

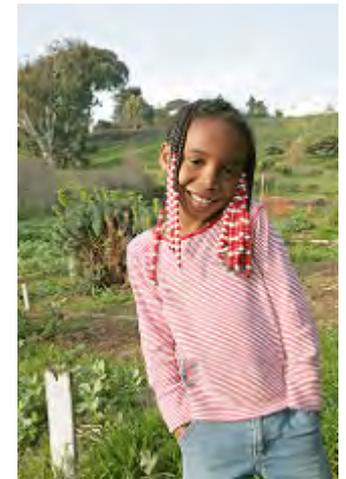
Business Planning & Marketing Strategy for Urban Farms

Penny Leff and Gail Feenstra,
UC SAREP

UC Agriculture and Natural Resources

Urban Farms in California

- **USDA definition of a farm:**
Any place from which \$1,000 or more of agricultural products were produced and sold, or normally would have been sold, during the year
- **Urban agriculture:**
Urban agriculture includes production (beyond that which is strictly for home consumption or educational purposes), distribution and marketing of food and other products within the cores of metropolitan areas and at their edges.
- **Your urban farm is a business,** even if profit is not the primary reason for your existence



Examples of urban agriculture:

- Examples include community, school, backyard, and rooftop gardens with a purpose extending beyond home consumption and education, urban market gardens, innovative food-production methods that maximize production in a small area, community supported agriculture based in urban areas, and family farms located in metropolitan greenbelts.” (Adapted from the American Planning Association, 2011).



Why do we need a business plan?

A business plan is a road-map for where you are trying to go... and how you are planning to get there.

- Clarify your goals
- Communicate your idea to staff and funders
- Provide a framework for decision-making
- Action Plan
- Benchmark progress

Elements of a farm business plan

- Executive summary (write this last)
- **Mission statement**
- **Vision statement**
- Business concept
- Operational Characteristics & Plan
- **Goals and Objectives**
- Background information
- Management and organizational structure
- **Sales and marketing plan**
- Financial Plan
- Appendix (supporting documents)

More business planning help:

[http://ucanr.edu/sites/UrbanAg/
Business_Management/Business
and_Financial_Planning/](http://ucanr.edu/sites/UrbanAg/Business_Management/Business_and_Financial_Planning/)

Vision – Mission - Goals

- **Vision** is where you're going
- **Mission** is how you're going to get there

- **Vision** is what you want the business to look like in 5 or 10 years
- **Mission** is your statement of purpose, should be written in the present tense

- **Goals** should be short-term, mid-term and long-term.
- **Goals:** It's good to prioritize your goals.

Example: Mission, Vision Statements

- **Vision:** Soul Fire Farm is committed to ending racism and injustice in the food system
- **Mission:** We bring diverse communities together on this healing land to share skills on sustainable agriculture, natural building, spiritual activism, health and environmental justice...



Say Hay Farms

Say Hay Farms is a 50-acre farm in Esparto, Yolo County, California. We specialize in raising certified-organic vegetables and pastured eggs in an integrated system.

Founded in 2010 with just 2.5 acres and 100 hens, we now farm a diversity of crops year-round. We currently farm 45 acres of certified-organic fields that we use to rotate our vegetable crops, pastured hens, and cover crops, 4 acres of old almond orchard, and an acre of oranges. You can find our products at farmers' markets, retailers, and through our CSA in the Sacramento Valley and San Francisco Bay Area.



Our focus is on raising food, animals, and people in an ecologically and financially sustainable manner.

Vision: Farmers are responsible for stewarding a large portion of shared resources like soils and water. It is incumbent upon us as farmers to use these resources in a way that preserves them for future generations, and in a way that builds the resiliency and capacity of our agricultural systems to produce even more efficiently for our expanding population.



Our Mission and Goals

Mission

Our mission is to create an urban agriculture and education project that empowers youth and adults to discover and participate in a local food system that encourages healthy living, nurtures the environment and grows a sustainable community.

Goals

Local Organic Food Production

Create, manage and support urban organic farms and gardens that are accessible to the public, permanently protected for future generations, and that practice and promote responsible land stewardship.

Community Education

Develop a food and environmental education program focused on service and experiential learning in the natural world and in the kitchen for youth and adults. Activities include classes, hands-on workshops, tours, job training and youth leadership development.

Food Access for All

Address food security needs by developing alternative food distribution and food donation programs that target our underserved communities.

Reconnect with the Land

Bring people together to celebrate cultural diversity and share the simple pleasures of living life in harmony with nature.

