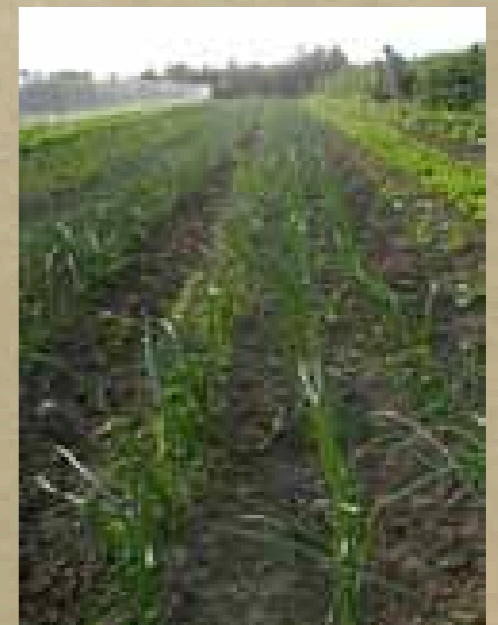


Profitable Vegetable Start-up

Keeping priorities straight in the crazy world of direct market vegetable farming



Who we are

Reid Allaway

6 yrs exp.

ferme Tourne-Sol

ferme la Terre Bleue

Everdale organic farm

Robin Turner

4 yrs exp.

Rainbow Heritage

The Food Project

D-Trois-Pierres

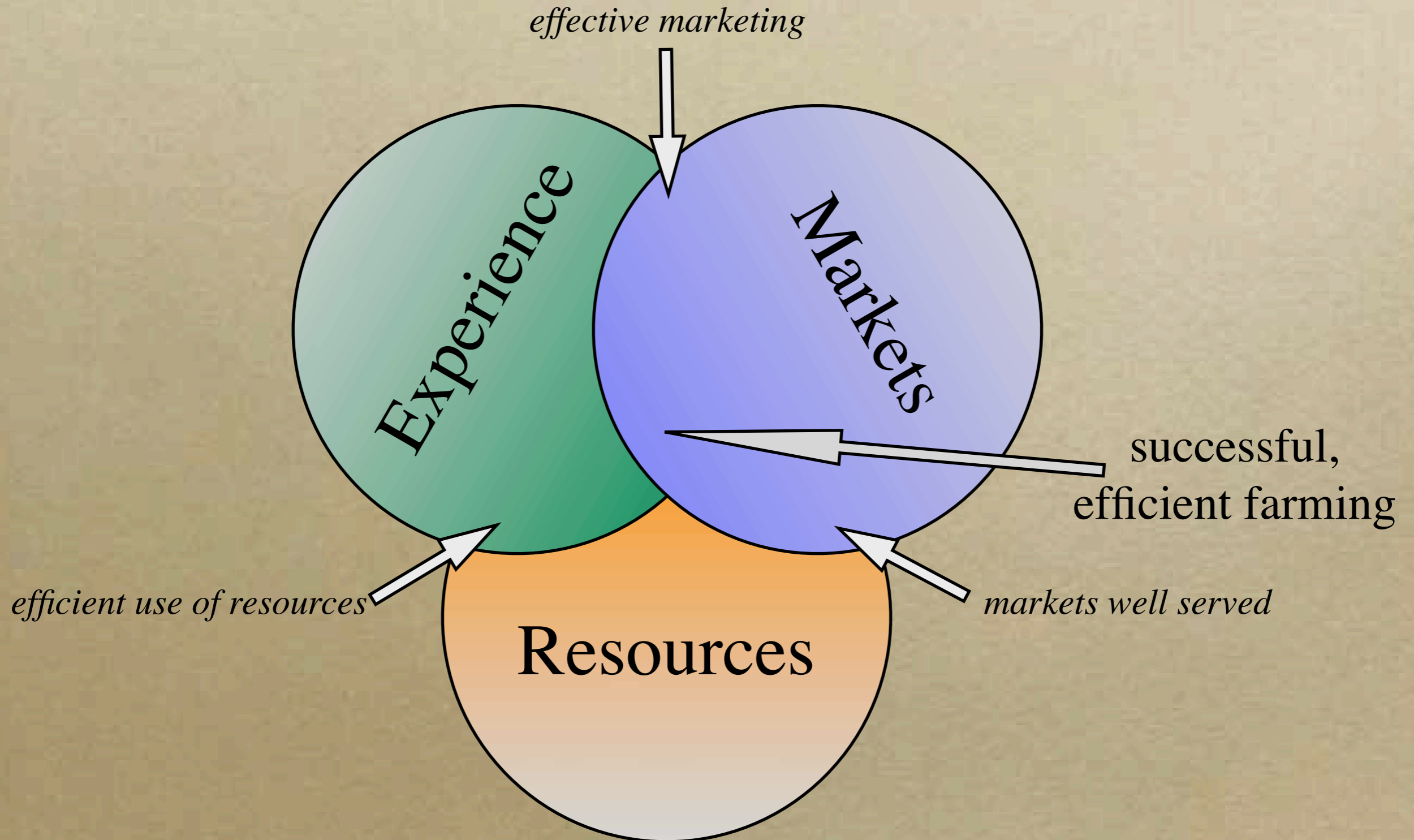
Profits - why we farm

*We can only continue to do what we love
so long as we can afford to do so.*

*Ultimately, farming must support us well enough
that we can comfortably continue farming.*

\$\$\$

What is needed to succeed?



