing up in Tipton, Iowa, he learned that farming is hard work and a hard business. During the farm crisis in the late 1980's he attended a successful farming seminar where the presenters spoke about other ways to continue farming without planting the usual Midwest crops of soybeans and corn or raising cattle and pigs. The presentation sparked an interest in hydroponic farming, and Mr. Thien and his wife began to look for greenhouses that might be suitable for a new business venture.



Hydroponics is a technology for growing plants in nutrient solutions (water and fertilizer) with or without the use of an artificial medium usually peat, sand, gravel, rockwool or vermiculite. Midwest Garden uses a liquid system, thus the tomato plants are fed water and nutrients through small hoses and no soil is used. This growing system, in a controlled green house environment, produces a maximum crop yield, and high quality, blemish-free and tasty fruit year round. When sold directly to consumers, hydroponic tomatoes can be sold for much higher prices--double or triple the price of open field tomatoes.

To learn more about the business of hydroponic agriculture, in 1987, Mr. and Mrs. Thien traveled to Fulton, Illinois to visit a farmer who had begun growing hydroponic tomatoes. At the end of this visit, the owner offered to sell his business to the Thien's. It took another year before Mr. Thien was able to complete the transaction and move his family to Fulton to start work.

The former owner agreed to stay on as an employee, something he continues to this day, even though he is now 82. The company employs six or seven other people, who range in age from 40 to 95, and most of them work part time. They are retired folks who live in the neighborhood and enjoy the family atmosphere, providing great customer service and they get a little “plant therapy” each day by picking tomatoes.

When Mr. Thien bought the business in 1988, Midwest Garden Co. had about 15,000 square feet under cultivation in three old, traditional glass greenhouses with dirt floors. Over the years these green houses were upgraded with concrete floors. The glass has been replaced with specialized plastic sheeting, and new heating and cooling systems were also installed. The feeding tanks that contain the water and nutrients for the plants, are now run by computers. Today, 25,000 square feet are packed with very dense rows of plants that produce about seventy tons of vine ripened, juicy tomatoes virtually year round. Mr. Thien says that running a successful hydroponics business takes considerable capital, energy and management skills as there are vast economies of scale between businesses that have an acre or less under cultivation (like Midwest Garden Co.) and those that have more than ten acres.

Mr. Thien has worked with the Sauk Valley Community College Small Business Development Center (SBDC) since starting his business in Fulton and continues to utilize the variety of services available. The Sauk Valley Community College Small Business Development Center is supported by the Illinois Department of Commerce and Economic Opportunity. Initially he met with SCORE representatives (Service Corps of Retired Executives) who helped him prepare to get a bank loan and perfect his initial business plan. In the early years of the business, Mr. Then met with John Nelson of the SBDC, who helped vet new product and marketing ideas and gave advice on bidding for government contracts. More recently, Mr. Then has worked with Michele Miller, a counselor at the SBDC to update his business plan to prepare for a variety of new ventures he is considering.

Marketing is critical to any successful niche business. The greenhouses are located in a neighborhood commercial setting, on a dead end street, with little visibility to local traffic. Despite having an out of the way location, people flock to the doors of the greenhouse to purchase the distinctive tasting fruit, which we universally consider a vegetable. For Midwest Garden, the availability of flavorful tomatoes year round has created consistent consumer and wholesale demand for this garden staple. Mr. Thien sells about half of his crop each year “out the front door” to people who stop by the greenhouse and buy one or eight pound boxes packed to order, direct from the grower. The business also supplies a grocery store in a suburb of Chicago with about 30 percent of his annual production. Kramer Salsa, an award winning local salsa producer, buys a portion of the green tomato harvest, and a local Italian restaurant uses Midwest Garden tomatoes for their distinctive and well-regarded sauce.

Mr. Thien has experimented with many varieties of tomatoes, but keeps coming back to one brand, Trust, a Dutch variety, that his customers prefer. “Fulton tomatoes are picked “vine ripe” meaning they are soft and fragile. Pickers use gloves and place the fruits in the picking containers,” said Mr. Thien. “Every attempt is made to ensure that no bruised fruit is sold or shipped to our customers.”

“Don knows the likes and dislikes of his customers, most of whom he knows by name. Midwest Garden has a great atmosphere, friendly employees and delicious tomatoes. Worth the drive!” says Ms. Miller.

The Sauk Valley Community College Small Business Development Center is a member of the Illinois Small Business Development Center Network, working in partnership with the Illinois Department of Commerce and Economic Opportunity and the US Small Business Administration.