

STRENGTHEN FARM-TO-COMMUNITY

Unlock regional potential through targeted warehouse development

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AGENDA

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Current State vs Future State

What is TGA's current operational state, and how will a new warehouse enhance its future capabilities?

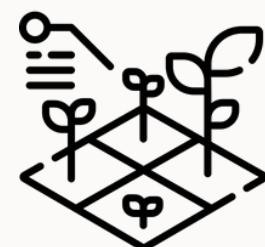
Determine the optimal location for a new warehouse across the selected five counties.



Current State

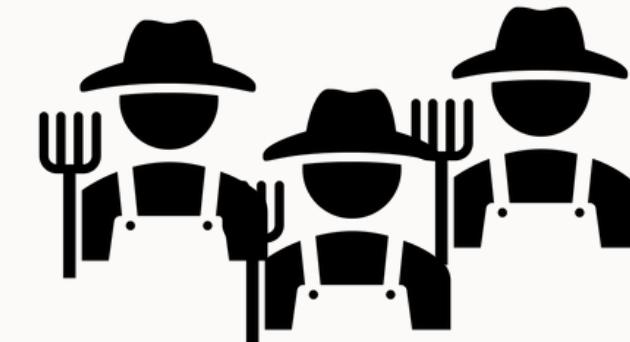


Works with 150+ farmers, concentrated in Hennepin, Washington, and Anoka counties.

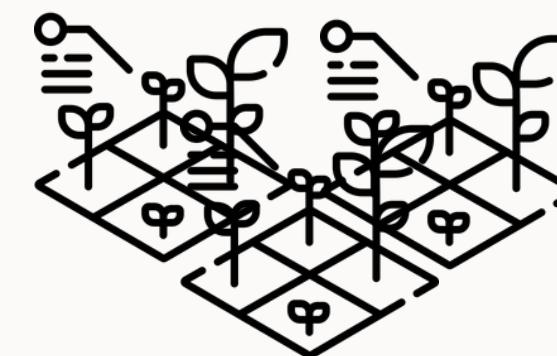


Crops are the main contributor towards organization revenue.

Future State



The selected county is poised to expand agriculture, grow farmer numbers and **higher productivity**.