Marketing

I. Direct marketing

(100% of consumer dollar)

II. High value niche

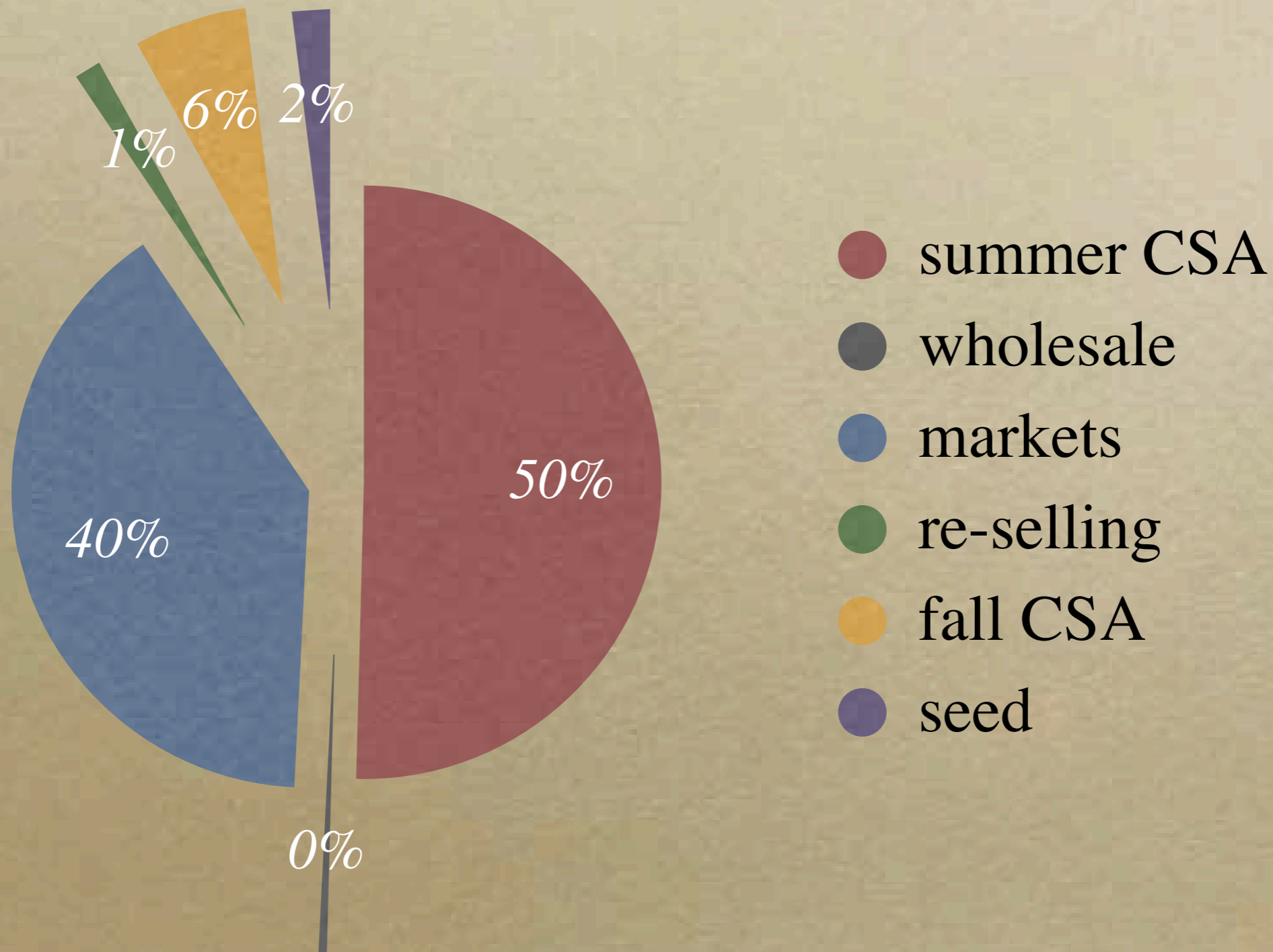
markets (70-90% of consumer dollar)

III. Low labour bulk

sales (40-70% of consumer dollar)



