



## Hydroponics & Market Positioning

Guest: Jon Kozlowski

**Nick:** Hey, everybody. It's Nick, State of the Soil. We are here in South Windsor, CT, at the Growers Supply fruit and crop indoor grow room with my good friend, Jon K., who has been with me since I decided to get in this whole mess. A constant source of help for me and my staff, so we wanted to sit down and talk to you a little bit about basically what happens at CEA, what you see in the industry, and successful things that you've seen, failures that you've seen, and just really have a chat more than anything.

So if you'll kind of give us a little introduction, where you came from and what you do.

**Jon:** Yeah, I've been with Growers Supply FarmTek now for almost five years. My role here with the company is sales manager specifically for greenhouse team, hydroponic team, aquaponics team. And my background is in farming, soil agriculture, growing vegetables, fruits, and vineyard and making wine.

So 100 acres of soil, digging in the dirt for 15 years prior to coming over to the supply side of things. But what I've found is, once I was ready to make the transition from working the family farm to coming to the supply side of things and really working inside, office setting, is that it still allowed me to be part of the industry and share my passion for the industry with our customers.

**Nick:** That's one of the things I'm finding out now. I can be even more plugged in now than what I was and make a slightly different difference. So we're trying to help more people. You got into hydroponics in an odd way, and I really like that story. So if you'll share how you were approached with that.

**Jon:** So prior to working at FarmTek Growers Supply, I was a customer. Barry Goldsher, our owner, was a customer of mine. Would come to the farm stand once a week for his sweet corn and tomatoes, and so we got to know one another through that relationship. And now, gosh, it's got to be eight, nine years ago. Barry approached myself, the family, and with the opportunity to

grow with FarmTek's Growers Supply's first hydroponic system which was deep water culture raft system.

So the idea was I was kind of a guinea pig for the system. I had heard a little bit about hydroponics, just obviously being involved in the agricultural community. I'd done a little Google research on it here and there. But was certainly very interested in—we had always pursued agritourism as a way of bringing customers to the farm. We believed in the local food movement, believed in getting people to know their farmer, know their food.

And so, always looking to diversify and add not only a productive component but, let's say, a unique, cool, different component to the farm to get people excited about it. Sure, I'll be the guinea pig. No problem.

We got a 35 x 96 greenhouse and filled it with flow beds, rafts essentially, deep water culture. We got a Styrofoam sitting on top of a nutrient pool of water and went to work on it. So not only got my feet wet, hands wet in hydroponics with that system, but also got to know the company, got to start to know the industry, some of the players in the industry. Started, obviously, doing more research on hydroponics, understanding the different systems out there.

And so, as I grew with hydroponics, I also had the opportunity to kind of have that experiment of the hydroponic greenhouse and the soil growing right next to each other. And that really opened my eyes to a lot of the benefits of hydroponics which I share... Obviously, when I tell this story to every class that we have, for me, it was a huge eye-opener into the world of hydroponics. And I hope my experiences help people understand the opportunities out there between traditional soil farming and the hydroponics side of things.

**Nick:** Yeah, when I got involved in it, I never intended to be the hydroponic farmer. I just came up here and lost my damn mind, and we just went after it. So it was only after the fact did I have any soil experience now. And to go from hydroponics to soil, I could see how nice it would be to go from soil to hydroponics. But to go the opposite route, it's...

**Jon:** Yeah, feel like you've got to have a life, you know? It's just crazy to go down the hydroponic road, which makes it fun. But, yeah, just literally being able to have the exact same crop 30 feet away from my greenhouse in the soil and then plant that same head of lettuce in a hydroponic raft and just watch the difference in a number of different ways.

But it's made me now a huge proponent of hydroponics and has allowed me to use that experience to help people understand all the great benefits of working with hydroponics or actually implementing it into an overall business plan.

**Nick:** I think it's really neat how far, even in the last two or three years I've been in it, how far the technology's come, the amount of players that are in the space now, especially within the technology side, the sensors and the monitors and that kind of thing. So it's evolving rapidly, rapidly. Do you see any big trends coming up that are kind of on your radar?

