

# GROWERTALKS

## GT in Brief

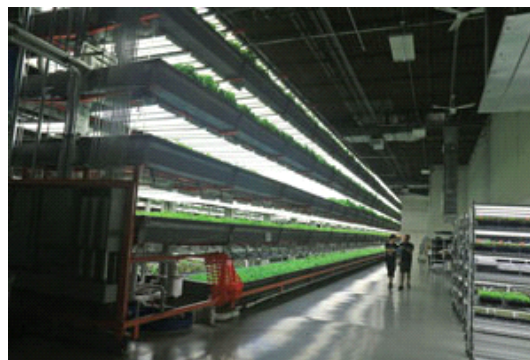
3/29/2017

### FarmedHere Shuts Down

*Chris Beytes*

FarmedHere, a large warehouse growing business in the Chicago suburbs, has closed its doors.

Here Holdings, the parent company of FarmedHere, cited high labor and energy costs and increasing competition in the Chicago market as the reason they decided to cease operations. The business was founded in 2011 in Bedford Park and was quickly touting itself as America's largest indoor farm.



*Pictured: FarmedHere when GrowerTalks visited in 2014.*

Certainly, at \$23 million for a 90,000 sq.-ft. warehouse with five layers of growing beds, the square-foot cost was through the roof compared to greenhouse production. Pair that with the cost of operating the lights and the aquaponics system that provided nutrients to the crop, and you can see that it's an expensive way to grow greens and herbs.

We featured FarmedHere on the cover of the September 2014 Inside Grower magazine. I asked tough questions of then-CEO Mark Thomann; to his credit, Mark had good answers that almost had us believing they could make it work. But the Chicago Tribune reported that last year, FarmedHere had hit the point where it either needed to get bigger to offset the high production costs or get out of growing and focus instead on making branded products.

Current CEO Nate Laurell told the Tribune, "The more I learned about the reality of farming, it led to a change of strategy. We continue to be big believers in the (local food) space."

(By the way, Nate replaced Matt Matros, who replaced Mark Thomann; perhaps that leadership turnover was a sign of the challenges facing the business ...?)

The branded products, to be produced at Here Holding's food processing plant in Carol Stream, Illinois, will be under the Here brand and will feature juices, salad dressings and spreads made with product grown by

other local farms such as MightyVine, a big new hydroponic greenhouse range located in north central Illinois.

### **No more West Louisville FoodPort**

The demise of FarmedHere has a trickle-down effect. A while back, FarmedHere had announced that they'd be opening a second location in Kentucky at an interesting place called West Louisville FoodPort. They'd be the anchor tenant in a \$55 million, 24-acre food, education and entertainment complex. But developer Stephen Reily pulled the plug on that project when FarmedHere withdrew last August due to "internal financial problems," according to Louisville Business First.

Stephen told the publication that the setback reflected the gap between the excitement surrounding indoor farming and the much harsher current reality for the still-budding industry. **GT**