Ecological Land Cooperative

For a living, working countryside

Confidential:

Example Business Plan for the ELC Site at Sparkford, South Somerset.

This business plan is for a real business from real applicants for the Sparkford site. However it has been anonymised in order to protect the intellectual property and sensitive business and financial information of the applicants. We also request that this business plan is not made part of the public record of the planning application for this reason.

Ecological Land Cooperative, July 2019.

EXECUTIVE SUMMARY

The Small Farm will focus on producing a range of high value gourmet and medicinal mushrooms and vegetables, primarily artisan salad mixes, cherry tomatoes, asparagus and smoked garlic. The mushrooms produced would include Blue, Yellow, and Pink Oysters, Shiitake, Lion's Mane, Wine Caps, Morels and Reishi.

The crops would be produced using a mixture of protected cropping and outdoor beds, including areas for log grown mushrooms.

There is currently a growing demand here in the UK for more exotic mushrooms, and the vast majority sold in the UK have been imported despite it being possible to produce them locally and economically using an off-grid temperature control system for all-year indoor growth and seasonal growth outdoors. Currently there are no Organic gourmet mushroom growers near the Sparkford area.

High quality salad mixes are in demand at farm shops, restaurants and caterers, and although there are some salad producers in the wider area, there are still opportunities for more sales in the area.

Organic asparagus and smoked garlic are hard to find in this area of Somerset, with most of it being imported from Europe or other parts of the UK. These would form the smaller aspect of the business, especially as the asparagus will take three years to be ready to harvest and five years to achieve full production.

The Small Farm will be aiming to certify as fully Organic during the first two years on-site, with the indoor mushroom production certified Organic in the first year (due to the lack of a necessary conversion period).

Whilst mushroom cultivation and vegetable production may sound like very different businesses, they are actually highly complementary. The mushrooms act as decomposers, breaking down the hardwood used to grow them, in turn creating a useable soil amendment for quickly building and improving soil, which in turn is used to produce the salad, garlic and asparagus.

Local sawmill and wood producers will be used to source the hardwood that provides the bulk substrate for the indoor mushrooms, with woodchip used in outdoor beds.

Approximately seventy percent of the produce would be marketed to the retail and restaurant sectors, with the remainder being sold wholesale.

Once the log production is fully operational, there will be opportunities to create additional products such as pre-inoculated logs for customers to grow their own mushrooms, or to be marketed as gift items.

In addition to the produce sold from the site, there will the possibility to offer mushroom cultivation workshops, which would serve to not only add an extra income stream but also provide another way to help engage the local community.

The business would initially prioritise the indoor mushroom cultivation and salad leaf production aspects of the plan to achieve a regular income by the end of the first year, and this would form the backbone of the business. The other aspects would be

introduced over the next four years, with the goal being for all parts of the business to be up and running within five years.

BUSINESS DESCRIPTION

Expertise & Experience

The Small Farm will be formed by a couple who currently run an organic market garden less than 7 miles from the proposed Sparkford site. The growers have been growing and selling vegetables and fruit locally for almost 5 years since renting a plot where they live and work, in late 2014. Their main outlets are a weekly market stall at Castle Cary and a vegetable box delivery service catering to customers within a ten mile radius. The growers also serve some restaurants, caterers and shops.

Previous to running the organic market garden, the growers both completed a 2-year apprenticeship with the Soil Association, which was based on a host farm between Bristol and Bath. Although the growers currently grow over 40 different crops, their mixed seasonal salad leaves has always been a speciality, and popular with demand normally outstripping their supply. The salad mix changes through the year but typically has at least 15 different ingredients.

Over the last 12 months Grower 1 has been studying mycology/mycoculture, learning to produce gourmet mushrooms, albeit on a very small scale, for sale through the market and boxes.

The proposed business is a simplified model, focusing on the higher value, tried and tested products the growers know will sell well, and marketing them to the retail/restaurant/wholesale sectors rather than direct sales. In order to expand their business it is necessary for them to find a larger plot of land where they can live and work.

The growers believe their knowledge of the local area, existing network of customers, experience of produce high quality salad, mushroom cultivation, and real-life experiences of running their own different, but highly related business, will enable them to make a success of this project.

Grower 2 is currently halfway through a 4-year Nimh accredited Medical Herbalist course, which will be completed in June 2021. At this point part of the mushroom production will involve medical mushroom cultivation such as Reishi, to be sold to Grower 2 for further processing into medicines.

Market Research

1. Competition

Artisan Mixed Salad

There are currently five other salad producers in the local area;

- Charles Dowding – Very well known, and has long standing customers in a few shops in and around Bruton (8 miles from Sparkford), and a few restaurants. Not certified Organic, but grown to organic principles. Always priced at the higher end, £15-18 per kg, doesn't offer a discount for trade, weekly social media snippets.

