

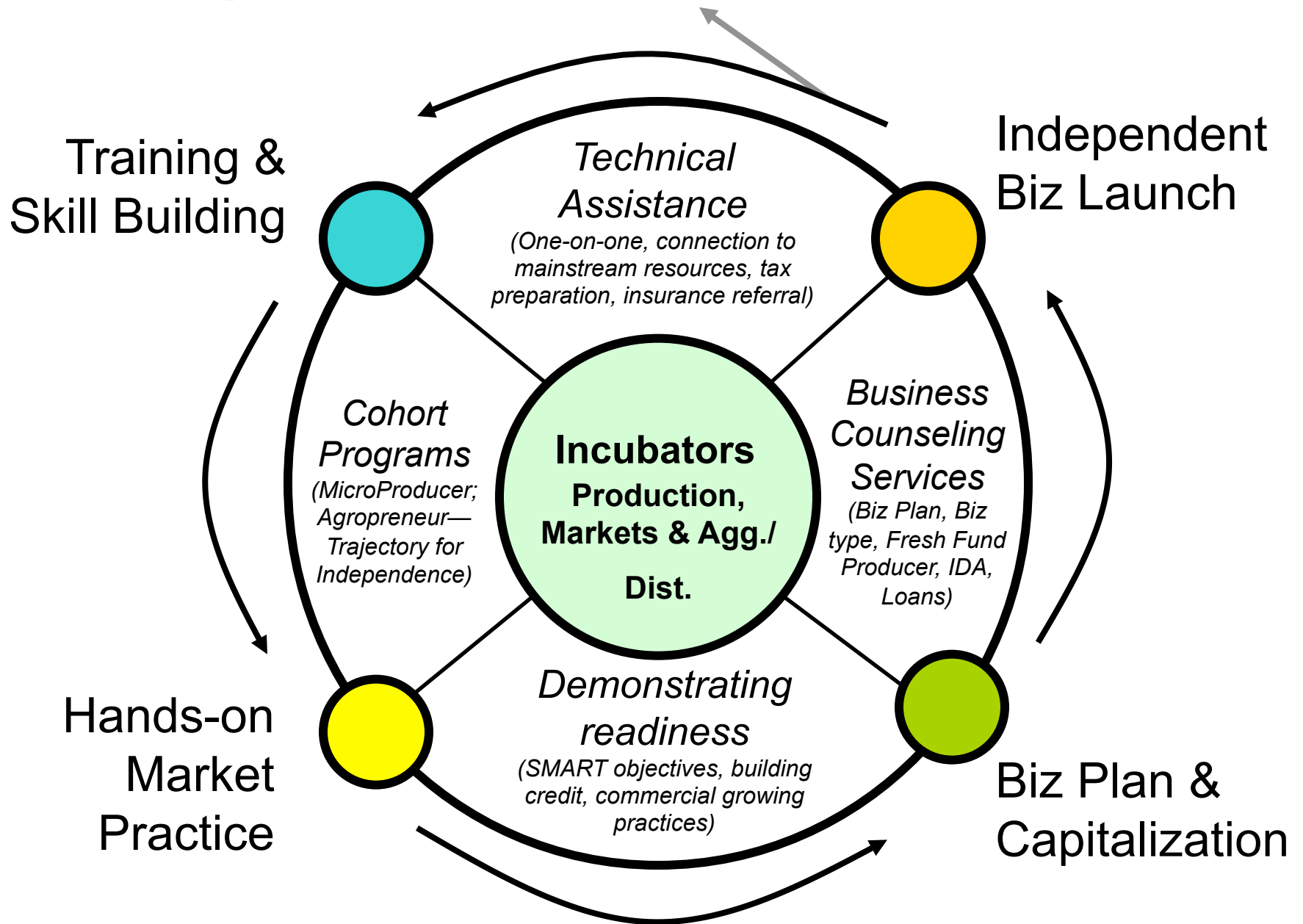
Entrepreneurial Farming: Train-the-Trainers Session



new roots

Growing good from the ground up.

Independent Business Incubation Model



New Roots Incubator Strategy

Production

- Facilitates affordable access to land (with 3-year graduated fee schedule).
- Allows for shared equipment, implements and infrastructure (with 3-year) graduated fee schedule.
- Creates centralized location for peer-to-peer mentorship, IRC trainings and technical assistance.
- Utilize common insurance (applies to all three).

Market

- Provides direct-to-consumer venue with minimal barriers to entry (most likely cooperative farmers' market booth, farm stand, or CSA).
- Provides opportunity for participants to earn some money, increase their comfort in the marketplace and practice English.
- Allows for flexible product availability and real time feedback on quality control.

Aggregation & Distribution

- Flexible sales channel with minimal time investment required for farmers.
- Training opportunity for working with distributors, corner stores, restaurants and institutional buyers.
- Should be fee-based to reflect real business practices.
- Could incubate producer-run marketing coop.

