



Harris Family Farm

Bryant, Arkansas

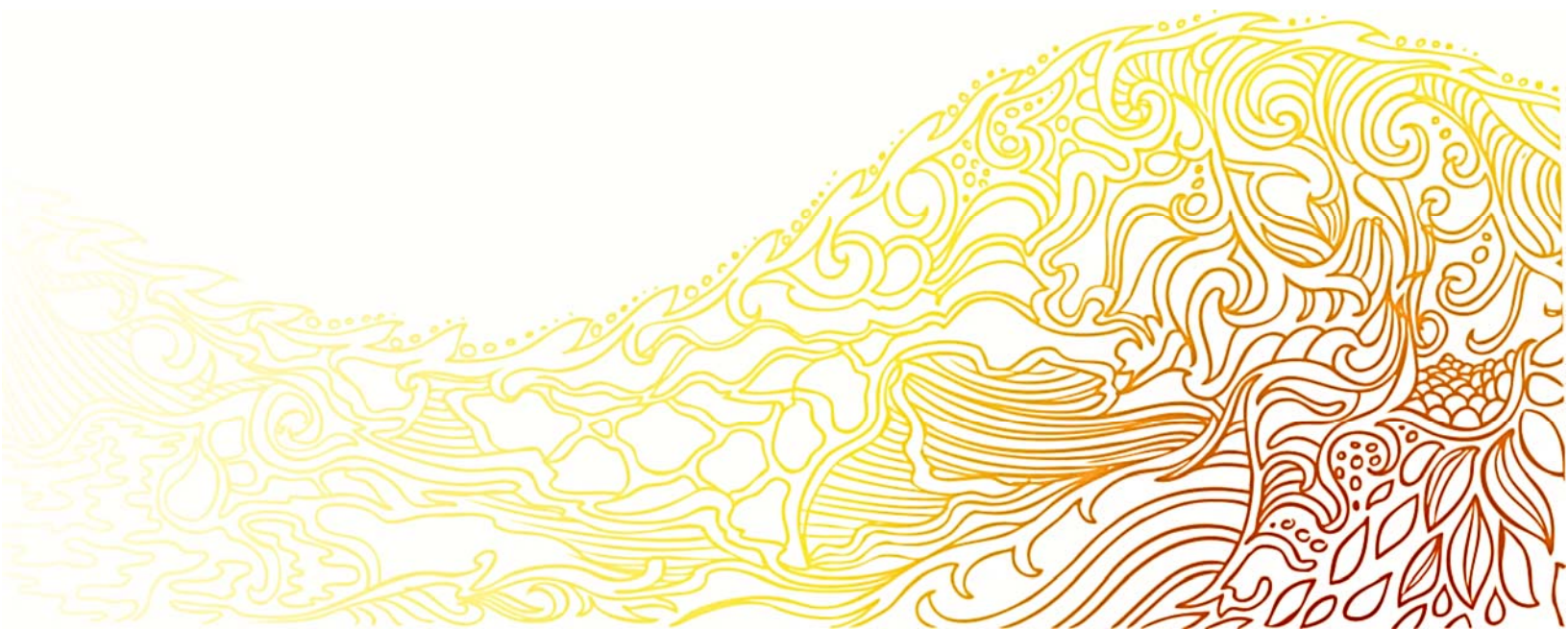
Growing organically since 1889

Feeding locally since 2013

The Harris-Hogue family has been organically farming at the south end of Bryant, Arkansas for around 124 years.

My great-grandmother, Mammie Ethel Harris, started her dairy farm and family garden in 1889, and through the years the family garden has remained our passion.

We grow vegetables and fruits, and raise chickens, turkeys, and bees—all naturally. We are dedicated to growing non-genetically altered crops and to minimizing our carbon footprint.





Mr. Rudy Ortiz
Arkansas Small Business and Technology Development Center
UALR Reynolds Business Center, Suite 260
2801 S. University Ave.
Little Rock, AR 72204

Subject:
Business Feasibility Plan for Organic Farm in Bryant, Arkansas

Dear Mr. Ortiz:

Thank you for sharing your knowledge and insights with me over these last 10+ weeks. I have been surprised at just how meaningful entrepreneurship skills have become to my career and family life. Now I have a foundation of understanding to analyze “what if...” business ideas and begin to develop plans of action that will be successful. This brings me great joy.