**Jon:** That's a great point because think about even just how far technology has come, the systems that have come in the last two or three years from when I started almost 10 years ago now. It was really, hey, Google, find the DIY guys online, 10 articles telling you 10 different ways to do it. And now, extension services had their chance to get their hands on it, local universities have done studies with it.

So we now have more concrete data, more concrete evidence of the benefits of hydroponics. But as far as trends go, I just see it becoming more mainstream as a profitable farming method, whether that's indoors, whether that's greenhouse. I think that's the major difference from five years ago, even a year ago, is that with these lessons that we've learned and these first adopters is essentially they've paved the way for everybody coming now to be successful, to be profitable, to understand the struggles, to understand the benefits.

So I think as far as systems go, you're always going to see technology changes. You're always going to see advancement, major tweaks in the way some of the systems operate. But I think it's just more the idea of hydroponics going mainstream is the huge change. And more people know about it.

Again, think about if you ask what a hydroponic head of lettuce was two years ago, five years ago, 10 years ago to today, you would probably have a lot more people knowing that. You can go to almost any supermarket now and find living lettuce, hydroponic lettuce on the shelves.

**Nick:** Yeah, one of the things you said that was a lot of talk at New York AgTech Week a couple of weeks ago is these people that are first in the industry, whether that was five years ago, 10 years ago, or the development through the 30s and especially in the 70s. But right now, to me, this is kind of like our golden age. This is when the Mickey Mantles are starting to show up.

**Jon:** Exactly.

**Nick:** And to be able to usher in an industry—to be an early adopter in something like that is something I take a lot of pride in. I know that it's a very young industry as far as the major players that are involved. Look at the ages that the people that are really buying in and making a difference. It's a young

crowd, and we're even, unfortunately, a little older than them. All of a sudden, it's like did we miss the boat here?

But we're still on the precipice of it just really starting to pick up steam. And for every cycle that comes around, it just gets more and more and more. And I likened it to looking back at those pictures as they were building Manhattan in the 30s and 20s. That's this time now. And I thank God that we're able to document right now what we're doing. So that's a big thing for me.

**Jon:** Yeah, and I think that it's following other trends and movements. I hate to use the word trend because it almost sometimes implies that it's not going to last very long. But the movement, the local food movement, the idea of knowing where your food comes from, food security, understanding that people want to know where their food is coming from.

So when you incorporate some of those ideas and then you add in the opportunity to grow hydroponically and younger generations are getting excited about local food movement, growing again. Even 10 years ago when I was farming, I would go to my local extension service meetings or even the local farmers' markets, and I was the youngest guy there.

And so, it's cool to see now the customers that we're talking to, our attendees at the school, the younger generations getting back involved in agriculture.

**Nick:** So aside from getting into hydroponics, one of the things you did back on your farm—you kind of did everything, and that's why I really wanted to talk to you. You had your farm stand. You were doing direct to client. But you also serviced a lot of the chefs in Hartford. And there are some great, great restaurants here. I think for a town this size it's very progressive in the way they eat.

And it's one of the things we hear all the time. I want to sell to chefs. I want to get into restaurants. How important is it to be able to talk to chefs in terms they understand to understand their schedule, to understand how busy they are, to understand the margins that they're having to deal with and approaching the packaging? There are all these things to consider. How did you first approach a chef and then how did you convince them that you were the guy to buy from?

**Jon:** So, loaded question.

**Nick:** That's a lot of questions.

**Jon:** That's good. That's good. So first and foremost is that the way that I viewed my work with local restaurants was two-fold. Obviously, it was a

market for my product. But secondly, it was an amazing marketing component for me: a way to get my name out there, a way to get my name attached to amazing food, a way of allowing people to know that I was involved with the local food movement.

So first of all, from a marketing standpoint, you have to establish your brand. You have to get out there. You have to spread the word, and I'm sure you're going to be covering this topic...

**Nick:** Slightly.

**Jon:** For many, many hours in this State of the Soil. But I think one of the things is that I had to go and market myself to local restaurants. They had to understand the quality that I could provide for them because I really wanted to work with the best restaurants in my area.

So you have to understand that these restaurants, you start to look at their menus. You start to look at what they're serving. You start to look at what they're charging for their products. You start to realize, "Wow, I've got to bring a high-end product to a high-end restaurant."

