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Floyd Boulevard Local Foods Market

**Business Plan
2008**

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Floyd Boulevard Local Foods Market Five Year Business Plan

Executive Summary

Floyd Boulevard Local Foods Market, located on 5th and Floyd in Sioux City, IA, is a local food system developed and created in 2004 to promote and market local, sustainable, organic and humanely raised food and specialty products to Siouxland consumers. This project was started May 15, 2004 as volunteer group of people operating under a non-profit entity called Sustainable Foods For Siouxland. SFFS is currently a 501(c)3 non-profit entity that owns all the buildings, equipment, furniture, supplies and other assets. FBLFM leases, with option to buy, all the assets required to conduct daily business activities from SFFS. A 7-member board of directors operates FBLFM with the intention to become a producer cooperative in the near future, participating in various marketing programs. FBLFM has four profit centers: Farmer's Market, where producers rent space and sell directly to the consumer; a brokerage service for wholesale outlet; a food processing entity; and Firehouse Market, an organic and local food store.

FBLFM targets producers in a 100-mile radius of Sioux City with the goal of providing year round sales for their products. FBLFM will focus on local production unless the supply is less than the demand, then it will import from outside the area to fill this demand until the local producers can meet the demand. FBLFM will implement activities and educational programs to promote the awareness of the health benefits of proper food nutrition and the economic impact of purchasing locally produced products. We are promoting the community aspect of the food system through a strong patron system very similar to area arts associations, utilizing a grassroots campaign to add strength and credibility to our venture. FBLFM will become a national example of community support for the local food system. We will be progressive in our marketing efforts, provide excellent facilities, and focus on effective management of our resources.

Cultural Environment

Mission Statement

Floyd Boulevard Local Foods Market will provide a financially viable alternative food system that creates profitable producers and provides Siouxland area consumers a consistent availability of local, sustainable, organic and humanely raised food system in a community environment.

Goals

- Create community destination for local consumers, area producers and area visitors by providing excellent products, entertainment and a wholesome family atmosphere.
- Sell and promote local, sustainable, organic and humanely raised products and services.
- Educate the area producers and consumers on the value of local agriculture and specialty products.
- To provide a positive work environment for our members.

- To be a regional leader with innovative products and services, becoming the first choice for area producers and consumers.
- Develop trusting relationships between the producers and consumers through honesty, transparency and personal contact.

Objectives

- Create a financially viable organization through fund raising, grants and operational revenue. Floyd Boulevard Local Foods Market should be self-sustaining (via operations) by November 2010.
- Develop and implement a marketing plan, with multiple phases to understand the needs of our customers by analyzing the trends of the industry for the Farmer's Market, the brokerage, the processing entity and the food store.
- Expand the FBLFM weekly customer base from 500 customers in 2005 to 2000 customers in 2010, locally and regionally, through collaboration with other food service businesses, utilize cross promotion opportunities, participate in community events, create specific promotions and catering services, implement promotions utilizing electronic media for newsletters and informative web site and continuously provide cultural and educational activities to promote a local, healthy food system.
- Expand the local food store sales from \$38,000.00 in 2007, with increases to \$500,000.00 in 2010. This will be accomplished with providing the consumer with the expected amenities in a modern food store environment. The food store will expand the delicatessen selection as the consumer demands warrant.
- The Farmer's Market vendor participation will increase from 24 in 2006 to 30 in 2007; 40 in 2008 and 50 in 2009. The gross sales at the market will grow from \$100,000.00 in 2006 to \$910,000.00 in 2010. As the customer numbers increase to 2000 a week, the demand will drive producers to produce the product.
- The brokerage will reach sales of \$160,000.00 / year in 2010. FBLFM will receive 10% income, or \$16,000.00, from the sales of the cooperative member's product.
- FBLFM processing division will grow from \$15,000.00 in sales for 2007 to \$225,000.00 in 2010.
- A distribution system will develop a "pick and drop" method to deliver and pickup product in NE, SD, ND, MN and IA. Delivering a consistent supply of local foods will meet consumer demands. This system should be in place by late 2009.

Values

- Provide solid community support for local, organic, sustainable and humanely raised food.
- Operate business with integrity and be accountable through honesty and transparency regarding the creation and sale of the products.
- Maintain consumer trust from our high quality products with conscientious efforts in food safety through continued implementation of progressive procedures and safety practices.
- Provide a venue for area producers to achieve profitability for their efforts.
- Respect our employees, members and volunteers, appreciate their abilities and build cooperation and ownership within the organization.

Vision Statement

- Self-sustaining market that improves quality of life by enhancing a sense of community, increases nutrition with healthy foods and provides educational and economic benefits to the participants.

Business Environment

Research has shown the average consumer spends \$2,500.00 per year on groceries. This same research show a breakdown of \$465.00 per year on fruits and vegetables, \$245.00 per year on dairy products, \$825.00 pr year on meat products, \$340.00 on grain products (bread, cereal, staples like sugar, flour) and \$625.00 on non food items (paper products, cleaning supplies, personal hygiene).

The current trends are showing an increase in fruit and vegetable purchase and less meat purchase.

Source: USDA, Woodbury County

The urban markets are showing an increase in food purchase from farmers markets and specialty food stores such as Whole Foods and Wild Oats. Current research shows 45% of consumers have purchased organic food products in the last six months. Organic food sales have increased 20% annually for the past 5 years. Organic food sales now account for almost 7% of the total food sales in the United States. Considering the total food expense in the United States is \$444 billion, the organic food industry is receiving \$31 billion.

Source: Organic Trade Ass. 2004

The consumer is becoming conscious of local, organic and nutritious food. If the local market can attract just 1% of the Siouxland population it would result in 1500 customers at the market. The income result would be anywhere from \$23,800.00 to \$54,100.00 per week in gross income. The gross annual income estimate by 2008 could be \$2.8 million, with projections to reach \$14 million before 2014. This income will stay in Siouxland and become an economic impact with real consequences.

Market Trends

Customer needs and concerns in the food industry constantly change. Trends and demands warrant constant monitoring to keep pace with new products and services.

1. Family needs changed from purchasing large amounts of produce for fresh eating and processing to purchasing small amounts of produce for fresh eating. Now needs require frequent purchasing with little demand for home processing. A consumer will purchase a product in small amounts more often to assure freshness and quality.
2. Consumer needs have created a demand for high quality value-added products.
3. Consumer demands safe products grown and produced with high standards.
4. A growing number of consumers demand healthy, organic, local food. They want to know how, when and where their food originated. They are aware most food travels an average of 1500 miles before purchase. They want a relationship with the producer and / or supplier.
5. Innovative marketing to provide time saving meals, healthy alternatives to processed foods and access to new vegetable and fruit varieties continues to grow.
6. Institutions and food service industries are responding to consumer awareness and demand for local, organic and humanely raised food with increased purchasing and availability.