Enclosed is a business feasibility plan for an organic farm in Bryant, Arkansas. The farm will produce a variety of vegetables and fruits, as well as tilapia, crappie, eggs, honey, and pecans. All products will be grown organically.

The farm owner, Jason Hogue, and his father, John, have been using strictly organic farming practices to grow vegetables, fruits, chickens, turkeys, and bees for many years to feed their family. In fact, their property has been an organic family farm for four generations, beginning with Mammie Ethel Harris approximately 124 years ago. With the growing market trend toward organic produce and local food economies, Jason is ready to create revenue through the farm by selling products to Central Arkansas restaurants, food distributors, and community supported agriculture venues such as farmers’ markets.

Date:
December 2, 2013

Contact:
Cathy Beynon

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Bryant, AR 72089

There are several factors that will support the success of this business:

- **Organic farming and fisheries knowledge**

John is a retired Arkansas Game and Fish Commission fisheries biologist, with 30+ years of experience in caring for and managing wildlife; tracking fish populations; creating breeding projects to restore healthy fish populations; restoring and protecting natural habitats along streams, rivers, and lakes; and creating public access areas. He farmed organically with his parents as a child and has been actively working with animals, fish, and plants his entire life. Since returning to the Bryant farm in 1981, he has been raising chickens, turkeys, bees, and growing a variety of plants. John is an expert in organic farming methods. His skills will play a key role in the daily operations of the farm.

Jason spent much of his childhood alongside his father learning to care for and manage natural habitats, fish and wildlife, and learning to grow plants and raise farm animals. Much like John's experience, Jason was raised on the family farm in an environment saturated in biology and organic farming. In addition to being an expert in traditional organic farming methods, Jason is knowledgeable about innovative aquaponic and hydroponic forms of organic farming. His skills will play a key role in developing strategic, innovative plans for making the farm profitable.

- **Food preservation knowledge**

Jason and his parents are knowledgeable about how to handle and store harvested crops to prevent decay. This is an important skill that will enable the maximum freshness of their product.

Jason's mother, Judy, is an expert in canning methods. This skill will enable the product line to potentially expand in the future to include canned goods.

- **Available resources**

Land – The farm property encompasses approximately 25 acres, including one dwelling, one metal/woodworking shop, two large storage buildings, and two small storage buildings. The property also includes a pond suitable for fish habitat. This property is owned by John Hogue with no lien or debt.

Metal/Woodworking Shop – This building is actively used for constructing and repairing metal and wood objects. John is a creative engineer and expert welder who can design custom metal products as well as repair existing metal products. Jason is also talented in metal and woodworking. These skills and the shop are valuable resources for reducing overhead costs, repurposing materials, and creating and repairing objects.

Equipment – Jason and his parents own a Ford 2000 tractor and a Kubota 3430 tractor with front-end loader, and several implements including a rear tiller, a disk, several plows, a seeder, a boom arm, a post hole digger, a slip bucket, three bush hogs, a finish mower, and a box blade.

Greenhouses and Tanks – Jason and his parents own three greenhouses and eight 330-gallon tanks (to hold fish for an aquaponic growing system).

- **Existing network**

Jason has been building a network of friends and customers within the Central Arkansas organic food community. He currently supplies products to *The Root* restaurant and *Kent Walker Cheeses* of Little Rock. The *Argenta Market* of North Little Rock has agreed to purchase his products and is especially interested in a steady supply of tilapia and crappie. Kelley Carney of *North Pulaski Farms* has agreed to purchase products from Jason to include in his community supported agriculture program (a pre-order/pre-pay monthly food basket program for individual consumers.) Jason is looking to expand his network of customers who value local, organic produce, especially within the high-end restaurant and local food distribution sectors.

Kenneth Landrith, a profitable Central Arkansas farmer with 35+ years of experience, provides Jason with valuable insights into market trends and greenhouse techniques. Jason is looking to expand his network of veteran farmers with this knowledge.

- **Small business, information technology, and safety experience**

Jason was an independent contractor for 6+ years and is familiar with the documentation requirements of running a small business. Additionally, he is a programmer and expert in information technology applications that are used to run a business including databases, networks, websites, mobile applications, financial spreadsheet software, word processing software, and graphic design software.