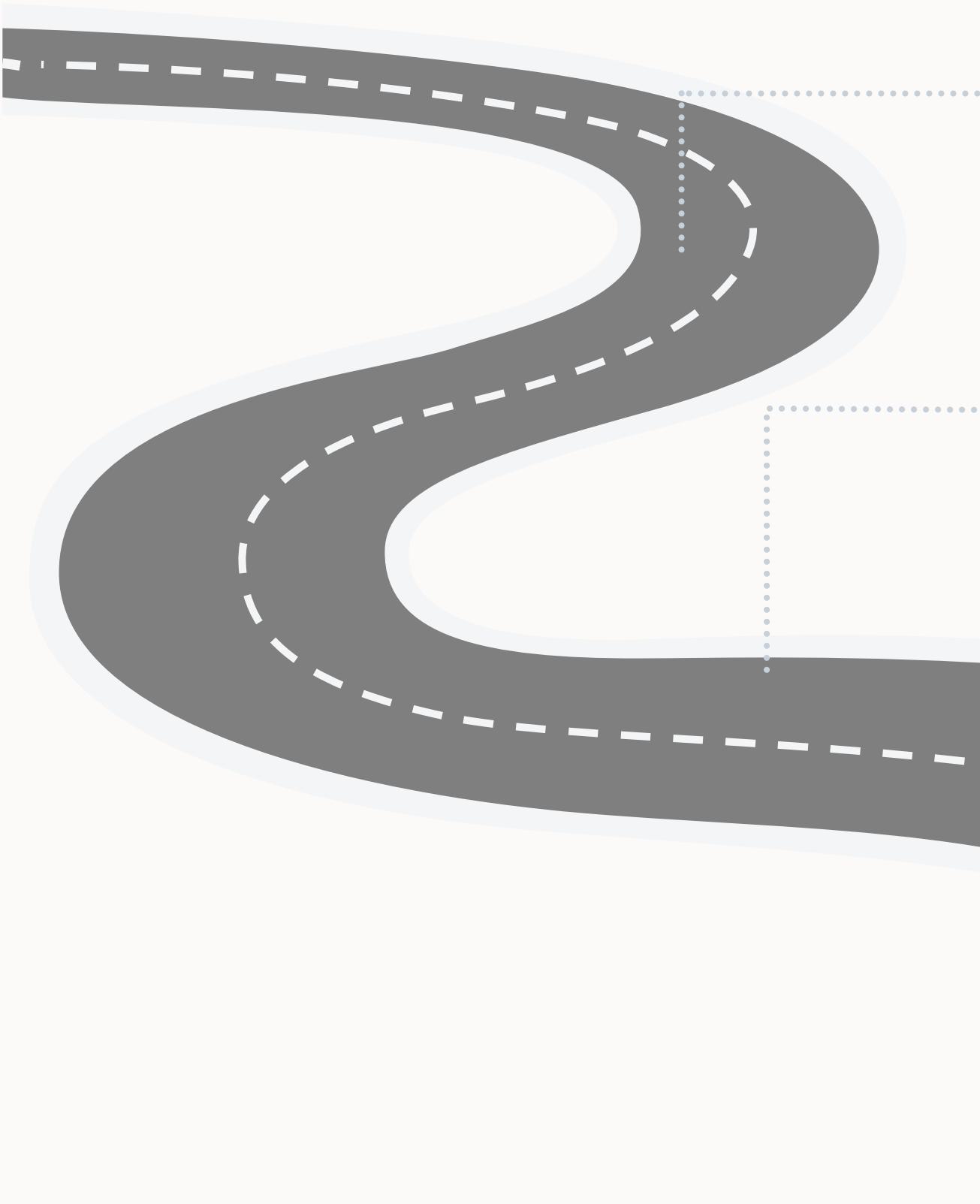


Counties with higher production, offering **higher growth potential**.

Process Roadmap

How do our team break down and identify important issues?

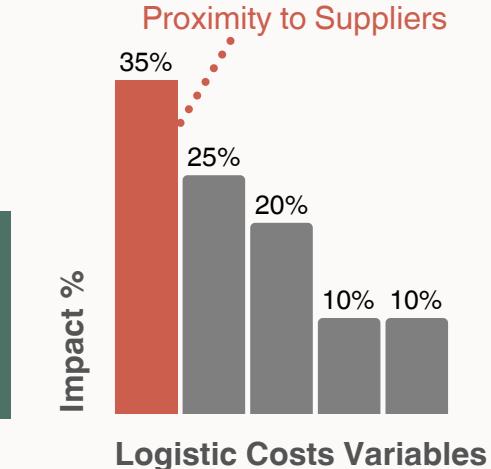
Process Roadmap



What are the important factors of choosing a warehouse location?

Major cost factors based on industry report *

*distribution results are from Mckinsey's and Deloitte's report



How do we prioritize and leverage factors?

Align the goals with TGA's vision

Support Growers

Explore counties with
high growth potentials

Revenue Growth

High productivity for
stable revenue stream

Assumptions about what makes a good warehouse location

Assumptions be based on inferences from
TGA's vision

**Validated assumptions and utilized
2022 census data for analysis**

Assumptions and Factors

How we structured our approach with data-driven assumptions?

Assumptions & Factors

1

2

3

What Defines a Good Location ?

What is the definition of “good” ?



Reliability

Revenue Growth



Productivity

Revenue Growth



Growth Potential

Support Grower

Why are these three assumptions key ?

Data validation

Counties with a yield variance of less than $\pm 10\%$ across years are stable.*

*data source : USDA NASS report

Assumptions behind factors

Reliable productivity :
→ Counties productivity increased throughout the years

Nearly 80% of revenue comes from the top 25% of counties.

