



Preparing for Scaling Up

ABOUT GRINNELL HERITAGE FARM



Owned and operated by Andrew & Melissa Dunham

Andrew became interested in pursuing a career in local agriculture as an agricultural extension officer serving in the Peace Corps in Tanzania, East Africa. Andy studied Animal Ecology at ISU. He handles most of the planning, planting, transplanting, and manages the work crew while weeding, harvesting, and washing.

Melissa studied accounting at St. Catherine University in Minnesota. She handles the accounting, website, marketing, customer service, human resources, logistics, and many of our farmers markets.



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It's a Family Affair...

Collin lends a hand where needed all summer. One of his favorite tasks is packing CSA boxes while dancing. He is also in charge of mowing the lawn and tending to his little sisters when needed.

Emma, now six, and an experienced farmer, Emma enjoys cleaning irrigation parts, planting head lettuce and packing CSA Shares.

Little Leonora, loves to eat as many veggies as possible!

Aunt Janet, born and raised in Grinnell, has been an avid gardener her whole life. Janet is our primary hand weeder which enables us to harvest greens in a timely fashion. She also helps keeps tabs on Emma and Leonora.

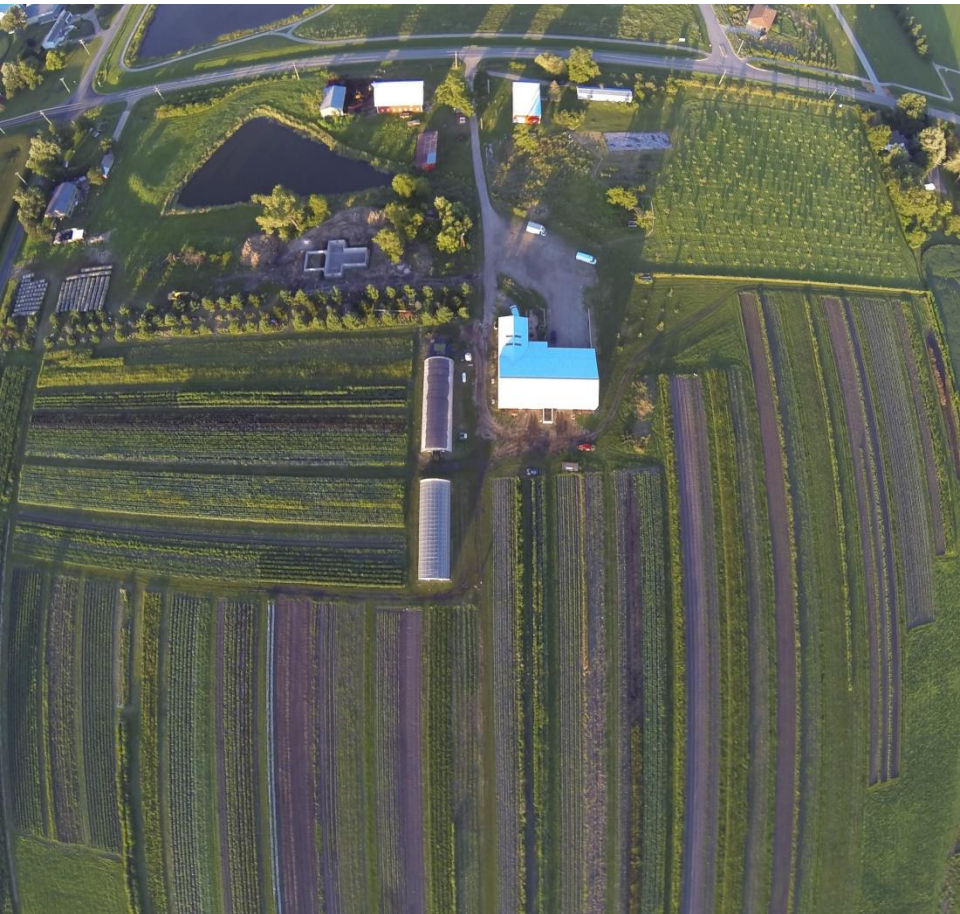


Our Farm – A Birds Eye View



Our Mission:

To farm our land in a way that will leave it better for the next generation.
Giving our children, grandchildren, and beyond the opportunity to harvest
the bounty we see on the farm today.