Market Segment Growth

The industry consists of six segments (1) the wholesale food broker/distributor (2) the “club membership” high volume store (3) the chain grocery store (4) the franchise convenience store (5) the independent specialty products store (6) regional farmer’s markets and produce stands

1. The wholesale broker / distributor such as Sysco and Food Service of America, control the food distribution in all institutions such as hospitals and schools. The convenience, product availability and price are major marketing strengths. The current trends continue to indicate the industry will dominate the market to service the fast food industry, the restaurants and institutions. This segment of the food industry controls 40% of the consumer’s food purchasing dollar in 2005.
Source: USDA, Woodbury County
2. The “club membership” high volume stores like Sam’s Club and Costco are targeting the consumer who is extremely cost conscious. The club fees create a loyalty to shop at the stores since you are investing to get lower prices. This consumer does not relate to any reason other than cost of product. The demographics of this consumer is less educated, strong preference to processed foods, no correlation with food and health, small independent businesses such as bar and grill operations and median incomes of \$26,000.00 to \$55,000.00 per year. The stores seldom purchase local products, they are stand alone operations with a small snack bar type of food service, operate on 3% to 16% margins and maintain facilities in a warehouse environment. This type of store controls 16% of the consumer’s food purchasing dollar in 2005.
Source: Warehouse Club Industry Guide, 2005

3. The traditional grocery stores in our region are HyVee, Cub Foods, WalMart SuperCenter and Fairway. They promote convenience, provide multiple services for the consumer, are expanding the processed / ready to serve food, increasing health food and organic categories and provide many easy to access locations. They can appeal to value conscious consumers with timely promotions. The consumer is a broad cross section of the population with emphasis on the \$25,000.00 to \$65,000.00 per year income segment. The stores have the largest selection of products available, they display an excellent ability to analyze and react to consumer trends and will purchase locally when it is to their benefit. The operations offer excellent hours and multiple payment options, i.e. credit cards, debit cards, checks. The employees lack expertise in the products being sold. The majority of the stores are stand-alone operations which maintain excellent facilities, many of the operations have cafeteria style restaurant on the premises, with the store margins from 4% to 20%. This type of operation controls 41% of the consumer food-purchasing dollar in 2005.

Source: Warehouse Club Industry Guide 2005

4. The franchise convenience stores in our region are Casey's, Pump n Stuff, Stop n Go. They promote convenience, with multiple limited services and products. Their market share in the food dollar is the low-income consumer. The selection and price are high but the location and hours of operation are the asset. The operations are expanding into the fast food industry and the margins are 15% to 45%. This type of store controls 1% of the consumer food-purchasing dollar in 2005.

Source: National Ass. for the Specialty Food Trade 2004

5. The independent and franchise specialty food stores in our region are BreadSmith, Panera, MeadowSweet Natural Health Market, Hutterite Prairie Market. These stores specialize in specific products and target very specific segments of the consumer. These stores appeal to consumers seeking quality products, uniqueness of the products, healthy organic food alternatives, are attracted to the benefits of the product and are not concerned about the price of the product. Generally these stores are located in urban and suburban areas but some are starting to locate in mid size population areas in recent months. These stores are located in shopping centers or in the new shopping villages. The store margins are generally 35% to 55% and targets about 1% of the consumer food dollar in 2005.

Source: National Ass. for the Specialty Food Trade 2004

6. The farmer's market or local produce (meat) stand is an operation usually composed of independent producers cooperating to create a market to sell their products directly to the consumer. The consumer is looking for local products, transparency in production practices, and a relationship with the producer with extremely high quality products. The seasonal availability and the number of producers participating in the market control the selection and price. The customer demographics are highly educated, \$40,000.00 to \$90,000.00 per year income, health conscious families that appreciate the value of quality, local food supply. The consumer understands the relationship between eating healthy, sustainable food and future health consequences. These consumers also understand the economic and social value of supporting local producers and businesses. The locations of the markets are generally in a centralized area of mid size towns and large metropolitan areas. Markets are more successful in urban areas, but with proper management and promotion, many operations are able to attract a segment of the population to have a sustainable customer base to support many producers. The profit margins vary from 15% to 80%, depending on the pricing strategy of the producer. The farmer's market targets 1% of the consumer food dollar in 2005.

Source: USDA Agricultural Marketing Service 2004

Consumer Behavior

Consumers purchase 57% of their food from the traditional supermarket and /or club store. The food service industry which provides ready to serve (take-out) and served food is currently receiving 40% of the consumer food dollar. The remaining 3% of the consumer food dollar is spent in specialty food outlets such as convenience stores, specialty shops and farmers markets.

The average farmer’s market consumer is affluent, female, highly educated, less than 50 years old. This consumer is making the purchase decision on three factors: freshness (local), flavor and nutrition. This consumer will purchase organic products when available, but convenience is very important. The decision to shop at a farmer’s market is based on the dependability of product availability and appearance of the facility. This consumer will not tolerate wasted time or dirty environments. When the product and facility meet expectations, this consumer will switch markets to purchase their food.

Source: State University of New Jersey, Rutgers

When considering the high percentage of food purchased already prepared, a facility catering to consumers who want this convenience should capture some of this market. Trends show an increase in demand for local, organic food served in restaurants and various facilities such as hospitals, assisted living homes and institutions. If the cost and availability can be negotiated properly, local producers should be able to capture a percentage of this market.

Competition in Segments

Local Competition	Strength	Weakness
Local Producer Markets	Local, Freshness, Atmosphere, Product Knowledge, Nutrition	Price, Inventory, Location, Seasonal, Payment Options
Sams Club	Price, Availability, Payment Options, Promotion	Location, Inventory, Customer Service, Atmosphere, No Specialized Products, No Local Products
HyVee, Cub Foods, Fairway	Price, Location, Inventory, Facilities, Traditional, Payment Options, Promotion	No Specialized Products, Limited Local Products, Freshness, Product Knowledge
Caseys, Stop n Go	Location, Marketing, Payment Options	Freshness, Inventory, Price, No Local Products, Customer Service
Panera, Breadsmith MeadowSweet Hutterite Prairie Market	Specialized Products, Facilities, Freshness, Marketing , Payment Options	Location, Price, Inventory

Regional Competition	Strength	Weakness
Suburban Producer Markets	Freshness, Atmosphere, More Producers, Relationship	Price, Inventory, Location, Seasonal, Payment Options
Whole Foods, Wild Oats	Price, Availability, Payment Options, Marketing, Variety	Location, Atmosphere, Product Knowledge
Food Coops, Community Supported Agriculture	Inventory, Relationship, Specialized Products, Freshness	Atmosphere, Variety, Price
Internet, Mail Order	Marketing, Payment Options, Inventory, Convenience	Freshness, Price, Limited Local Products

Market Segment Industry Forces

The Farmer's Market segment is an extremely fragmented industry consisting of independent producers working together to cooperatively sell directly to the consumer. Many operations are composed of a volunteer board of directors consisting of fellow producers, which governs the group with rules and regulations. Local economic development associations, chamber of commerce or city parks and recreation sponsor many Farmer's Market organizations. The producers pay a fee to sell their products at the market, abiding by the rules, hours and guidelines established the Farmer's Market board. The funds collected by the Farmer's Market board are used for promotion, site rental, insurance and other costs associated with successful markets.

