

Turning Up The Heat with Nathan & Nicole Parchman

David Crabill: Welcome to the Forrager podcast, where I talk with cottage food businesses, about their strategies for running a food business from home I'm David Crabill, and today I am talking with Nathan and Nicole Parchman. They live in O'Fallon Illinois and sell salsa and pickles with their business Nitro Family Foods.

Nathan and Nicole started this as a cottage food business in their home kitchen in 2019. And now they also use a commercial kitchen, so they can wholesale to retail stores as well. Since they sell acidified canned goods, they have needed to navigate more complex regulations than most cottage food businesses. But their business has really taken off in the past two years.

And I'm looking forward to learning more about why they have been so successful. And with that, welcome to the show guys. Nice to have you here.

Nicole Parchman: [00:00:47] Thanks. Glad to be here.

David Crabill: [00:00:50] So, can you take me back to the beginning I know you started making salsa, well before 2019, how did this whole side hobby slash business get started?

Nathan Parchman: [00:01:01] Actually, my parents had always had a garden when I was a child in Kentucky, and we had peppers, tomatoes, corn, you name it. It was in the garden. And when we moved to our house and I kind of felt like it was just lacking. So, we put a small garden out back. And the thing that we put out there was peppers and some tomatoes, and we really didn't know what we were going to do with them.

And next thing we know, we decided, you know, let's try a salsa and one thing led to another and that's really kind of where it jumped off. There was no plan to try to do salsa. It was just. Purely a kind of, I guess you could say a lucky accident that we fumbled upon what we did, but that's a, that's kind of the humble beginning from where we started in 2012,

David Crabill: [00:01:52] So, when did you start to think about selling it?

Nathan Parchman: [00:01:56] in 2013, we moved to a new house. So we transferred our garden box to the new house and we kept messed around with the salsa, trying to make the adapt with the recipe to make it a little bit better. And then when Christmas time came around the first year, we thought let's just get to know the neighbors, give some salsa out and see if they like it.

We went around and gave it to the neighbors and they loved it. A few of them were like, can I get some more? Can we buy it? And we were, we were out of product. So the next year we kind of did it again and the years start running together after that. But people just started really enjoying the salsa.

Nicole Parchman: [00:02:35] Yeah. We had people tell us that we should sell it but, you know, we always thought people were just being nice. Right. Like, oh yeah, that's really

good. You guys should sell it. And we were like, yeah, thanks. Not really sure. But yeah. Then we after hearing it so many times, we decided to give it a go.

David Crabill: [00:02:53] So which one of you decided to take it forward and make it official?

Nicole Parchman: [00:02:58] That was probably me. I'm the dreamer of the two of us. I'm the one that's always like, let's try this. And he's definitely more the realistic person who comes in and says, well, let's figure it out. But I think we both agreed that it was worth a try to try something. And little did we know at that point, the hoops that we were going to have to even jump through to do cottage food for salsa. But we kind of together made the decision to, to try it out.

Nathan Parchman: [00:03:29] The turning point I would say is we had a yard sale and this was totally against probably every regulation in the book, but we set up a table outside in our driveway and we just sampled our salsa we had clothes out there toys out there. And the thing that sold the most was our salsa, about 80 to 90% of the people that sampled it bought a jar and we were just blown away. We could not believe it. People wanted to get our phone number. They wanted to come back. They were telling friends and family about it.

And that was really in my opinion, the turning point where we said, if we can sample it and people want to buy it. That bad, at a yard sale at a yard sale. And there's no reason for them to trust us at that point. It's a good product. And then they tried it and bought it that really, that turned us on to moving forward with it and actually starting to get through all the hoops.

David Crabill: [00:04:21] Yeah. I saw that there have been many people who have said that it's the best salsa that they've ever had in their life. Why do you think that is.

Nicole Parchman: [00:04:28] Probably we use a lot of different ingredients seven different peppers in all of our salsa, and you know, it's very flavorful and I think that might be something that sets us apart. It has a sweet start, but not too sweet. You know, it's kinda like, Ooh, this, this has a really good flavor. And then the heat comes at the end and of course, you know, We have several different levels of heat, so whatever, whatever you fancy, you know, it just kinda, you pick how much heat you want at the end, but it definitely has a really good flavor and lots of different flavors.

Nathan Parchman: [00:05:03] Yeah. Most salsas that we've seen normally have one, two, maybe three different peppers and then some dehydrated or dried ingredients. Ours has seven fresh peppers that go into the, into the product. And then we also do, have some dehydrated products as well as spices that go in there. So it's just a very wide variety.

So no matter which part of the flavor, if you liked the sweet or you like the heat, you're going to get both of them. And that seems to be what people really enjoy the most.

David Crabill: [00:05:34] Okay, so you got this great product on your hands. Obviously a great product doesn't make a successful business. There's a lot of moving parts there. So what did it take for you to actually get this off the ground as a legal business?

Nathan Parchman: [00:05:48] we went as a sole proprietor. So it went under my name as Nitro family foods. And after we did that, then we had the business name and get the state taxes where we could pay the taxes for the sales tax. So that kind of jump-started us. I had to do a lot of research and understand that, talk to a CPA, really figure out what in the world I was getting myself into because I'd never dealt with sales tax.

We've never owned a business besides a rental property in our life. And there's no sales tax involved with that. So after we got that going we were running under us. We could add a little bit of insurance to our homeowners policy as a startup business, which we found out was very cheap. And then just kind of rolled with that until we got too big for our britches, as long as people say, and we've had to move into an LLC now to kind of lessen the liability and put both of us on there.

And there's been a lot of legal hoops we figured out. But on the setup side there was that, that doesn't even include all the testing and everything.

That's just the legal side.

Nicole Parchman: [00:06:51] Yeah. So from a testing perspective, our product had to be pH tested to ensure that it was a proper pH that wouldn't cause a bacteria to grow. And we had to go through different tests ourselves to make sure that we, you know, we were certified to handle the food properly and that we could sample our food if, if we chose to do so.