Tourne-Sol 2008 sales breakdown



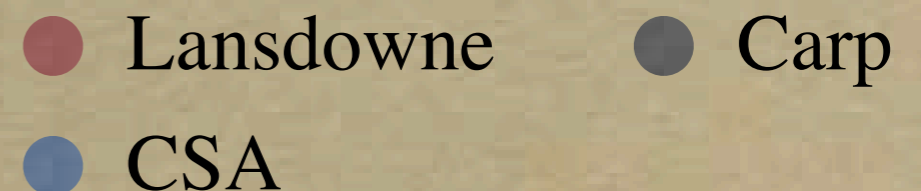
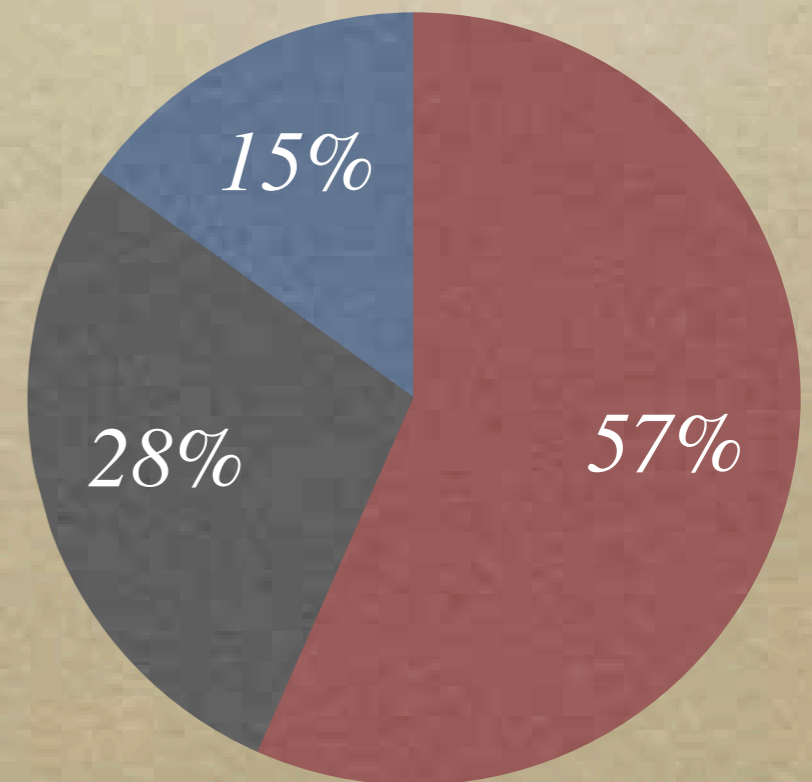
Marketing - Rainbow Heritage

- *Small CSA - 30 shares - 15% of revenue*

- *less stress - smaller commitment*
- *lots of veggies available for CSA*

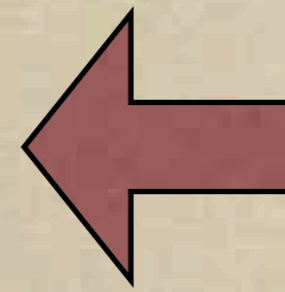
- *Big markets - 85% of revenue*

- *highest price for your produce*
- *cash sales . . .*



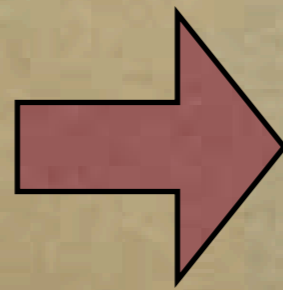
Farmers Market vs CSA

Farmers Market	CSA
Choose your crops	40+ crops
variable sales (+/-)	predictable sales
highest price	spring revenue
sell what you got	complex crop planning
long day (weekend)	during the week
business relationship	creating community



