

An Introduction to  
**Profitseeker:**  
**Crop/Enterprise Screening**  
**Guide**

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An Introduction to  
**Profitseeker:**  
**Crop/Enterprise Screening Guide**

This presentation is a self-guided introduction to using Profitseeker. You should have a copy of the following publication to follow as you use this guide.

**“A Market Driven Enterprise Screening Guide”**

by

Ramiro Lobo, Larry Lev and Stuart T. Nakamoto



An Introduction to  
**Profitseeker: Crop/Enterprise Screening Guide**

## Why Profitseeker was created

People often consider new opportunities:

- A new crop
- A new way of producing an existing crop
- A new way of marketing an existing crop
- A new use for an existing crop

This “enterprise diversification” is a common risk management strategy



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The problem:

Identifying and evaluating opportunities  
with good, long-term profit potential



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## Characteristics of promising opportunities

- Adequate target market
- Extended production and marketing season
- Complementary to existing operation
- Difficult to produce and/or market
- Expensive to get started
- Crops have potential for value-adding activities



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**The problem:**

Identifying and evaluating opportunities with good, long-term profit potential

**A solution:**

Profitseeker helps you evaluate promising opportunities using these characteristics and your information



An Introduction to  
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## **Overview of Profitseeker: Crop/Enterprise Screening Guide**

- Profitseeker first helps you describe your alternatives
- Then you rate the alternatives using a series of questions. These ratings are similar to a product comparison sheet which lists the information for a number of product characteristics, such as color, price, size, and years of warranty.
- Finally compare your alternatives

The guide is set up for 3 alternatives.

We suggest including a current enterprise to give a known point of comparison.



An Introduction to  
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We will follow the example of the Profitseeker family to explore the various parts of the worksheet.

Start by reading about the background of the Profitseekers on page 7. Then we'll move into the example starting on page 8.





An Introduction to  
**Profitseeker: Crop/Enterprise Screening Guide**

## Profitseeker Family Background

### Current operation:

- Located in Southern California
- 20 acres, mixed vegetables
- Sell to wholesalers and farmers' markets
- Husband does production and wholesale, Wife does farmers' markets
- Permanent crew; hire casual labor as needed.



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## Profitseeker Background (continued)

Current crop -- Pole tomatoes

- largest acreage & most revenues.
- BUT declining profitability from more year-round, low cost competition (imports & greenhouse)

Possible alternatives:

- heirloom tomatoes
- blueberries



## Descriptive Section

These five initial questions help you define your alternatives and focus your thoughts for the rest of the comparison.

1. Describe in as great detail as possible the product that you are considering producing.

*Option 1: Pole tomatoes*

*Option 2: Heirloom tomatoes grown in hoop houses*

*Option 3: Hand harvested blueberries*

2. For each product, describe your target
  - a. Consumer(s) and Market Outlet(s), and
  - b. Season(s)

*Pole tomatoes: Sold to who avoid harvesting in summer.*

*Heirloom tomatoes: Sell direct focus on harvesting outside of*

*Blueberries: Sell directly to market in the early season (*

3. What special requirements, p this product?

*Pole tomatoes: Summer price*

*Heirloom tomatoes: Frost & varieties, cultural practices,*

*Blueberries: Mastering production challenges including soil pH management, possibility of frost in the winter*

4. Who are/will be your competitors?

*Pole tomatoes: Other local*

*Heirloom tomatoes: Local*

*Blueberries: Imports from market windows. The Pro regions of California dur*

5. What are your competitiv location, regulations, sea:

*The Profitseekers consider the following as competitive advantages--something that gives them an edge -- over other competitors.*

*Pole tomatoes: proximity to markets, higher quality, better flavor, freshness*

*Heirloom tomatoes: hoop house reduces frost & disease problems; knows tomatoes, access to farmers markets as a current vendor; also all of the pole tomato advantages listed above.*

*Blueberries: locally grown, fresh, proximity to affluent market, seasonal availability/market window, high demand as function of health trends, access to location-specific research.*

## The Descriptive Section (page 8):

- helps to define alternatives
- helps focus thoughts for the rest of the comparison.

*The Profitseekers started by making a copy of the blank form and setting aside the original for later use.*



### Descriptive Section

These five initial questions help you define your alternatives and focus your thoughts for the rest of the comparison.

1. Describe in as great detail as possible the product that you are considering producing.

*Option 1: Pole tomatoes*

*Option 2: Heirloom tomatoes grown in hoop houses*

1. Describe in as great detail as possible the product that you are considering producing.

*Option 1: Pole tomatoes*

*Option 2: Heirloom tomatoes grown in hoop houses*

*Option 3: Hand harvested blueberries*

3. What special requirements, problems, barriers, or risks do you anticipate in (a) producing and (b) marketing this product?