High productivity :
→ Counties in top 25% high performance bucket in terms of sales

High sales demonstrate significant growth potential, especially in the MidWest. *

**data source : USDA ERS report

High growth potential :
→ Counties with a higher volume of top-selling commodities in crops

How to measure

Measurement Metric

Aggregated Commodity Sales (Measured in \$)

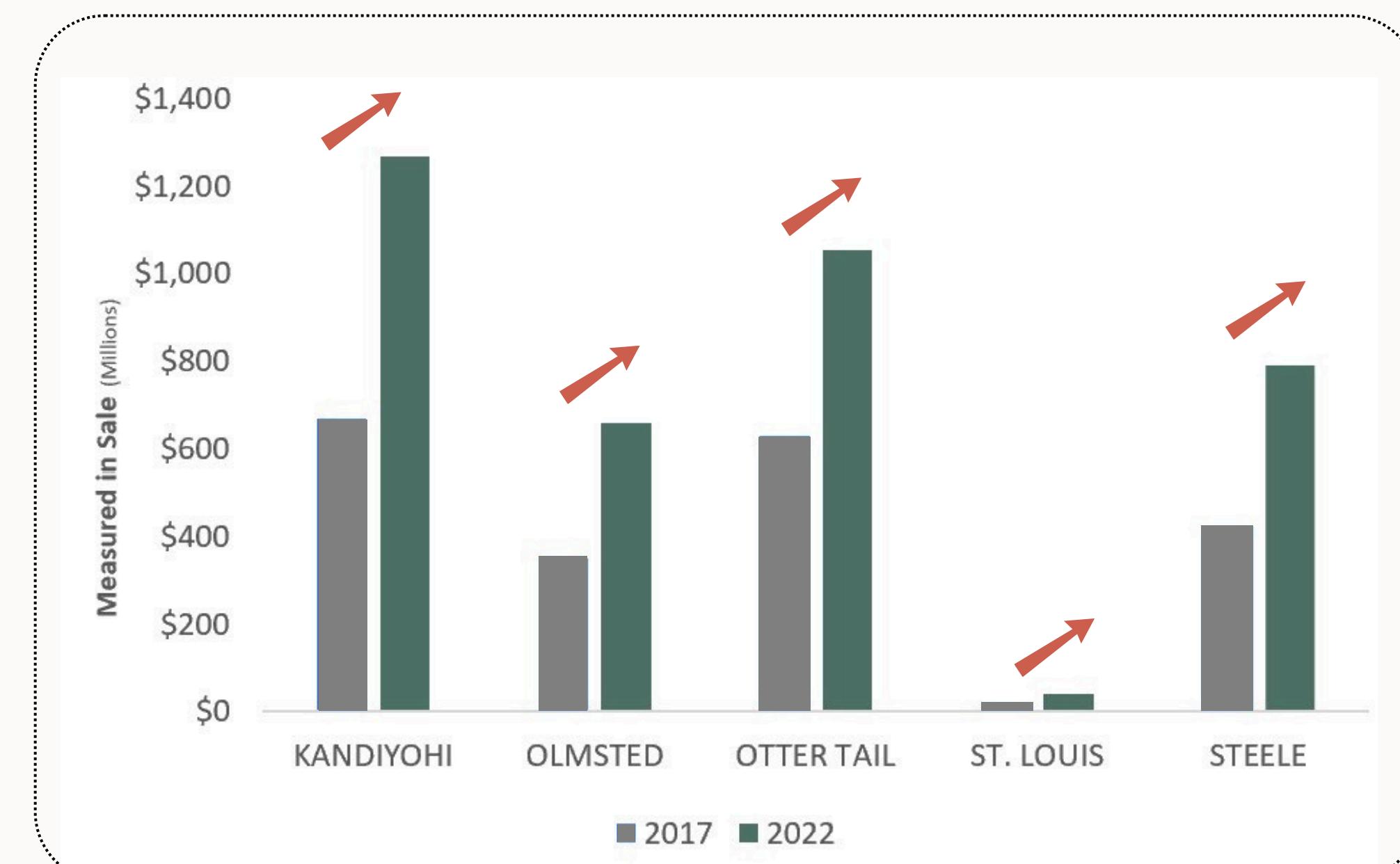
Decisive Factors

What are the factors crucial to warehouse selection ?

Decisive Factor 1

Reliability - Measured sales \$ in years

All five counties demonstrated steady sales performance, with Kandiyohi, Olmsted, Otter Tail, and Steele nearly doubling growth in 2022.