- Wild Garden (Tia) – Sells to many of the same shops in Bruton as Charles, now starting to grow salad for The Newt, a newly opened garden estate just outside Yarlington, near Bruton. Similarly priced to Charles, also not Organic.

- Root Connections (Alex) – Relatively new market garden business in Stratton-on-the-Fosse (19 miles from Sparkford). Currently selling salad bags through Somerset Local Food Direct, and recently entered Organic conversion with the Soil Association. Price is on the low side, typically less than £10 per kg, however the salad mix itself is quite basic without the range of different ingredients on offer from the first two producers.

- Glebe / Pitney Farm (Anna) – Located approximately 12 miles from the plot, this farm is organically certified with the Soil Association, with a mid-range price for their salad mix. However they mainly supply their own farm shop, café and some excess to Somerset Local Food Direct, and do not supply anything as far as Sparkford.

- Plotgate CSA – Amy and Dan at Plotgate produce mixed salad that is sold via their vegetable box scheme, and again through Somerset Local Food Direct. They are currently not certified Organic and their prices are in a similar range to Root Connections.

Through the growers' own experience of selling salad they know there is a lot of room for extra producers, and especially certified Organic producers. There are many farm shops around the Sparkford site and caterers in the area. There are currently no Organic producers of mixed salad within a 15 mile radius of Sparkford.

The growers currently have the following as trade customers and expect to continue to supply them after the new business is up and running

- George's Fruit & Veg – The main grocer in Castle Cary
- Levant – Restaurant in Castle Cary
- Bruton Wholefoods – The organic wholefood shop in Bruton
- The Shrubbery – Restaurant in Castle Cary
- Somerset Local Food Direct – An internet based hub of producers across the Somerset area, they have now expanded their delivery area up to Bristol and are actively seeking more producers to supply them

Mushrooms

There are no producers of exotic mushrooms, Organic or otherwise, in the local area, or indeed Somerset. The nearest producers in the wider Southeast seem to be in Devon, Dorset, Wales and Cornwall. Whilst shops or direct customers can access some exotic mushrooms from supermarkets most are produced from outside the UK, sometimes travelling a long way to get to them (e.g. Korea).

Whilst this situation could easily change in the future, at the outset there would be no competition, which should enable them to become well established quickly.

Fine Food Specialist, the online site, offers fresh Oyster and Shiitake mushrooms, at approximately £13 and £18 per kilo respectively, and King Oysters going for almost £20 per kilo. It should be noted that this outlet often represents the high end of pricing.

Asparagus

Asparagus always seems to be demand in this area when in season with customers preferring local if available, with the average cost of non-organic asparagus at £3 per kg retail. Their experience of running an Organic market stall has been that Organic Asparagus from the UK is usually not available from their wholesaler, it is usually imported from either France or Italy, and is sold for around £2.50 per 250g bunch. There are no other Organic asparagus suppliers in the local area.

Initial outlets would include the Organic Wholefood shop in Bruton, The Good Earth in Wells, Somerset Local Food Direct and local farm shops. From a wholesale perspective, their current main organic suppliers, Four Seasons, based in Bristol, would welcome UK organic asparagus as they are currently unable to source it.

Garlic / Smoked Garlic

Organic garlic is sold in local organic outlets, including Pitney Farm Shop, The Good Earth, and Bruton Wholefoods. However the bulk of this is imported from France, with UK garlic mainly supplied from Devon, or the Isle of Wight.

Somerset Local Food Direct, the online retail hub, currently stocks Organic Garlic Bulbs from Four Seasons, which in turn import it from France. This is sold is sets of three bulbs, with SLFD paying approximately £1.20 per set (retailing at £1.80). Somerset Local Food Direct has expressed a strong interest in replacing the imported produce with local produce.

The bulk of the garlic would be sold as smoked (hot) bulbs, as a value added product. There is currently no other producer selling this product, and we have had excellent customer feedback when tested on market / veg box customers.

2. Potential Outlets

- The Old Parlour Farmshop – Farmshop within walking distance of the holding, they have expressed an interest in sourcing local produce and reduce their reliance on buying from further afield
- Bruton Wholefoods - Organic wholefood shop in Bruton with a selection of fresh vegetables. Interested in purchasing organic salad bags and mushrooms.
- George's Grocers – Traditional greengrocer in Castle Cary, already buying their current salad bags weekly, and had expressed an interest in stocking more exotic mushrooms.
- Levant Restaurant & Catering – Restaurant and catering based in Castle Cary. Tanya, the owner has expressed an interest in having exotic mushrooms on the menu.
- The Good Earth – Organic food shop in Well, with adjoining restaurant. Potential customer for all types of produce.