The Profitseekers use their main crop **Pole tomatoes** as option 1, so they have a good basis for comparing the other options.

Option 2 will be **Heirloom tomatoes** grown in hoop houses for an extended season.

Option 3 will be hand-picked **Blueberries**. Hand-picking is needed to get high quality for the markets they want to target.

*Blueberries: locally grown, fresh, proximity to affluent market, seasonal availability/market window, high demand as function of health trends, access to location-specific research.*

## Descriptive Section

2. For each product, describe your target
  - a. Consumer(s) and Market Outlet(s), and
  - b. Season(s)

***Pole tomatoes:** Sold to wholesalers and at farmers markets, depending on price and season. Generally avoid harvesting in summer months when prices are weakest.*

***Heirloom tomatoes:** Sell directly to restaurants and in farmers markets in the region. Year-round but will focus on harvesting outside of the summer months*

***Blueberries:** Sell directly to restaurants and in farmers markets in the region. Will focus on being in the market in the early season (March-May) and late season (October-December).*

3. What special requirements, problems, barriers, or risks do you anticipate in (a) producing and (b) marketing this product?

**Q2 has two parts.**

- a. In general, Profitseekers target higher-priced markets.**
- b. Summer is a bad time for tomatoes, as that is when everybody produces them.**

**Blueberries have two good “market windows” – opportunities provided when they can produce and there is no competition from out-of-state imports.**

*Pole tomatoes: proximity to markets, higher quality, better flavor, freshness*

*Heirloom tomatoes: hoop house reduces frost & disease problems; knows tomatoes, access to farmers markets as a current vendor; also all of the pole tomato advantages listed above.*

*Blueberries: locally grown, fresh, proximity to affluent market, seasonal availability/market window, high demand as function of health trends, access to location-specific research.*



## Descriptive Section

These five initial questions help you define your alternatives and focus your thoughts for the rest of the

**Q3 & Q4 are straightforward about downsides and competitors**

**Q5 is asking about competitive advantages – anything that might provide an “edge” in growing and marketing a crop.**

b. Season(s)

**For all crops: closer to markets than competitors**

**Heirloom tomatoes: hoop houses to help control frost and disease; already in farmers' markets**

**Blueberries: high-income buyers, market window, healthy product, University & Extension research in area**

*Blueberries: mastering production challenges including soil pH management, possibility of frost in the winter*

5. What are your competitive advantages, if any, in producing this new crop? Consider your competitors, location, regulations, seasonality, production costs, and others.

*The Profitseekers consider the following as competitive advantages--something that gives them an “edge”--over other competitors.*

*Pole tomatoes: proximity to markets, higher quality, better flavor, freshness*

*Heirloom tomatoes: hoop house reduces frost & disease problems; knows tomatoes, access to farmers markets as a current vendor; also all of the pole tomato advantages listed above.*

*Blueberries: locally grown, fresh, proximity to affluent market, seasonal availability/market window, high demand as function of health trends, access to location-specific research.*

*demand as function of health trends, access to location-specific research.*

## The Crop/Enterprise Screening Worksheet

MARKET SCREENING PROCESS: Using the scale described for each question, please assess your ability to perform the task described or your understanding of the particular issue presented in relation to the crop alternatives you are considering. Use "NA" for questions that are not applicable and a ? where you are unable to provide even a guess.

The Screening Worksheet asks various questions to help us with our evaluation.

- Each question has a 1 to 5 rating.
- Use "na" if the question does not apply to that option.
- Use a "best guess" when you need to, and a "?" if you really don't know. (You can always change an answer)

Make a copy of the blank form so you can use it again.

MARKETING QUESTIONS (4-18)	option 1	option 2	option 3
			4
			3
			3
			5
			4
			3
			5
			3
			3
			5
			5
			5
			4-5
			3-4
			4
16. How do the marketing costs of the product compare to your current costs in terms of packaging, preparation time, transportation costs, etc.? (1=higher, 3= same, 5=lower)	na	2	1
17. Assess the competition you will face in selling this product. (1=strong, 5=weak or none)	1	2	3
18. Can you protect your market from new growers coming in? (1=no, 5=yes)	1	2	2



The first two questions ask how well you can describe the product, and target consumer or market.