CSA

Market



Improving Markets

- *helping farmers' markets to grow*
- *restaurant sales*
- *health food stores*

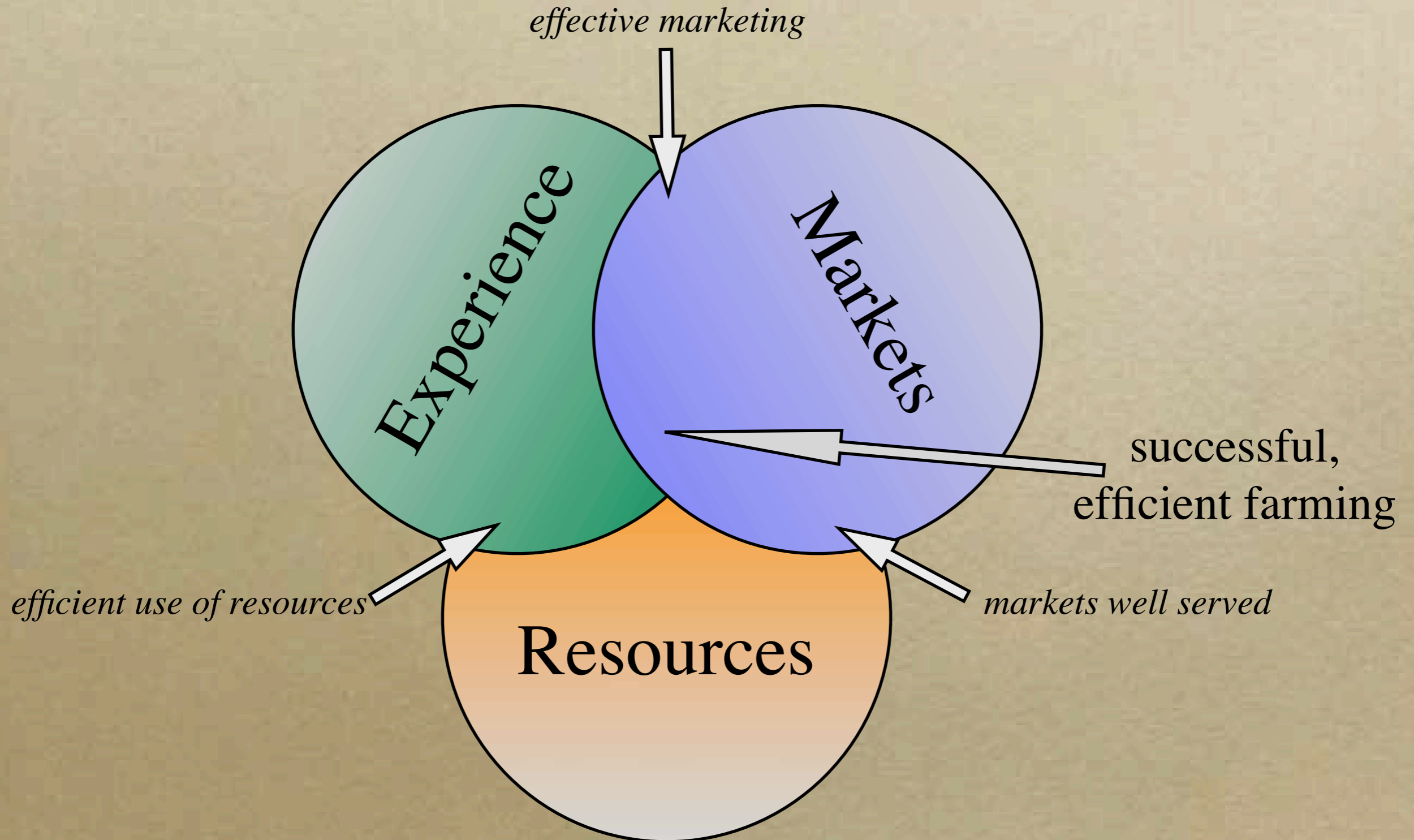


Leaving the farm. . .

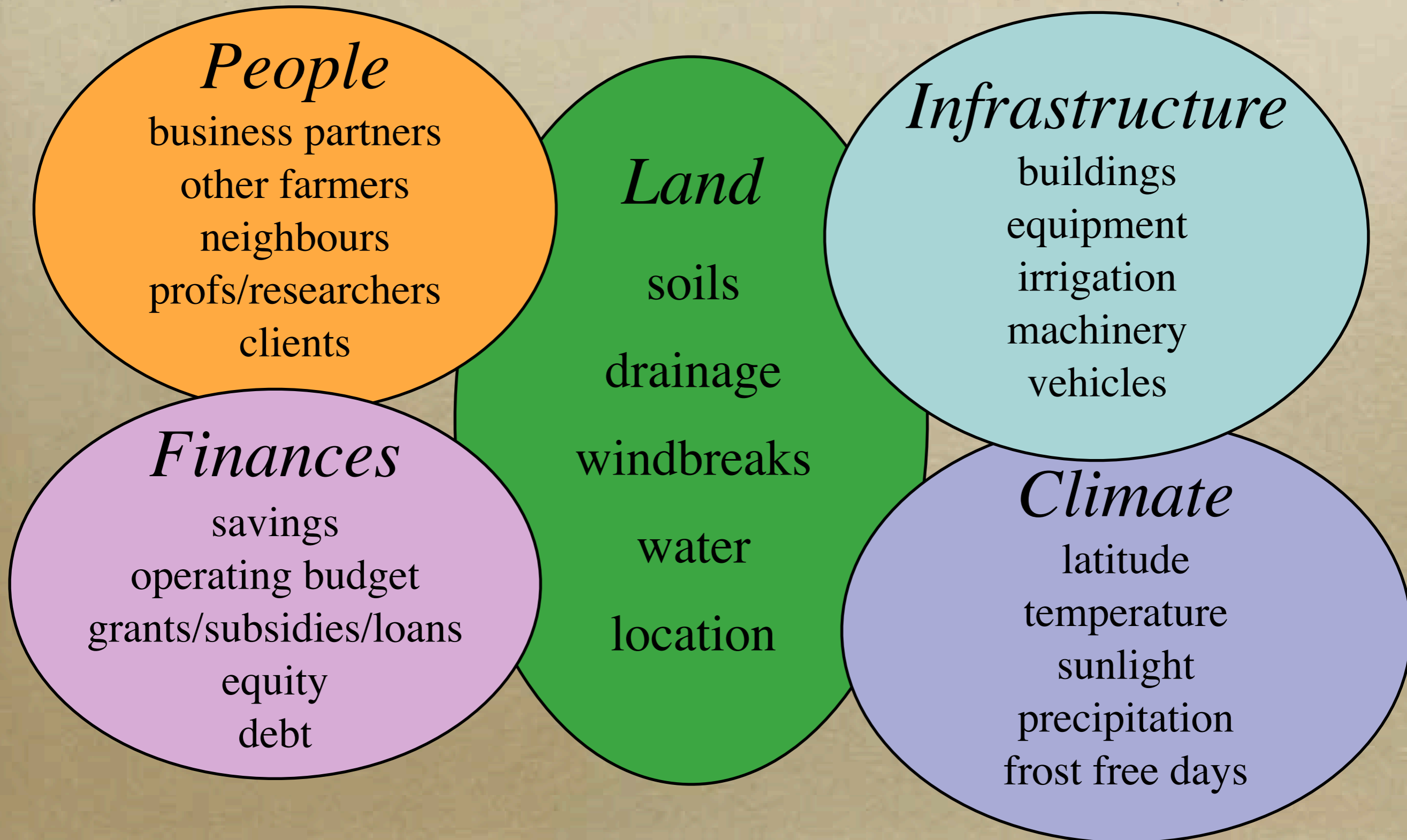
*Costs time and money
- choose your venues
wisely!*