- **Pitney Farm Shop** – Organic farm shop near Somerton, they already produce their own salad but have expressed an interest in mushrooms.
- **The Shrubbery** – Medium priced pub restaurant in Shepton Mallet, currently a regular customer of their mixed salad.
- **Somerset Local Food Direct** – Online food hub, offering produce from a race of suppliers in the south west. Already has two other salad producers, one currently in organic conversion, but has no local asparagus or exotic mushrooms.
- **Castle Cary Market** – Weekly market, offering the possibility of having a weekly market stall selling mushrooms. The market regulars include many organic customers, and might offer a good way to start out whilst also offering a way to advertise.
- **Sparkford Inn** – Local pub in restaurant, potential outlet for salad.
- **The Community Farm** – At almost 28 miles away, this outlet is further out, however they sell around 500 veg boxes each week and also have a wholesale business. In addition to this they have a reputation for paying their producers well.
- **Plotgate CSA** – A local CSA based about 10 miles away, they have expressed an interest in buying mushrooms for their boxes, particularly to add interest in the 'hungry gap' period.
- **Trading Post Farm Shop** – Just over 14 miles away, this farm shop stocks produce from over 80 local producers as well as their own organic vegetables and fruit. The growers have yet to contact the Trading Post but think this could be a good potential outlet.
- **Four Seasons Organics** – This is an organic wholesaler based in Bristol, who could move good volumes of produce, however this is likely to be at a low price point.
- **The Pilgrims Restaurant** – High end restaurant in the village of Lovington, about 5 miles from Sparkford. Currently being supplied in salad by Charles Dowding, but a possible outlet for mushrooms and asparagus. They pride themselves on using high quality local produce, and list all their suppliers on their website.

Capital Investment

Item	Description	Cost
Deposit	Initial lease deposit, approximated until exact cost confirmed	£20,000
1st years rent	Rent to cover the first year, approximated based on the Arlington site	£5,500
Accommodation	Static caravan and transport/siting	£3,000
Mushroom room	Modified insulated container, fitted with fans and humidifier	£3,000
Mushroom incubation shed	Small shed area, insulated to maintain conditions favourable to mycelium growth, as part of the indoor growing operation.	£1,000
Asparagus crowns for 1st years planting	The initial crowns, 1 year old, to plant the asparagus beds, however returns will not be seen until year 5.	£1,000

1st years mushroom spawn	For the first year they will use bought-in spawn, until starting producing their own spawn. This will enable mushroom production to get started and generating an income quickly.	£800
Initial seed outlay	Cost of organic seeds for the first year.	£1000
New polythene for their main polytunnel (frame already owned)	The business requires one large (25m x 7.2m) polytunnel, which is already owned. Re-siting will mean replacing the cover.	£400
New polythene for their small propagation tunnel (frame already owned)	A smaller tunnel will serve as the propagation area, the frame is already owned, but the cover will also need to be replaced.	£100
Irrigation system (some already owned)	The irrigation system for the large polytunnel is already owned, however the propagation tunnel and outdoor areas will need irrigation. The mushroom fruiting room will need a simple water inlet for the humidifying unit (already owned).	£600
Contingency for unknown / unpredictable items	This is to cover unforeseen costs if and when they arise.	£2000
Trees for mushroom woodland	Cost of trees, assuming 75% help with funding through the woodland trust MOREwoods scheme.	£500

Total Capital Investment - £38,900

The setup costs are relatively low as they can carry over some assets from their current business, including both polytunnels, irrigation lines, humidifier, tools, agricultural fleece/mesh, and a van for deliveries.

Value Added Processing

Salad

The planned mixed salad is an example of a value added product in itself. The plants grown for the mix are relatively cheap in terms of seed cost and easy to grow. However the finished product contains around 15 different ingredients including herbs, creating an artisan, flavoursome product.

Smoked Garlic

The smoking process add value to the naked garlic bulb, adding new flavour possibilities for their customers

Mushrooms

Initially the only value added processing for the mushrooms would be to create mixed mushroom punnets, or, in the case of the Oyster mushrooms, a mixed colour punnet featuring white, blue, yellow, and pink varieties.

With the addition of log culture mushrooms, there will be the possibility to create ready inoculated logs to sell as gifts. Similarly grow your own mushroom kits could be developed within the normal production process.

There are always possibilities offered by drying and powdering the mushrooms to create a mushroom seasoning, however this is currently outside the scope of this plan.

Cherry Tomatoes

The cherry tomatoes will be an attractive mix of different colours and shapes, these will be combined and displayed in a compostable punnet and sold as a mixed tomato product.

Labour

The labour requirements would be covered by Grower 1 in a full time role approximating 45 hours per week. In addition to this Grower 2 would offer supplementary labour and 1 hour per week on social media. After the first year 1 additional part-time employed person would be sought.

Given the nature of the crops grown, on-site residence is essential due to the need to monitor and manage polytunnels, tunnel ventilation and general crop irrigation, throughout 24 hours of the day. The growth time of cultivated mushroom can be very fast, especially in summer with the difference between a perfectly harvested specimen and a lesser quality mushroom being a few hours.