MARKETING QUESTIONS (1-18)			
	option 1	option 2	option 3
1. How precisely can you describe the "marketable" product? (1=difficult, 5=easy)	5	4	4
2. How precisely can you describe your target consumer, outlet, or market? (1=difficult, 5=easy)	5	3	3
3. To what extent are there established channels to reach that consumer, outlet and/or market?	5	4	3

### Q1. Marketable product

Profitseeker knows **pole tomatoes** better than the other two crops → "5"

**heirloom tomatoes:** what specific varieties? Pack & sell with single or double layer lugs? Use padding? He is familiar with tomatoes in general → "4".

**Blueberries:** well-known product, fairly standardized packaging for farmers' markets and restaurants → "4"

### Q2. Consumers & markets

Profitseeker knows **pole tomato** markets and consumers well → "5"

Restaurants are a new market, so **heirloom tomatoes:** → "3"  
**blueberries:** → "3"

(1=no, 5=yes)	2	4	5
... of production? (1=no, 5=yes)	3	4	5
... ing product?	na	4	5
... nt needed? (1=not at all, 5=very well)	na	4	4-5
14. How much control will you have over price per unit? (1=low, 5=high)	2	3-4	3-4
15. Can you differentiate your product to get a price premium or enhance market access in terms of a local or regional brand, certification or labeling, product attributes/characteristics? (1=no, 5=yes)	2	3	4



Questions 3 & 4 look at the linkages or relationships among the product, markets, and final consumers.

2.	How precisely do you know your target consumer, outlet, or market? (1=difficult, 5=easy)	5	3	3
3.	To what extent are there established channels to reach that consumer, outlet and/or market? (1=none, minimal; 5=well established)	5	4	3
4.	How familiar are target consumers with the product? (1=no awareness, 5=well known)	5	5	5
5.	How easily can you meet the specific requirements of your targeted outlets/markets? (1=not confident, 5=extremely confident)	5	3	4

### Q3. channels

The distribution system for **pole tomatoes** is known → “5”

Profitseeker knows less about the marketing channels for options 2 & 3, especially for restaurants. **Heirloom tomatoes**: → “4”.

**Blueberries**: this will be a new crop in the traditional off-season, so the marketing channels will need to be established. → “3”

Q4. Targeted consumers are equally familiar with all three products. **All** → “5”

16.	How do the marketing costs of the product compare to your current costs in terms of packaging, preparation time, transportation costs, etc.? (1=higher, 3= same, 5=lower)	na	2	1
-----	---	----	---	---

17.	Assess the competition you will face in selling this product. (4=strong, 5=weak or none)	1	2	2
-----	--	---	---	---

Questions 5 & 6 ask about potential barriers to the market, and your ability to overcome them

1. How precisely can you describe the "marketable" product? (1=difficult, 5=easy)	5	4	4
2. How confident are you that you can identify your target consumers with the product? (1=no awareness, 5=well known)	5	5	5
3. How confident are you that you can identify your target outlets/markets? (1=not confident, 5=extremely confident)	5	3	4
4. How confident are you that you can overcome significant problems or barriers to get the product to market? (1=difficult, 5=easy)	5	4	3
5. How easily can you meet the specific requirements of your targeted outlets/markets? (1=not confident, 5=extremely confident)	5	3	4
6. How confident are you that you can overcome significant problems or barriers to get the product to market? (1=difficult, 5=easy)	5	4	3
7. How available are market and price data? (1=none, minimal; 5=very available)	5	3	5
8. What are the per unit price trends? (1=down, 3=flat, 5=up)	2	4	3
9. How confident are you that you can identify your target consumers with the product? (1=no awareness, 5=well known)	5	5	5
10. How confident are you that you can identify your target outlets/markets? (1=not confident, 5=extremely confident)	5	3	4
11. How available are market and price data? (1=none, minimal; 5=very available)	5	3	5
12. What are the per unit price trends? (1=down, 3=flat, 5=up)	2	4	3
13. How confident are you that you can identify your target consumers with the product? (1=no awareness, 5=well known)	5	5	5
14. How confident are you that you can identify your target outlets/markets? (1=not confident, 5=extremely confident)	5	3	4
15. How available are market and price data? (1=none, minimal; 5=very available)	5	3	5
16. What are the per unit price trends? (1=down, 3=flat, 5=up)	2	4	3
17. Assess the competition you will face in selling this product. (1=strong, 5=weak or none)	1	2	3
18. Can you protect your market from new growers coming in? (1=no, 5=yes)	1	2	2

Q5. Farmers markets are ok. For restaurants, pole tomatoes are known → "5"

Restaurant specifications might be more of a problem for heirloom tomatoes: → "3", less with blueberries → "4"

Q6. Profitseekers are experienced with tomatoes so are pretty confident with heirloom tomatoes: → "4"

They are more uncertain about blueberries especially the timing of their production → "3".