So we also have several different certifications that we had to get, you know, to be able to sell the place.

Nathan Parchman: [00:07:22] Yeah. So I got the food manager's license, Nicole's the food handler. We got the samplers license. And now if we're wanting to expand out across state lines, even to do farmer's markets or anything, and other states have to get the FDA, which allows us to cross state lines. So there's,

Nicole Parchman: [00:07:38] so now Nate's back in college.

Nathan Parchman: [00:07:39] I'm back in college at the university of Tennessee and food in canned foods, handling class.

David Crabill: [00:07:46] Yeah, it is amazing how much there is to learn about the canned food process. And can you explain a little bit why those regulations or restrictions are in place?

Nathan Parchman: [00:07:56] Yeah, not to get too detailed, but back in the early seventies, there was a guess small outbreak of botulism and botulism is a very deadly uh, foodborne illness. And after a couple of canned food processors had that happen where there was a death. And I think it was in 1971 that Campbell's food and that in '72 or '73, somewhere in there.

They caught a batch that was bad when they moved from fresh ingredients to dehydrated ingredients. So they caught it before it left the factory. Or today you might not know of Campbell's soup still being around because that would have completely killed their company

and they'd been sued. So that really, what I've learned is they created all these processes because canned food company said, we need the FDA to bring us a process that teaches us what we need to do.

So we don't make this mistake again. So it was the actual for the canned food people that wanted this process to be cleaned up a little bit and education on it because they didn't want to lose their company and their business. So about 50 years ago, there was a lot of changes that happened in those laws are still in effect today. And they just keep adapting as a food processes, change and new technology comes out.

David Crabill: [00:09:06] Yeah, botulism is probably the main thing that is like an actual risk in the cottage food space. Um, And so anyway, you have, this product on your hands, you decided to get the permit or whatever to sell at the farmer's market. And how did that process go? What was your first farmer's market like?

Nicole Parchman: [00:09:28] Well, I can't even remember. I know, I know it was, it wasn't bad. I'm pretty sure that it went over really, really well. We were very surprised, honestly, still kind of hesitant, still unsure, you know, what it was going to be Like? But I don't think we've ever had a bad market,

Nathan Parchman: [00:09:49] just when it rains is the only time that kills any market. But every market we go to, we get more of a following and on our square system, which tracks customers we can see, are they new customers existing and still to this day, it's normally 60 to 70% of our customers have never used us before. So we've always got that growing clientele that go around and spread the word for us. So we have little missionaries out in the local community talking about our salsa and that grows every single time we're out.

And why Nicole and me pair very well is I'm more focused on the food. Does it taste good? Are people liking that and talking to people and Nicole's good at that as well, but she wants everything to look to the T and that has been a really good way that people see us and they walk over to us immediately.

Cause it feels clean. It feels fresh and it's very well-branded. So that's something that Nicole does and she has a Cricut machine that she can make all of her stuff at a lower cost, so we don't have to outsource a lot of our product signage. And then I like talking to people and she likes making it look pretty and talk about it. And she's got the female perspective. I've got the male perspective. So we, we hit both sides.

David Crabill: [00:10:54] So what's the female and male perspectives.

Nathan Parchman: [00:10:57] I feel like the guys, most likely they're just there for the food. They'll the signage might be a point of it, but they're wanting to do the samples. Not that the ladies don't, but the thing that attracts the ladies over is how pretty the signs look and how clean everything is. What do you think, Nicole?

Nicole Parchman: [00:11:14] Yeah, I think we also try and add like we always recycle our jars. That's something that people really, really like to, as much as we can, we have to sanitize them and it does cause us a little bit extra work, but it's really important to us to

not, have jars end up in the trash can if we can help it. And so we might, you know, re sanitize and, and use those jars for products, but we also try and use them for different like home accents, like right now we have um, we're using one, uh, you know, a jar and we have on this side of it, you know, we've put on it so fresh and so clean, and then we've made it into like a soap dispenser or a hand sanitizer dispenser. And so I think that's something else that brings in some of our female customers uh, is just some of the home accents and fun extras that, that we offer.

David Crabill: [00:12:05] So you kind of validated your product before you decided to jump all in? But what was the branding effort like before you even joined the market? Did you. Hire out a logo. Did you get business cards? What did you put into branding upfront?

Nicole Parchman: [00:12:22] we did have a business card and we still do. We actually do a rewards program and that has all of our information on it. So when you buy 10 jars of our salsa you get one free. So that's something that we've had from the beginning. Um, As far as our logo goes, we created that ourselves

Nathan Parchman: [00:12:41] that's where Nicole comes in. I didn't do any of that. That's 100% hers. So I'm not going to get any credit for the logos. That's where she comes in and does the marketing. I am mostly cooking and running to get stuff when needed and talking to people. She makes everything pretty, makes all the systems work together.

And I try to do the financial side because I'm a commercial banker during the day. Uh, During my real job. So that's, I kind of, I've got the knowledge on business side and commercial stuff, so all that's attributed to her,

Nicole Parchman: [00:13:14] we did together though, come up with the names of ourselves and our pickles. And that was a fun exercise Nate's an avid hunter. So our salsa and our pickles they'll have fun, either deer names or our pickles are turkeys.

Nathan Parchman: [00:13:32] So we have four different flavors of salsa and we've got kind of a trial flavor that we've got, it's extreme hot, it's a ghost pepper right now. So we're just trialing it for the most part. But our main four flavors are young buck, which is mild Doe N' Heat, which is medium 10 point shooter, which is a hot salsa. And then our extra hot is buck n' rut. So kind of goes from young buck, which is just tame all the way up to a buck n' rut, which is crazy buck running around the woods, looking for does. So that's kinda the way we uh, we framed it. Then our pickles are sweet, Jenny. It doesn't have really any heat. So that was kind of just a sweet Jenny. You know, it's got a little sweet flavor on a bread and butter. Then we go to our, the Jake, which is a young male Turkey, which has medium heat. And then our hot is Strutting Tom, which is the biggest Tom or biggest Turkey out there. It's got a long beard and that's a, that's what all the hunters are after just like a bucket ruts.