Organic management is particularly dependent on preventative management, which entails avoiding disease by taking action to maintain correct moisture levels, regular monitoring of disease incidence and pest populations and dealing with them by the use of permitted inputs and introduced predators. These inputs are typically slower acting and less effective than pesticides used in conventional production, hence requiring a rapid response time to avoid build of the pest or disease; on site residence is needed to ensure frequent monitoring and action as remote monitoring systems are not appropriate for pests and disease. Optimum crop irrigation requires regular monitoring; this is most effectively undertaken by regular personal assessment, including early morning and late at night.

Given the high level of capital investment and crop value, which are liable to theft and vandalism, on-site residence is a recommended precaution. On-site residence is a necessary pre-requisite to the success of the overwhelming majority of commercial organic holdings.

The average cost of buying a house locally is currently (July 2019) £315,344. Although the farm business aims to pay a living wage, this is not enough to enable the growers to buy a house in the village of Sparkford.

Profitability

After the first five years, the financial budget shows total sales of £35,375, and a total margin of £3,538 after all costs. This includes the proprietors' income, paid at £8.50 per hour, and the supplementary income for Grower 2, rated at £10 per hour for 4 hours per week. Appendix 1 details the cost breakdown and assumptions. This figure would be expected to rise further in the following years as longer maturing income streams become operational as detailed later in this plan.

Total turnover (per annum) = £35,375

Total Labour Cost (per annum) = £20,329

Other costs = £11,508

Total margin (per annum) = **£3,538**

GROWING METHODS

The Small Farm will use primarily organic productions methods, incorporating no-dig, natural farming, and agroforestry methods. The organic certification process would be started as soon as possible, taking 2 years to complete for the vegetable crops. The indoor grown mushrooms could be certified much sooner, as no conversion period is required if the standards and practices are followed.

The main vegetables beds outdoors would be rotated on a 4-year cycle, with 2 years of the rotation given over to fertility building green manure leys to improve the structure and fertility of the soil. The proposed green manure would be the 'Fertility Builder' 1-2 year mix from Cotswolds Seeds, which contains a mix of clovers and ryegrass. As the operation will be using no-dig methods, the ley will be covered with a light excluding mulch material until the next crop

One large polytunnel will be required for the winter salad leaf production, until the salad crops move outdoors. The warmer months will then be used to grow a mix of cherry tomatoes to make best use of the polytunnel. The tomato beds will then be undersown with winter salads, to be ready for cropping shortly after the tomatoes are removed.

The no-dig system will be used by buying in PAS100 compost from the local recycling centre at Dimmer, and using it to create a weed suppressing mulch, that will also help improve the structure of the soil as it is incorporated by worms, and the processes of microorganisms. The addition of new organic matter each season should also mitigate the risk of pest/disease build up as a result of the limited indoor rotation.

Plants will be used to attract beneficial predators (whilst also increasing biodiversity) to control outbreaks of aphids, as well as manual checks and careful monitoring of moisture levels. Where possible physical barriers such as horticultural fleece/mesh will be used for crop protection. Permissible (by the Soil Association) bio-controls would be employed if it became necessary.

The bulk of the indoor mushroom cultivation would use locally sourced, non-chemically treated sawdust as the main substrate with the addition of organic wheat bran to increase the nutrition of the growing block. Some straw cultivation for the oyster mushrooms would be also employed. The main growing area would be a modified, insulated shipping container. This would be fitted with fans to create enough fresh air exchange, and a humidifying unit to control the moisture levels. A small air conditioning unit, already owned by the proprietor, would enable protection against particularly warm/cold days. It is likely this would only be required in the mid-winter and mid-summer, with low running costs to modify the enclosed insulated space.

Outdoor mushroom cultivation will be achieved using a combination of different substrates, including sawdust, woodchip, cardboard and hardwood logs. The log culture mushrooms will need shading and humidity, and a small amount of woodland would be planned for this purpose, plus eventually providing the substrate requirements through managing the woodland.

To decrease the need for additional bought-in compost the spent mushroom growing blocks will then be composted, using worms to create a myco vermicomposting system, which is well-suited to mushroom production, with mycelium being a favoured food for worms. This can be composted along with normal garden/harvesting waste to create a rich compost and soil improver than can then be returned to the land.

As per the soil assessment performed, it is noted the soil type is Soilscape 9, which tends to be low in top-soil carbon. The regular application of both PAS100 and their own composted mushroom substrates, along with the green manure leys in the outdoor rotation should see significant improvement in both soil carbon, structure and fertility over the first five years. After the first full rotation is completed soil carbon would be assessed, with the addition of biochar as a soil amendment being considered at this point.