6. How confident are you that you can overcome significant problems or barriers to get the product to market? (1=difficult, 5=easy)	5	4	3
7. How available are market and price data? (1=none, minimal; 5=very available)	5	3	5
8. What are the per unit price trends? (1=down, 3=flat, 5=up)	2	4	3
9. How variable are the prices? (1=highly variable, 5=stable)	1	3	3
10. Are there attractive market windows that you can fill? (1=no, 5=yes)	2	4	5

Questions 7 to 9 cover the availability of data and your ability to use the data

(1=lower, 3=same, 5=higher)

Q7. Good data exists for **pole tomato** and **blueberries**. → “5”

Prices chefs would offer are unknown so **heirloom tomato**: → “3”

Q8. **Pole tomato** → “2” because prices are decreasing from more year-round competition. **Heirloom tomato** → “4” seem more positive because of buyer interest, plus will be 100% direct marketed. No trend identified for **blueberries** → “3”

Q9. Profitseekers are experienced with tomatoes so are pretty confident with **heirloom tomatoes**: → “4”

They are more uncertain about **blueberries** especially the timing of their production → “3”.



4. How familiar are target consumers with the product? (1=no awareness, 5=well known)	5	5	5
5. Questions 10 & 11 involve market windows and the size of the market (market windows are times when competition in the market is less)			4
6. Questions 10 & 11 involve market windows and the size of the market (market windows are times when competition in the market is less)			3
7. Questions 10 & 11 involve market windows and the size of the market (market windows are times when competition in the market is less)			5
8. What are the market conditions? (1=down, 3=flat, 5=up)	2	4	3
9. How variable are the prices? (1=highly variable, 5=stable)	1	5	3
10. Are there attractive market windows* that you can fill? (1=no, 5=yes)	2	4	5
11. Is the size of the market adequate for your projected volume of production? (1=no, 5=yes)	3	4	5
12. How do you rate the profit potential compared to your existing product?	na	4	5

Q10. **Pole tomato** → “2” because other large producers are in the market year-round. **Heirloom tomato** competitors are smaller and less experienced → “4” There is strong year-round demand for **blueberries**, which Profitseeker can produce before and after other growers, and farmers markets do not allow imports → “5”

Q11. The market size is rated average for **pole tomato** → “3” There are more opportunities for **heirloom tomatoes** → “4”, and Profitseeker is confident all his **blueberries** could be sold → “5”



3.	To what extent are there established channels to reach that consumer, outlet and/or market?	5	4	3
4.				5
5.				4
6.				3
	product to market? (1=difficult, 5=easy)			
7.	How available are market and price data? (1=none, minimal; 5= very available)	5	3	5
8.	What are the per unit price trends? (1=down, 3=flat, 5=up)	2	4	3
9.	How variable are the prices? (1=highly variable, 5=stable)	1	3	3
10.	Are there attractive market windows* that you can fill? (1=no, 5=yes)	2	4	5
11.	Is the size of the market adequate for your projected volume of production? (1=no, 5=yes)	3	4	5
12.	How do you rate the profit potential compared to your existing product? (1=lower, 3=same, 5=higher)	na	4	5
<del>13.</del>	<del>To what extent does the profit potential justify the investment needed? (1=not at all, 5=very well)</del>	<del>na</del>	<del>4</del>	<del>4-5</del>
<del>14.</del>	<del>How much control will you have over price per unit? (1=low, 5=high)</del>	<del>2</del>	<del>3-4</del>	<del>3-4</del>
15.	Can you differentiate your product to get a price premium or enhance market access in terms of a local or regional brand, certification or labeling, product attributes/characteristics? (1=no, 5=yes)	2	3	4
16.	How do the marketing costs of the product compare to your current costs in terms of packaging, preparation time, transportation costs, etc.? (1=higher, 3= same, 5=lower)	na	2	1
<del>17.</del>	<del>Assess the competition you will face in selling this product. (1=strong, 5=weak or none)</del>	<del>1</del>	<del>2</del>	<del>3</del>
18.	Can you protect your market from new growers coming in? (1=no, 5=yes)	1	2	2

Questions 12 & 13 are about profitability  
 14,15 & 16 involve pricing and costs  
 17 & 18 are about the competition



Q12. Profit potential. Since the comparison is against the existing product, there is no rating for **pole tomato** → “na.” Both alternatives look promising to the Profitseekers, with blueberries having higher potential. **Heirloom tomatoes** → “4”, **blueberries** → “5”

