**NAME: IFEJIOFOR NMESOMA VERA**

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**COURSE CODE: AFE 202**

**COURSE TITLE: FOOD PRODUCTION AND HEALTH AWARENESS**

**ANSWERS**

**ORGANIC FARM BUSINESS PLAN**

**EXECUTIVE SUMMARY**

Once the humble family vegetable garden, Vera’s Organic Farm is today a one acre working farm with over 30 varieties of vegetables. When Vera was laid off from her corporate position a year ago, first she turned to the vegetable garden for money saving / economic reasons. But with the uncertainty of recent events in the Middle East, the energy crisis, the long term effects of reliance on fossil fuels, and her personal philosophies on conservation, Vera and her family, turned this family vegetable patch into a thriving certified organic produce business.

Vera’s Organic Farm is based on the sound principles of conserving natural resources, limiting the carbon footprint, growing, hiring and eating locally grown and prepared foods, and making the world a better place to live in. This unique perspective clearly shows in the quality of the produce, the well cared for gardens, and natural friendliness and ease of its owners.

Vera’s Organic Farm was created to meet the growing needs of a community that shares these same views and is concerned about what they eat and feed their children. This is a community that is tired of ‘fresh’ tomatoes bought at the local grocery store. When more than likely the “fresh” tomatoes were picked while still unripe, shipped 3,000 miles over several days/weeks, and then artificially “ripened” using ethylene gas, thus robbing it of practically all of its nutritional value. Members may pick up their boxes at the farm, at delivery sites, or home delivery may be offered.

The purpose of this business plan is to provide a blueprint for near term and long term goals. The business plan will be utilized as a tool to gauge how well the farm is doing in the future compared to their initial goals and keep them on target. The business plan is also a tool for lenders, explaining the need for initial financing, the source and use of funds, and debt repayment capabilities.

 **BUSINESS OBJECTIVES**

Vera’s Organic Farm has simple objectives: provide healthy and delicious tasting vegetables while simultaneously leaving a minimal carbon footprint. In order to accomplish this, the farm plans to:

Sell 60 shares by Year 2 and have full-time income or 90 shares sold by Year 3.

In Year 4, Vera’s Organic Farm plans to purchase an additional 9 acres for a total of 12 acres. The initial 3 years of operations will provide the excellent credit history and track record necessary for this large purchase.

 **Mission Statement**

Vera’s Organic Farm’s mission is to raise the best tasting and finest quality fruits and vegetables for the local community. Vera’s Organic Farm uses only natural and sustainable farming methods, free from pesticides or fertilizers. Natural foods and natural farming methods leaves a smaller carbon footprint while simultaneously improves the health of its customers and its local community.

**Guiding Principles**

 Vera’s Organic Farm’s slogan is simple: “Live life simply and simply live”. The owners also believe in contributing to their community and the planet by:

 **Local**

Vera’s Organic Farm believes that in order for the survival of the planet, we must rely on local resources. Buying from local farmers supports the local economy.

**Sustainable Living**

By reducing reliance on energy is better for the planet and conserves our natural resources.

**Satisfied Customers**

Happy members ensure repeat business and their referrals grow the business.

**Keys to Success**

Below are a Vera’s Organic Farm’s Keys to Success:

**Superlative Communication** – Vera’s Organic Farm keeps its members current on all aspects of the farm – through its weekly newsletters and blog updates on what is happening during the winter months such as new and exciting vegetable offerings being planted in the greenhouse. Additionally, Vera’s Organic Farm encourages member feedback and input and has its members complete surveys and questionnaires regarding how the farm is doing and what can be done to improve operations.

**Healthier Food Choices** – All vegetables are NAFDAC certified organic. The vegetables are pesticide free and chemical free and no preservatives are used.

**Support the Local Economy** – Statistically more than 70 percent of the local food supply is grown outside the state. Buying from Vera’s Organic Farm ensures that its members buy locally and creates jobs that support the local market.

**Home Delivery** – Vera’s Organic Farm will establish weekly delivery times that are convenient for its customers. This saves customers time and gas money – making everyone happy. Alternatively customers will also have the option to pick up directly at the farm.

**Start-Up Summary**

The Vera’s have been managing the family farm successfully for the last fifteen years. Recently the owners installed a greenhouse with warming lights for early starts. They also invested in a pickup truck (2005 Ford F150) for delivering vegetables to the members. Most recently they purchased a tractor and borrowed their neighbor’s attachments as needed for harvest.

Last year, Vera’s Organic Farm passed the stringent requirements needed to qualify as certified organic as deemed by the NAFDAC. This allows them to market all produce as organic and can also bring higher margins when surplus produce is sold in the market or to restaurants or supermarkets. The Vera’s realized that although consumers may not understand all the requirements associated with the organic label (such as pesticide control and fertilizers), the consumer is comfortable with the label. This, is one of the keys, they believe which will set Vera’s Organic Farm apart from its peers.