The site will employ various methods to improve biodiversity on-site, including the strategic placement of wildlife ponds, beetle banks and hedgerows. The vegetable beds will be divided by rows of herbal trees, with the bulk being Elder, Hawthorn, and Guelder Rose. This will not only work to improve habitat for a range of species but also provide a crop for Grower 2 to create herbal medicines. The return on this will be outside the initial five year period so is not in the scope of this plan financially.

Years 1-5 Activities

The activities assume access to the plot becomes available during Spring, but this is subject to change and will affect this plan.

Year 1

Infrastructure

- Source and site suitable accommodation, create a compost toilet and connect the accommodation to the water source and electric array, method of managing grey water.
- Source and site an insulated container, add environmental controls
- Dismantle, transport, and site both polytunnels, install the irrigation system
- Build a mushroom incubation shed

- Create outdoor beds as required
- Plant trees for woodland in Autumn, using the MOREwood scheme with The Woodland Trust
- In autumn add the first wine cap mushroom beds outside
- Starting creating borders and beetle banks

Planting

- Raise salad and tomato transplants ready for planting in the outdoor and indoors spaces
- Regular salad planting through the season
- Plant out cherry tomatoes in the main tunnel late Spring
- Move inoculated mushroom blocks into the fruiting area, the initial stage of preparing the substrate and inoculation could be done off-site to have these ready in time
- Plant out garlic in Autumn
- Tree planting to create mushroom / herbal woodland
- Initial tree row planting for agroforestry
- Plant willow for screening purposes
- Plant outdoor vegetable beds 2, 3 and 4 with a fertility building green manure seed mix
- Plant 1 year old asparagus crowns to start the asparagus beds

Harvest/Sales

- Salad harvesting would be expected to start around early summer, and continue weekly for 48 weeks of the year
- Indoor mushroom harvests should begin within 4 weeks of the modifications to the insulated shipping container being completed, this would be expected late Spring/early Summer
- Cherry tomatoes in the polytunnels would be produced from July to October

Marketing

- Seeking new routes to market, building customer base,
- Developing brand image, website, marketing materials, weekly social media snippets

Year 2

Infrastructure

- Build processing room for the mushroom operation, this would be a small, dedicated space, for mixing substrate and making mushroom bags ready for sterilisation/pasteurization
- Build first morel mushroom beds
- Start adding wildlife ponds where planned
- Wine caps beds moved and expanded using the spawn from previous years beds
- Morel beds moved and expanded using the spawn from previous years beds

Harvest/Sales

- Salad leaves will be harvested 48 weeks per year
- Indoor mushrooms will be harvested 48 weeks per year
- Wine cap mushrooms should start harvesting in year 2, in Spring and Autumn
- Garlic will be ready for harvest in year 2 summer, to be smoked in small batches to create a higher value product

Years 3 & 4

At this point the infrastructure should all be in place, and into a regular cycle of sowing, planting and harvesting in the case of the vegetables crops and mixing, sterilizing, inoculating and harvesting in the case of the mushroom crops.

The first, small harvest from the Asparagus will start, however to not risk weakening the young crown, this should be limited to a 2-week period. The following year the harvest will be larger, but will not be full production until year 5.

Shiitake Log Culture

In year four some shading should be provided in the warmest months by the young trees in the planned woodland. At this stage log production would begin, involving inoculating fresh hardwood logs and stacking them with sheeting to hold in the moisture whilst they are colonized by the mycelium. If the shade produced in the woodland is not deemed enough at this point, additional shade netting will be employed.

Year 5

Outdoor log mushrooms should start fruiting in either years 5 or year 6. Asparagus production will be larger, with full production starting in year 6.

Year 6 onwards

Harvestable crops will be produced by the herbal trees between the vegetable, to be made into herbal medicines for Grower 2, which will produce some extra supplementary income from the site.

Once the trees in the woodland are large enough to enable rotational cropping, the health of the woodland can be sustained whilst also creating a source of substrate for mushroom cultivation, reducing their reliance on off-site inputs.

3 Year Financial Projections

The full details for the financial projection can be seen in Appendix 2. This assumes a starting business bank balance of £17,000. The proprietors will not take a wage in the first year whilst setting up the business, however I full wage has been included from year 2. Year 3 the business becomes profitable, with further production to come online by year 5, to give the figures shown in year 5 (Appendix 1).