And so, I positioned myself to them and only to them is that my wholesale operations were only to high-end restaurants. And I wanted my farm to have that reputation of, "Hey, this is the farm that you go to when you're an amazing chef and you work at an amazing restaurant. You call Rosedale for their food."

So you create that market there. And I thought too that when you're working with the high-end restaurants and you understand the prices that they're getting for their food is that I didn't consider it true wholesale pricing. So I was getting a premium of wholesale pricing which was...

**Nick:** Because you're serving a premium audience.

**Jon:** Exactly. Exactly. And again, that's how I wanted to position myself. I didn't want to be the volume guy. I wanted to be the premium quality guy.

**Nick:** I like the fact that you'd come in and said, "I only wanted to work with the top of the top."

**Jon:** Right.

**Nick:** And you eliminated all that hassle and all that haggling that goes on with some of these mid-tier places.

**Jon:** Sure. And set the expectations. You set your own expectations out there; don't let someone set them for you. You've got to get out there, and you've got to promote your brand in the way that you want it to be viewed out in the public.

From a marketing standpoint, first of all, every restaurant that I worked with I made them do one thing for me. When they bought from me, they had to put my name on the menu. So their menu each night, whether it was the fruit, veggies in a salad, heirloom tomatoes from Rosedale Farms. So that was just free marketing right there.

And again, think about the clientele dining at those restaurants, and that clientele going, "Wow, this salad was amazing. Look at that. I see exactly where all the vegetables came from. I'm going to Rosedale." And then, obviously, I set my prices at my farm to reflect the premium product.

Again, I didn't want to be the volume guy. I didn't want to be you just go to your local farm because you can get really dirt cheap prices there and that's the model that my grandmother knew. I wanted quality, local food at my farm. And I wanted that clientele to come there and get that food.

The other thing we did with restaurants is that we brought the restaurants to the farm. And we brought that clientele, who go to those restaurants who might usually... So think about this too, and Nick talks about this all the time, is understanding who your audience is.

And sometimes the people attending, going to those restaurants for dinner weren't necessarily the people who would come to my farm, but I got them there anyway by having events, dinners, with these high-end restaurants at the farm. So everybody knows the concept of farm-to-chef. I was chef-to-farm.

**Nick:** So I'm really plugged into the food scene here, and I get all these emails and I get all these updates. ON 20 farm-to-table, Max Downtown—one of my favorite places—Trumbull Kitchen. Now, it's like an everyday thing for them to be going or coming to these farms, and you were doing that five years ago and kind of setting that standard. And it's a great lesson to be learned.

**Jon:** Yeah, we were really one of the first restaurants in Connecticut to do it. And I think that you do, you actually get people to the farm who normally wouldn't come. And who knows? It's an eye-opening experience. And obviously, we had the vineyard and winery component there too which was...

So all of our produce was served at dinner. Obviously, to make a complete menu, chefs had to source product from other places. What we required is

everything had to come from Connecticut. So any meats, any seafood, any cheese, any bread, everything had to be locally grown or locally produced. Along with each of the courses, we would be serving our wine. And then our wine would be available for sale at the end of the dinner.

And again, it was getting somebody to the farm who might not usually come, and, hey, it could be an eye-opening experience. “Wow, that was an amazing dinner, amazing food.”

**Nick:** And had a good time.

**Jon:** Yeah, great time had by all. “Hey, wow. Let’s try to make our own salad. We know where we can get all the ingredients. All the same ingredients that we had tonight, we can go back down to the local farm and buy them.”

**Nick:** There are so many valuable lessons in here. In part of the show notes from this particular one, I’m going to really highlight some of the—I’m going to go deeper into some of what you just said because it’s highly valuable.

I want to switch gears a little bit and talk about CEA. If anybody had their life changed more than me through CEA, I’d like to meet them because it truly put me on a whole new path. But let’s talk a little bit about the goals for CEA, what the company wants to get out of this, and what you see coming out of here.

**Jon:** Well, you’re the ultimate success story, CEA success story. If we could have 100, 200, 500 more Nicks, I’d be pretty happy from a sales standpoint for sure.

The idea was, first and foremost, to educate. The idea was that you didn’t have to be our customer to come and be educated. You didn’t have to be a farmer. We wanted to allow people the chance to experience hydroponics, experience the educational side of it first, because what we knew is that we saw the learning curve at times be really steep for our customers.

