

# Business Planning & Marketing Strategy for Urban Farms

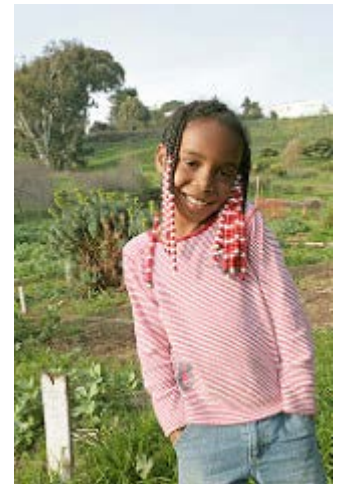
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# Urban Farms in California

- **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** may conflict or overlap – 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...



# Examples: Mission, Goal Statements

[Home](#)[About Us](#)[Events](#)[Our produce](#)[Recipes](#)[Come to the Farmstand](#)

## The Cloverleaf Farm



The Cloverleaf Farm is a five acre organic fruit farm outside of Davis, California. Emma Torbert, Katie Fyhrie, Kaitlin Oki and Brittany Kers lease the four acre orchard and melon field from The Collins Farm and co-manage the Farmstand with Hearty Fork Farm. The Cloverleaf Farm grows peaches, nectarines, apricots, figs, strawberries, melons and will have plums, grapes, raspberries, pomegranate and sweet corn soon. The four women partners are forming a worker's cooperative that will launch in January 2018. The Cloverleaf's goal is to grow excellent food, tread more lightly on the earth each year, and treat the people connected to the farm with care. The Cloverleaf hopes to develop innovative farming ideas, foster creativity, and provide an educational forum for the community. The Cloverleaf's vision is to create an orchard burgeoning with an ecosystem of insects, animals and soil microorganisms in order to reduce water, energy and external inputs.



## 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.**

- **Activity:** Market Channels worksheet

## Urban Farm Market Channels – Initial Worksheet

For each potential market channel, fill in each square in the **first four columns** with a value – enter either “**low**”, “**medium**” or “**high**” based on your estimate for each aspect of the market channel for your urban farm.

In the final column, enter words to describe the buyers and what is most important to buyers through this channel.

Potential Market Channel	Start-up cost and/or difficulty of start-up or entry	Price chargeable	Potential sales volume	Likely Competition	Characteristics & values of customers in this market channel
Farmers' Markets					
Farm Stand					
Chefs and restaurants					
CSA, subscription sales					
Sales to Food Hub					
Other?					

# Thinking About Pricing

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

- Your cost of production
- What the competition is charging
- Your niche/differentiation
- What your customers are willing/able to pay

# 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 – newsletter/blog/Facebook/Twitter

*Branding*



*Tastings*



- What methods are you using to communicate with your customers?
- How are you reaching potential/future customers?
- 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/](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](http://smallfarms.oregonstate.edu/sites/default/files/growing_farms_workbook.pdf)
- [Urban Farm Business Plan Handbook](#)
  - from Partnership for Sustainable Communities

# Thank You!

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