All the hunters are after. So kind of goes from low end to high end and kind of made it more, I guess, masculine the higher up in the hotter. It got,

David Crabill: [00:14:41] And where did the name nitro come from?

Nathan Parchman: [00:14:46] it's a funny story, but our neighbors. Oh, we're over. And we were talking about I was talking about Nicole's had a Zumba teacher and he has, they called him Nitro.

Nicole Parchman: [00:14:57] His name was Nitro, that's what he went by.

Nathan Parchman: [00:15:01] And I was joking around. I was like, as a banker, as a Zumba teacher, you can be named nitro. But as, as a banker, what if people came into the bank and said, you know, Hey, it's my banker nitro.

I'm like, that just doesn't go. And I must've just made a fool of myself when I was talking about it. And they just, so all the kids called me that the neighbors called me that. So I just got this nickname nitro, and when we went to decide what we're going to name the salsa. Nicole was like, what are we going to name it? I'm like, let's roll with it. Let's go with nitro. And it kinda sounds hot, kinda sounds spicy. So there we are. And we went with

Nicole Parchman: [00:15:36] That is something that it's a little bit of a negative people see the name, nitro salsa. And they immediately think that it's extremely hot and gonna burn your mouth off. So we have to be like, no, no, no, no. Like we have several different levels of heat. We do have mild, so don't be afraid. It's just a name.

David Crabill: [00:15:55] So. You started at the farmer's market. And it sounds like that first summer went very well. And then when did you start to consider to expand your product lineup and, or move into wholesale?

Nicole Parchman: [00:16:11] Probably in 2020 during the pandemic, we we'd considered it before. But the pandemic kind of gave us a little bit more opportunity we had a little bit more time on our hands and we're able to figure things out a little bit more. And actually during the pandemic, our sales skyrocketed they went through the roof.

We were doing lots more farmer's markets, lots more drive-through opportunities. People could pick it up, we would deliver. And I think the community was really looking to shop local and support local businesses. And we definitely saw that love. And that was just another affirmation that we needed to continue.

And we needed to figure out how we could make our product more available to our customers.

Nathan Parchman: [00:17:00] Yeah. The, we had a gentleman come up to us, which is now a friend and he stocked shelves at gas stations and he also owns a restaurant and he's kind of.

You know, has a ton of connections in the area, which at that point we didn't have those. Now, as everybody samples it, everybody has a connection and our name gets out there super quickly, but then we didn't, we thought it was impossible to get our name out there. But when we talked to him, he's like, we can get you on the shelves in gas stations.

And we thought that was just like earth shattering at the time, because we were just brand new and talking with him, understanding a little bit more about the process of that and understanding how we needed to go wholesale and how we had to be in a commercial

kitchen, took it a, it Was kind of a jumpstart to realize that there could be more to this, but that's kind of where we grew to the potential of wholesale talking to Scott.

And he's been a pretty big help and got our name out there to people that wouldn't have already known about us.

David Crabill: [00:17:58] was it difficult to find a commercial kitchen how complicated was it to actually take your product from the farmer's market and start to put it into stores?

Nathan Parchman: [00:18:08] We got very lucky. We have a I'm in the chamber of commerce here in town, and we've joined as a nitro family foods, but I'm a chamber ambassador and we have about 600 members. So I've got a lot of connections here in the local community and also being an alderman here in town as an elected official.

So I kind of have a pretty good network, but the VFW has a spare kitchen that they rent out and it's pretty affordable. And so we talk to them and they have the commercial kitchen that's available one day a week where we can use that. So we utilize that for our commercial products that go out wholesale because it's gotta be in the commercial kitchen.

So then we had to bring in the state to inspect the kitchen. Get the thumbs up on that. we made it happen. They gave us the thumbs up. And so we use the VFWs commercial kitchen, the spare kitchen. They have to make this work.

David Crabill: [00:19:00] Now I notice. in the middle of pandemic. You said you had some more time, but I did see, I think you both have full-time jobs. Correct?

Nicole Parchman: [00:19:08] That's correct.

David Crabill: [00:19:09] And you both have a very significant side job or side hobby as well, and then you also have a family. So like how in the world do you have time to grow this business?

Nicole Parchman: [00:19:25] It's a balancing act. Definitely you know, we're juggling. Um, yeah. So Nate has, he's a commercial banker, like he said, he's also an alderman and he's a full-time dad, obviously. And then I also have a full-time job work for the federal reserve bank of St. Louis. I also teach dance where both of our kids dance competitively as well. And then full-time mom and then put the business right on top of that. But since this is something that we both enjoy and we both have a passion for, it's still somewhat considered a bit of a hobby it's quickly growing out of that, but we still very much enjoy it. It allows us to have family time and be together and work together, which is really fun.

Sometimes frustrating when we want to argue or fight about things. But for the most part, we uh, we, we enjoy the time together.

David Crabill: [00:20:21] So how, how much do you get your girls involved in the business?

Nathan Parchman: [00:20:27] It used to be more, it seems like now they're, it's kind of a old news to them at one, when we were first really getting into it and they wanted to be really involved, but I don't know. Really what changed now? I guess they like their iPads and

phones a little bit better than they do, helping us get stuff together and organize on the shelves and the jars and everything.

They, they, they are involved. We're teaching them the business side of things though, when we're at the farmer's market, that's where I'd say they're the most involved would be when they do the exchange of money.

My oldest one Brooklyn. She learns to do the cash drawer the square system. Discounts and understanding that whole aspect. Carly's still young seven. She wants to be involved, but she sometimes gets upset really quickly. So sometimes it's frustrating to have them there when we've got hundreds of people in a morning trying to do it, but we want them to understand how entrepreneurship works and how to grow a business and see mom and dad do it and lead by example,

Nicole Parchman: [00:21:25] and also seeing how hard work can pay off, right. I think that's also very important and Brooklyn also being a little bit older at 12 learning to talk to people, learning to be able to hold a conversation and, you know, even, I think we'll get her to being able to give the sales pitch and talk to the salsa. She's not quite there yet. Still, maybe a little bit quieter when it comes to interacting with adults. But I think it's really important for her to start to understand that and be able to do that.