Beginning Farmer or Rancher Characteristics

Phase 4: Readiness

- Able to access mainstream resources such as NRCS, RMA, FSA, extension services, etc. to build the business (minimal interaction with IRC staff).
- Established and use Food Safety Plan, Risk Management Plan and Risk Management Strategies (including biz and product liability insurance and diversification).
- Sound record-keeping and independently filing taxes.
- Use and pay for external vendors such as insurance companies, marketing agents, etc
- **Covering full cost of production (at market rate) and making independent decisions about sales channels.**

Phase 3: Stabilization

- Implementing SMART Objectives and business plan with limited assistance.
- Completing advanced training and utilizing technical assistance, including services from other organizations as needed.
- Solid crop planning, food safety, risk management and record keeping skills.
- Using credit including FSA, and other lenders
- Achieving capacity to access mainstream resources and file Schedule F along with taxes.
- **Maintaining positive cash flow and utilizing diverse strategies (including IRC financial products) to build equity.**

Phase 2: Implementation

- Measured progress on SMART Objectives.
- Able to do succession planting, predict weekly availability, and harvest crops at commercial standard.
- Formal lease agreement at IRC incubator farm or other location.
- Accessing IRC financial services to launch business and build entrepreneurial skills for future access to mainstream resources.
- Established business plan that **includes biz type and marketing strategy.**
- **Capitalizing business through IRC financial products such as microloans and Individual Development Account (IDA) and personal investment.**

Phase 1: Orientation

- Graduation from IRC training cohort (i.e. MicroProducer, Agropreneur).
- Expressed interest in commercial production and enrollment in IRC training cohort.
- Exhibiting improved production practice utilizing commercial growing techniques.
- Making irregular commercial sales through IRC marketing incubator.
- Demonstrating commitment to building positive credit.
- **Established SMART Objectives.**

Related Financial Services

Demonstrated success:

- Financial literacy training (Phase 1 & 2)
- Credit building loans (Phase 1 & 2)
- Internal Microenterprise loans (Phase 2 & 3)
- Individual Development Accounts (All Phases)
- Tax preparation support (all phases)
- Referral to outside resources and support with applications (Phase 3 & 4)

Pilot phase:

- Fresh Fund Producer (\$ for \$ match for investment in low-income marketplace) (Phase 2, 3 & 4)
- Lending circles (Phase 2, 3 & 4)

Agribusiness Tools for Agropreneur

Agribusiness:

- Business Plan Model Template (All Phases).
- Business Plan check lists (All Phases). To be modified for each Phase.
- Cash Flow Analysis (All Phases, level of complexity differs)
- Marketing Plan
- **Financial Products:**
 - IRC' s microloans (Phases 2-4)
 - FSA loans (Phase 3 & 4)
 - Farm Credit Institutions (Phase 3 & 4)
 - American Bankers' Association (Phase 3 & 4)

Use of Some Tools

- **Risk Management Strategies:**

- Risk Evaluation and Action Plan
- Enterprise Diversification (Phase 3 & 4)
- Marketing Diversifications (Phases 1-4)
- Insurance Products options(Phases 2-4)
- Crop Insurance (3 & 4)
- Marketing Plan

Tax :

- Tax referrals: Look for those who knows how to file schedule F
- Schedule F: Must be filled along with the regular tax filling by everyone who makes income from farming
- Schedule F Explanation: Staff my read through of they have time just for general knowledge to be able to guid their farmers.

Use of Some Tools

Monitoring and Evaluations:

- What do we need to measure?
- Are we measuring what matters to our farmers?
- Project Delight Index (Programs)

Project Delight Index (PDI)

1. **Efficiency:** Did this project meet the defined outputs & deliverables criteria ? ☹ 1 2 3 4 5 ☺
2. **Effectiveness:** Did this project achieve the defined project benefits & value ? ☹ 1 2 3 4 5 ☺
3. **Impact:**
 - ✓ Satisfaction with the overall quality of project delivery experience? ☹ 1 2 3 4 5 ☺
 - ✓ Adoption and usage of the product or service created by this project? ☹ 1 2 3 4 5 ☺
 - ✓ What is the overall **impact** of the project outcomes? ☹ 1 2 3 4 5 ☺

Program Subsidies to Agropreneur

- **Suggested Best Practices:**
- Let farmers know the reality from the beginning
- Always encourage farmers to put something down
- There should be incentives but no impression of being paid to participate (Hand lifting but not hand-out)
- Gradually introduce alternative resources
- Gradually remove financial or material supports
- Work towards 100% actual cost payment

Other Associated Training Materials

- Risk management strategies
- Crop Insurance options
- Marketing diversifications
- Legal Risks: Food Safety, Product Liability and Labor risks

Individualized training on the tools are available

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