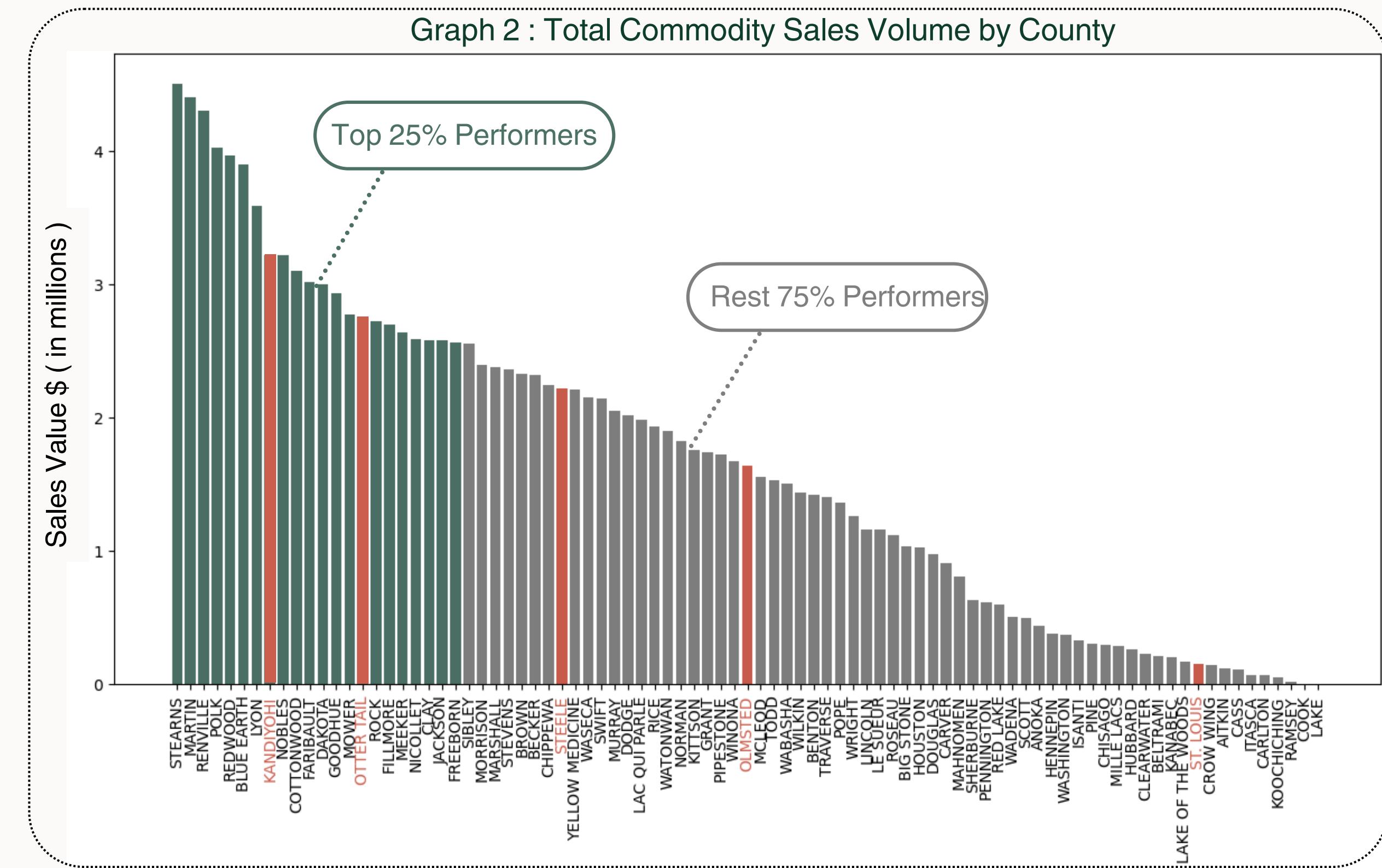
Graph 1 : Historic county productivity performance

Decisive Factor 2

Productivity - Measured sales \$ by county

- Kandiyohi & Otter Tail are in the top performance bucket in terms of sales \$ values.
- Rest 3 counties are not in the top bucket in any commodity category.