Mr. Rudy Ortiz
December 2, 2013

Jason worked and trained 6+ years in the fields of fire and medical emergency services and nursing, and so is knowledgeable about how to prevent and respond to a fire or medical emergency on the farm. He worked 5+ years in manufacturing businesses, and so is familiar with concepts in health and safety best practices. These skills will play an important role in designing a safe working environment on the farm.

Rudy, thank you for taking the time to review this feasibility plan and provide feedback. As I gather additional information about the market, this plan will be adjusted to reflect a refined target customer base, a refined list of products and associated profitability analysis, and a refined plan of action.

I believe Jason and his family are well positioned to become profitable farmers who contribute to the local organic food economy. With your help and resources, I have no doubt this goal will become a reality. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Cathy Beynon".

Cathy Beynon
Student, Entrepreneurial Course Fall 2013

Copies:
Jason W. Hogue



Harris Family Farm

Bryant, Arkansas

Growing organically since 1889

Feeding locally since 2013

Prepared by:

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Feasibility Plan

Revision 0

December 2, 2013



Table of Contents

Table of Contents.....	1
Executive Summary.....	2
Introduction.....	2
Products and Services	2
Market Analysis.....	3
Price and Profitability Analysis	3
Plan for Further Action	3
Products and Services	4
The Benefits of Growing Organically.....	4
Related Products and Services.....	4
Limitations	5
Market Analysis	5
Industry Overview	5
Competition Profile	6
Market Segments.....	6
Central Arkansas Organic Restaurants / Food Preparers:.....	6
Central Arkansas Community Supported Agriculture Venues:.....	7
Bryant School District and City of Bryant.....	7
Market Strategies	9
Price and Profitability Analysis.....	10
Price List	10
Pricing Strategies.....	10
Break-Even Point.....	10
Plan for Further Action	10
Strengths of the Business Concept.....	10
Pitfalls of the Business Concepts.....	11
Go / No Go Decision.....	11
Next Steps.....	11

Executive Summary

Introduction

Jason Hogue and his father, John, own approximately 25 acres in Bryant Arkansas. The land has been owned by their family since approximately 1889. Since that time, portions of the land have been used for organic farming or have lay fallow. The property includes one dwelling (occupied by John and his wife Judy), one metal/woodworking shop, two large storage buildings, and two small storage buildings. The property also includes a pond suitable for fish habitat. This property is owned by John Hogue with no lien or debt.

Jason and John are experts in organic growing methods. John has a lifetime of experience in caring for and managing natural habitats, fish and wildlife, and growing plants and raising farm animals. He is a retired fisheries biologist who worked 30+ years for the Arkansas Game and Fish Commission. Jason spent much of his childhood alongside his father in an environment saturated in biology and organic farming. In addition to being an expert in traditional organic farming methods, Jason is knowledgeable about innovative aquaponic and hydroponic forms of organic farming.

Equipment currently owned by the family includes a Ford 2000 tractor and a Kubota 3430 tractor with front-end loader, and several implements including a rear tiller, a disk, several plows, a seeder, a boom arm, a post hole digger, a slip bucket, three bush hogs, a finish mower, and a box blade. Additionally, the family owns three greenhouses, eight 330-gallon tanks (to hold fish for an aquaponic growing system), a portable generator, and two heavy-duty pickup trucks. Approximately \$9,000 is owed on the Kubota tractor; all other equipment is owned by John or Jason with no lien or debt.

Jason and John currently produce a variety of vegetables, chicken eggs, honey, and pecans to feed their family and share with two small businesses in Little Rock. Jason is expanding their operations to create a profitable organic farming business that will supply products to Central Arkansas restaurants, food distributors, and community supported agriculture venues such as farmers' markets. This business will be known as the Harris Family Farm, named after Jason's great-grandmother Mammie Ethel Harris who first owned the land and operated a dairy farm.

Products and Services

Harris Family Farm is an organic farm in Bryant, Arkansas. The farm will produce a variety of vegetables and fruits, as well as tilapia, crappie, eggs, honey, and pecans. All products will be grown organically. Products will be sold to Central Arkansas restaurants, food distributors, and community supported agriculture venues such as farmers' markets.