Q13. Investment vs profit. Again, **pole tomato** → “na.” Heirlooms will require hoop houses, and blueberries involve costs to establish the fields and grow them out before any harvests. But Profitseeker believes the profit potential is high, with a small edge for blueberries. **Heirloom tomatoes** → “4”, **blueberries** → “4-5”

10. Are there attractive market windows* that you can fill? (1=no, 5=yes)	2	4	5
<del>11. Is the size of the market adequate for your projected volume of production? (1=no, 5=yes)</del>	<del>3</del>	<del>4</del>	<del>5</del>
12. How do you rate the profit potential compared to your existing product? (1=lower, 3=same, 5=higher)	na	4	5
13. To what extent does the profit potential justify the investment needed? (1=not at all, 5=very well)	na	4	4-5
<del>14. How much control will you have over price per unit? (1=low, 5=high)</del>	<del>2</del>	<del>3-4</del>	<del>3-4</del>
15. Can you differentiate your product to get a price premium or enhance market access in terms of a local or regional brand, certification or labeling, product attributes/characteristics? (1=no, 5=yes)	2	3	4
16. How do the marketing costs of the product compare to your current costs in terms of packaging, preparation time, transportation costs, etc.? (1=higher, 3= same, 5=lower)	na	2	1
17. Assess the competition you will face in selling this product. (1=strong, 5=weak or none)	1	2	3
18. Can you protect your market from new growers coming in? (1=no, 5=yes)	1	2	2



## 14,15 & 16 involve pricing and costs

3

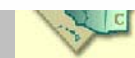
Q14. **Pole tomato** → “2” is a blend between a “1” in the wholesale market and “3” in farmers markets, where other vendors affect prices for all three alternatives. There is somewhat more control in restaurants, so **heirloom tomatoes and blueberries** → “3-4”

Q15. **Pole tomato** is again a blend of “1” in wholesale and “3” in farmers market → “2”. Profitseeker anticipates some consumer loyalty for **heirloom tomato** → “3”, and the potential market window rates **blueberries** → “4”.

Q16. Packaging and handling for restaurants will be higher cost so **heirloom tomato** → “2”, while expensive hand picking and uncertain packaging for **blueberries** → “1”

13. To what extent does the profit potential justify the investment needed? (1=not at all, 5=very well)	na	4	4-5
14. How much control will you have over price per unit? (1=low, 5=high)	2	3-4	3-4
15. Can you differentiate your product to get a price premium or enhance market access in terms of a local or regional brand, certification or labeling, product attributes/characteristics? (1=no, 5=yes)	2	3	4
16. How do the marketing costs of the product compare to your current costs in terms of packaging, preparation time, transportation costs, etc.? (1=higher, 3= same, 5=lower)	na	2	1
17. Assess the competition you will face in selling this product. (1=strong, 5=weak or none)	1	2	3
18. Can you protect your market from new growers coming in? (1=no, 5=yes)	1	2	2

2. How precisely can you describe your target consumer, outlet, or market? (1=difficult, 5=easy)	5	5	5
3. To what extent are there established channels to reach that consumer, outlet and/or market? (1=none, minimal; 5=well established)	5	4	3
4. How familiar are target consumers with the product? (1=no awareness, 5=well known)	5	5	5
5. <b>17 &amp; 18 are about the competition</b>			4
6. How confident are you that you can overcome significant problems or barriers to get the product to market? (1=no, 5=yes)	5	4	3
<p><i>Q17. Competition is the main reason the Profitseekers are looking for alternatives so <b>pole tomato</b> → “1”. There will also be competition from other local producers for <b>heirloom tomatoes</b> → “2”. Imports and other local producers are factors, but demand is growing so <b>blueberries</b> → “3”.</i></p> <p><i>Q18. Some customer loyalty is anticipated in farmers markets. Not so for wholesale markets so <b>pole tomato</b> → “1”. They are new to restaurants but believe they could gain loyalty; <b>heirloom tomatoes</b> and <b>blueberries</b> → “2”.</i></p>			
terms of a local or regional brand, certification or labeling, product attributes/characteristics? (1=no, 5=yes)			
16. How do the marketing costs of the product compare to your current costs in terms of packaging, preparation time, transportation costs, etc.? (1=higher, 3= same, 5=lower)	na	2	1
17. Assess the competition you will face in selling this product. (1=strong, 5=weak or none)	1	2	3
18. Can you protect your market from new growers coming in? (1=no, 5=yes)	1	2	2