 **Products/Services Descriptions**

Vera’s Organic Farm’s growing season will start in early May and end in October with the goal of 20 weeks. Shares will be comprised approximately 10-15 different crops every 8 weeks of in-season produce. Here is an example of types of produce throughout the season:

Spring: Beets, Broccoli, Cabbage, Carrots, Garlic, Green Onions, Kale, Lettuce (several varieties), Radishes, Peas, Spinach.

Summer: Beans, Carrots, Cucumbers, Eggplant, Green Onions, Leeks, Melons, Onions, Sweet Peppers, Summer Squash, Tomatoes, Zucchini.

Fall: Beans, Beets, Broccoli, Cauliflower, Cucumbers, Chard, Lettuce (several varieties), Potatoes, Red Onions, Spinach, Winter Squash.

All share sales are sold in advance.

A Full Share will provide a family of four vegetables for a week. (Estimate). Likewise, a Half Share provides a week of vegetables for two people. Full Shares are $750 and Half Shares are $375 for the season. (The owners are currently only considering the sale of Full Shares at this time).

The Vera will utilize a detailed planting schedule which historically has helped immensely especially in the hectic summer planting season. The detailed guide begins with the plantings that tolerate the coldest spring and these are started in their greenhouse. Summer crops will be shredded with cloths if necessary (like spinach for instance). The farmers will plant many tomatoes (which are very popular) and only some eggplant which is less popular. Other considerations that are detailed in the planting calendar will be the amount of produce that is needed. One way to plant more is to plant smaller amounts more often. Examples include broccoli, carrots, scallions, and summer squash. The Vera have learned that planting these items two or three times during the growing season yields more crop and the surplus can readily be sold at the farmers market. Picking peas is difficult at harvest time, so the Vera always plan to plant surplus to make harvest time worthwhile. It is expected that any surplus can be sold at the farmers market.

**Product/Service Sourcing**

All produce will be grown on Vera’s Organic Farm. Vera actively works and manages the farm.

**Distribution**

At Vera’s Organic Farm, members have the option for home delivery or to travel to the farm on the scheduled pickup day.

The home delivery choice is what most members prefer and allows the Vera to deliver the farm fresh produce directly. This distribution method has the least carbon footprint, with one driver and one truck. It is obviously the most intensive for the Vera and with busy summer season, this can be time consuming for them. This distribution method represents any easy way to deal with any shortfalls in produce the Vera will simply ‘mix and match’ items for the members.

Alternatively, the members have the option to pick up the produce directly at the farm. The Vera enjoys this option especially during the busy season, because it frees up some of their time. This option requires that the driveway be easily accessible to the members and that the farm appears in good condition at all times. This onsite setup allows members to view firsthand what is growing, the condition of the plants and soil. The members will also be aware of any draught issues for example, and what remediation efforts the farmers are taking to care for the crops. On pickup day, the Vera have setup a stand and a ‘buffet-style’ layout in which members can pick and choose up to a specific limit of produce for that week. This option creates a ‘festive’ environment on the farm in which members can interact with each other, the farmers, and exchange recipes. If any shortfalls exist, this mix and match buffet style provides the solution. Just like home delivery, members are given a one box to fill and refill weekly with their selections for the duration of the growing season.

**Marketing Strategy and Implementation**

Vera’s Organic Farm is targeting households with earnings in excess of $50,000 within County. Other farmers have missed this target by focusing on traditional farming methods while Vera’s Organic Farm has obtained the Certified Organic stamp of approval. Additionally, Vera’s Organic Farm will focus its energies primarily on its members and provide services exceeding expectations by offering farm to door delivery service, providing supplemental local organic products and by providing a festive like atmosphere at the farm – especially on harvest day and other special occasions.

 **Strengths**

Vera’s Organic Farm receives share proceeds prior to start of the season which helps to pay for seeds, supplies and inputs

During the off-season the owners of Vera’s Organic Farm can market and recruit new members.

Vera’s Organic Farm will establish long term relationships with its members lasting at least one season

Members share in the financial risks of the farm

Low capital requirements, relatively inexpensive startup business

**Strategy**

Create awareness that Vera’s Organic Farm delivers a wide variety of quality wholesome and healthy vegetables on a consistent basis.

**Tactics**

Create a specific, detailed planting guide, planting several times over the growing season.

**Programs**

Post fliers and brochures at local restaurants, and locally owned and operated organic/natural item stores in town.

**Strategy**

Create a community of awareness to think globally, act locally.

**Tactics**

Constant communication with members will foster the awareness who in turn will relate these ideals to the local community.

 **Marketing Strategy and Positioning**

Vera’s Organic Farm will utilize product differentiation to stand apart from the competition. By growing wholesome organic produce, offering farm to door service, and actively engaging with its members, Vera’s Organic Farm will go above and beyond to maintain and grow its member base.

**Pricing Strategy**

Vera’s Organic Farm will utilize a fair price for a fair value. This could be a selling point for attracting new members, however, it also important to note this in not about cheap food.