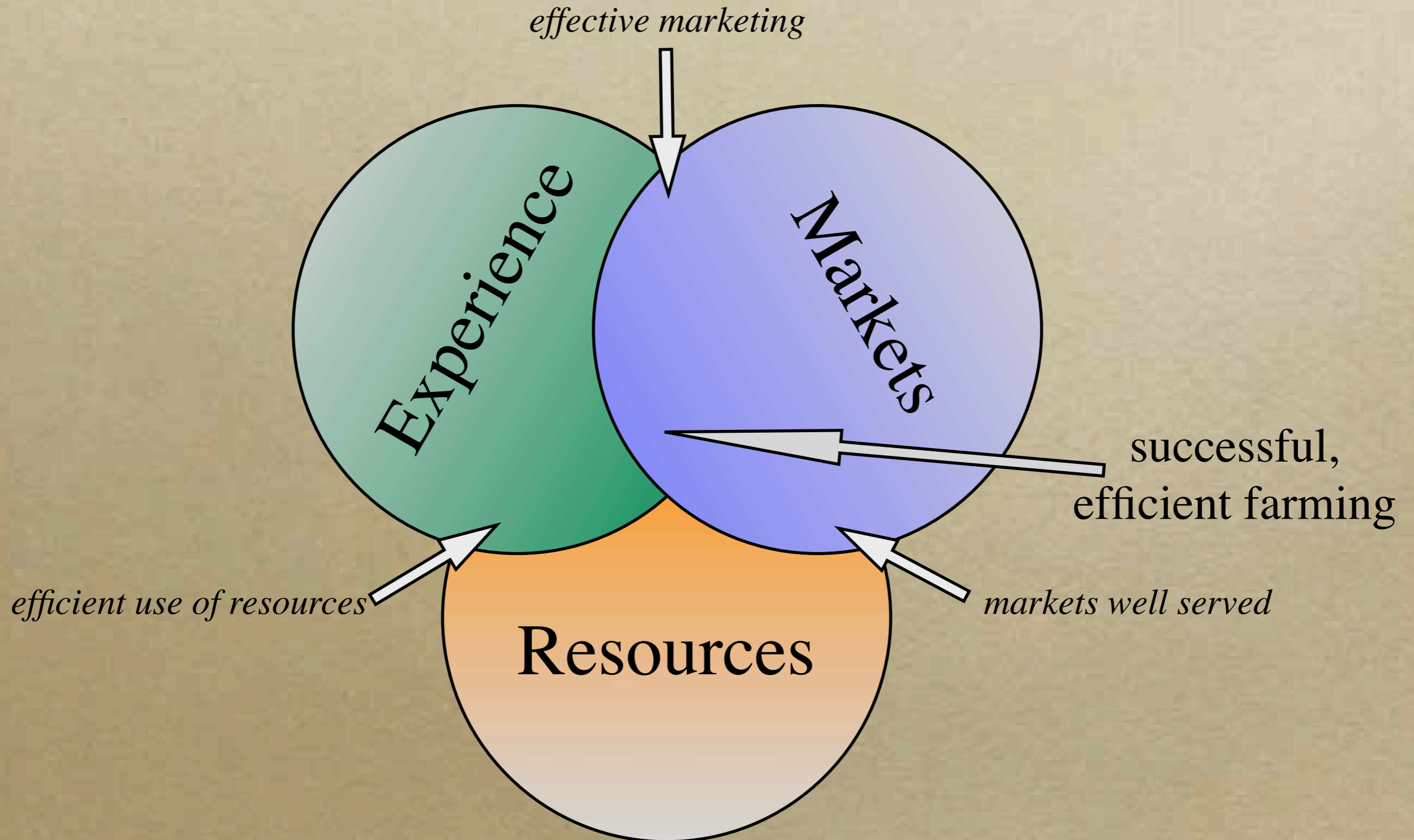
What is needed to succeed?



What are Resources?



What is needed to succeed?



Experience

experience is

- *training*
- *knowledge*
- *capabilities*
- *memory*
- *reflection*



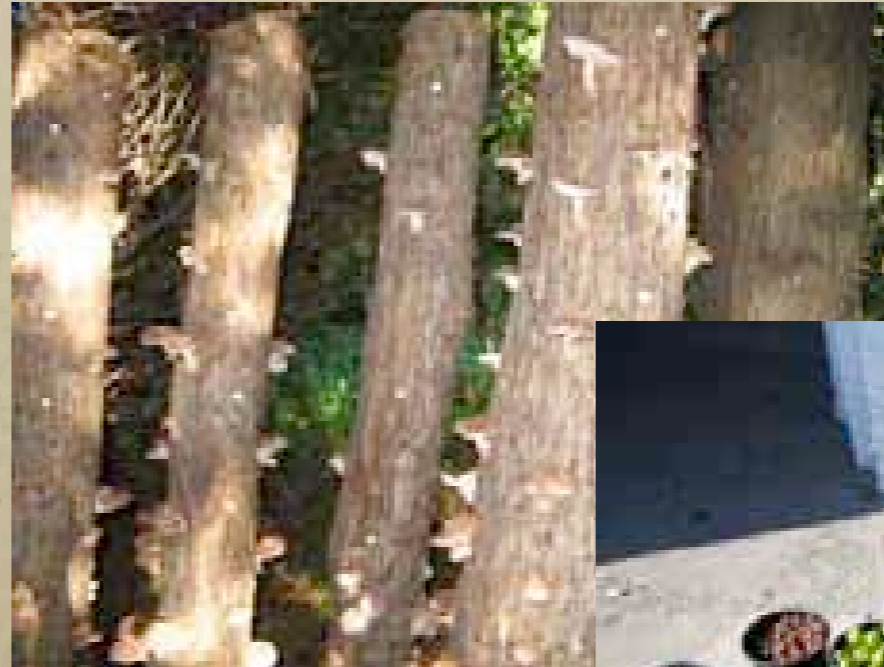
who needs experience?