## Questions 19-23 relate to information

<del>INFORMATION QUESTIONS</del>	Pole tomato	Heirloom tomato	Blueberry
19. Rate your knowledge about production of this crop/product. (1=low, novice; 5=high, expert)	5	4	2
20. Rate your knowledge about marketing of this crop/product. (1=low, novice; 5=high, expert)	5	4	2
21. Rate the availability and access of information needed for your area (Extension agent, Internet, library, etc.) (1=low, 5=high)	5	4	3
<del>22. Rate your knowledge of the laws and regulations associated with this crop/enterprise (1=low, novice; 5=high, expert)</del>	<del>5</del>	<del>3</del>	<del>3</del>
23. Are you willing to do what it takes to get all information needed? (1=no, 5=yes)	na	5	5

Q19-20. The Profitseekers know **pole tomato** → “5”. Because it is similar but still a new crop, and restaurants’ requirements are also new **heirloom tomato** → “4”. **Blueberries** are totally new with different growing and marketing requirements → “2”.

Q21. **Pole tomato** is a conventional crop with a wealth of information → “5”, and there is information from other parts of the country for **heirloom tomato** → “4”. There is also information for **blueberries** but as a new crop, there is limited expertise in the region → “3”.



INFORMATION QUESTIONS	Pole tomato	Heirloom tomato	Blueberry
19. Rate your knowledge about production of this crop/product. (1=low, novice; 5=high, expert)	5	4	2
20. Rate your knowledge about marketing of this crop/product. (1=low, novice; 5=high, expert)	5	4	2
21. Rate the availability and access of information needed for your area (Extension agent, Internet, library, etc.) (1=low, 5=high)	5	4	3
22. Rate your knowledge of the laws and regulations associated with this crop/enterprise (1=low, novice; 5=high, expert)	5	3	3
23. Are you willing to do what it takes to get all information needed? (1=no, 5=yes)	na	5	5

*Q22. The Profitseekers are confident in their knowledge for **pole tomato** → “5”, but need to learn more about the regulations related to restaurant sales for **heirloom tomato** and **blueberries** → “3”.*

*Q23. Profitseeker is willing to get the necessary information for **heirloom tomato** and **blueberries** → “5”.*



Questions 24-26 relate to producing your crop, while questions 27-34 are about your resources, including physical or natural, money-related, human, and personal & family resources.

PRODUCTION QUESTIONS	Pole tomato	Heirloom tomato	Blueberry
24. How well does the crop grow in your area? (1=not at all, 5=very well)	5	5	3
25. Rate your ability to produce high quality product. (1=low, 5=high)	5	4	3
26. How well does the new enterprise fit with your current farm operation (1=not at all, 5=very well)	5	5	5

RESOURCE QUESTIONS	Pole tomato	Heirloom tomato	Blueberry
27. To what extent do you own or control appropriate land resources? (1=inadequate, 3=some, 5=enough)	5	5	5
28. To what extent do you own or control water resources? (1=inadequate, 3=some, 5=enough)	4	4	4
29. Do you have timely access to the financial resources required for this product? (1=no, 5=yes)	4	4	3
30. Do you own or have access to all equipment and facilities needed? (1=no, 5=yes)	5	4	4
31. Do you have access to sufficient labor with appropriate skills when needed? (1=no, 5=yes)	5	5	4
32. Do you have access to the necessary supporting infrastructure in your area? (1=no, 5=yes)	5	5	4
33. To what extent does your family support this new product? (1=low, limited; 5=high, full)	na	4	4
34. To what extent will you have the ability, time and willingness to manage this new product? (1=low, limited; 5=high)	na	4	3



PRODUCTION QUESTIONS	Pole tomato	Heirloom tomato	Blueberry
24. How well does the crop grow in your area? (1=not at all, 5=very well)	5	5	3
25. Rate your ability to produce high quality product. (1=low, 5=high)	5	4	3
26. How well does the new enterprise fit with your current farm operation (1=not at all, 5=very well)	5	5	5

*Production questions.*

Q24. From experience, Profitseeker knows that tomatoes usually grow well in the area so **pole & heirloom tomato** → “5”. **Blueberries** seem to grow but whether the harvest period will match the market window is not known → “3”.

Q25. Profitseeker can produce top quality **pole tomato** → “5” but gives himself some leeway for the new crops: **heirloom tomato** → “4”. In addition, pickers will need to be trained so **blueberries** → “3”.

Q26. The Profitseekers believe that either or both new crops would fit well with their farm and with their direct marketing operations. **All** → “5”



## Resources.

Q27-28. Profitseeker believes land and water requirements will be similar for all three crops. He has enough land **All** → “5”, and has some concerns about having enough water **All** → “5”.