Starting balance
£ 17,000

Year 1	Year 2	Year3
£ 8,165	£ 4,539	£ 4,767

Profit & Loss

Year 1	Year 2	Year 3
-£ 4,035	-£ 3,626	£ 228

Appendix 1

Profit and Wage	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals		Notes
Salad sales retail	£273	£273	£364	£455	£819	£910	£910	£910	£910	£728	£455	£273		**£7,280**	
Salad sales wholesale	£99	£99	£132	£165	£297	£330	£330	£330	£330	£264	£165	£99		**£2,640**	
Labour	£170	£340	£306	£408	£612	£612	£612	£612	£612	£612	£408	£170		**£5,474**	
Seed	£250					£250								**£500**	
Packaging/sundries	150	150	220	320	550	700	700	700	700	550	320	150			
Packaging/bag cost	£25	£25	£27	£30	£37	£41	£41	£41	£41	£37	£30	£25		**£396**	Assumes a bag cost
Fuel(deliveries)	£40	£40	£60	£80	£100	£120	£120	£120	£120	£100	£80	£40		**£1,020**	
Misc.	£35	£35	£35	£35	£35	£35	£35	£35	£35	£35	£35	£35		**£420**	
Hours	**20**	**40**	**36**	**48**	**72**	**72**	**72**	**72**	**72**	**72**	**48**	**20**		**£2,110**	

Profit and Wage	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals	
Asparagus				£1,500	£1,500	£1,000								**£4,000**
Labour	£43	£43	£43	£170	£170	£170	£85	£43	£43	£43	£43	£43		**£935**
Seed														**£0**
Packaging/bag cost				£50	£50	£50								**£150**
Fuel(deliveries)				£40	£40	£30								**£110**
Misc.	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10		**£120**
Hours	**5**	**5**	**5**	**20**	**20**	**20**	**10**	**5**	**5**	**5**	**5**	**5**		**£2,685**

Profit and Wage	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals		
Mushrooms Indoor	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000	£1,000		**£12,000**	
Mushroms Outdoor			£800	£1,280	£1,100					£1,650	£1,200			**£6,030**	
Labour	£850	£850	£850	£850	£850	£850	£850	£850	£850	£850	£850	£850		**£10,200**	
Spawn	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100	£100		**£1,200**	Assumes producing
Packaging/bag cost	£284	£84	£84	£84	£84	£84	£84	£84	£84	£84	£84	£84		**£1,208**	
Fuel(deliveries)	£10	£10	£15	£15	£15	£10	£10	£10	£10	£15	£15	£10		**£145**	
Misc.	£35	£35	£35	£35	£35	£35	£35	£35	£35	£35	£35	£35		**£420**	
Hours	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**		**£4,857**	

Profit and Wage	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals	
Smoked Garlic								£250	£250	£250	£250	£250		**£1,250**
Labour	£34	£34	£34	£34	£34	£34	£119	£119	£68	£68	£68	£68		**£714**
Seed														**£0**
Packaging/sundries														
Packaging/bag cost								£5	£5	£5	£5	£5		**£25**
Fuel(deliveries)	£10	£10	£15	£15	£15	£10	£10	£10	£10	£15	£15	£10		**£145**
Misc.	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10		**£120**
Hours	4	4	4	4	4	4	14	14	8	10	10	10		**£246**

Profit and Wage	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals	
Cherry tomatoes							£300	£625	£625	£625				**£2,175**
Labour	£17	£34	£68	£136	£85	£85	£128	£153	£153	£153				**£1,012**
Seed	£150													**£150**
Packaging/sundries	£200													**£200**
Fuel(deliveries)	£5	£7	£7	£7										**£26**
Misc.	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10	£10		**£120**
Hours	2	4	8	16	10	10	18	18	18	18				**£668**

Green Manure Ley	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals	
Labour	£34.00												**£**	**34.00**
Seed	£64.00												**£**	**64.00**
	4												**£**	**98.00**

Overheads	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals	
PAS100 Compost	£45.00	£45.00	£45.00	£45.00	£45.00	£45.00	£45.00	£45.00	£45.00	£45.00	£45.00	£45.00	**£**	**540.00**
Maintanence (tunnel)	£8.33	£8.33	£8.33	£8.33	£8.33	£8.33	£8.33	£8.33	£8.33	£8.33	£8.33	£8.33	**£**	**100.00**
Maintanence (Container)	£4.17	£4.17	£4.17	£4.17	£4.17	£4.17	£4.17	£4.17	£4.17	£4.17	£4.17	£4.17	**£**	**50.00**
Maintanence (Equipment)	£4.17	£4.17	£4.17	£4.17	£4.17	£4.17	£4.17	£4.17	£4.17	£4.17	£4.17	£4.17	**£**	**50.00**
Van insurance	£16.67	£16.67	£16.67	£16.67	£16.67	£16.67	£16.67	£16.67	£16.67	£16.67	£16.67	£16.67	**£**	**200.00**
Seed compost	£12.50	£12.50	£12.50	£12.50	£12.50	£12.50	£12.50	£12.50	£12.50	£12.50	£12.50	£12.50	**£**	**150.00**
Organic wheat brain	£50.00	£50.00	£50.00	£50.00	£50.00	£50.00	£50.00	£50.00	£50.00	£50.00	£50.00	£50.00	**£**	**600.00**
Water	£83.33	£83.33	£83.33	£83.33	£83.33	£83.33	£83.33	£83.33	£83.33	£83.33	£83.33	£83.33	**£**	**1,000.00**
Electric	£83.33	£83.33	£83.33	£83.33	£83.33	£83.33	£83.33	£83.33	£83.33	£83.33	£83.33	£83.33	**£**	**1,000.00**
Modules / Pots	£25.00	£26.00	£27.00	£28.00	£29.00	£30.00	£31.00	£32.00	£33.00	£34.00	£35.00	£36.00	**£**	**366.00**
Organic certification fee	£38.33	£38.33	£38.33	£38.33	£38.33	£38.33	£38.33	£38.33	£38.33	£38.33	£38.33	£38.33	**£**	**460.00**
Telephone	£22.00	£22.00	£22.00	£22.00	£22.00	£22.00	£22.00	£22.00	£22.00	£22.00	£22.00	£22.00	**£**	**264.00**
Website / Marketing	£10.00	£10.00	£10.00	£10.00	£10.00	£10.00	£10.00	£10.00	£10.00	£10.00	£10.00	£10.00	**£**	**120.00**
Accountancy	£5.75	£5.75	£5.75	£5.75	£5.75	£5.75	£5.75	£5.75	£5.75	£5.75	£5.75	£5.75	**£**	**69.00**
	4													**£4,969**