ABOUT GRINNELL HERITAGE FARM



Where We Sell Our Products:

1) CSA Shares

2) Farmer's Markets

- ~ Iowa City – Saturday
- ~ Cedar Rapids – Select Saturdays
- ~ Des Moines -- Saturday

3) Wholesale

- ~ New Pioneer Food Co-op
- ~ Gateway Market
- ~ Whole Foods Market

4) Meat

- ~ Chicken
- ~ Beef



Some Considerations When Scaling Up



Equipment/capital improvements:

Are we buying equipment that will still be useful if we scale up?

Are the capital improvements scalable or will they become obsolete?

Can we manage the equipment and put it to profitable use?

Gross revenue: Can we cash flow any expansion plans?

What is our projected income if we scale up?

What are market limitations?

Loans: Can we cash flow loan payments?

Are we borrowing money to purchase depreciable assets like equipment?

Reasons for scaling up (or not): Where do we want our farm business to end up?

What kind of income do we need to live? Save? Retire?

Do we possess the ability to manage this? Labor? Weight of product? Financials?

Our Scaling Up Story

2007-09 3-5 acres

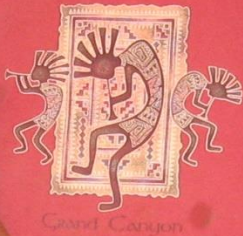


- **Equipment/capital improvements:**
 - 30 x 45 packing shed, 45 hp tractor, rototiller, bush hog mower, Earthway seeder, European push seeder, manure spreader, underminer, potato digger, 10 x 12 walk in cooler, Econoline E250 cargo van, irrigation pond and equipment, 30 x 96 greenhouse
- **Gross revenue:**
 - \$45,000-120,000
- **Loans:**
 - Some from family, a startup loan from a bank
- **Reasons for scaling up:**
 - planned from outset, not large enough for economies of scale, not profitable enough to provide adequate personal income











Our Scaling Up Story

2010-11 11 acres



Equipment/capital improvements:

Williams tine weeder, barrel washer, raised bed shaper/plastic mulch layer, water wheel transplanter, Farmall 140 cultivating tractor, 3 pt. spreader, Isuzu NPR refrigerated truck, 50 hp tractor, 30 x 96 cold frame

Gross revenue: \$200,000-\$250,000

Loans: financed the tractor

Reasons for scaling up:

planned from outset, still not large enough for economies of scale, not profitable enough to provide adequate personal income