Q29. Hoop houses are not a major cost, so both tomatoes have similar financial requirements: **pole & heirloom tomato** → “4”. The costs for field establishment and the grow out period are considerable, but manageable so **blueberries** → “3”.

RESOURCE QUESTIONS	Pole tomato	Heirloom tomato	Blueberry
27. To what extent do you own or control appropriate land resources? (1=inadequate, 3=some, 5=enough)	5	5	5
28. To what extent do you own or control water resources? (1=inadequate, 3=some, 5=enough)	4	4	4
29. Do you have timely access to the financial resources required for this product? (1=no, 5=yes)	4	4	3
30. Do you own or have access to all equipment and facilities needed? (1=no, 5=yes)	5	4	4
31. Do you have access to sufficient labor with appropriate skills when needed? (1=no, 5=yes)	5	5	4
32. Do you have access to the necessary supporting infrastructure in your area? (1=no, 5=yes)	5	5	4
33. To what extent does your family support this new product? (1=low, limited; 5=high, full)	na	4	4
34. To what extent will you have the ability, time and willingness to manage this new product? (1=low, limited; 5=high)	na	4	3

Q30. The Profitseekers are set up for **pole tomato** → “5”.  
**Heirloom tomato and blueberries** will require somewhat more equipment and facilities → “4”.

Q31-32. Labor and supporting infrastructure should be the same for **pole & heirloom tomatoes** → “5”. **Blueberries** will need additional infrastructure and trained pickers, but harvest will be when tomatoes are slow, so the same labor force could be used.

		Blueberry
24. H		3
25. R		3
26. H		5

RESOURCE QUESTIONS	Pole tomato	Heirloom tomato	Blueberry
27. To what extent do you own or control appropriate land resources? (1=inadequate, 3=some, 5=enough)	5	5	5
28. To what extent do you own or control water resources? (1=inadequate, 3=some, 5=enough)	4	4	4
<del>29. Do you have timely access to the financial resources required for this product? (1=no, 3=yes)</del>	<del>4</del>	<del>4</del>	<del>3</del>
30. Do you own or have access to all equipment and facilities needed? (1=no, 5=yes)	5	4	4
31. Do you have access to sufficient labor with appropriate skills when needed? (1=no, 5=yes)	5	5	4
32. Do you have access to the necessary supporting infrastructure in your area? (1=no, 5=yes)	5	5	4
<del>33. To what extent does your family support this new product? (1=low, limited; 5=high, full)</del>	<del>na</del>	<del>4</del>	<del>4</del>
34. To what extent will you have the ability, time and willingness to manage this new product? (1=low, limited; 5=high)	na	4	3



Q33. Both husband and wife agree that they need alternatives to pole tomato. **Heirloom tomato and blueberries** → “4”.

Q34. Mrs. Profitseeker will include heirloom tomatoes with her farmers market sales, but they have not yet decided who would be in charge of restaurant sales. The time commitment to develop and service new customers is unknown so **heirloom tomato** → “4”. Ability and time are greater unknowns with the totally new crop **blueberries** → “3”.

RESOURCE QUESTIONS	Pole tomato	Heirloom tomato	Blueberry
27. To what extent do you own or control appropriate land resources? (1=inadequate, 3=some, 5=enough)	5	5	5
28. To what extent do you own or control water resources? (1=inadequate, 3=some, 5=enough)	4	4	4
29. Do you have timely access to the financial resources required for this product? (1=no, 5=yes)	4	4	3
30. Do you own or have access to all equipment and facilities needed? (1=no, 5=yes)	5	4	4
31. Do you have access to sufficient labor with appropriate skills when needed? (1=no, 5=yes)	5	5	4
<del>32. Do you have access to the necessary supporting infrastructure in your area? (1=no, 5=yes)</del>	<del>5</del>	<del>5</del>	<del>4</del>
33. To what extent does your family support this new product? (1=low, limited; 5=high, full)	na	4	4
34. To what extent will you have the ability, time and willingness to manage this new product? (1=low, limited; 5=high)	na	4	3



## The last series of questions are on Risk Management

	Pole tomato	Heirloom tomato	Blueberry
27. To what extent do you own or control appropriate land resources? (1=low, limited; 5=high)	5	5	5
28. T			4
29. D			3
30. D			4
31. D			4
32. D			4
33. T			4
34. T (1=low, limited; 5=high)			3

*Q35. The three crops are risky in different ways.*

*For **pole tomato**, competition will cause substantial price risk → “3”. For **heirlooms**, the risks are ability to break into the restaurant trade and some production uncertainty → “3”. Because of questions in both production and marketing, **blueberries** are the riskiest of the three → “2”.*