David Crabill: [00:21:57] So I know that you said that you had a rental property, but you haven't had a business before this. Do you feel like. You had any preparation for this jump into entrepreneurship or leadership, or has it been a hard transition into running your own business?

Nathan Parchman: [00:22:15] I would say I work with a lot of business owners being a bank manager, commercial banker. So I deal with a lot of business owners run through tax returns when I'm doing loans. I understand QuickBooks. I understand the whole aspect of a business, but until you actually dive into it yourself, you don't really know what you don't know.

So that helped me. So I had, I had a really good jumpstart on that and then being an alderman city and chamber of commerce ambassador, I got to just talk to these business owners on a friend level and they, they divulge stuff. I go walk through businesses and understand how things work and it kind of gives you the itch for it.

I feel like we had just enough knowledge to be dangerous. And then when we dove into it, we navigated very well.

Nicole Parchman: [00:23:01] Not to say we probably haven't made some missteps and done things. Maybe, there. I'm sure there's things that we would have been. Yeah, we probably wouldn't have done it that way.

We probably would've done it this way. Would we have no more, but we definitely have learned a lot from other people. That's totally, totally true.

David Crabill: [00:23:20] So, if you think, if you hadn't experimented with the salsa for the past 10 years and just kind of had it fall in your lap, you think you, you wouldn't have a business right now, or do you think you would have still tried to pursue that given your connections with other business owners?

Nathan Parchman: [00:23:38] That's a million dollar question. I don't really know the answer to that. I think it was a little bit of it fell in our lap. And the knowledge at the same time, I don't think if I didn't have any knowledge, it would have been too scary for me to attempt because I'm the realist. And I'm like, well, we don't know enough let's stay out of this.

Nicole, on the other hand, she could have figured something out. I mean, she's had some business ideas in the past that probably didn't come to fruition, but she's always had that entrepreneurship type personality where I'm like, I want to be a W2 employee and work for the man. Somebody just tells me what to do and I'll go out and do a good job at it where Nicole's like, I want to go do this on my own and proved that I can do it. So we pair, well, I guess.

David Crabill: [00:24:24] Yeah, it sounds like you complement each other very well. Now I have a quote from you guys that I came across and I'm going to read the quote. You tell me what it means. All right. So it says when you are least expecting something great in life to happen, look around, it may be right in front of you.

Nathan Parchman: [00:24:43] it's funny when, when you see people that have a great business, most of the time, people don't grow up when they're 16, 18, or even in college and say, all right, I know exactly what I'm going to do.

Something has to happen in their life. Or there has to be some, you know, aha or epiphany that this is, this is what I enjoy. This is what's going to happen. And sometimes that's sitting right in front of you and that garden that we threw out that I just was trained to do as a kid. It was sitting right there in my backyard.

And we did not know it. So some of the biggest things in life, if you just look around and smell the roses, those life changing events could be sitting right there. So that's, that's kind of what that quote meant us because that garden that we didn't know that it was a moneymaker for us in the future turned into who knows what, you know, five, 10, 15 years from now.

We don't know what it's going to hold, but we're going to work as hard as we can and see what we can get it to. But it all started with about \$30 worth of peppers and tomato plants and a little bit of water that's in here. We are.

David Crabill: [00:25:48] Well, it is amazing to see how your business has grown. And how did the wholesale side of things go when you actually started putting your product on store shelves?

Nicole Parchman: [00:25:57] It's pretty amazing because we haven't really tried to put it anywhere. People have reached out to us because they've heard of ourselves to some

people haven't even tried it before. And they said people have told us about it. And we know we want to have it in our store and other people have tried it and they want it in their store.

So we haven't really even made a huge attempt to reach out to people in at this point. With, with working in the commercial kitchen one day a week, we're maxed at what we can produce to sell wholesale right now. And so it's, it's pretty amazing, again, back to word of mouth and how things spread and, and just our customers are absolutely amazing.

I mean, we wouldn't be here obviously without them, but just how much they've talked about our product or shared our posts on Facebook. It's pretty amazing to see really what, what they've been able to make happen for us.

David Crabill: [00:26:56] Well, I know that you said that like 60% of your customers at the farmer's market are new to you, I mean, it sounds like that's just a growth of your business that you probably have a very recurring customer base recurring revenue model. Like, do you know how many of your customers come back and are lifetime customers for you?

Nathan Parchman: [00:27:18] I know we've got 25 or 30 that are pretty much anytime. We're at least the O'Fallon market, they are there. So that 40% probably contributes. They don't come and buy one or two jars. They come and buy six, eight, 10 jars a case it's unreal. I'm like, I don't even know how you can eat that much salt. So I can't eat that myself. So they must be giving it out, passing it around, or they just eat a half a jar of salsa every night. I'm not sure, but they're there every time. So even though they're only 40% of probably what is new, they're a size of purchase is probably 60 to 70% of the purchase amount. The other 60% they're brand new, but down the road, they could be part of that core group that now is one of our really, you know, profitable clients that helps us and, you know, follows us around no matter what we do

David Crabill: [00:28:11] And so what's your pricing? Like what did you price at the beginning? How has it changed over time? What are you pricing now,

Nathan Parchman: [00:28:19] when we started, we were, was \$5. Correct? Was it, it was either \$5 or \$5.75. And right now we're at \$6.99. So we've had a slow increase and we've just looked at our competition and tried to see what. What's out there and taste their product and see what our value is and see what products they have in there.

Cause I know that we use more, more ingredients in our product, which does add costs unless we are in season when we can produce it ourselves here in our garden. But if we're not able to produce it, there are external costs that are involved when you have to ship it up during the winter. So our profitability starting out.