Activity: Brainstorming Vision, Mission and Goals for Your Farm

- Worksheet #3 – Vision
- Worksheet #4 – Mission
- Worksheet #5 – Goals

Start now and finish together with your team



Photo: Chicago Tribune

Questions to Ask in Developing Your Marketing Strategy

- What is our product?
- Who are our customers?
- How are we unique? (How do we differentiate ourselves in the market?)
- How do we distribute? (How do we get our product to our customers?)
- How do we determine pricing?
- How do we promote our products?

Thinking about your marketing strategy: Some Marketing Channel Options

- Farmers' Markets
- Farm stands
- U-Pick Farm
- Chefs & restaurants
- CSA & subscription sales
- Selling to Food Hubs



Farmers' Markets



Advantages/Benefits

- Can be easy place to start
- Personal connections
- Farmer controls sales operation, products, display, staff
- FM management provides parking, restrooms, promotions

Disadvantages/Risks

- Larger markets hard to get into
- Smaller markets may not draw enough customers to cover costs
- Costs of stall fees, equipment, transportation, labor
- Risk of bad weather, unexpected competition

Farm Stands



Advantages/Benefits

- Often (not always) allowed with minimal or no permit
- No transportation cost
- Direct relationship with neighbors
- Farmer controls product mix, hours, prices & policies

Disadvantages/Risks

- May not be allowed in urban zones; or may require permit if allowed
- Availability of labor or volunteer time to staff farm stand
- Expense of signs, parking, shelter & tables
- May be poor location

U-Pick Farm

Advantages/Benefits

- Customers get to enjoy an agricultural experience
- No transportation cost
- No picking labor cost



Disadvantages/Risks

- Need for customer facilities, supplies: restrooms, hand-washing, drinking water, picking buckets, etc.
- Liability risk
- Risk of damage to plants, other crops

Chefs & Restaurants

Advantages/Benefits

- Can promote farm on menu
- Interested in unique & seasonal varieties



Disadvantages/Risks

- Orders may be small, complicated
- Menus planned in advance around your product may cause stress if problems occur
- Payment may be irregular or late

CSA & Subscription Sales

Advantages/Benefits

- Guaranteed steady market with upfront payment
- Low product and packaging waste
- Flexibility of box contents – adjust to include what is available

Disadvantages/Risks

- Complex cropping system to ensure regular harvest
- Market saturation, competition
- Needs marketing plan, website or social media, regular communication with customers, administrator

Sell to a Food Hub

Advantages/Benefits

- Can market your products to larger institutional markets and distributors
- Will help tell your story
- Will usually provide cold storage, delivery, and billing to end customer
- May provide training or other support for farmers



Disadvantages/Risks

- Food Hub will charge a fee or a percentage of sales
- Expect lower price to farmer than direct to consumer retail price
- Sometimes standard pack and grade and/or food safety certification required

Assessing Marketing Channels

Considerations might include:

- Start-up cost and difficulty of start-up
- On-going cost/difficulty of marketing and operations
- Price you can charge
- Sales volume possible
- Competition
- Shared values & mission, good connections

Determining which market channels are both practical and aligned with your vision will allow your farm to achieve it's mission and goals.

Thinking About Pricing

Factors to consider when figuring out how to price your products:

- Your cost of production + percentage?
- What the competition is charging
- What your customers are willing/able to pay
- Anticipated sales volume



Marketing & Promotions

Ways of “telling your story” to customers:

- Through your product labeling
- Through signage on your farm
- Through your display
- Through your in person communication
- Social media – Website, newsletter/blog/Facebook/Twitter

Branding



Tastings



Communicating with Customers

- Who are your customers? Know who you are marketing to.
- What messages are you going to communicate to your customers?
- How are you reaching potential/future customers? What is your outreach strategy?
- How are you telling your unique story and differentiating your products?

Establishing yourself in the market and building a customer base takes time!

Starting to plan: The one page business plan

- Start with your mission
- List some objectives related to your vision
- Create SMART Goals for each objective
 - Specific
 - Measureable
 - Attainable
 - Rewarding
 - Timed
- Plan Action Steps for each goal

More resources

- UC ANR Urban Agriculture Website
 - http://ucanr.edu/sites/UrbanAg/Business_Management/Business_and_Financial_Planning/
- Growing Farms: Successful Whole Farm Management Planning Book: *Think It! Write It!*
 - From Oregon State University Cooperative Extension
 - http://smallfarms.oregonstate.edu/sites/default/files/growing_farms_workbook.pdf
- [Urban Farm Business Plan Handbook](#)
 - from Partnership for Sustainable Communities

Thank You!

Penny Leff - paleff@ucdavis.edu
Gail Feenstra – gwfeenstra@ucdavis.edu