Farmer's Markets are very active in promoting strong community values. They organize family oriented festivals, provide venues for area artist (visual and entertainment) to perform, create education forums promoting healthy lifestyles and eating habits and enhance local economic growth. Farmer's Markets are supported by a board of directors composed of members who are patrons of the market. This type of structure enhances the community involvement in the market and provides a strong link between the producers and consumers.

Since 1999, urban Farmer's Markets have seen an 80% to 100% increase in number of customers and gross revenue. The consumer tends to be female who is educated, has a higher income and buys products for her family with little concern for price. The major factors for her purchase are freshness, flavor and nutrition. Current research shows 45% of the consumers have purchased organic products in the last 6 months. Many consumers want a relationship with the producer to provide transparency of the food they are purchasing. The meat producer is experiencing a surge in consumers who want to know the source of the product, details of processing and assurance of the safety of the meat.

Source: State University of New Jersey, Rutgers

The rural and mid size cities (>200,000) are currently not experiencing this level of growth. Most recent research shows the growth 45% to 65% in sales and number of customers since 1999. When considering the slower consumer adaptability of rural residents, this growth is satisfactory. It would be reasonable to estimate the trend will continue to increase, considering the social publicity surrounding healthy nutrition and physical well being.

Source: USDA Agricultural Marketing Service

Successful Farmer's Markets have a strong management team, solid producer support, active community involvement and dedicated board of directors. When a Farmer's Market has sufficient number of producers to meet the demand of the consumers in a festive and clean environment, it will be successful. The key element is to stay focused on the needs of the customer, in a Farmer's Market it is the producer, who will then provide the requirements of the consumer.

The food distribution to institutions and restaurants is driven by consistent product availability, competitive prices and convenience. The industry is growing by 10% to 15% a year. The current trend is delivery to franchise restaurants, health care facilities, school districts and universities and government institutions. Many large food store operations are serviced by large distributors such as WalMart, Affiliated Foods, Super Value, HyVee, or Safeway. These stores currently control 90%+ of the market share in food store purchases. The remaining 10% is shared by convenience stores and specialty cooperative market stores. Many of these smaller stores are experiencing strong increase in sales over the last five years. They have consumer pressure to provide consistent local food products. This provides an opportunity to provide a service to process and deliver local foods to these consumers.

Local foods are gaining market share in the restaurant industry. The large metropolitan markets are showing large increases in consumer demand for food with farmer identification. As the availability of local foods increases, more consumers will demand the quality, safety and nutrition local foods offers. The demand is currently higher than the supply. The distribution system is the key to securing market share.

Company Description and Strategy

Floyd Boulevard Local Foods Market is a non-profit organization. A Board of Directors is responsible for the oversight of all operations described in the business plan. The members are elected by the producers belonging to the cooperative. The business structure is expected to evolve as the cooperative becomes established.

The current Board of Directors:

President:	Jen Boyle 99 Northshore Drive McCook Lake, SD 57029 Siouxland Friends and Neighbors La Leche League	Vice President:	Marvin DeBlauw 88625 335 th Street Hartington, NE 68739 Beef Producer
Secretary:	Rena Hebda 30661 444 th Ave Mission Hill, SD 57046 Grower, Producer	Treasurer:	Patrick Garrity 1505 JoLane Dr. Yankton, SD 57078
At Large:	Tim Woldt 5419 C Ave Marcus, IA 51035 Poultry Producer		

An 8,000 square foot building will house the Firehouse Market, banquet and meeting space, classrooms for nutritional education, and the offices for FBLFM (The West Building). This building is a former Sioux City Firehouse with two floors, brass fire poles, commercial kitchen and three large overhead doors in the fire truck entrance that front on 5th Street. The delicatessen and food processing facility will also be located be operating in this building.

A 12,000 square foot open space is the location for the outdoor farmers market in the spring, summer and fall. This space will be transformed with trees and a series of cast iron poles and arches, reminiscent of the 19th Century European urban public markets, into an outdoor seasonal farmers market. A 24,000 square foot open space on the north side of the warehouse is a new parking lot for 50 cars and will be used to conduct outdoor farmers market on Wednesdays and Saturdays.

FBLFM Employee Organizational Chart

The Market Board of Directors		
Executive Director		
Market Coordinator		Project Coordinator
Wholesale Broker	Food Store Manager	Food Processing Manager

The executive director reports directly to the Board of Directors. The department managers report to the executive director. Each department manager has a staff to conduct the tasks as needed by each department. All employees are responsible for the daily business activities related to operating a local food system as directed by the board of directors. The four segments of FBLFM are the Farmers Market, an organic, local food store, a local food brokerage and a food processing unit.

1. The Farmer’s Market is an opportunity for area farmers and specialty producers to sell their products to the public. FBLFM provides facilities, participation guidelines and rules, cooperative promotion and professional management. The farmers and producers must meet the criteria of “values added food”. The producer must commit to sustainable agriculture, typically measured by use of organic or other certifiable environmentally friendly growing practice, integrated pest management and humane production practices. All products offered for sale are of consistently high quality. Each farmer operates a small to moderate size farm as a family business or as a member of a cooperative. Each producer must demonstrate superior product knowledge and provide enhanced customer service to facilitate transparency of all production practices. Producers outside the 100-mile radius may participate in the farmers market (at the discretion of the market manager) if the product is unique and / or unusual and not available locally. FBLFM will strive to enhance overall product mix without creating excessive competition.

The farmer’s market had 16 fulltime producers in 2004, 21 in 2005 and 24 in 2006. The capacity at current time is 40 fulltime producers with the projected goal of 40 fulltime indoor producers and 50 seasonal outdoor producers.