We were making, you know, 50, 60% on top. So if we had a three, \$3, we were probably making charging \$5.75. So we might have a \$2.75 profit. Now we've been able to scale our costs back buy in major bulk because we can sell it quickly buy pallets of jars. Huge boxes of lids and get our peppers and things at a lower cost.

because we buy everything in bulk and have uh, freezers that we can, cut it, freeze it. And it's, it's, it seals that freshness in right away. So we're ready to go. And we've been able to

cut our costs down. So now we're touching a 70% profit margin. There were, you know, if we spent \$3, we'd make about a seven on a \$10 sale there.

So on a jar of \$7, it's about still two, two 50, and then we're, we're charging six 99, but we have to take in our square costs, which is our transaction fees. we don't charge sales tax on top of that, but we rip the sales tax out of just that original cost. So we have to eat that cost and then there's other external costs like fees for markets and things like that.

So all that accounts into that 70, per 65, 70% that we're making on it. But from our research, we feel that that's a pretty, good number that you should be at as a farmer's market seller.

David Crabill: [00:30:13] Sounds very good. And how much are you typically selling at a market?

Nathan Parchman: [00:30:18] Today was a good market, but we sell it a little bit more of Nicole's goodies on her uh, her platters and hats and jars. So we sold just under 200 jars uh, and our peak markets, two 25 to 250 jars. today was a great market?

but I mean, some of our peak markets, we have had 250 jars head out in a four hour span.

David Crabill: [00:30:43] So you're making over a thousand dollars at a market.

Nathan Parchman: [00:30:47] Yeah. Profitability when we can roll out a 200 plus jars, we're, we're making well, 12 to \$1,500 net profit. That's normal for a morning. Like this morning, we were a little bit under that. Not much under, but have to take in all the time. it takes to cook everything and all that, but yeah, but it's us. So we're not having to pay ourself a salary. So yeah, we've made \$1,200 to \$1,500 today

David Crabill: [00:31:11] Well, it may be normal for you, but I guarantee it's not normal for most people. I'd say most people, a good market is \$500. So you guys are really crushing it there and I can see why your business is growing rapidly, why you're probably having trouble keeping up, especially with, with jobs. what are the items that are the best sellers at your markets?

Nicole Parchman: [00:31:34] from a salsa perspective our Doe N' Heat, which is our medium salsa is our top seller quickly followed by young buck. Our mild and our pickles have really hopped up. And they're probably next in line. Even behind those two salsas are sweet Jenny, which is our traditional bread and butter pickle.

Is our top seller there quickly followed by the Jake, which is the medium heat bread and butter pickle. And I would say those four products, are probably the top sellers we are seeing here recently, which is kind of interesting to watch the trends we're seeing over these past couple of weeks of markets? that are extra hot salsa are buck really, really popular. Um, and that hasn't been that's not normal for us,

David Crabill: [00:32:26] and I saw you also sell sampler pack. Do those sell well?

Nathan Parchman: [00:32:30] They do. Especially those. sold really, really well during the pandemic, when we couldn't offer samples, people would just buy blind. And so that's a

smaller portion. So a half pint of each of those four main salsa flavors. So it's, it's great for people to try it. It's great for households that have kids that might want mild, you know, somebody that wants a medium, but then others who might like hot as well.

Also really popular for parties to take to barbecues or Christmas events where you can put out four different flavors of salsa and a bag of chips. And everybody's happy.

David Crabill: [00:33:11] You said barbecue. which reminded me that you also sell, I think barbecue sauce pizza sauce tea those things you actively sell at the farmer's market. And do they do well?

Nathan Parchman: [00:33:23] Today we had everybody was ready to go throw ribs on the grill. And there was no one else at our market today that had barbecue sauce. So I heard probably five or six people like we're going to do ribs. or we've got pork steaks, let's get some barbecue sauce. And I stopped them. I'm like, it's a honey barbecue.

And I want them to sample it and then I talked to them about How it pairs with the pork or whatever. So like the guy that was doing the ribs he was going to slather it on right at first. And I'm like, don't do that.

I said, what you need to do is wait until right at the end and then just kick the heat up. If you can. And caramelize that honey just kinda crisp it up. And if you do that right at first, it's going to burn and you're not going to like it. So having that education and conversation with the customers, that's a lot of fun and we do the tea we've started doing lemonade.

It's just uh, we, we can get lemons now at a pretty good price in bulk, and we've got a juicer and we can make that people love fresh squeezed lemonade and just those little extra things. And we could expand those out in the wholesale, but we want to grow in a smart fashion wholesale, and we just enjoy the stuff at the farmer's market because we enjoy the conversation twice, as much as we enjoy making the money, the money is fun.

But the whole thing is we don't, we don't ever want to start leaving farmer's markets and go wholesale because the fun part is talking to the customers as they come in and getting to know them and seeing how much they really enjoy our product. That is that's the best thing about a farmer's market.

David Crabill: [00:34:49] How do you decide what to add next to your menu line?

Nicole Parchman: [00:34:55] Some of the things. So our barbecue sauce and pizza sauce we're actually asks by another vendor but we, we like condiments. We like. You know, things that you can add in to your everyday meals and like, even with our salsa we have different recipes that we put out on our Facebook page or out on our website of different ways you can use your salsa.

It goes far beyond just putting it on tacos or chips and salsa. We put it in chili, we put it in our meatloaf. We've got lots of different recipes lasagna. That's another one that we use it in.

David Crabill: [00:35:34] yeah, and I did notice that you publish those recipes on Facebook but you've done some fun things on Facebook as well. Like I saw your I think zero degree challenge

Nathan Parchman: [00:35:46] The zero challenge. It was just, we're sitting here at the house. And I was like, we haven't had a posted in a while. We've been slow. It was the middle of winter. No one was really buying a ton of salsa. It was past Christmas. I was like, All right. et's do something on Facebook. I was like, I'm willing to get my swim trunks on my t-shirt on my Jamaica.