- *Learn from mistakes - others' if possible*
- *prepare yourself to start farming before you start farming*
- *acquire confidence along with knowledge*
- *experience strengthens resource base*

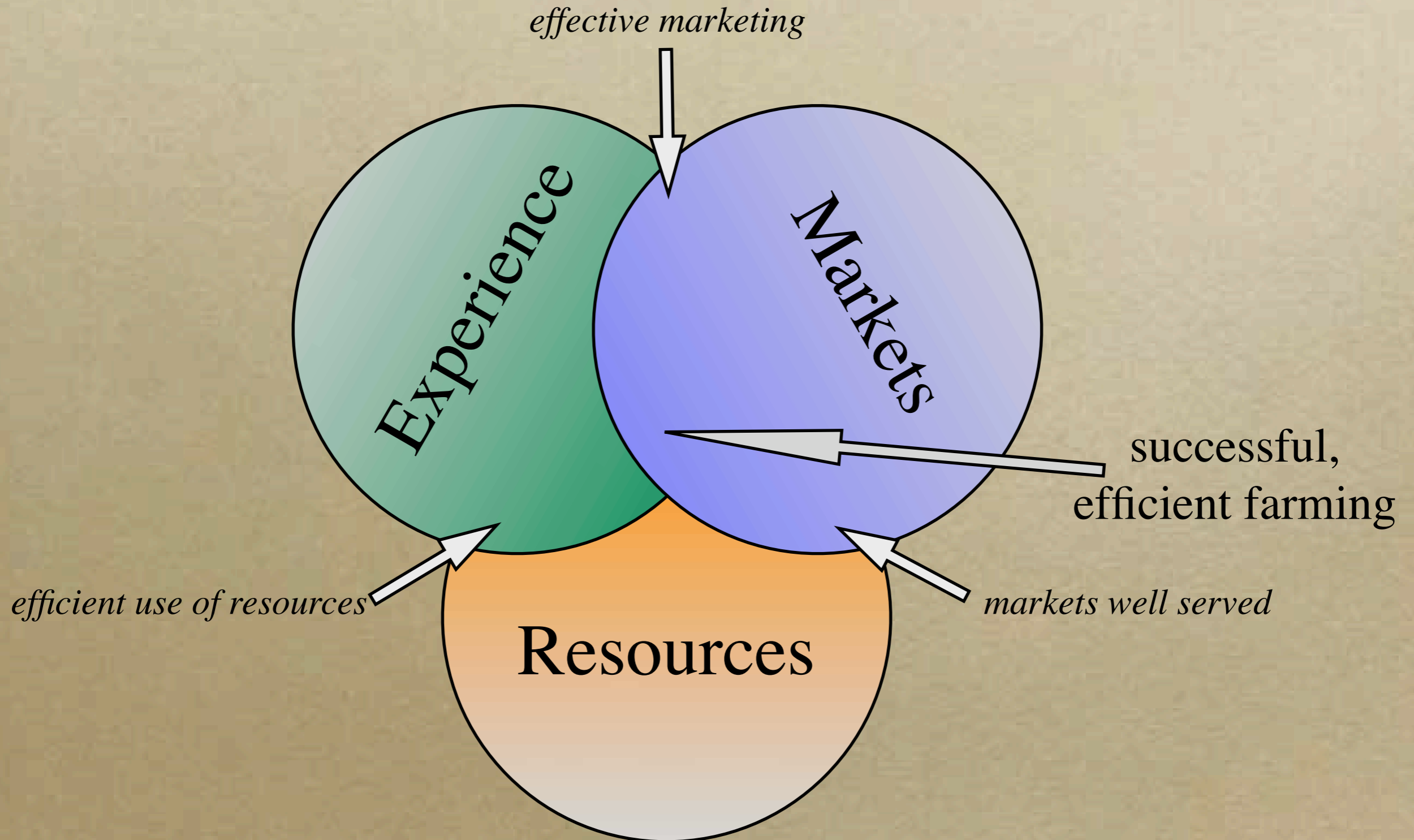


an ongoing Education

- *Apprenticeships*
- *WWOOFing*
- *farm visits and tours*
- *courses, conferences, diploma programs*



What is needed to succeed?