APPENDIX 2

ELC Sparkford Proposal Budget

SUMMARY

Capital Investment	£4,800

	YEAR 1	YEAR 2	YEAR 3
Crop Sales	£15,411.68	£28,411.16	£31,465.16
General crop costs	£5,664	£3,889	£3,089
Overheads	£13,543	£27,908	£27,908
Depreciation	£240	£240	£240
TOTAL ANNUAL MARGIN	-£4,035.32	-£3,625.84	£228.16

CROP SALES

Planned herbal trees in between veg beds, log culture in the woodland, and asparagus has not been included here as no likely returns till after the 3rd year

				YEAR 1						YEAR 2						YEAR 3					
				Indoor Crops			Outdoor Crops			Indoor Crops			Outdoor Crops			Indoor Crops			Outdoor Crops		
	Units	Outlet	Outlet allocatio	Mixed Salad	Cherry Tomatoes	Mushrooms	Mixed Salad	Smoked Garlic	Mushrooms	Mixed Salad	Cherry Tomatoes	Mushrooms	Mixed Salad	Smoked Garlic	Mushrooms	Mixed Salad	Cherry Tomatoes	Mushrooms	Mixed Salad	Smoked Garlic	Mushrooms
Area	Square metres			64	64	12.5	150	150	40	64	64	12.5	150	150	40	64	64	12.5	150	150	60
Yield (avg. over 12 months)	Kg or Bulb/m2			0.60	1.75	8	0.63	0	1	0.60	1.75	8	0.63	23.8	1.5	0.60	1.75	8	0.63	23.8	1.5
Harvest months per year	Months			3	4	6	4	1	3	6	4	12	6	1	4	6	4	12	6	1	5
Total produce	Kgs / Bulbs			115.2	448	600	378	0	120	230.4	448	1200	567	3570	240	230.4	448	1200	567	3570	450
Produce sold		Retail/Trade	70%	70%	100%	70%	70	100	70%	70%	100%	70%	70%	100%	70%	70%	100%	70%	70%	100%	70%
Produce price				£13.00	£5.00	£11.00	13		13	£13.00	£5.00	£11.00	£13.00	£0.60	£13.00	£13.00	£5.00	£11.00	£13.00	£0.60	£14.00
Sales				£1,048.32	£1,568.00	£4,620.00	£3,439.80	£0.00	£1,092.00	£2,096.64	£1,568.00	£9,240.00	£5,159.70	£1,499.40	£2,184.00	£2,096.64	£1,568.00	£9,240.00	£5,159.70	£1,499.40	£4,410.00
Produce sold		Wholesale	30%	30%	0%	30%	30	0	30%	30%	0%	30%	30%	0%	30%	30%	0%	30%	30%	0%	30%
Produce price				£11.00		£9.00	11		11	£11.00		£9.00	£11.00	£0.00	£11.00	£11.00		£9.00	£11.00	£0.00	£12.00
Sales				£380.16	£0.00	£1,620.00	£1,247.40	£0.00	£396.00	£760.32	£0.00	£3,240.00	£1,871.10	£0.00	£792.00	£760.32	£0.00	£3,240.00	£1,871.10	£0.00	£1,620.00
Totals				**£1,428.48**	**£1,568.00**	**£6,240.00**	**£4,687.20**	**£0.00**	**£1,488.00**	**£2,856.96**	**£1,568.00**	**£12,480.00**	**£7,030.80**	**£1,499.40**	**£2,976.00**	**£2,856.96**	**£1,568.00**	**£12,480.00**	**£7,030.80**	**£1,499.40**	**£6,030.00**