T-shirt and sunglasses I'll put sunscreen on and I'm going to go outside. And my sandals and we got about six, eight inches of snow, and I'm going to walk out here by our pool and I'm just going to talk, let's go live. And it went out and the newspaper picked it up and they called me and people were messaging me.

And it was just, it was just something dumb and fun, but that's sometimes the best marketing is when you just spur of the moment, do something silly. People like to laugh. And it, it caused, you know, a little bit of a laugh and got in the newspaper. And then another one of the alderman did the challenge, went out his swim trunks and cutoff and.

Held a jar of salsa. And he got his picture in the paper here in Bellville. And it was just kind of a little fun thing. And that was the last idea I was trying to get a news article out of it. I was just trying to spur some conversation to make people smile

Nicole Parchman: [00:36:59] and everybody was stuck inside, too, it was cold. We had snow, it was a pandemic. It was really, really cold.

Nathan Parchman: [00:37:07] We don't get that cold here in St. Louis like teens and maybe single digits is normal. But I think that day the high was three or four degrees so it was, it was something different and people are just on Facebook talking about snow. So we're like, let's roll with it and make it fun.

Like I said, the more fun you can keep your business and not so stiff. the names of our stuff is fun. Nicole, maybe, maybe a little bit more stiff than I am, but uh, you know, I like sarcasm and that's, that's my personality. So I think, I think that makes fun in business. And then she pairs well with me as like, well, that's probably not professional, so we needed to need to make sure we keep it professional.

So she keeps me straight on that end of it. Or otherwise we'd probably be a hot mess on our marketing.

David Crabill: [00:37:57] No, it's definitely working well for you guys. Obviously your business is growing like crazy. So you've scaled this business To a very large level. You said that you're now buying everything in bulk. Where are you actually sourcing your ingredients? Where are you sourcing your jars, et cetera.

Nathan Parchman: [00:38:15] So our jars Nicole does all this, but Fillmore containers out of Pennsylvania. Isn't it. we ship it in and pallets probably nearly a thousand jars at a time. that's a big, big take of our kit.

Our I'm sorry, our garage. So we have to have those pallets in there. So I'm parking out in the driveway.

Nicole gets the garage, but I don't. So we have pallets in there and so we have to have those there. And then, so we source that, then we have our peppers. So we'll when we get our peppers, we get our peppers from a local farmer's market seller, a SU ARD, which is out of St. Louis, a guy down there. He's a really nice gentleman.

Darnell is his name. He brought a store over to O'Fallon Illinois. And we went in and talked to him. And we've been working with grocery stores and they are giving us discounts. And, but they would have it there next day, but they're charging outrageous amounts during the off season to get stuff shipped out of Mexico.

They're probably making a killing on it. They're like, oh, we'll give you a 10% discount, which sounded nice at the time when we didn't know what we didn't know. So I talked to Darnell and I said, what can you do? Give me a price list. And he went out and he gets it in like 25, 30, 35 pound bulks. Some of them might even be 50 and he can get these at extreme discounts and they're shipping them.

I mean two, one, two days out of uh, south America and Mexico, and they are just beautiful peppers, huge, colorful, tasty, and they're top-notch peppers. It's just like What, we get out of our garden, but massive bulk. So, and we're getting it at an extreme discount compared to what we were. It's probably a third, maybe a fourth of the price that we were paying.

So that was able to help our profit margin dramatically. But we've had to learn that we know there's some over in St. Louis in south St. Louis that we could have gone to, but we didn't want to drive that far. So just for convenience and our time's schedule, we weren't able to make that trip. But now that Darnell works with us here in O'Fallon it's right down the street from where we live, he can get it to us within 24 36 hours. And it's great product at a good price

Nicole Parchman: [00:40:20] and we can support local as well.

David Crabill: [00:40:23] what are the price? do you know what the unit price of the pint jars that you now get? What, what are those each.

Nathan Parchman: [00:40:32] I think the jars are about it's in the 70, 80 cent range. Those do not come with lids though. The lids are 17 to 19 cents. I believe when we get a pack of a thousand of those we're trying to transfer over are from like the Mason jars, the courage ours. We're trying to get the pickle jars, the wide mouth now getting shipped in on pallets as well.

So those are a little bit more expensive and the lids we wanted to get a white lid, but what were they? 1.5 million lids behind in production. It's because the pandemic, they just slowed

everything down and everybody became a farmer. So it's been a challenge as I'm sure everybody that listens to the podcast here that does canning cans and jars were very hard to get last year.

So it's, it's been a, it's been a crazy year just trying to get product and packaging. And that this was really the only way we could do it to get it shipped in from another other state.

David Crabill: [00:41:35] So what's next for you guys?

Nathan Parchman: [00:41:38] good question. And there's a lot going on right now and we are in the process of buying a building Pretty much, I'd say it's 99% sure I mean. Unless something falls through that we aren't expecting, we're going to be buying about an 850 square foot building right near downtown.

It's a hundred yards from the farmer's market where we are at currently in O'Fallon and it's a little building. It used to be a log cabin. They put siding on the outside but the walls on the inside are still log cabin. So we're going to create a commercial kitchen, a little area that we can sell our salsa out of as retail.

And this is going to open up the doors for us to be able to do a full blown cooking. We can bring in as big of a stove, big hood as we want to do, and we can turn our business into whatever we want. And this is going to give us that ability as well as the insides of log cabin. So log cabin, deer antlers.

We can make the theme exactly like we want it and it, it just. Fell in our lap, kind of, and we got lucky to find it. It just one day I drove by it. I said, Nicole, I want to look at that building. She's like, okay. And I was being the realist and said, ah, that's a little bit too much. And then this one got my sparked my interest.

And Nicole was like, go for it, go for it. So that's, that's where we're looking at. So hopefully by August or September, we will have a full blown commercial kitchen banks working with us great. And we've got the ability to get the building. Then we're just going to have to build it out from there and make it exactly what we want it.

So our dream is coming true in this potential purchase.