Real Life Examples

Rainbow Heritage Garden

Rainbow Heritage RME

- *Bob the farmer*
- *200 acres land - drained*
- *Connaught Nurseries*
- *Barns*
- *Tractor - \$/hr*
 - *with cultivator and discs*
- *Truck - \$/km*
- *Good water supply*
- *5 yrs experience*
 - *growing, marketing, working*
- *Excellent markets*



RHG - Begged & Borrowed

- *TRUCK - \$0.40/KM*
- *Tractor - \$25/hour*
- *Transplants - \$3500 - plus work exchange*
- *Land - \$300/acre*
- *Dams - incl*



RHG - Capital Expenses

- *Rototiller* - \$4000
- *Carts and tools* - \$2200
- *Cold Room* - \$1500
- *Wash Station* - \$400
- *Work Room* - \$300
- *Market Stand* - \$400
- *Bins/Harvest* - \$1000

Total: \$9800



RHG - Annual Expenses

- *Irrigation and Plastic* - \$1000
- *Seeds* - \$1800
- *Transplants* - \$3500
- *Market fees* - \$2500
- *Labour (employee)* - \$6000
- *Transport* - \$6000
- *Office/Banking* - \$700

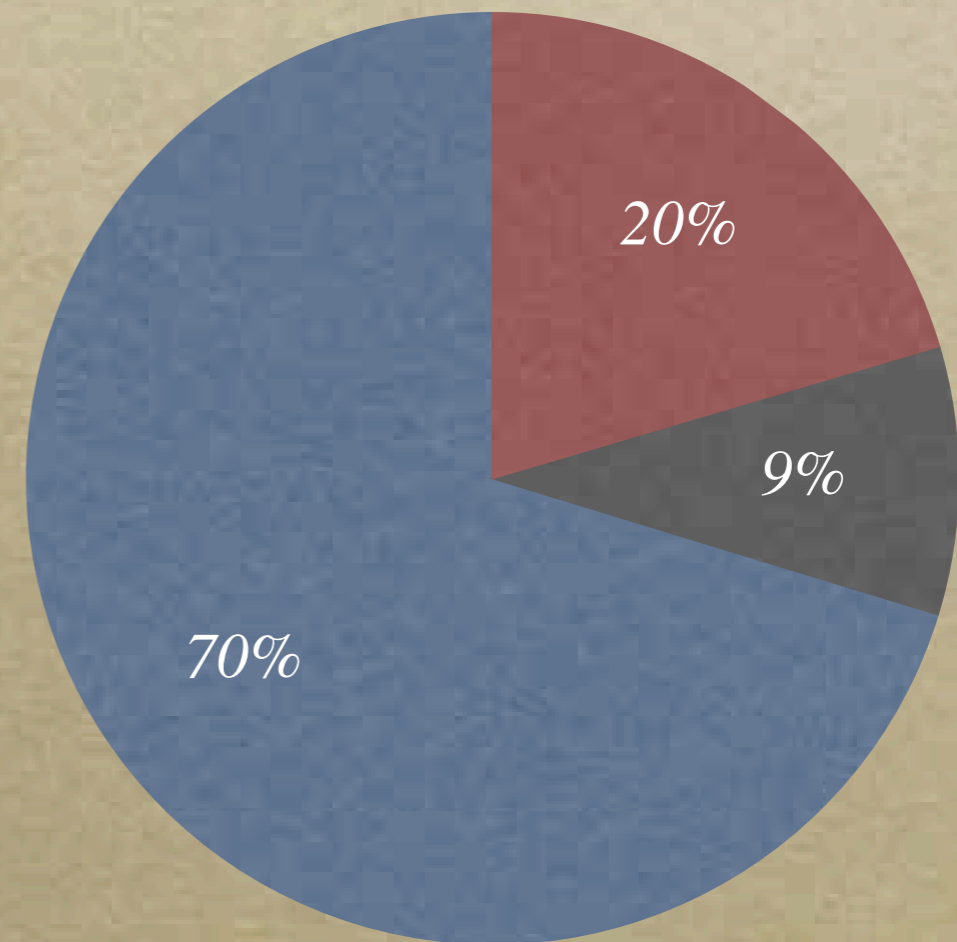
Total: \$21,500



RHG Expenses & Salaries

- *RHG total revenue*
- \$106,000
- *Capital Expenses* -
\$9800
- *Annual Expenses* -
\$23,500
- *Salaries* - \$74,000

- Annual Expenses
- Capital Expenses
- Salaries



Tourne-Sol farm description

- *4 seasons of CSA and farmers' market + seeds, cut flowers and herbs*
- *certified organic on 5 ha rented land*
- *2.4 ha (6 acres) crop + 1.2 ha (3 acres) green manures*
- *5 founding members + 2 apprentices and 1 part-time employee*
- *registered workers co-operative managed by co-op members*



Tourne-Sol Resource base

- *very generous rental offer from established farmers:*
 - *soils, buildings, well, technical and material support*
 - *equipment bartered against vegetables*
 - *land rented at \$1000/ha/yr. (incl. barn) long term lease*
- *20+ yrs farming experience at start-up*
- *ties to Ag college and many local farmers*

Evolution of Tourne-Sol sales and Revenue

year	CSA shares (summer + fall)	full-time workers	gross revenue	hourly wage	annual salary (not including dividends)
2005	110 + 40	5	\$ 75,000	\$ 5.31	\$ 9600
2006	150 + 70	5	\$ 114,000	\$ 5.75	\$ 10,000
2007	185 + 100	6.5	\$ 154,000	\$ 9.99	\$ 18,000
2008	200 + 150	6.5	\$ 193,000	\$ 13.38	\$ 24,000
2009 (planned)	250 + 100	7	\$ 204,000	\$ 16	\$ 29,000