Additionally, Jason will teach organic growing methods as a line of business that is supported through the authenticity and credibility of the farm. Potential target customers include other farmers and gardeners, urban agriculture education programs, and school district agriculture education programs.

Market Analysis

The high-end food market in Central Arkansas is trending toward locally grown organic foods. Savvy consumers are seeking healthy lifestyles that include plant and animal-based foods grown using organic methods, and an increasing number of restaurants are aligning their brand/value with providing locally grown organic foods.

Evidence of this trend is apparent through the success of the *Arkansas Local Food Network*; the *Argenta Market* grocer, *Argenta Farmers' Market*, and *Starving Artist Cafe* in the Argenta Arts District of North Little Rock; the *Bernice Garden* farmers' market and *The Root* restaurant in the South of Main district of Little Rock; the Hillcrest Farmers' Markets and *Hillcrest Artisan Meats* in the Hillcrest district of Little Rock; downtown Little Rock restaurants like *Ashley's* and the *Capital Grill*, and several others.

Additionally, the growing trend toward "green" initiatives align with organic growing principles and community gardens, agriculture and nutrition education programs, backyard composting and gardening, etc. This creates a potential market for teaching organic growing methods.

Price and Profitability Analysis

At this time, market research and business costs for Harris Family Farm are being analyzed. As information becomes available, this feasibility plan will be updated with price and profitability data. This will include the total funding needed to execute the business plan, the amount of money that Jason will inject into the business, and the amount of money needed from the bank/investors.

Assets available to launch Harris Family Farm are discussed above in the *Introduction*.

Plan for Further Action

To continue the development of this feasibility plan, additional market research will be conducted and financial data will be analyzed. Jason will benefit from expanding his network of organic farmers who can share their insights and business strategies. The Arkansas Small Business and Technology Development Center can assist in collecting and interpreting market research and can assist in connecting Jason with other organic farmers who are connected to the Center. Jason will also continue to gain contacts and information through the Arkansas Local Food Network.

Products and Services

Harris Family Farm is an organic farm in Bryant, Arkansas. The farm owner, Jason Hogue, and his father, John, have been using strictly organic farming practices to grow vegetables, fruits, chickens, turkeys, and bees for many years to feed their family. In fact, their property has been an organic family farm for four generations.

As a profitable farming business, the farm will produce a variety of vegetables and fruits, as well as tilapia, crappie, eggs, honey, and pecans. All products will be grown organically.

The Benefits of Growing Organically

Organically grown food products are free of pesticides, herbicides, and artificial fertilizers that many consumers consider harmful and even highly detrimental to the health of children and persons with special health considerations. Rather than protecting crops through man-made chemical products that kill pests and weeds, organic crops are protected through industry best practices.

Best practices are practical methods that have been used by mankind throughout the world to solve common farming and gardening problems such as pests, weeds, and detrimental weather conditions. Best practices are nuggets of knowledge that were traditionally passed from generation to generation, but in our current age are formally documented and made accessible to all farmers and gardeners. For example, to deter pests, certain plants can be grown in the vicinity of crops to create an undesirable environment for the pest – marigolds deter many insects and castor beans deter gofers, for instance. By using this type of approach to growing crops, both the farmer and consumer are protected from harmful chemicals, plus the soil and water associated with growing are not contaminated. Best practices also promote the efficient re-use of decaying plant matter which, instead of being considered waste, is composted to create naturally rich, fertile soil. In our current age, farmers and gardeners combine organic growing principles with new technologies to create innovative solutions that make organic products competitive in the marketplace.

Savvy consumers appreciate both the health benefits of eating organic foods and the ecosystem-friendly approach to organic best practices.

Related Products and Services

Jason and John Hogue are experts in organic growing methods for plants, animals, and fish. Jason is also an expert in innovative organic growing methods including aquaponic and hydroponic systems. Organic growing methods can be applied to any size operation to grow edible and non-food animals and plants – for instance, large farms, community and family gardens, outdoor greenhouses, indoor growing systems, fisheries and private ponds, and more.

Jason desires to teach organic growing methods as a line of business that is supported through the authenticity and credibility of the farm. Potential target customers include other farmers and gardeners, urban agriculture education programs, and school district agriculture education programs.