David Crabill: [00:43:10] Wow. That is a huge step for you guys. And what have you had to learn in this process? I mean, I know a little bit about commercial kitchens and I know that they are not simple. So what have you had to learn in the process of getting this off the ground?

Nicole Parchman: [00:43:27] I would say a lot, I would say Nate has really stepped up and taken on this challenge. We also didn't know much about commercial kitchens and he studies floor plans like none other, and he's done a bunch of research. He has had to really take the bull by the horns and ask a lot of questions and get the right people to talk to, and figure things out.

And he is definitely owning this big effort here, which I am extremely grateful for, because that pushes us even closer to, where we'd like to be.

Nathan Parchman: [00:44:00] So starting out, we looked at the building and we were like, okay, it's the perfect size.

So how do we make this into a kitchen? What do we do? So I called up one of my connections from the rotary club that I'm involved with in O'Fallon. His name's Mark he's built homes for probably 30, 40 years. He's retired. Now, if you want to call it retired, but he's still active.

And he said, call Michelle. So I called Michelle up and she's an architect. And funny thing is she makes about a hundred jars of salsa a year herself. So she got very excited about this because she's seen us and uh, knew about us and had tried it before. And Michelle's like, took this project on is almost like a personal project that she wanted to see happen.

So she's helped us out. She got us in connection with the construction general contractor. Then we figured out a hood vent is the most difficult thing in the world. And there's only a few people in the area that actually do hood vents and people that do hood vents are. That's all I do because they're so detailed and they're not cheap.

The hood vent we're looking to do is probably \$25,000. And that's a, that's a lot of money and that's, that's real money. That's, I've done the math. That's like 3,500 jars of salsa. We have to sell the pay for this hood vent. So that's no little task. So understanding the hood vent and then getting the rest of the equipment figured out.

So I've been coordinating and trying to quarterback this, not knowing how to do a kitchen. And I finally got the team together that knows it all. And today the general contractor came down to the farmer's market and bought two jars of salsa and told me that, you know, it's, we're, we're almost getting ready to get a final bid in and he's ready to go and he's excited to help us out.

So I feel like that it's all coming together and the pieces are falling into place.

David Crabill: [00:45:51] Well, I know you're a banker, so you should have no problem with this question, which is, do you know what it's going to cost to uh, get this thing off the ground?

Nathan Parchman: [00:46:02] Taking the building cost out of the equation. Uh, You're looking \$80,000 to \$100,000 to get this built out. So that's not including the building and then the equipment on top of that. So you're probably total, I mean, and you're looking at 800 square foot building. So this is a box.

It's a literally a box. So to get it to where it needs to be commercial, kitchen and everything in there, equipment, all that estimating one \$160,000 to \$180,000.

David Crabill: [00:46:28] Is the complexity and the cost of this just because you're doing canned foods or do you think that'd be true? Pretty much any commercial kitchen.

Nathan Parchman: [00:46:38] It doesn't matter if you do any type of commercial kitchen, they require a hood vent. That's state law. I'm sure federal requires that FDA. There's no way you can get away from the hood. So you're looking \$25,000 there. We could have probably

got a smaller one for about 20, but they said, let's get a three foot bigger one if we ever want to do catering or anything else like that.

So we've got the ability to expand our business, Nitro family foods to catering or whatever down the road, if we'd like to. So we set it up for expansion before, so we don't have to tear it up and redo it down the road, do it right the first time. So you don't have to go gut it and redo it again. But we're not going top end on everything. We're not going low in. We're trying to get middle ground, good quality equipment, everything. And we're insulating the building, making sure it's good quality, making sure all the foundation's good. And then we have to have all the electric it's called MEP mechanical electric and plumbing.

Make sure all that's done. We're probably going to have to have more water right now. It's three fourths of an inch pipe running in the building. We'll have to have that changed into a one inch pipe. So there's a lot of codes and regulations that are just it. It adds up and adds onto the cost and you just don't know how much it costs.

So when you watch HGTV and you see them do those home remodels, like we have a \$50,000 budget and then they redo the whole house. Somebody lying. That's not, that's not real. That is not real. They might've done a bathroom for \$50,000, not the whole house. So those shows are unrealistic.

David Crabill: [00:48:03] Well, did you consider buying a commercial kitchen that was already mostly ready to go?

Nathan Parchman: [00:48:10] Yeah, we, we considered that, but there really wasn't anything available. We, we thought during the pandemic restaurants could have gone under, but we didn't need a whole restaurant. We didn't, we just need a commercial kitchen. So there really wasn't a building that was that. And we thought, Well, maybe when we're not in it during the day we could lease this out. Well, little did we know the insurance cost on that are like quadruple, when you let someone come in and you rent it out. So that's why the cost of rent a commercial kitchen normally is about \$40 an hour or more.

So. We realized that we're not going to be able to rent this thing out. So it's just going to be us in there for the time being until, I mean, if, if we're able to afford to quadruple our insurance costs. So I doubt that's ever going to happen, but we just didn't have the right opportunity. And this was in the perfect location.

It's four and a half miles from our house, which is fantastic So we are girls dance at the dance studio, a couple of miles from there. So it's just an ideal location. We couldn't have got a better spot. And it worked out

Nicole Parchman: [00:49:10] Plus we wanted to be downtown O'Fallon. We really liked the area and we do like that. We can kind of make it our own too

David Crabill: [00:49:17] Well, like you said, well, over a hundred thousand dollars, that's a lot of salsa. And so when you started to figure out how complex and expensive this was, and considering you're making like possibly over a thousand dollars of profit at a market, did you ever think of just going we're good.

We're just going to stay at home Why do you feel compelled to move in this direction?

Nathan Parchman: [00:49:42] Well, I would love to have our house back. Number one. Um, Our house is the salsa explosion and there's salsa jars everywhere. And it's just like, we can't cook a dinner and then cook salsa. I mean, we just, we need three dishwashers and it's just, it's impossible to have everything sanitized and it, you know, we, we do our best to have a commercial kitchen.