And so, well, let’s help to lessen that curve. Let’s help our customers to be successful faster in their operations. There’s a saying, “You’re not a real farmer until you kill a crop.” I get that. Sometimes in the moment that’s not so funny. And it also could mean some real economic hardships for your farm.

So the idea being, let’s help customers be successful faster, and we do that through education. We do that through not only the classroom training that goes on at each CEA but also the hands-on experience too. Because I know for myself I’m a visual learner. I’m a hands-on guy. I’ve had the opportunity to build the majority of these grow rooms that we have here.

And not only my experience with farming—obviously, that was important—but to physically put the systems together, to understand how they work, allowed me to have a further in-depth understanding of the overall benefits of hydroponics but also some of the struggles, some of the things that make it hard, some of the areas that through my experience I know were a struggle for myself or a struggle for us as a team here, putting these systems together, working with these systems. And so, being able to share those experiences, also again, helps our customers to be successful faster.

**Nick:** I do a lot of follow-ups with a lot of attendees from here. When I come and speak, we're sought out afterwards. "Hey, can you help me out with this?" And I always like to ask, "What'd you get out of it? What'd you not want to get? What would you have liked more of?" kind of thing. And one of the things that's always struck me—and I've heard this several times and it's kind of pushed me in the path that we're on now—is you come here and it's not salesy.

A lot of times you go to an event and at the end it's like "buy, buy, buy, buy, buy." But it's not like that here, and people appreciate it. It's nice to come. It's completely relaxed. Everybody here like really wants you to succeed. Of course, I bought.

**Jon:** That day.

**Nick:** I just went nuts. But I never felt the pressure of it. I came, and because of that level of education, I was able to make an informed decision. I make fast decisions, obviously, but it was a no-brainer. I came here, and it was an absolute no-brainer for me. And I know a lot of people appreciate that. I don't know if I've ever shared that with you.

**Jon:** Yeah. And we appreciate that type of feedback. What I want to do—I want to prove to our customers that we know what we're doing, that we can provide them with not only the knowledge, the physical systems themselves, and then the support for them to run it.

So I always say we're putting our money where our mouth is. Come and see these systems up and running. Let us educate you about those. Let me put it all on the table in front of you and then you make a decision on whether or not this is right for you.

And, listen, that happens all the time. We've got a lot of people who attend CEA with a business plan in mind, with the idea of just, "Wow, hydroponics is cool," or the idea of, "Is this an opportunity for me?" And so, would I love

everybody who came to the school to buy a system and get involved in hydroponics? Of course. It's really unrealistic to think.

It actually ends up being a forum for some people to go, "Wow, that really might not be for me."

**Nick:** And it's better to learn that lesson now.

**Jon:** Sure.

**Nick:** Before they get in trouble.

**Jon:** Or it truly is just the first steps for somebody. You can't expect just because you have three days of intensive training that all of a sudden you're going to be a pro. And we're going to send you home with the system, you're going to plug it in, and away you go. You're going to be the next Gotham Greens or your local indoor farmer.

There's a number of different stages that our customers are in or potential customers are in when they come here. And that's part of the process.

**Nick:** Yeah.

**Jon:** That's part of the process that we work through with them.

**Nick:** And I think part of that working through that process is understanding expectations and limitations. This is a massive company. Two locations. Lots of people dealing with a potential person. And then you have all these personalities that come here. And then you have all these personalities they call in and they get their system. They're from all over the country. Is everything going to go right every single time? No.

But I've never been disappointed. Do you know what I mean? And I think a lot of people expect that plug 'n play out of that box. If you send out 10 systems and they're exactly the same to 10 different areas, each one of those is going to be unique.

**Jon:** Exactly.

**Nick:** They're going to be put together different from the same instructions. They're all going to be put together differently. And understand that there is going to be some hands-on learning even after you get home. There's going to be time to trial. There's going to be, look, a part missing every now and then.

**Jon:** Yeah.

**Nick:** And it's nothing to be ashamed of. There's a lot going on. I challenge anybody to knock a homerun every single time they do anything. I certainly don't. When you come here and you're dealing with typically order after order after order of setting up your farm, just be aware that there's going to be times where you have to allow for some extra shipping. Or there's going to be times where you're not going to be fully stocked. But usually, [snaps] it's like that.