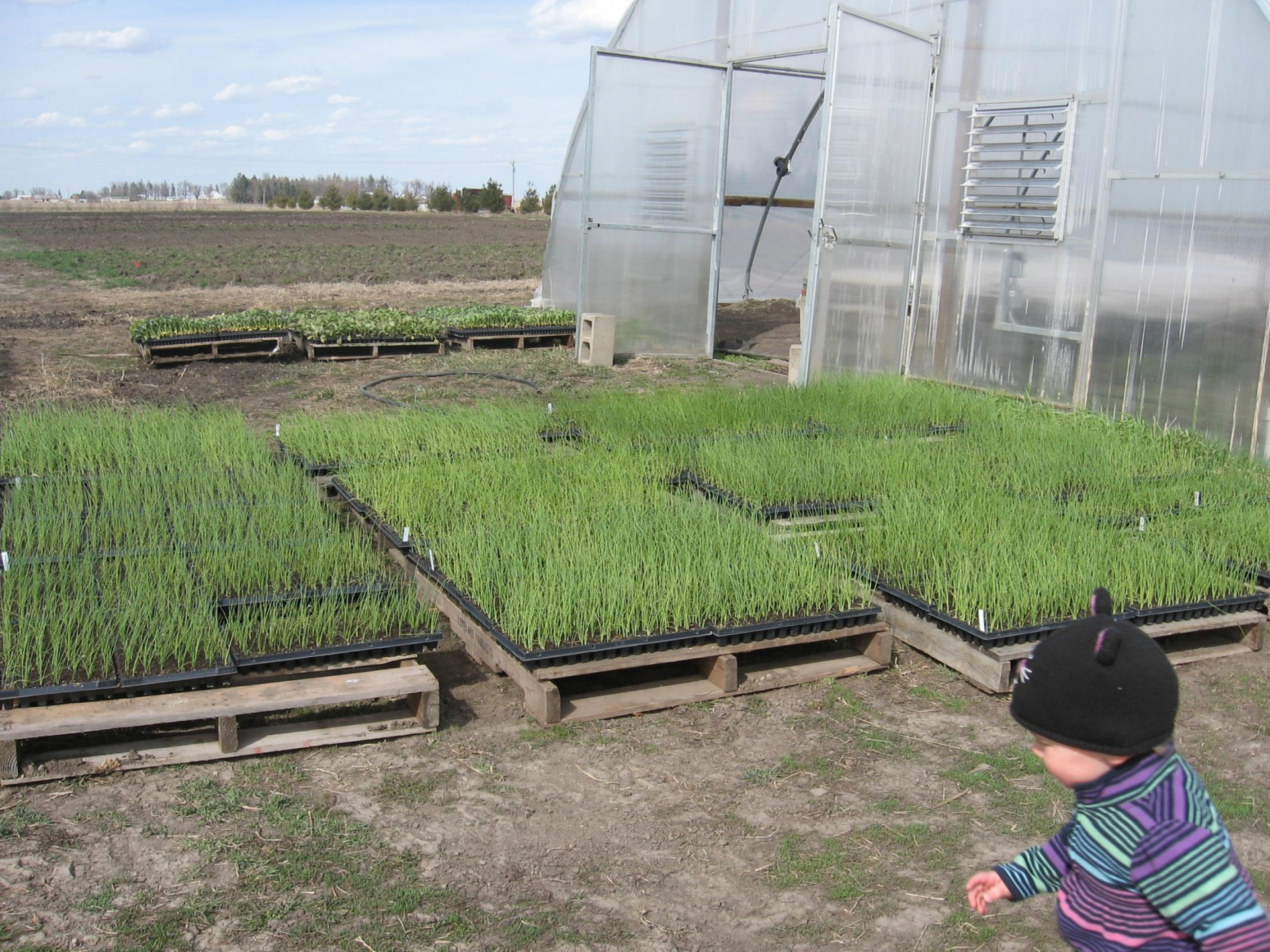
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Our Scaling Up Story

2012-15 20-22 acres



Equipment/capital improvements:

50 x 100 packing shed addition with loading dock, brush washer and sorting table, 18 x 43 two chamber walk in cooler, stainless dunk tanks, disc, finish mower, vegetable conveyor, Stanhay seeder, 3 pt. boom sprayer, 55 hp tractor, Sprinter delivery van, bale grinder

Gross revenue: \$350,000-450,000

Loans: bank for packing shed, FSA for cooler, financed tractor and Sprinter

Reasons to scale up in future:

increase mechanization, possibly improve profitability, ability to hire middle management, tax savings with expansion