GENERAL CROP COSTS

Direct costs (whole holding)

	YEAR 1	YEAR 2	YEAR 3	Notes / Assumptions
Seeds veg	£400	£650	£650	
Seeds green manure	£64	£64	£64	
Garlic bulbs	£250	£0	£0	10% of each crop will be saved for the next years planting
Asparagus	£1,000			
Mushroom spawn	£1,800	£1,800	£1,200	70% of spawn produced on-site, 30% bought in, increasing in year 3
Supplementary fertilisers	£250	£200	£0	1st year initial comfrey planting. Year 3 starts using fertility from green manure ley
Manures/composts	£450	£450	£450	Green waste compost (PAS100)
Growing media	£700	£700	£700	Organic seed compost, wheat bran for sawdust mix, sawdust is free to take
Modules/Pots	£220	£25	£25	Initial outlay for modules/pots/trays
Trees	£500			Trees for mushroom woodland and herbal trees
Worms	£30			
Totals	**£5,664**	**£3,889**	**£3,089**	

OVERHEADS

	Year 1			Year 2			Year 3		
	Description	Cost	Notes	Description	Cost	Notes	Description	Cost	Notes
Labour				Wages for regular FT worker @ £8.50 p.h.	£18,360	Assuming 49 weeks per year	Wages for regular FT worker @ £8.50 p.h.	£18,360	Assuming 49 weeks per year
			No wages taken for 1st year	Wages for supplementary worker @ 10 p.h.	£1,960	Assuming 4 hours per week	Wages for supplementary worker @ 10 p.h.	£1,960	Assuming 4 hours per week
	Total Labour Costs	**£0**		**Total Labour Costs**	**£20,320**		**Total Labour Costs**	**£20,320**	
Land	ELC charge / Land rent	£6,600	£1,200 + 12 months @ £450	ELC charge / Land rent	£1,200	£1,200 monitoring fee, it is assumed the proprietors would pay the land rent from their wages	ELC charge / Land rent	£1,200	£1,200 monitoring fee, it is assumed the proprietors would pay the land rent from their wages
Protected cropping	Maintenance	£100	General maintenance	Maintenance	£100	General maintenance	Maintenance	£100	General maintenance
Container maintenance	Sterilising / repairs	£50		Sterilising / repairs	£25		Sterilising / repairs	£25	
Equipment & Tools	General repairs and maintenance	£50		General repairs and maintenance	£50		General repairs and maintenance	£50	
Vehicle Insurance	NFU	£200		NFU	£200		NFU	£200	
Fuel	Diesel for deliveries	£1,500		Diesel for deliveries	£1,500		Diesel for deliveries	£1,500	
Water	Shared bore hole	£1,000		Shared bore hole	£1,000		Shared bore hole	£1,000	
Electricity	Air conditioning in rare times and irrigation	£1,000		Air conditioning in rare times and irrigation	£1,000		Air conditioning in rare times and irrigation	£1,000	
Other costs	Organic certification fee	£460		Organic certification fee	£460		Organic certification fee	£460	
	Telephone	£264		Telephone	£264		Telephone	£264	
	Website / Marketing	£250	Setting up in-house	Website / Marketing	£120	Setting up in-house	Website / Marketing	£120	Setting up in-house
	Mushroom processing equipment	£400		Mushroom processing equipment			Mushroom processing equipment		
	Accountancy	£69	Using quickfile online accounting, yearly fee	Accountancy	£69	Using quickfile online accounting, yearly fee	Accountancy	£69	Using quickfile online accounting, yearly fee
	Packaging	£2,000		Packaging	£2,000		Packaging	£2,000	
	Insurance	£60	Public liability	Insurance	£60	Public liability	Insurance	£60	Public liability
Total Overheads		**£13,543**			**£27,908**			**£27,908**	

DEPRECIATION

Investment costs - Protected cropping	**Costs**	**Area**	**Years to spread cost**	**Cost per year**
Large tunnel polythene cover	£400	180	10	£40
Small tunnel polythene cover	£100	51	10	£10
Irrigation pump and tank	£200		10	£10
Total Cost	**£500**			**£60**
Investment costs - Outdoors	**Costs**		**Years to spread cost**	**Cost per year**
Mower	£500		10	£50
Garden hand tools	£200		10	£20
Sundries (covers / mesh)	£100		10	£10
Mushroom shed	£1,000		10	£100
Modified insulated shipping container	£3,000		10	£300
Total Cost	**£4,800**			**£180**
Total Depreciation				**£240**

Starting balance	Year 1	Year 2	Year3
£ 17,000	£ 8,165	£ 4,539	£ 4,767

Profit & Loss	Year 1	Year 2	Year3
	-£ 4,035	-£ 3,626	£ 228