Limitations

As with any farming operation, crops are susceptible to inclement weather conditions, diseases and pests, and products can spoil before reaching customers. These factors will be mitigated through strategic best practices. The act of farming often requires long hours of physical labor, and so all farm workers will need to be in good health and to thoughtfully consider and attend to the needs of their bodies. Some products return a smaller profit than others, which will play a role in determining which crops to grow; as additional market research is collected, those decisions will be added to this feasibility plan.

Market Analysis

Industry Overview

The food market in Central Arkansas, like many other cities, is trending toward organic foods. Savvy consumers are seeking healthy lifestyles that include plant and animal-based foods grown using organic methods. These consumers tend to shop at grocery stores like Whole Foods or Fresh Market, and tend to choose organic produce when shopping at neighborhood grocery stores like Kroger.

Savvy consumers in and around Little Rock and North Little Rock are also choosing to purchase organic foods that are grown within Arkansas. This spirit of community supported agriculture is reinforced by the Arkansas Local Food Network's tag line "Eat local. Grow local."; as well as the development of the North Little Rock Argenta Arts District, which has supported the development of a farmers' market and associated grocery store, along with several organic restaurants; the revitalization of the Little Rock River Market area, which has encouraged the success of organic restaurants; and the ongoing redevelopment of the South of Main neighborhood in Little Rock, which has spurred the creation of a new farmers' market and organic restaurants.

Likely there are other contributing factors related to the presence of the Clinton School of Public Service and Heifer International near the River Market, as well as the economic events of the last several years. Amidst the national political and economic unrest, people in Arkansas are looking for ways to stimulate the local economy, to address local health concerns and social issues, and to find meaning through community connections. As "The Natural State", Arkansas is a perfect place for this spirit because much of the state economy is still tied to the land and the people of Arkansas have a reputation for service and friendly Southern hospitality. This is an encouraging climate for chefs and restaurants, and community supported agriculture and education.

Competition Profile

Because food is a product that is consumed and must be replenished, competition in this industry is beneficial to both farmers and consumers because a continuous supply of food is required to meet the nutritional needs of consumers. As the local demand for organic eating choices rises, the need for a steady, local supply of organic products will also rise. Local restaurants and grocers will be able to meet the growing demand only if they are able to secure a steady supply of organic products from growers who can provide high quality, fresh products. This positions local organic growers to meet the need by competing against growers outside of Arkansas. As a greater abundance of local organic products are available, the market demand will continue to grow as consumers increasingly favor the availability of organic products over non-organic. This in turn will encourage growers to diversify their crops to supply the market with a greater variety of products, thereby creating an increased number of specialties within the local organic farming industry.

Arkansas is home to several successful organic farms. Some are privately owned and others are community-based gardens that serve to educate and build community, but even these sell products to restaurants and other vendors.

A complete set of data will be added to this feasibility plan to describe the characteristics of direct and indirect competitors to the Harris Family Farm. (The characteristics will include uniqueness, related products/services, price, quality, distribution, marketing strategies, strengths, weaknesses, and percentage of market share.)

Market Segments

Harris Family Farm will supply products to Central Arkansas restaurants, food distributors, and community supported agriculture venues. Businesses that advertise their value as being linked to serving locally grown organic foods and community supported agriculture venues are listed below. This information will be updated as additional market research data is collected.

Central Arkansas Organic Restaurants / Food Preparers:

- Argenta Market
- Ashley's and the Capital Grill
- Capers
- Copper Grill
- Fusion (Hot Springs)
- Hillcrest Artisan Meats
- Kent Walker Cheeses
- Starving Artist Cafe
- The Root
- Trios

Central Arkansas Community Supported Agriculture Venues:

The *Arkansas Local Food Network* (<http://arlocalfoodnetwork.org/>) coordinates a Local Food Club for the Central Arkansas area. Through the club consumers can order food online for pick up on Saturdays or Mondays. According to the network's website, "The Local Food Club runs year-round and offers such a variety of products that our customers can do all their grocery shopping through us! ... The Little Rock Local Food Club is centered around the desire to make selling and buying local food simple. The online farmers' market model allows growers to upload all their own products, saving them time and energy."

