Orchard

Business Planning

Ross Wilson
AGFIRST
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Why Plan?

• Do you lie awake in the middle of the night thinking about your business?
• Do you get the feeling that you and your senior staff are lacking direction?
• Are you doing what you’re doing because that’s what you’ve always done?
• Are you regularly fire fighting?
• Is your financial situation under pressure?
• Could you be doing better?
What is a Business Plan

Business Planning is a structured process that puts down on paper “where you are, where you want to be and how you’re going to get there”.
Whos it for?

• Me
• Spouse
• Family
• Senior staff
• Consultant
• Banker
• Investors
• Key Stakeholders
Sporting Analogy

Game Plan

Business Plan
Focus Orchards Business Plan

• Vision and Objectives: where do they want the business to go
• Tactics: how does it get there
• Budget: What will it cost, is it financially good business.
Sunpeach Business Plan
1.1 Vision Statement

Sunpeach Orchard achieves a 10% ROI, is a leading example of modern fruitgrowing and is a enjoyable and sustainable environment to work and live.
1.6 → **SWOT**

**Strengths:** characteristics of the business, or project team that give it an advantage over others

- Joint skills of Ross and Howie
- Lower risk due to property spread
- Large network of industry contacts
- Good information systems

**Weaknesses** (or Limitations): characteristics that place the team at a disadvantage relative to others

- High-cost structure
- Small-scale
- Spread-out locations

**Opportunities:** external chances to improve performance (e.g., make greater profits) in the environment

- Improve variety mix
- P-Rose and P-Queen to Asian markets
- Lift 80% of the blocks to 80% upper quartile
- Increase scale
- Lower cost of production through better efficiency of labour and machinery
- Move to one location

**Threats:** external elements in the environment that could cause trouble for the business or project

- Hailstorm
- Marketer Financial Problem
- High long-term Forex rates
“SMART” Objectives

• Specific
• Measurable
• Achievable
• Relevant
• Time framed
Objectives

• To have exited standard Fuji production by 2013
• To have 70% of blocks achieving Upper Quartile Performance by 2013
• To bring production costs below industry average taking account of management wages during the 2013 season.
• Ross’s input to the orcharding business to drop to 83 hrs per year by 2014
• Purchase or lease a neighbouring block to increase productive area to 20ha by 2015
• Upgrade main tractor to be able to spray, mulch and load by winter 2013
• For the orchard, buildings and machinery to be kept in a tidy, well maintained state continuously
KPI’s

- Labour cost ~ weekly updates on labour costs per block from the AgFirst labour database
- Monthly Cashflow ~ Cash Manager Reports Actual against budget to be made available monthly.
- Annual Profitability ~ Benchmarked against the AgFirst MPI Industry database annually in May.
- Block performance ~ Regularly updated through OrchardNet and benchmarked against the OrchardNet HB Upper Quartile.
- Soil and Plant Moisture ~ Measured weekly with AgFirst HortWatch and Crop IR log
- Pest and Disease ~ Pipfruit NZ website to watch all infection risks, infection events, and spray timing for pests. Orchard walks as per the IFP manual for WAA, scale, bronze beetle, blackspot and powdery mildew.
- Fruit Size Gala and Jazz blocks to be measured weekly by AgFirst Hortwatch
- Regular market updates to be able to update OrchardNet budgets regularly.
2011
Rosy Glow
Australia
36 Blocks Assessed
Comparison: Type - Pink Lady
Actual industry costs and returns are not currently available for this year, so estimate values have been used.

chart by amCharts.com

<table>
<thead>
<tr>
<th>Rank</th>
<th>Block Name</th>
<th>Gross Kg per ha</th>
<th>Class 1 Kg per ha</th>
<th>Packout</th>
<th>Fruit Wt (g)</th>
<th>Income</th>
<th>Profit</th>
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<tr>
<td></td>
<td>Upper Quartile</td>
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<td>Average All</td>
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<td>Rosy Glow 07</td>
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<td>170</td>
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<td>64,800</td>
<td>90%</td>
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<td>56,250</td>
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5 → Plant & Machinery Resources

5.1 → Replacement and Maintenance Policy

Describe both the replacement and maintenance policies.

- MF185 ~ Hydraulics to be fixed winter 2012
- MF35X ~ Oil leaks to be fixed
- DB ~ Water leak and muffler to be replaced winter 2012
- Universal ~ Can fuming be lowered?
- Hydralada, cables and hydraulic motors
- THO wind machine ~ Maintain

Ultimately we need to replace the MF185 with a good 75hp narrow tractor that has forklift and mulching capability maybe 2013 if we make some money.
Envy M9 Block Planning

Block Notes:

add a year: 2010

Year Note

2013 Run top wire and attach tree to wire. Minimal prune, lift some lower branches, Aim for 11 fruit per cm2. GA4+7 for russet control 2 shots. Calibra 2 shots early, Chem thin with BA700/ANA10 mix. Good PM control, Control 2nd generation ALCM with Movento, keep irrigation going reg and often thru Nov and Dec. Spray with Captan phosgard and and autumn nutrition in the autumn

2012 Good crop, maybe slightly overcropped at 11/cm2. Apply Urea at budburst banded at 100kg/ha, GA4+7 for russet control 2 shots. Calibra shots early, Chem thin with BA700/ANA10 mix. Good PM control, Control 2nd generation ALCM with Movento, keep irrigation going reg and often thru Nov and Dec. Thin to 11 fruit/cm2. Keep on top of harvest to avoid calyx cracking. Spray with Captan phosgard and and autumn nutrition in the autumn

2011 No Oil. GA4+7 for russet control. Apply Urea at budburst banded at 100kg/ha, then again in late Oct. Chem thin with BA700/ANA10 mix then Carb. Calibra shots early, Control 2nd generation ALCM, keep irrigation going reg and often. Thin to 7 fruit/cm2. 1st pick a few days too late resulting in calyx end cracking
Envy Block Production vs Tree Age

Kg Per Ha Type - Envy

Sunpeach - Sunpeach Thompson - Envy M9

Round bullets indicate actual production. Square bullets indicate estimated production.

chart by amCharts.com

- Database Average Gross Kg/ha
- Database Upper Quartile Gross Kg/ha
- Envy M9 Gross Kg/ha
- Envy M9 Class 1 Kg/ha
**Thinning Report**

**Season Ending 2013**

<table>
<thead>
<tr>
<th>Blockname</th>
<th>Ssn</th>
<th>Gross Kg/ha</th>
<th>Class 1 Kg/ha</th>
<th>Fruit Harvested Weight (g)</th>
<th>TCA Harvested Fruit /Tree</th>
<th>Tree Pickout %</th>
<th>Target Fruit/Tree post-thin</th>
<th>Actual Fruit/Tree pre-thin</th>
<th>Actual Fruit/Tree post-thin</th>
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<tbody>
<tr>
<td><strong>Sunpeach Thompson</strong></td>
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<td>2.3</td>
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Orchardnet® is a product of AgFirst

Phone: 646 872 7080
The resources are there for you free.

1. Business Planning Notes
2. Orchard Business Plan Template
3. OrchardNet

All you need is your teams minds, and someone who can write it down.

It will make a difference!