2. An organic, local food store was established in 2006 to provide a continuous inventory of products when local produce is not available. The program will be operated through FBLFM, with careful attention not to create competition for local producers. The consumer is demanding a dependable inventory; therefore a balance needs to be achieved to meet this need if we are to be competitive. Products to be available are dry goods from small regional producers, produce not grown in the area, organic dairy products and value-added local products such as jams or salsas. A delicatessen will be added as consumer demand warrants the expansion. It will also offer related books, crafts, market bags and clothing to create a unique retail store environment.
3. The local food brokerage provides a single-point-of-contact, located in Woodbury County, interacts with food service contractors for availability, price, quality, presentation and delivery terms of all locally produced organic food. Woodbury County has set a policy to promote economic vitality, and public health and safety of its rural communities. The “Local Food Purchase Policy” is intended to increase regional per capita income, provide incentives for job creation, attract economic investment and promote health and safety of its citizens and communities. The broker will build relationships with area food producers and food contractors, utilize our food processing facility, facilitate appropriate education and training seminars, create production schedules and “contractor want lists” to meet food contractor requirements and expand the program to other area institutions and schools.

The local food brokerage will also utilize the “Sioux City Sue” branding to market all products grown in the Siouxland area. The product will be aggregated from several producers, graded to specifications, packaged in requested containers and delivered to the area grocery stores and other retail distribution outlets. All labeling will have the Sioux City Sue brand along with each individual growers identification.

4. A food processing facility will be created to meet the local institutional and wholesale purchasing requirements of specific crops presently grown (raised) successfully in our area. Institutions and wholesale entities requires the product to be frozen or other processed requirements, specific package size, guaranteed delivery time, specific velocity parameters and defined quality standards. A local “brand” (“Sioux City Sue”) is established to market value-added specialty products such as tomato sauces, salsas and fruit spreads. The processing facility will also be in a position to expand programs such as corporate promotions, customer service programs, Christmas gift program and internet / mail order sales. FBLFM will organize the local producers to grow (raise) product and provide the proper processing to meet the needs of the institutional purchasing department.

The Statement of Operations:

FBLFM									
Statement of Operations									
	2004 %of Sales		2005 %of Sales		2006 %of Sales				
Gross Sales	\$	34,261.00	100%	\$	109,578.00	100%	\$	48,175.00	100%
Cost of Goods Sold	\$	-	0%	\$	38,549.00	35%	\$	10,560.00	22%
Gross Profit	\$	34,261.00	100%	\$	71,029.00	65%	\$	37,615.00	78%
Selling Expense	\$	8,100.00	24%	\$	11,800.00	11%	\$	5,800.00	12%
General Expense	\$	23,494.00	69%	\$	81,249.00	74%	\$	75,060.00	156%
Net Income	\$	2,667.00	8%	\$	(22,020.00)	-20%	\$	(43,245.00)	-90%

FBLFM has struggled with insufficient funding in the first three years. Currently an extensive business analysis is being conducted. A study of the current financial status is the first step being taken. The second step is a breakeven analysis of all current and proposed operations. The third step needs to be management of profitable operations to create a positive cash flow, meet the needs of our consumer and achieve the goals and objectives FBLFM. The fourth step will be the identification of all capital improvements which must be made to the facilities, then establish a timeline based on projected income. Consumers require amenities such as a modern, clean shopping facility and good parking areas. The farmers and producers must be instructed to deliver a consistent product on a strict schedule. FBLFM must direct management to focus on profitability by increasing income from the operations, securing grant funds through SFFS and other supporting agencies, securing producer cooperative funds and loans, continue fund raising events and increase public awareness to support this endeavor.

Growth Strategy

Floyd Boulevard Local Foods Market has the potential to be regional leader, even national leader, in the local value-added foods system. The strong patron base is a good foundation to launch innovative ideas and competitive marketing programs to reach the area consumers. Siouxland area has over 150,000 people in a 30-mile radius with approximately 53,590 family units. This segment of our population will be the core of our consumer. This customer will shop two to four times a month. The total population in this area with income

over \$30,000 per year is 84,500 people, with 59,925 males and 24,225 females. The population in a 100-mile radius is over 300,000 people with approximately 92,910 family units. This customer will come once or twice a year for special events or specific products. This segment includes visitors from in-state or out-of-state. Source: Siouxland Chamber of Commerce

The farmer’s market is an important community aspect of our business and management must continue to enhance and promote this segment. The vendor fees will become a major source of income for the association, which currently contributes 21% to FBLFM. It is also the most visible to the public, creating the community environment we are striving to achieve in our goals. The annual gross revenue potential to this division if just 1% of the Siouxland food dollar is spent here would be \$2.8 million, with projections to reach gross revenues of \$14 million in seven years. Management needs to increase vendor participation in 2006 and reach capacity vendor participation by 2010.

The new divisions to FBLFM, an organic, local food store, local food brokerage and food processing entity would continue to provide opportunities to capitalize on the institutional, schools, government and other related consumers. The annual gross revenue spent in Siouxland on institutional food purchases is approximately \$14.6 million, with \$281,000 to Woodbury County alone. The potential of the new Woodbury County “Local Food Purchase Policy” is an excellent starting opportunity. As the program expands, the income will substantially contribute to the stability of FBLFM. Source: Woodbury County Economic Development

FBLFM producers cooperative will seek investors to reach a goal of \$3,000,000.00 to purchase the Sioux City Firehouse #3, the warehouse and the property adjacent to these buildings, fund renovation expenses, provide educational programs and establish an endowment of \$1,500,000.00. The location on 5th and Floyd in Sioux City is favorable for retail development. It will also provide motivation for other development to begin in the area. This funding will finance the building and property renovation costs; the processing equipment and installation; the food store fixtures and equipment and all campus renovations. Current potential loans and investments are non-government associations such as Sustainable Foods for Siouxland, Whole Foods, the FBLFM producer members, USDA cooperative incentive programs and local economical development programs. The board of directors is pursuing cooperative leading institutions and private investors seeking the next opportunities in the agriculture industry.