**Jon:** Yes.

**Nick:** If you don't have the patience to kind of go through that start-up phase and not think everything's going to be exactly handled, farming may not be your forte. A lot of patience is needed.

**Jon:** You have to set the appropriate expectations. Certainly, one of the things that we as a company try to bring to the table is our background. It's in our DNA is that we're farmers. A lot of us are farmers, have been farmers. We understand there is a sense of urgency with agriculture. No doubt about it. Listen, I farmed in the Northeast. You've got a small window of growing season, and so you've got to make the most of every single day within that growing season. And that sense of urgency is so important.

One of the things that I would struggle with when I was a small business owner is that finding people who understand that sense of urgency, whether that be your own employees, whether that be your supplier or whether that even be your customers. Listen, there's a small window here that I can provide this amazing produce.

So we try our very best to understand that sense of urgency. That's why we try to service our customers as quick as possible, to get them everything that they need to be successful and up and running. We get it. Hey, when you don't have a piece and your system's down for five minutes, two hours, half a day, a day, it's critical. It can be critical.

**Nick:** And that's why I always put in there if you're going to get a big shipment, order these commodity pieces that always break, like the little nipples or an extra roll of microtubing, even some spare channels. What if you drop one of these things and it breaks and then you're out 18 holes of production? Slide it out of the rafters, man, put a new one in. It's okay to order a little bit of extra first and to have those spare parts on hand. Now, you're down for minutes instead of a couple of days. And more importantly, you're not paying freight, because it's already coming on this freight truck.

So I highly suggest if somebody was going to do this to really look down at these pieces and order some extra just so you don't have any downtime. It's

saved us I can't tell you how many times.

Jon, during your introduction, you mentioned the players in the industry. And that hits on a highlight that has led me to—you look around now and I just know all these people. And it wasn't by accident. It's by extensive networking, being very open, being very sharing with what we have, and I see that a lot in this industry. We talked about how young it is and the people that are involved are fairly open with the exception with some IP stuff. It's a giving community.

I think everybody realizes there's so many damn people to feed, and it's going to take all of us. So let's kind of help each other out. Who are some people that you've met along the way that have been influential? You see these people time and time again and they've just made a difference.

**Jon:** I think for me, though I've never had the opportunity to meet the gentleman, is Howard Resh from just a pure hydroponics 101 standpoint. Reading his book kind of really opened my eyes to the commercial viability of hydroponics.

Taking it from the DIYs, the Google, "Hey, I've got a bucket on my back deck that I grow some basil with," to understanding all of the science behind it to understanding how to create a profitable, commercial hydroponics system. His work is amazing.

I'd also have to say that the work that some of the universities have done has been unbelievable. They've spent resources on cutting-edge ag practices like hydro and done amazing studies, particularly Cornell.

**Nick:** Who has made a ton of videos that's highly accessible and really not that much money. It's a great program.

**Jon:** Correct. University of Arizona is another amazing resource. Dr. Chieri Kubota there who I've had the opportunity to take her online courses. That program there at University of Arizona is unbelievable. The fact that always blows me away is that these professors, these universities, they're putting this information out there for free, for everyone to have.

Listen, sometimes you have to do your homework. You have to do a little digging, a little bit of research, but the information's out there. And compared to what it was when I first got involved 10 years ago, you can find manual, how-to manuals. Looking up Cornell's deep water culture lettuce production paper online, it's unbelievable. Dr. Lynette Morgan, she's another one.

**Nick:** Rockstar.

**Jon:** She's the guru of hydroponics, the queen of hydroponics. We still utilize her consulting services. When we struggle with something, we've got her on speed dial. The one thing that I love about Dr. Morgan is that she does have an eye for commercial production.

Sometimes you'll see with some university settings they might not take into account some of the concerns you and I might have on a commercial level which is understandable. That's not their goal. Dr. Morgan does a really good job of understanding the scenario of being profitable in hydroponics and then, obviously, she writes towards that. So I think she's a tremendous resource.