RISK QUESTIONS	Pole tomato	Heirloom tomato	Blueberry
35. Given all of the above, how risky is this product? (1=very risky, 5=low risk)	3	3	2
36. How available are the resources and tools to manage the risks identified? (1=none, 5=very available)	2	2	2
37. Are you willing to accept the risks you have identified? (1=no, 5=yes)	4	4	4
38. Are you able to manage the risks you have identified? (1=no, 5=yes)	2	3	2



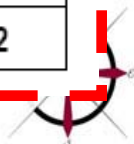
Q36-37. These are the same for all three crops. The Profitseekers have been unable to identify many risk management resources and tools: **All** → “2”. They are willing to accept risk: **All** → “4”.

Q38. Although they are willing, the ability of the Profitseekers to manage risks is a different issue. They recognize the strong competition in wholesale markets is almost beyond their control, but there is more control in farmers markets so **pole tomato** → “2”. Restaurants replace wholesalers for **heirloom tomato** → “3”. These markets are the same for blueberries, but because of other uncertainties **blueberries** → “2”.

27. To
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28. To
29. Do
30. Do
31. Do
32. Do
33. To
34. To
(1=k

Blueberry
5
4
3
4
4
4
4
3

RISK QUESTIONS	Pole tomato	Heirloom tomato	Blueberry
<del>35. Given all of the above, how risky is this product? (1=very risky, 5=low risk)</del>	<del>3</del>	<del>2</del>	<del>2</del>
36. How available are the resources and tools to manage the risks identified? (1=none, 5=very available)	2	2	2
37. Are you willing to accept the risks you have identified? (1=no, 5=yes)	4	4	4
38. Are you able to manage the risks you have identified? (1=no, 5=yes)	2	3	2



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We've completed the Screening Worksheet. Note that the rankings are **NOT** intended to be added up to get "total scores."

Instead, our next task is find the **most important** questions (up to five) that will help us make our selection. These questions could help point out the main weaknesses and threats as well as the main strengths and opportunities.

We will then use these key factors to help our decision.



*The limit of only five questions “forced” the Profitseekers to focus on those items that were most important to them. These are in the list below – your choices would probably be different.*

*Qs 12 and 13 highlighted the strong profitability of both alternatives.*

*Q25 focused on what the Profitseekers thought was a major strength of their operation, while Qs 34 and 38 were their main weaknesses.*

<b>Most Important Questions (Grower Selected)</b>	<b>Pole tomato</b>	<b>Heirloom tomato</b>	<b>Blueberry</b>
12. profit potential	<b>na</b>	<b>4</b>	<b>5</b>
13. extent to which profit potential justifies investment needed	<b>na</b>	<b>4</b>	<b>4-5</b>
25. ability to produce high quality product	<b>5</b>	<b>4</b>	<b>3</b>
34. ability, time, and willingness to manage	<b>na</b>	<b>4</b>	<b>3</b>
38. ability to manage risks identified	<b>2</b>	<b>3</b>	<b>2</b>



*Both heirloom tomato and blueberries look favorable, with neither having a definite edge. The Profitseekers did more in-depth analyses and ran some financial projections, and both crops looked quite favorable.*

*They therefore decided to try both new enterprises on a small scale as a trial and then revisit their decision.*

*This strategy offered three key advantages. First, they would be able to learn more about the production of the two crops. Second, they would be able to break into the restaurant market at a pace that they could control with two crops rather than just one. Third, blueberries take several years to mature so heirloom tomatoes would help meet interim cash flow needs.*



As for the example of the Profitseekers, this guide is not intended to provide The Answer.

A critical point: however attractive any of the alternatives appears to be, you need to conduct more detailed analysis before making a decision. Ideally you should complete

- A business plan that includes detailed financial and marketing plans,
- feasibility studies, and
- projected financial statements.

These would show you on paper the effect of the new enterprise on your overall operation before you commit any resources to the new enterprise.

The publication lists some resources that may be useful as you do more detailed analyses.



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## SUMMARY

In this overview of **Profitseeker: Crop/Enterprise Screening Guide**, we followed the Profitseeker family as they first described their alternatives (heirloom tomatoes and blueberries) to their existing enterprise, pole tomatoes.

We then followed the Profitseekers' thinking as they compared and rated the three crops using a series of questions.

Finally, we saw how the Profitseekers compared their alternatives and reached a decision.



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This is the end of this presentation.

We would appreciate any comments, suggestions or other feedback of your experience as you use this guide. Please email any of us at

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Good luck!