Five Year Expenses Report

Floyd Boulevard Local
Foods Market and
Sustainable Foods For
Siouxland
Year

	2004	2005	2006	2007	2008	2009	2010
<u>Expenses</u>							
Firehouse Building Purchase	\$-	\$-	\$-	\$-	\$-	\$275,000.00	\$-
Firehouse Restroom	\$-	\$-	\$5,000.00	\$-	\$-	\$-	\$-
Firehouse Electric Service	\$-	\$-	\$12,000.00	\$37,000.00	\$-	\$-	\$-
Firehouse 1st Floor Interior Renovation	\$-	\$-	\$-	\$37,500.00	\$10,000.00	\$-	\$-
Firehouse Exterior Renovation	\$-	\$-	\$-	\$-	\$-	\$65,000.00	\$-
Firehouse Heating and Cooling	\$-	\$-	\$-	\$-	\$-	\$60,000.00	\$-

Firehouse Kitchen Renovation	\$-	\$-	\$-	\$67,000.00	\$-	\$-	\$-	
Firehouse Kitchen Equipment	\$-	\$-	\$-	\$48,360.00	\$-	\$-	\$-	
Firehouse Elevator	\$-	\$-	\$-	\$-	\$-	\$67,000.00	\$-	
Firehouse Community Center 2nd Floor Renovation	\$-	\$-	\$-	\$-	\$-	\$31,000.00	\$-	
Firehouse Resource Center Materials	\$-	\$-	\$-	\$-	\$-	\$5,000.00	\$-	
Firehouse ADA compliance	\$-	\$-	\$-	\$18,000.00	\$-	\$-	\$-	
Warehouse Building Purchase	\$-	\$-	\$-	\$-	\$250,000.00	\$-	\$-	
Warehouse Electric Service	\$-	\$-	\$-	\$-	\$20,000.00	\$-	\$-	
Warehouse mechanical, electrical, plumbing upgrades	\$-	\$-	\$-	\$-	\$24,000.00	\$-	\$-	
Warehouse roof and insulation	\$-	\$-	\$-	\$-	\$36,000.00	\$-	\$-	
Warehouse window and door replacement	\$-	\$-	\$-	\$-	\$35,000.00	\$-	\$-	
Warehouse ADA compliance	\$-	\$-	\$-	\$-	\$11,000.00	\$-	\$-	
Warehouse interior/exterior finishes	\$-	\$-	\$-	\$-	\$45,000.00	\$-	\$-	
Warehouse heating and cooling	\$-	\$-	\$-	\$-	\$60,000.00	\$-	\$-	
Warehouse Exterior patio/deck	\$-	\$-	\$-	\$-	\$9,000.00	\$-	\$-	
Warehouse Food Store Equipment	\$-	\$-	\$-	\$-	\$100,000.00	\$-	\$-	
Warehouse Food Processing Equipment	\$-	\$-	\$-	\$-	\$30,000.00	\$15,000.00	\$15,000.00	
Warehouse Renovation Food Processing Facilities	\$-	\$-	\$-	\$-	\$25,000.00	\$-	\$-	
Total	\$-	\$-	\$17,000.00	\$207,860.00	\$655,000.00	\$518,000.00	\$15,000.00	\$1,412,860.00
<u>Campus</u>								
Upgrade North parking lot	\$-	\$-	\$-	\$70,000.00		\$-	\$-	
Create market courtyard	\$-	\$-	\$-	\$60,000.00	\$-	\$-	\$-	
Exterior lighting, signage, entry lighting	\$-	\$-	\$-	\$5,000.00	\$-	\$-	\$-	
Greenhouse, equipment, supplies	\$-	\$-	\$-	\$-	\$-	\$300,000.00	\$-	
Upgrade East driveways	\$-	\$-	\$-	\$-	\$10,000.00	\$-	\$-	
Upgrade employee parking	\$-	\$-	\$-	\$-	\$5,000.00	\$-	\$-	
Total	\$-	\$-	\$-	\$135,000.00	\$15,000.00	\$300,000.00	\$-	\$450,000.00
<u>Education</u>								
Community foods educational program	\$-	\$-	\$-	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	
Community gardens program	\$-	\$-	\$-	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	
Scholarships organic stewardship seminars	\$-	\$-	\$-	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	
Farmer outreach programs	\$-	\$-	\$-	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	
Grade school tours program	\$-	\$-	\$-	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	
Cooking classes	\$-	\$-	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	
Total	\$-	\$-	\$4,000.00	\$17,500.00	\$17,500.00	\$17,500.00	\$17,500.00	\$74,000.00

Grand Total	\$-	\$-	\$21,000.00	\$360,360.00	\$687,500.00	\$835,500.00	\$32,500.00	\$1,936,860.00
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Operations

Salary	\$12,000.00	\$36,000.00	\$52,750.00	\$200,000.00	\$260,000.00	\$280,000.00	\$320,000.00	
Payroll Expense	\$-	\$-	\$-	\$30,000.00	\$39,000.00	\$42,000.00	\$48,000.00	
Supplies	\$6,220.00	\$9,600.00	\$9,400.00	\$10,210.00	\$15,600.00	\$15,000.00	\$15,000.00	
Advertising			\$5,500.00	\$12,000.00	\$21,960.00	\$22,027.00	\$24,135.00	
Travel			\$2,750.00	\$4,160.00	\$12,000.00	\$5,000.00	\$6,000.00	
Frnt / Postage			\$380.00	\$1,200.00	\$6,000.00	\$1,700.00	\$2,000.00	
Insurance	\$75.00	\$1,140.00	\$1,250.00	\$2,000.00	\$6,000.00	\$5,500.00	\$5,500.00	
Utilities	\$894.00	\$10,805.00	\$4,610.00	\$11,700.00	\$13,200.00	\$13,460.00	\$22,300.00	
Acct/Legal	\$495.00	\$4,450.00	\$3,500.00	\$4,000.00	\$7,800.00	\$5,000.00	\$5,000.00	
Real/Personal Taxes			\$3,500.00	\$7,000.00	\$12,000.00	\$12,000.00	\$12,000.00	
Repair/Maintenance	\$200.00	\$6,500.00	\$3,000.00	\$4,100.00	\$4,800.00	\$5,000.00	\$5,000.00	
Misc			\$1,000.00	\$1,200.00	\$3,600.00	\$3,500.00	\$3,500.00	
Rent Firehouse				\$22,500.00	\$24,000.00	\$24,000.00		
Lease Payment					\$40,800.00	\$50,400.00	\$50,400.00	
Total	\$19,884.00	\$68,495.00	\$87,640.00	\$310,070.00	\$466,760.00	\$484,587.00	\$518,835.00	\$1,956,271.00

Grand Total	\$19,884.00	\$68,495.00	\$108,640.00	\$670,430.00	\$1,154,260.00	\$1,320,087.00	\$551,335.00	\$3,873,247.00
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Competitive Advantage

Floyd Boulevard Local Foods Market is in a position to be a regional leader as a progressive champion of the “values added local foods”. They will provide modern facilities to area producers to market their products. A well managed food brokerage and food store will be available to expand the market for area producers. The plan to create a food processing entity to utilize all seasonal production and add value through vertical integration will provide additional income for area producers. A focus on the gift industry will increase the profit margins and make efficient use of excellent quality products. The emphasis is to allow the producers to market their products at higher margins directly to the consumer. As the success rate increases, FBLFM will be the place for vendors to participate and increase their profitability. The growth potential for the brokerage and processing business units is very favorable. The forecast is to reach gross sales of \$1,500,000.00 in 2010 when the farmer’s market income is included. Our projections are gross sales of \$6,000,000.00 by 2014, with the brokerage and processing divisions gaining sales of \$3,000,000.00. FBLFM expects to have 75 producers in the cooperative by this time.