Seasonal Farmers' Markets:

North Little Rock	Argenta	http://www.argentaartsdistrict.org/argenta-farmers-market/
Little Rock	Bernice Garden	http://thebernicegarden.org/?portfolio=farmers-market
	Hillcrest	http://hillcrestfarmersmarket.com/
	River Market	http://www.rivermarket.info/learn-more/farmers-market.aspx
Saline County	Bryant Midtown Benton	

Bryant School District and City of Bryant

As discussed in the *Related Products and Services* section, Jason desires to teach organic growing methods through partnering with agriculture education programs. This section explores the potential for developing such a partnership with the Bryant School District and the City of Bryant.

Harris Family Farm is located next to Hill Farm Elementary School, which opened in 2012 as part of the Bryant School District. The school is constructed on a former cattle farm that was owned and operated by the Hill family until the property was sold to the school district a few years ago. Jason desires to build an agriculture-based educational partnership with the Bryant School District and City of Bryant.

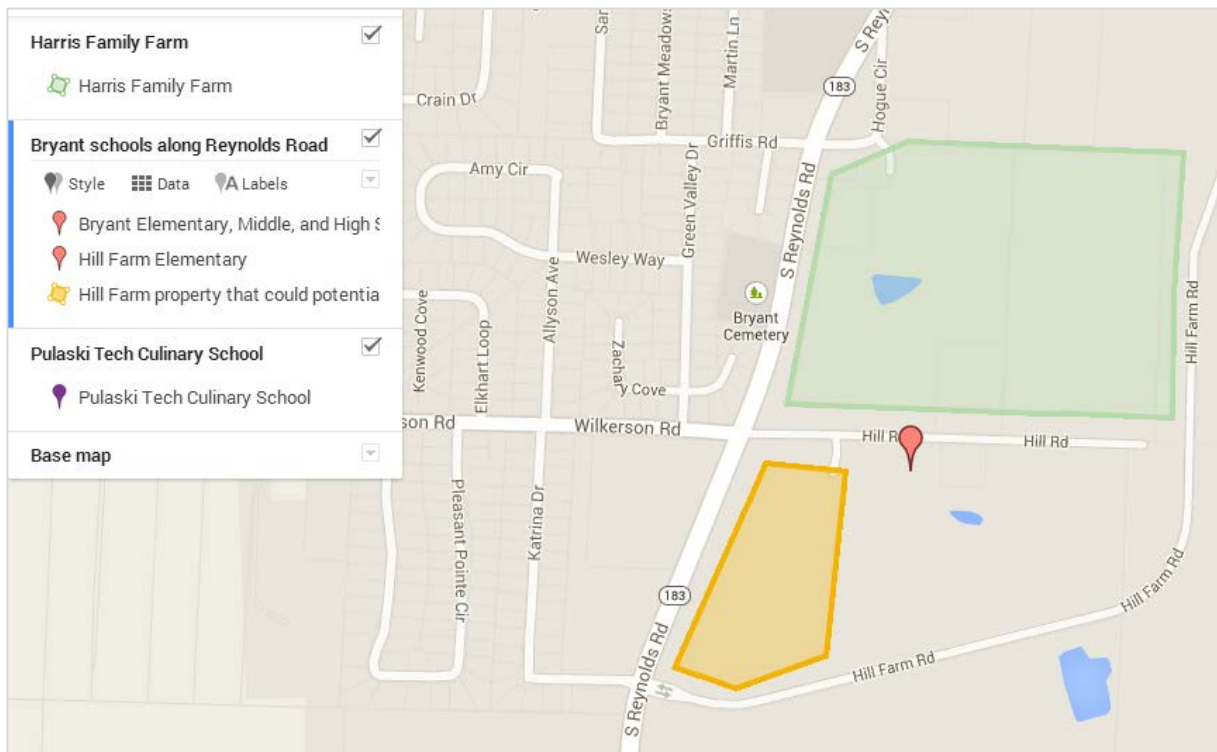
There are several factors that point to the potential success of this partnership:

- Very close physical proximity between Harris Family Farm and Hill Farm Elementary School (see the image below and view on Google maps at this link: https://mapsengine.google.com/map/edit?mid=z0ZQjs9AJPYm.kr5_ANm9PAXo).
- Common history of land use between Harris Family Farm and Hill Farm.