Tourne-Sol Investments

- *careful, timely capitalization*
- *significant % covered by grants*

Tourne-Sol infrastructure and equip. investments			
	2005	2006	2007
cold room	\$ 4,300		
pump and plumbing	\$ 1,800		
irrigation equipment	\$ 3,000	\$ 2,000	
unheated tunnel gh	\$ 1,000		\$ 1,000
greenhouse	\$ 6,220	\$ 1,237	
Delivery vehicle(s)	\$ 3,500	\$ 1,450	
walking tractor (BCS)	\$ 3,500		
Barn repairs & improvements		\$ 5,215	\$ 1,100
Tractor		\$ 12,000	
tine weeder		\$ 5,000	
Water-wheel transplanter		\$ 3,000	
12' tandem disk			\$ 1,000
manure spreader			\$ 300
TOTAL	\$ 23,320	\$ 29,902	\$ 3,400
			3-yr total
			\$ 56,622

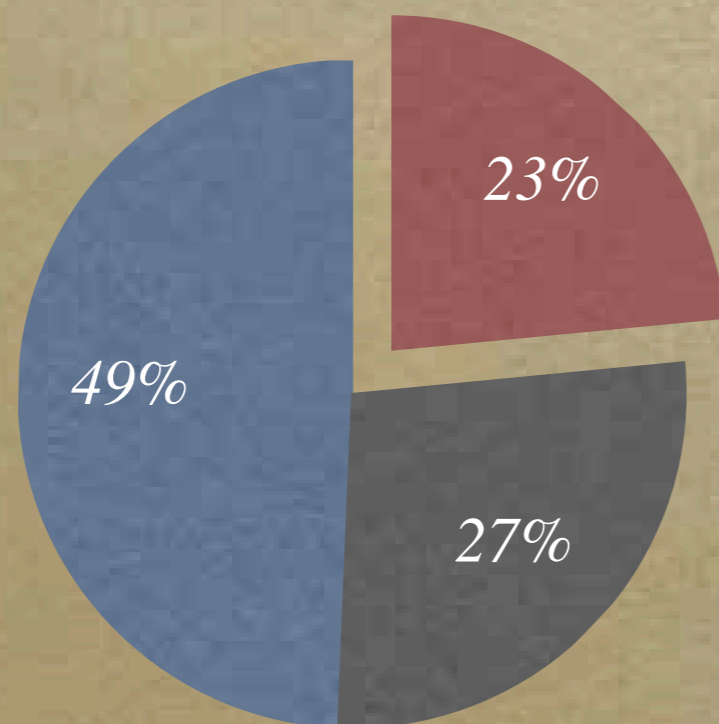


Tournesol vs. RHG

1st Year Comparison

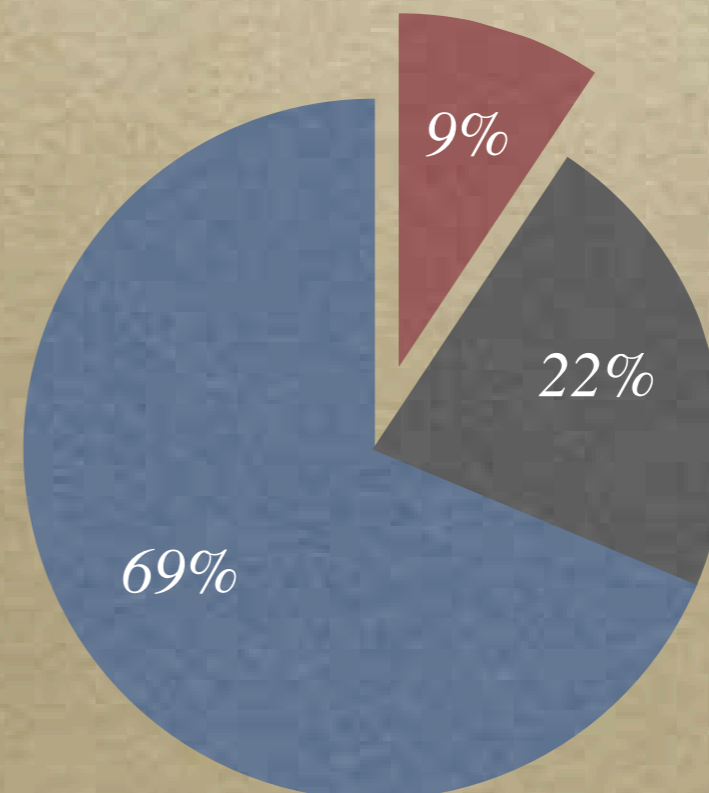
Tournesol

- Capitalization
- Operating costs
- Salaries



RHG

- Capitalization
- Operating Costs
- Salaries



Paths to profitably farming

many approaches,
always the same goal:

*“farming profitably in order
to keep farming”*



Planning tools

- *Plan back from financial targets*
- *keep as many records as you can manage*
- *evaluate return in \$/unit area, \$/time, etc.*
- *set benchmarks*
 - *(ex. $\geq 55\%$ of gross in salary)*
 - *\$1 per sq. ft. for mkt. vegetables*
 - *\$100/hr harvesting*

Successful small-scale farmers are:

- *frugal or fiscally conservative*
- *plan carefully for expansion*
- *either collaborative or good managers*
- *make and treasure long-lasting relationships*
- *control their own markets*



Questions?