FBLFM
Pro-Forma Income Statement

	2007	% of Sales	2008	% of Sales	2009	% of Sales	2010	% of Sales
Gross Sales	\$ 295,000	100%	\$865,950	100%	\$900,500	100%	\$1,077,500	100%
Cost of Goods Sold	\$ 85,000	29%	\$368,798	43%	\$377,912	42%	\$456,783	42%
Gross Profit	\$210,000	71%	\$497,152	57%	\$522,588	58%	\$620,717	58%
Selling Expenses	\$ 11,000	4%	\$21,960	3%	\$22,027	2%	\$24,135	2%
General Expenses	\$ 255,000	86%	\$444,800	51%	\$494,700	55%	\$494,700	46%
Net Income	(\$56,000)	-19%	\$30,392	4%	\$5,861	1%	\$101,882	9%

Market Analysis

Competition in Segments

Local Competition	Strength	Weakness
Local Producer Markets	Local, Freshness, Atmosphere, Product Knowledge, Nutrition	Price, Inventory, Location, Seasonal, Payment Options
Sams Club	Price, Availability, Payment Options, Promotion	Location, Inventory, Customer Service, Atmosphere, No Specialized Products, No Local Products
HyVee, Cub Foods, Fairway	Price, Location, Inventory, Facilities, Traditional, Payment Options, Promotion	No Specialized Products, Limited Local Products, Freshness, Product Knowledge
Caseys, Stop n Go	Location, Marketing, Payment Options	Freshness, Inventory, Price, No Local Products, Customer Service
Panera, Breadsmith MeadowSweet Hutterite Prairie Market	Specialized Products, Facilities, Freshness, Marketing, Payment Options	Location, Price, Inventory

Regional Competition	Strength	Weakness
Suburban Producer Markets	Freshness, Atmosphere, More Producers, Relationship	Price, Inventory, Location, Seasonal, Payment Options
Whole Foods, Wild Oats	Price, Availability, Payment Options, Marketing, Variety	Location, Atmosphere, Product Knowledge
Food Coops, Community Supported Agriculture	Inventory, Relationship, Specialized Products, Freshness	Atmosphere, Variety, Price
Internet, Mail Order	Marketing, Payment Options, Inventory, Convenience	Freshness, Price, Limited Local Products

Local Competition	Opportunity	Threat
Local Producer Markets	Educate Nutrition Value, Provide Value-added Sales, Increase Vendor Participation, Provide	Lack of Sufficient Funding, Larger Producer or Cooperative Business Takeover,

	Professional Market Management	Poor Vendor Participation, Unsupported Goals and Values
Sams Club	Large Inventory, Beginning to Sell Organics	No Local Products, No Uniqueness
HyVee, Cub Foods, Fairway	Extremely Quick to Enter New Markets, Large Purchasing Power, Large Marketing Budget	Produce Quality Issues, Slow to Change Meat Standards, Operate on Low Margins
Caseys, Stop n Go	Location, Promotion Budget	Customer Service, Fuel Cost High Limits Other Spending
Panera, Breadsmith MeadowSweet Hutterite Prairie Market	Open 6 to 7 Days per Week, Can Be Local Products, Is Accepted as Small Producer by the Consumer	Diet Changes by Consumer, Improper Pricing Strategies, Incorrect Product Line

Regional Competition	Opportunity	Threat
Suburban Producer Markets	Close to Large Population Base, Support Large Vendor Numbers	Smaller Venues Offer Attractive Markets, Consumer Does Not Differentiate From Large Specialty Stores
Whole Foods, Wild Oats	Provide Farmers Market Quality in Supermarket Facility	Possible to Bring Food 1500 Miles and Maintain Quality
Food Coops, Community Supported Agriculture	Single Source for Foods Needs, Provide Local Economic Benefits	Crop Failures, Consumers Not Fulfilling Contract, Competition Increasing
Internet, Mail Order	Search Engines Make Connections Quickly, Consumers Utilize Service During Holidays	Visibility, Shipping Problems and Cost, Customer Service Problems

Marketing Strategies

The Fours P's (Product – Price – Place – Promotion)

Floyd Boulevard Local Foods Market will market the product as a “value-added” food system. The slogan “Healthy, Humane, Homegrown” will be utilized to explain our uniqueness and why our products are better than the competition. We believe the food system should be a community effort, with consumers developing relationships with their food producer. The benefits are numerous; greater safety in food products, higher quality, economic impact when dollars stay in the region, increased organic production in area fields and communities, increased efficiency regarding transportation expense and motivation to recruit the next generation of producers. Poet Wendell Berry calls this a “community of trust around food”.

FBLFM will receive income from services provided to make sales from the independent producers and the consumer. These services can be rental income, brokerage income, margins on cooperative marketing campaigns such as Christmas Gift Program and other endeavors as they present themselves.

FBLFM will conduct business at 5th Street and Floyd Boulevard. We have a warehouse and a Firehouse, a large courtyard area between the two buildings and a large parking lot to complete the corner lot. Facilities will

be expanded and improved to meet the goal of providing processing facilities, unique farmers market area, nice meeting rooms (library to facilitate life skills education) and sufficient parking for the consumers.

FBLFM will promote our “values-added” food system through a grass roots campaign. FBLFM has an active board of directors to provide help to get proper press releases, promote festivals, contact various organizations for financial support, create market membership program with newsletter about FBLFM, direction for the promotion budget and find ways deliver the food from the producer to the consumer, i.e. Harkin Wellness Grant program.

Target Consumers

Floyd Boulevard Local Foods Market will target 1% of the local food dollar spent in Siouxland. This figure is currently \$1.5 million. It is our intention to achieve this goal by 2010. The proceeds FBLFM will receive are \$1,077,500.00, with \$976,619.00 expense leaving \$101,881.00 net income. The target market is the consumer with \$30,000.00/yr. or greater income, advanced education, greater attention to food quality and safety, family oriented, enjoys the market atmosphere and is community conscious. The Siouxland area currently has 84,500 people in this income bracket, resulting in an average of \$45.00/person/yr. spending at the market. When 5,600 consumers spend \$500.00/yr. at Floyd Boulevard Local Foods Market, we will reach our \$1.5 million goal. The next goal will be 3% for the local food dollar, \$10.5 million, by 2012 and 5% of the local food dollar, \$17.5 million by 2016.