Reasons not to scale up in future:

risky, more management needed, could require more labor























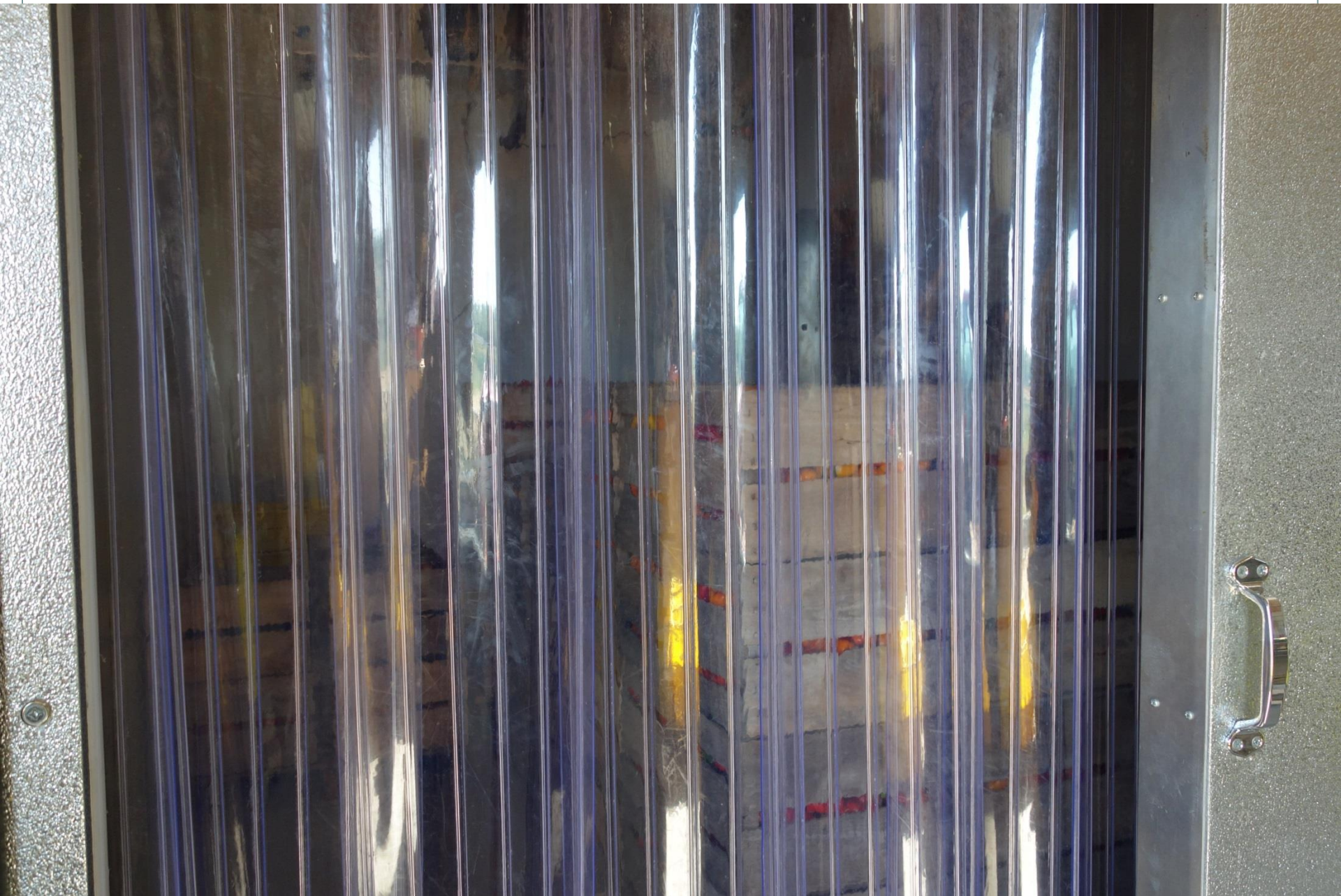
















CSA

onions
garlic
potatoes
rosemary

- * sun gold
- * strawberry
- + tomatoes



















IOWA FARM ENVIRONMENTAL LEADER AWARDS





Contact Us:
www.GrinnellHeritageFarm.com