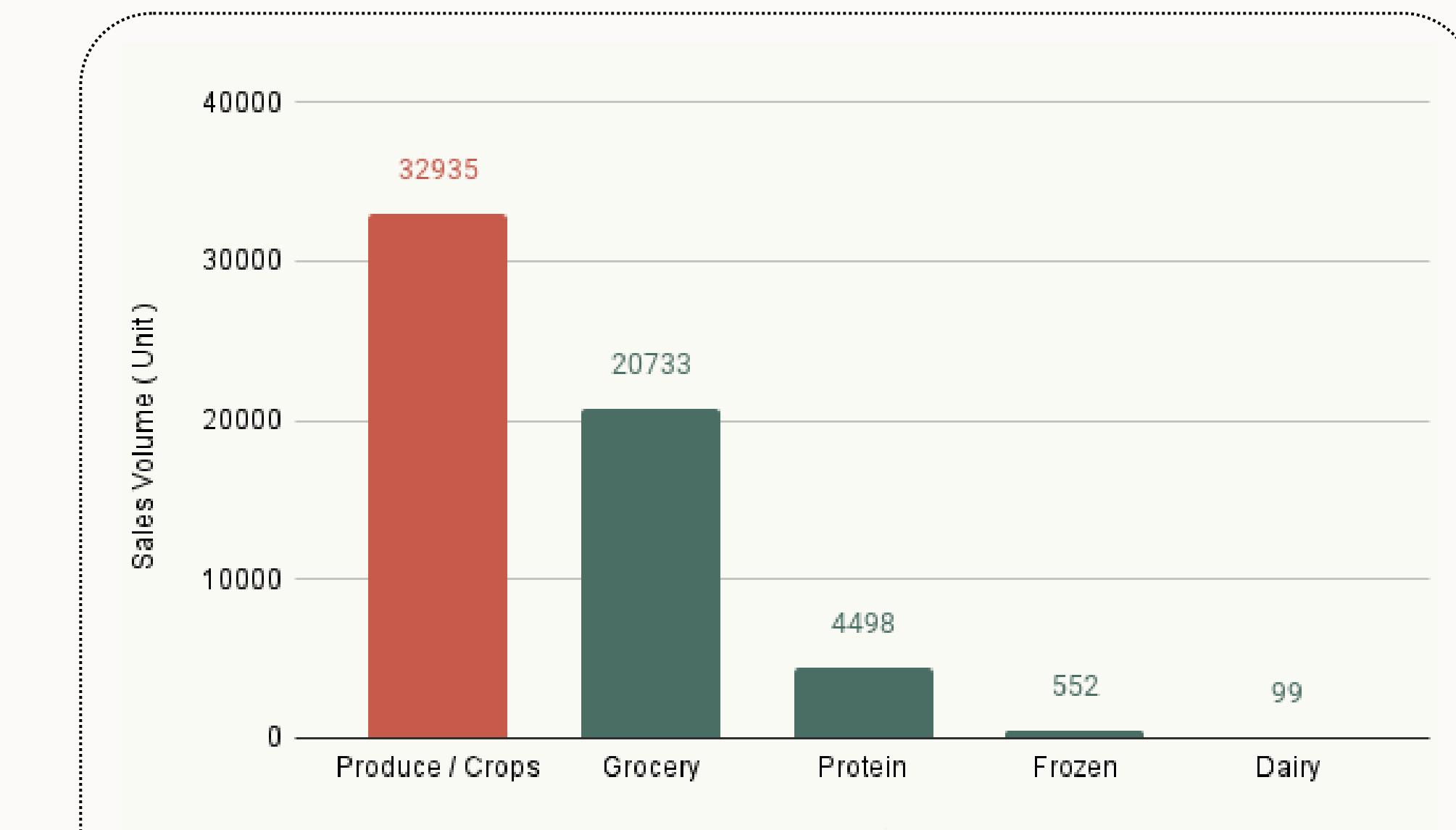
Graph 2 : Total Commodity Sales Volume by County



Decisive Factor 3 :

Growth Potential - Part 1

Crop categories are the top-selling commodities for TGA based on sales volume.