Position Statement

Floyd Boulevard Local Foods Market provides the freshest, tastiest, healthy local food available in the Siouxland area. It is the goal of producers to grow and process all food products in the healthy, humane philosophy this market is established to provide. Consumers, who appreciate quality food, enjoy home style cooking, like the market atmosphere and see the value in community support for our local producers, will enjoy the areas largest selection of locally produced products.

Floyd Boulevard Local Foods Market strategy is promoting products meeting our criteria of “Healthy...Humane...Homegrown”. Healthy is defined as organic or production practices with reduced risk inputs such as IPM programs. We are very transparent regarding the producers production practices. The consumer needs to know their farmer and establish a relationship with them. Humane is defined as fair treatment of livestock, poultry and other animals raised for consumption. All animals should be free range, pasture fed, no GMO feed and humanely processed. The other side of Humane is our ability to get this food to the underprivileged, through a foundation subsidy, producer benevolent program or another program. Homegrown is defined as products grown and/or produced within 150 miles of Siouxland. We want the product as fresh as possible, the economic benefit to stay in Siouxland and the transparency of production practices to be easy to verify.

Floyd Boulevard Local Foods Market provides farmers market vendor rental locations. A goal of 30 vendors to reach total of \$10,500.00 and one year-round vendor at \$4,500.00 will reach a total of \$15,000.00 for 2008. The plan is to increase year-round vendors, reaching a goal of \$114,750.00 in 2010. The food brokerage service is budget at \$2,000.00 in 2008 (10% fee) (\$20,000.00 gross sales); increasing to \$16,000.00 in 2010 (\$160,000.00 gross sales). The organic, local food store (provides a sales venue for members who cannot sell in person, provides a dependable source of products for year-round sales) is budgeted at \$250,000.00 in 2008 and \$400,000.00 in 2010. The food processing service will be operational in 2008 with a budget of \$65,000.00 and \$225,000.00 in 2010. FBLFM will actively pursue the gift box business during the Christmas holiday

season. We will sell both retail and wholesale to corporate and individual consumers. The budget is \$45,000.00 for 2008 and \$50,000.00 for 2010.

FBLFM will distribute the products at 5th and Floyd location. The Harkin Wellness Grant mobile market provides some satellite locations in surrounding communities in Woodbury County. The Gift Box program provides a mailing service and limited delivery in the Siouxland area. The food processing entity will allow sales to regional outlets such as, health food stores, restaurants, institutional sales and the gift box industry. As we process more products, our sales will be expanded to national region, selling to Whole Foods, Ball Foods, United Natural Foods and other national food retailers. The brokerage will coordinate growers to provide product (predominately fresh produce), aggregate the product, grade and package the product and develop distribution channels to deliver the product to area grocery stores and other retail outlets.

Floyd Boulevard Local Foods Market promotion strategy is a strong emphasis on the “Healthy...Humane...Homegrown” slogan. We will utilize the various medias to send the same message of “Get to know your farmer”, transparency in production practices, food safety, increased nutrition value for your dollar, continuing life-style education, “what you eat today is how you feel tomorrow” and “eat smart...be active”. A budget to establish itemized print, radio, television and promotional materials is implemented and will be reviewed monthly. FBLFM wants to be in front of the consumer at least three times a week, through paid advertising, press releases, association with other entities and promotional material. FBLFM will also partner with various organizations like the Iowa State Ext., Sioux City Health District and Food Bank of Siouxland to provide services and product to reach the consumer that need the products but do not have the resources to get them. FBLFM is a contact point when organizations are looking for resources regarding healthy, local food system. FBLFM has also created a consumer membership for the market, encouraging fund raising, promoting product lines, introducing market vendors, recognizing volunteers and many other facts.

Breakeven Analysis

<u>Year</u>	<u>Gross Income</u>	<u>Grants, Etc.</u>	<u>Total Income</u>	<u>Gross Expenses</u>	<u>Net Income</u>	<u>Breakeven Positive Number</u>
2013	\$ 6,250,000.00	\$ -	\$ 6,250,000.00	\$ 5,700,000.00	\$ 550,000.00	\$ 550,000.00
2012	\$ 4,850,000.00	\$ -	\$ 4,850,000.00	\$ 4,550,000.00	\$ 300,000.00	\$ 300,000.00
2011	\$ 3,100,000.00	\$ -	\$ 3,100,000.00	\$ 2,900,000.00	\$ 200,000.00	\$ 200,000.00
2010	\$ 1,890,000.00	\$ -	\$ 1,890,000.00	\$ 1,750,000.00	\$ 140,000.00	\$ 140,000.00
2009	\$ 1,077,500.00	\$ -	\$ 1,077,500.00	\$ 1,057,635.00	\$ 19,865.00	\$ 19,865.00
2008	\$ 868,750.00	\$ 15,000.00	\$ 883,750.00	\$ 857,538.00	\$ 26,212.00	\$ 11,212.00
2007	\$ 280,000.00	\$ 15,000.00	\$ 295,000.00	\$ 351,000.00	\$ (56,000.00)	\$ (71,000.00)
2006	\$ 19,040.00	\$ 29,135.00	\$ 48,175.00	\$ 99,970.00	\$ (51,795.00)	\$ (80,930.00)
2005	\$ 76,078.00	\$ 33,500.00	\$ 109,578.00	\$ 131,598.00	\$ (22,020.00)	\$ (55,520.00)
2004	\$ -	\$ 34,261.00	\$ 34,261.00	\$ 31,594.00	\$ 2,667.00	\$ (31,594.00)

Floyd Boulevard Local Foods Market Breakeven Analysis

Business Division as a Percentage of Facility Space

Business	Square Feet	% of Total	Amt. of Fixed Cost	% of Fixed Cost
Food Store	5000	28%	\$79,361.39	35 %
Processing Area	5000	28%	\$79,361.39	35 %
Offices, Library, Meeting Room	4000	22%	\$63,489.11	30 %
Total	18000	100%	\$222,211.00	100 %

Fixed Expenses	Dollars	% of Total	
Advertise	\$22,027.00	8%	
Fuel/Oil	\$3,700.00	1%	
Product Liability Insurance	\$1,500.00	1%	
Auto Payments and Insurance	\$6,180.00	2%	
Health Insurance	\$6,444.00	2%	
Interest Payment (a)	\$28,000.00	10%	
Equipment Payment (b)	\$40,000.00	14%	
Renovation Payment (c)	\$80,000.00	28%	a+b+c+d= \$198,000.00
Building / Land Payment (d)	\$50,000.00	18%	
Professional Services	\$2,000.00	1%	
Organization Dues	\$1,200.00	0%	
Repair & Maintenance	\$5,850.00	2%	
Supplies	\$4,000.00	1%	
Property Taxes	\$12,500.00	4%	
Property Insurance	\$6,000.00	2%	
Utilities	\$15,000.00	5%	
Total	\$285,701.00	100%	