It's got the dishwasher, the three sinks and we can really, I mean, just go in there and dominate. We can quadruple the amount of stuff we can do and the same amount, or just a little bit more time, because we're going to have a 10 stove burner. We're right now we're only able to use two burners because it's just not big enough.

So if we can knock out, you know, 10 pots at the same time, right now, we're doing two, we're going to dominate our amount of production we can do. So on a Saturday afternoon, if we're not doing anything, we can probably pump out 300 to 400 jars and, you know, six, eight hours. So that gives us the ability to get a little bit of our life back and our house back.

So that's a. That that's a main thing. And then if we're able to do that, we can make more money too. So it's easily going to pay for the cost of the building loan and then also the equipment loan So we've made it work and we had some cash on hand that we're going to use for that and just reinvest in ourselves.

And trust that it's gonna go in the right direction? We feel it is based on our trajectory.

Nicole Parchman: [00:51:06] I think we've also, you know, we've been blessed. God's opened all of these doors and, you know, we both, when we went into this, we're looking at this, you know, new building, we both said, you know, if it's not the right opportunity, the door's going to close.

If this isn't what we're supposed to do right now, the door is gonna close and it didn't. So we are gonna keep going where. God takes us and we'll see what happens.

David Crabill: [00:51:31] Well, I read something at some article and this was a while ago. So this may have changed. but it said that you eventually want to own a restaurant and publish a cookbook. Have either of those two dreams of yours changed.

Nicole Parchman: [00:51:49] I don't think they've changed. I think we do want to own a restaurant someday. probably, a little later in our lives, maybe our second career, but you know, this is giving us the opportunity to learn all the ropes of a commercial kitchen. It's giving us the opportunity that since we have that commercial kitchen, we would be able to maybe try out some of our recipes that we might have in our restaurant moving forward and get people's feedback.

See what they've liked, see what they don't like. Really give us the avenue to build that menu for the future. And the cookbook. Yeah, I think, I think that's super fun. We really, we really like to test different recipes, try out new things and I think that we just have a lot of

really good recipes that we've created between the two of us over the last, Well, 10 years, probably and more to come. And I think it would be neat to publish something

David Crabill: [00:52:44] Well, Hey, you guys have done a lot in just the last two years since you started the business in the farmer's market. And so who knows where this is going to go? I mean, it could, take you places you never dreamed of in just five years time. So it'll be interesting to see, but as you think about your business, as it has evolved, are there any moments or stories that stand out to you? Any experiences with customers that really stick out in your mind as being special?

Nathan Parchman: [00:53:15] Yeah. We actually had one of our wholesale customers. he he's one of my customers at work and was just like, Hey, I want to talk to you. He said, I have had this customer he's out of south Texas.

He's some Hispanic guy. He said that he moved up here about 10 years ago and he has been struggling to find salsa and they carry our salsa in their store. And he said, well, give this a shot. And he's like, is it good? And uh, Scott, the guy who sells it and owns the store said, why would I carry it? If it's not, he's like, I don't bring stuff in unless I test it. So this gentleman buys the jar and takes it back home. And then he said it was a day or two later. He came back in. And he said, Scott, I just want to tell you that is the best salsa in the last 10 years I've had, since moving up from south Texas, he said, you just cannot find good salsa in the Midwest.

Like it is in Texas. And he said, I just want you to know that, that that is great. So Scott was excited. He got on the phone and gave me a call real quick. Like I said, just wanted to share that story with me. And it was uh, kind of gave us the warm fuzzies there and made us feel good about what we're doing. And we have a solid product.

David Crabill: [00:54:24] What's your favorite part of running the business?

Nicole Parchman: [00:54:27] I think, honestly, it's the reward of hearing customer feedback. like Nate mentioned earlier, being at farmer's markets and being able to talk to our customers and hear their feedback and hear that they gave the salsa to a neighbor or a friend or a family member and they loved it.

And just hearing that feedback is extremely rewarding because we enjoy what we do. We enjoy our product, but hearing people tell us that they enjoyed it or others that they've given it to really enjoy it. I think that's probably one of the most rewarding aspects. I think

Nathan Parchman: [00:55:04] I enjoy doing the numbers and just seeing a business grow like last year where our growth was about 350% in our sales revenue and just seeing the numbers. I love playing on QuickBooks and I love doing the, like we're going through this loan process and trying to make the numbers work and seeing what monthly outflows are going to be expenses.

I enjoy the business side of it as well. The emotional side, where you get the warm fuzzies from customers. That's great, but it's also fun for me to, to run the business behind the

scenes. And so I enjoy that a lot, but being at farmer's markets, like Nicole said, that has to be top of the spectrum there, but the running the business is fun for me as well.

David Crabill: [00:55:46] Well, it's very cool to see how far you've come in a very short time. Now, if people want to reach out to you or contact you, how can they find you?

Nathan Parchman: [00:55:55] we have our website, which is www.nitrosalsa.com. That's one way we're on Facebook. Our handle is @thebestnitrosalsa

Nicole Parchman: [00:56:06] You can email us at thebestnitrosalsa@yahoo.com as well.

David Crabill: [00:56:11] Well, thank you guys so much for coming on the show. I don't quite still know how you do it and how you manage it all with two full time jobs two side hobbies, kids. But somehow you're doing it and it's obviously working. So I'm looking forward to seeing where things will go for you in the future.

Nathan Parchman: [00:56:29] We appreciate it. Yeah. Thanks for the opportunity. We enjoyed it.

Nicole Parchman: [00:56:32] Thank you.

David Crabill: [00:56:35] that wraps up another episode of the Forrager podcast. Wow, Nathan and Nicole are really crushing it at their farmer's market. And you can tell that their business is growing rapidly. I started this episode by saying that I wanted to learn why they have been so successful. And I think it's because they have a near perfect combination of networking, marketing, and finance skills along with a strong work ethic and a great product.

For more information about this episode, go to forrager.com/podcast/35

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Thanks for listening and I'll see you in the next episode.