**Nick:** Thankfully, one of the things I did when I was here is I got the four-book set that she put out. We refer to it to this day.

**Jon:** All the time we pull that off the shelf.

**Nick:** Yeah.

**Jon:** I have that. I have Howard Resh's book and Lynette Morgan's. And if I'm stumped by something, those are the bibles.

**Nick:** And then beyond that, you and I especially have the ability to call this vast network of people that we know for instant, "Hey, have you ever seen this? Have you ever had this problem?" And it's been insanely valuable. We've been able to turn weak crops into strong crops within days where it would've taken weeks. It's been nice to have.

And it's also been nice to have as far as marketing. "How are you guys selling this? How are you packaging? Where are you getting your packaging?" Always looking for a better price on packaging or better packaging, stuff like that.

**Jon:** I always say you've got to be humble in agriculture because you're going to get your butt handed to you at least once. Multiple times.

**Nick:** Once a week or just once.

**Jon:** So you've got to rely on other people's expertise at times and say, "You know what? I screwed that up. I need to explore my knowledge a little deeper in that area."

**Nick:** And do you know what I'm going to equate that to? Back in the day where we would have barn-raising and everybody would come and help their fellow farmer raise a barn, that's what we're doing right now with information.

There's nothing to be lost by sharing knowledge when there's so many people to feed. There's nothing to be lost by taking something and giving that legacy away to somebody that's going to use it for good.

Again, I've said it before. I've said it during this interview, and I'm going to say it again. This industry is so giving and so sharing, and it's like a safe place to earn a living. As hard as it is, because everybody understands the weather and the finances and all the ups and downs and the trends and everything, but at the end of the day for people to be so open, it's refreshing to see in today's world with everything going on.

**Jon:** And I think that's important. Even at CEA schools, I'm listening intently to our attendees. I listen to your sessions every time because I'm going to pull something out of there that I didn't know before.

**Nick:** Well, I keep changing them.

**Jon:** I know. That's why I love it. But you've got to keep an open mind. You've got to always be willing to learn.

**Nick:** Look, what I'm doing may not be right for somebody else. There's going to be markets I just don't understand because I haven't had the opportunity to go and investigate and look. I'm just hoping to give people the tools to this is the system by which you go and find this kind of thing out. I can't know everything. Nobody can know everything, but we can certainly help each other get to the same place.

Let's talk about some of the successes you've seen in agriculture in general, preferably out of here if there's just been something that sticks out in your mind. People are doing neat stuff.

**Jon:** Yeah, I think that, obviously, your success has been something that we've been proud to be a part of and what you've accomplished in two years is almost mind-boggling. Very similar, a customer of ours out in Colorado, Spencer Ruskin, he came to the school with—

**Nick:** Yeah, I think he was here. Yeah.

**Jon:** He's one of my favorite customers because when Spencer came here he had so many questions. Just had really no background in growing whatsoever. But like you said, he wanted to be part of his community. He wanted to provide local food. And I'm not going to lie; he struggled in the beginning. And you know what was great about Spencer, he bought a big system from us. Did tweak it a little bit to fit his space, indoor growing.

And it was really interesting because I helped Spencer through the process of getting the system up and running. A lot of calls. A lot of calls. And then the calls started getting less. You could tell, like he was getting it. Things were coming together for him. So less calls. Every once in a while, I get a call, “Hey, can you recommend what I do here or little change I can make?”

And then I started getting pictures of like finished product, lettuce. And then I started getting pictures of his labels. I start getting pictures of the t-shirts that he’s having made up. And he’s telling me, “I’m in this grocery store. I’m doing this farmers market.” So the idea is that it’s amazing to see a customer go through the challenges and come out on the other side.

Again, if you start into agriculture, hydroponics—I don’t care where—raising livestock, growing in the soil, greenhouse growing, you’re going to have mistakes. You’re going to get your butt kicked. I always say if you’re afraid to make mistakes, you’re doomed.

If you’re going to be one of these people who you worry about, “Oh, gosh. If I make a mistake here or make a mistake here, this isn’t going to work,” you’re going to struggle and struggle and struggle. You’ve got to work through all of that stuff.

And to see Spencer come out on the other side and still now it’s all the good stuff. I used to just always hear about his challenges and struggles, but now I’ll get an email every month or every couple of months with cool pictures of what he’s doing or the whole system up and running.