FBLFM Break-Even Analysis

Profit Centers as a Percent of Gross Income

Product	Gross Dollars	Percent of Gross Income
Retail		
Food Store	\$ 297,500.00	36%
Vendor Rental	\$ 55,500.00	7%
Gift Boxes	\$ 50,000.00	5%
Total	\$ 403,000.00	48%

Wholesale

Food Brokerage	\$ 53,000.00	6%
Food Processing	\$ 377,690.00	46%
Total	\$ 430,690.00	52%
<hr/>		
Gross Income	\$ 833,690.00	100%

**Floyd
Boulevard
Local Foods
Market**

		<u>Process Product</u>				
Utilized	Quantity	% of Production	Income	Income / Unit	% of Inc	
Retail	6000	13%	\$ 59,940.00	\$ 9.99	16%	
Wholesale	36000	77%	\$279,000.00	\$ 7.75	74%	
Gift Boxes	5000	11%	\$ 38,750.00	\$ 7.75	10%	
Total	47000	100%	\$377,690.00	\$ 8.04	100%	
Expense	Amount	% of Expense	Cost / Unit	Net Income	% Return	Break- even Point Quart Jar
Fixed	\$ 79,099.00	26%	\$ 1.68			
Labor	\$ 69,000.00	23%	\$ 1.47			
Package	\$ 27,000.00	9%	\$ 0.57			
Cost of Goods	130,000.00	43%	\$ 2.77			
Total	\$305,099.00	100%	\$ 6.49	\$ 72,591.00	24%	37,967

**Expenses
For
Processed
Product**

	Cost / Quart	% of Expense
Container	\$ 0.45	7%
Label	\$ 0.12	2%
Process Labor	\$ 0.75	12%
Packing Labor	\$ 0.50	8%

Computer Labor	\$	0.20	3%
Cost of Goods	\$	2.80	43%
Fixed Overhead Costs	\$	1.68	26%
Total	\$	6.50	100%
Suggested Price	\$	8.13	

Food Store

Utilized	Quantity	% of Production	Income	Income / Unit	% of Inc
Retail	13000	90%	\$325,000.00	\$25.00	94%
Wholesale	1500	10%	\$22,500.00	\$15.00	6%
Total	14500	100%	\$347,500.00	\$23.97	100%

Expense	Amount	% of Expense	Cost / Unit	Net Income	% Return	Break-even Point
Labor	\$20,800.00	6%	\$1.43			
Purchase	\$243,250.00	71%	\$16.78			
Fixed Cost	\$ 79,099.00	23%	\$5.46			
Total	\$343,149.00	100%	\$23.67	\$4,351.00	1%	14318

Milestone Grid

Milestone	Start Date	End Date	Budget	Personnel
Promotion Campaign	1/1/08	12/31/08	\$10,000.00	Patrick Garrity
Pursue Competitive Grants Program	1/1/08	12/31/08	\$500.00	Patrick Garrity Donna Ruhland
Market Membership Campaign Newsletter, Signs, Mailing List	8/1/06	12/31/08	\$3,500.00	Patrick Garrity Aimee Washburn
Network Campaign	8/15/06	12/31/08	\$500.00	Patrick Garrity
Create Marketing/ Farmer Cooperative	2/14/07	7/15/09	\$5,000.00	Patrick Garrity
Retail Local Food Store	7/1/07	12/31/08	\$45,000.00	Patrick Garrity Dennis Schuett
Renovate Parking Lot	5/10/07	7/1/08	\$45,000.00	Patrick Garrity Dennis Schuett
Gift Box Program	10/1/08	12/24/08	\$5,000.00	Patrick Garrity
Begin Fresh Produce Brokerage Operations	5/15/08	11/1/08	\$5,000.00	Patrick Garrity Dennis Schuett
Begin Food Processing	08/1/07	3/1/09	\$35,000.00	Patrick Garrity Dennis Schuett
Great Places Campus Renovation Project	9/15/07	11/30/10	\$35,000.00	Patrick Garrity Dennis Schuett
Distribution Feasibility Study	5/15/07	12/31/08	\$32,000.00	Patrick Garrity

Floyd Boulevard Local Foods Market Contingency Plan

Difficulties and Risks:

- Lack of funding in first four years
- Maintaining steady growth with vendor retention and gift box program
- Cash flow during critical times
- Facilities maintenance and remodeling costs
- Management options to keep staff and volunteers focused on the important issues

Worst Case Risks:

Funding does not materialize
Lack of producer participation

Action Plan

To achieve the goals of the five-year plan, Floyd Boulevard Local Foods Market needs to complete the following projects:

1. Establish written protocol to keep all financial information correct and current in 2008.
2. Complete a breakeven analysis of all current and proposed operations. Make recommendations to remedy all areas not contributing to profitability. Implement all approved procedures in 2008.
3. Create a management team to address all recommendations set by the Board of Directors to reach positive cash flow, meet the needs of our customers and achieve the goals and objectives of FBLFM. Set timelines and budgets to meet expectations from the recommendations.
4. Review all capital facility improvements and set an implementation timeline based on cash flow.
5. Expand the farmer's market vendor participation from 25 in 2006 to 50 by 2010.
6. Create procedures and implement the food brokerage and the organic, local food store in 2008.
7. Create procedures and implement the food processing entity in 2008.
8. Implement continuing education seminars to promote the "values added food" concept to consumers. Create budget, timeline and procedure to meet the board of director's expectations.
9. Collaborate with businesses when both agree to achieve FBLFM core goals and objectives. Currently at three businesses, pursue five additional businesses in 2008.
10. Create a health and profit sharing benefits program for the employees when financially feasible.
11. Plan an exit strategy for management to implement when business conditions warrant action. A timeline should be established in 2008.

FBLFM must focus on the following critical success factors:

1. Provide quality vendors, products and facilities to meet the needs of our consumers.
(Operations)

2. Develop a unique atmosphere to promote the products and attract a larger share of the consumers.
(Marketing)
3. Provide excellent customer service.
(Customer base)
4. Develop and implement fiscal standards, proper meeting protocol, education objectives, adherence to our mission statement and clear, concise rules and regulations.
(Management)

Core Competence

Healthy, Humane, Homegrown. Local food you can trust at 5th and Floyd.

Providing Siouxland consumers with the education and facilities to promote “values added food”.