- Close physical proximity between Harris Family Farm and Bryant High School, Bryant Middle School, and Bryant Elementary School (the three schools are located next to one another).
- Bryant School District and the City of Bryant actively promote “green” initiatives, which align with organic growing principles, sustainable community designs that include urban community gardens and backyard composting and gardening, and agriculture and nutrition education programs. (The Benton School District [Bryant’s neighbor and friendly rival] has incorporated a community garden into one of its elementary schools, which may motivate Bryant to do something similar.)
- Childhood hunger and nutrition are huge concerns in Arkansas and school districts have a responsibility for helping to address these issues.
- Pulaski Tech’s Culinary School recently opened less than 10 miles from Harris Family Farm and could be an additional partner in agriculture and nutrition education.
- Buildings associated with the historical operations of the Hill Farm are intact and could potentially be repurposed for community uses.
- The Hogue family has a history of community service and a solid network within Bryant. Jason is currently involved with the Bryant Historical Society. His son, Harris, has been an active member of the school district’s “Green Team” each year since the program began. John is a former school board member. His wife Judy is a former city council member and is active in various community volunteer groups. The family’s network will likely help them connect with influential decision makers who have interests in promoting programs that benefit the community of Bryant.

Revision 0
December 2, 2013

In the image below, Harris Family Farm is shown in green, potentially available land associated with the former Hill Farm property is shown in yellow, and the location of Hill Farm Elementary School is labeled by a red icon. (All areas are approximate and are not intended to reflect actual dimensions and boundaries.)



Market Strategies

Networking within the local organic food community will play an important role in acquiring customers. Jason has established two customers – *The Root* and *Kent Walker Cheeses* – by being a regular and friendly customer at *The Root*. He talks with vendors at farmers’ markets to learn about the market and to identify connections to local restaurants and suppliers.

Harris Family Farm will have an online presence (website and mobile device app) that will promote its brand, inform consumers and business partners about its products and educational services, and provide an interface for business customers to place orders.

As additional market research is completed, targeted marketing strategies will be developed and described in this feasibility plan.

Price and Profitability Analysis

Market data is being collected to determine which crops are most in demand and will yield the greatest profit, and which of those crops are feasible to grow at Harris Family Farm.

This section will be populated with specific data as additional market research is conducted and business costs are analyzed.

Price List

Prices will be determined by the fair market price for high-end organic crops.

Pricing Strategies

Harris Family Farm will offer a high-end product line at high-end fair market prices. Pricing strategies will be customer focused, set according to what customers believe the product is worth. Opportunistic pricing will be appropriate for hard to find/out of season, high demand products.

Break-Even Point

As business costs for Harris Family Farm are analyzed, the break-even point will be determined and associated data will be added to this section.

Plan for Further Action

Strengths of the Business Concept

The strengths of the Harris Family Farm business concept are encouraging:

- Increasing national and local market trend toward organic products
- Increasing local community support for Arkansas-based farms and networking
- Increasing success of local restaurants, grocers, and farmers' markets that sell organic products
- Increasing national trend toward sustainable community practices
- Expertise and experience of Jason and John Hogue
- Land, equipment, and other resources owned by Jason and John Hogue

Pitfalls of the Business Concepts

Financial data regarding the cost of operations and potential profit are not yet available, which is temporarily impeding further analysis and the implementation of the business plan. Jason is currently working full time for the Arkansas State Medical Board and attending graduate school at UALR, which are factors that impede the implementation of the business concept. Jason's network within the local organic farming community is currently limited, which will impede the success of implementing the business plan.

Go / No Go Decision

Jason and John will continue to grow organic products for their family and limited existing customers until this feasibility plan is updated with enough data to determine how to proceed with the Harris Family Farm business concept.

Next Steps

To continue the development of this feasibility plan, additional market research will be conducted and financial data will be analyzed. Jason will benefit from expanding his network of organic farmers who can share their insights and business strategies. The Arkansas Small Business and Technology Development Center can assist in collecting and interpreting market research and can assist in connecting Jason with other organic farmers who are connected to the Center. Jason will also continue to gain contacts and information through the Arkansas Local Food Network.