**Nick:** And that doesn’t end. I called last week to ask a question, and I talked to Tony up in the grow room who is a wealth of knowledge. But no matter what the question is, somebody up here or somebody at Johnnies, between these two companies I wouldn’t be where I’m at today. And I can usually within minutes get a world class answer kind of thing. So Spencer’s still going to call you in the future to ask because things are going to change.

**Jon:** Of course.

**Nick:** He’s going to bounce an idea off you. He’s going to expand or change a market. From a customer standpoint, it’s nice that you guys still have everybody’s back kind of thing. And I don’t feel silly about calling or I’m calling too much or anything like that. It’s always been a welcoming thing. And I appreciate it. I know he does.

With these success stories, there’s going to be some issues. There’s going to be some failures. I don’t want to talk about anybody’s specific failure.

**Jon:** Yes.

**Nick:** But I know that there's a few key elements that kind of doom people. What are your top two or maybe three things that usually trip people up?

**Jon:** One of the first things we ask of any of our customers, potential customers calling in about hydroponics, aquaponics, is do you know your market, first and foremost? Have you done any research into... If you can grow, I could sell you a system that could produce 5000 heads of lettuce a week. How are you going to sell those 5000 heads?

First and foremost, we want to make sure the customer is thinking through all of those processes, all of those things that make up a good business plan. And that's part of the thing that we try to incorporate into the CEA. And it's not just about, [inaudible] or, "Here's one crop you should know."

That's why, Nick, we have you come and talk about the market [inaudible]. That's why we talk about some things like integrated pest management. There's a lot of things to consider in a successful business plan and a successful venture. So it's not just hydroponics are cool. I want to do it. That's great. That's a great start.

**Nick:** And I want to fly fighter jets.

**Jon:** Yeah. But you just can't hop over to the US Navy and say, "Hey, let me hop into one of those jets." There's a lot of things to think about. So I think that's probably the number one.

And it's not a mistake. It's just the approach is a little off. Okay, let's refocus. Let's head down a different path first. Let's understand the market, your area, who the competition is. All of that stuff is really important, and I'm sure you could speak for hours about that side of marketing in the hydro world.

I think, too, the other thing is that I'm not going to say that you need experience because you didn't have any experience...

**Nick:** Nope.

**Jon:** And look where you are now. Part of this answer is because of you. You can't be afraid, as I said, to make a mistake. There are going to be challenges. Everything is not always going to be perfect. You're going to have a head of lettuce die. You're going to have a customer who has an aphid on their lettuce. You're going to have one of your pumps break. You're going to have a shipment show up and a part's going to be missing.

It's just like life. There's challenges in life, and you've got to persevere and you've got to move through, because it's challenging. You're a farmer.

**Nick:** Yeah.

**Jon:** Farming's not easy. If it was, everybody would be doing it.

**Nick:** How do you feel about—and we all know these people, not just here but in life. They call and call and talk, but they never pull the trigger. And years on down the road, they're going to wish they did something or “I should've started sooner,” or “I should've done this.” That's one of my pet peeves. I'm the ultimate like let's just get it done. Let's go do it.

And for me it's frustrating, somebody comes up and they ask for advice. And you listen to their story and how to best apply some advice and you give it to them and it's crickets. And then you get another call, “What should I do about this?” And you go through the whole thing over. And it's like, “When are you going to do something?”

As far as implementation goes and finally just doing it, how would you suggest people get over that? Obviously, you can't call somebody up on the phone, “Are you going to order or not?” That's not how it works. But if somebody's on the fence, how would you get them off to go?

**Jon:** First and foremost, I think that CEA one of the reasons we do that is to move people off of that spot. The idea is I want you to come. I want you to see the systems. I want you to listen to us as experts. I want you to listen to not just us but the experts that we also bring in who've been successful, who have answers to the questions that you're struggling with as that comfort, that getting them, again, off of that spot of, “Wow, this is overwhelming at this point.”

I talk about this every CEA school in my introduction of what you're going to get out of the school. One of the things is the network component and the fact that the person sitting next to you is having the same exact challenges but has the same ideas. And you might not be that crazy. You're not the only wingnut in your town or you're not the only one who wants to quit your job and go grow hydroponics. Yeah, a little dramatic, but you understanding what I'm saying, Nick.

**Nick:** But just so we're clear, we have seen that.

**Jon:** Yeah. Again, just once. But it's providing the confidence of really moving someone to that point where I'm comfortable with the knowledge, with the

systems, the business plan, with what the challenges might be. I'm sure you've experienced this on the consulting side. It can't be all fluff.

**Nick:** No.

**Jon:** It can't be all unicorns and rainbows. There will be challenges. So lay it all out in front of the customer. Ultimately, you hope you position yourself as a company or as a consultant, the product, as, "I'm confident now with you as a company, with the knowledge, with the systems, to take that step forward."

That's why we don't want to be just someone answering the phone in a call center. That's why my team all has experience in horticulture. So they can answer those questions that might be holding someone back from making the leap.

**Nick:** Two things that always fascinate me about every time I come up here. And I've tried to count how many times I've been here, and I can't really figure it out. It's been a while. It's been quite a bit. But the number of different approaches each class brings. There's so many people wanting to do stuff different ways, and some of it's just fascinating and really neat. And then we've seen some of them pull it off.

It's fun to see these people come in and then to implement like we talked about and then watch them grow into something. And the other thing is I talk a lot about that first picture. I always use that first picture. I wish I knew who took it, but I couldn't see anything other than when I first walked in that room. I always say I'll never forget that feeling, because all of a sudden that's real.

You can see stuff in the catalogue and you can look at it on YouTube or whatever. But when you come and you see it and it's like physically in front of you and this is actually working and, again, you're not the only person that's having these thoughts, that realism was not necessarily what sold me. But it made it viable.

**Jon:** It's the a-ha moment.

**Nick:** Yeah.

**Jon:** And it was one of our attendees at this school, Chad from Fat Beet Farm down in Tampa, he said exactly that same thing. He's like, "All right. This makes a lot more sense now," just from walking into the grow room in the first 10 seconds that he was in there. It clicks. It's everything that you've been reading about or watching videos about.

**Nick:** You get on an airplane and now you're here. And it's like, "What the hell am I doing?" And then you walk upstairs. I always request to speak right after that because I can put myself in that mindset time and time again. Because every time I come up, it's like coming to my second home kind of thing. I remember. I know how those people feel. It wasn't that long ago.

I hope I don't lose it. That's just something I don't want to lose, that a-ha moment, that ability to put myself in somebody else's shoes and know what they're thinking about and then be the person to go, "You're going to be all right. We're going to get through this together."

**Jon:** Don't freak out. I bring the groups up for the tour for the first time at each school, and I watch everybody's face, like their expression on their face when they walk in. I'm still blown away by it. I still get geeked up about being in this room.

**Nick:** It never gets old. I go into my grow room every single day, and it doesn't get old. Stuff's always growing. We're always trying different stuff, and I'm doing what I was supposed to do. And then it evolved into what we're doing here. I'm so thankful for the opportunity that you guys have given me from day one. Everybody here's been by my side. You know that. You know how thankful I am and just having that attitude of gratitude, and then you guys reciprocating that, it's been one of the great times of my life.

**Jon:** Yeah, the journey's been amazing in two years. What you've accomplished which you just put your mind to it and do it.

**Nick:** Yeah. Get it over with.

**Jon:** Really, when you talk about how do you get customers to move forward, I use you as an example all the time. It's not for everyone. It really isn't.

**Nick:** No, it's not.

**Jon:** It really isn't for everyone. But it's still at least like you did it! You did it! With almost no knowledge. It does work.

**Nick:** Well, thanks for sitting down with us. CEA week is extremely busy for all of us, and to take an hour, I just really appreciate it. I'm sure this won't be the last time we sit down, but moving on to State of the Soil, this first one that we're putting on, to have you all's support has just been great. And I just really appreciate it and thank you.

**Jon:** We share your passion.

**Nick:** Yeah.

**Jon:** And what you've accomplished, not just in your own business but in the industry and the passion that you're bringing to the industry, sharing your experience in the industry, that's making better hydrofarmers. I love that.

**Nick:** Thank you very much. All right. Jon K., everybody!