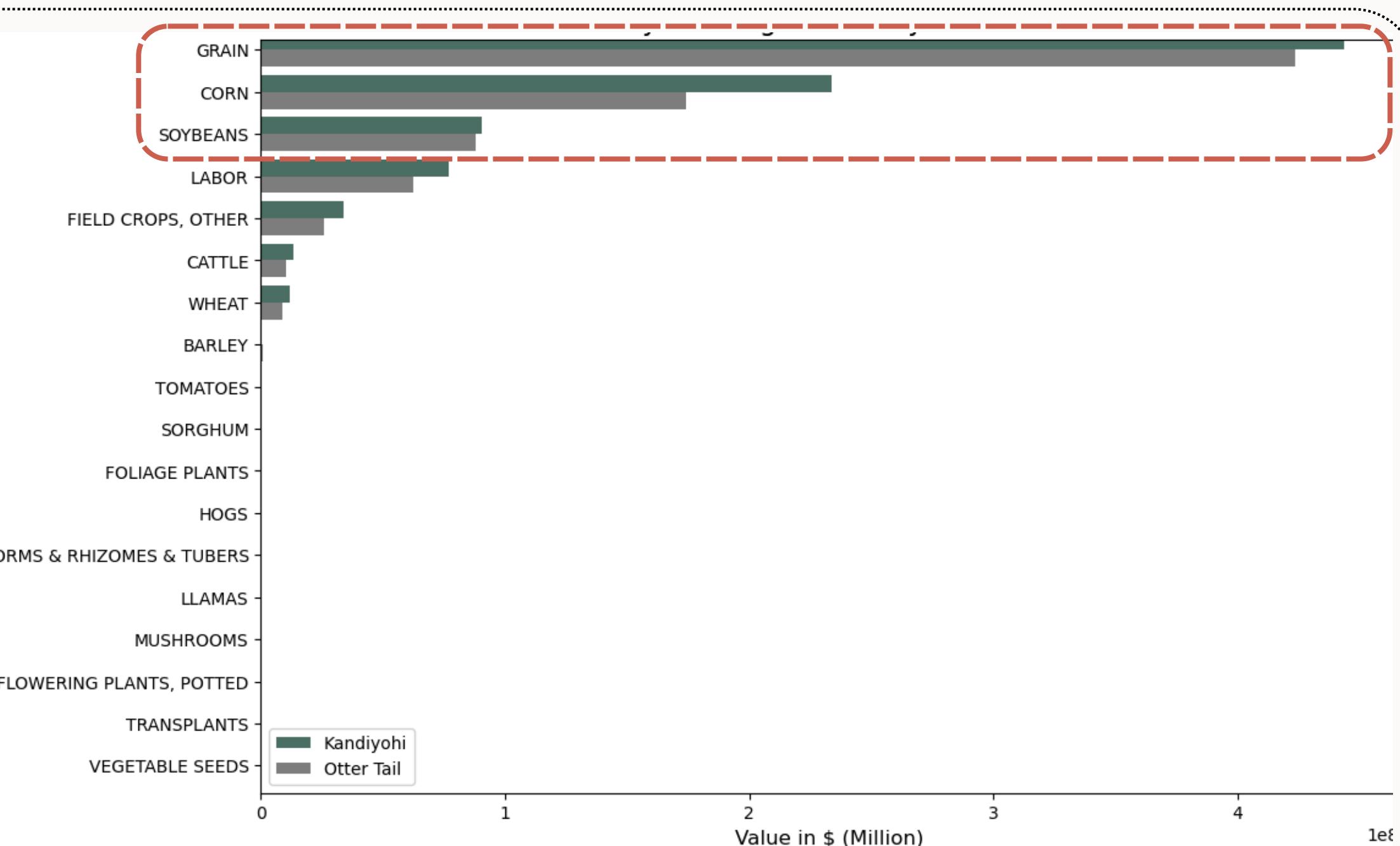


Graph 3 : TGA Sales Volume by Item in 2024

Decisive Factor 3 :

Growth Potential - Part 2

- **Grain, corn, and soybeans** all belong to the crop category, which is the top-selling commodity category for TGA.
- The top three commodities in terms of sales volume for both Kandiyohi and Otter Tail are grain, corn, and soybeans.
- **Kandiyohi** demonstrates higher sales volume across all three categories.



Graph 4 : Commodity Sales Volume by County

Dashboard Overview

Recommendations

Which warehouse location is the optimal one for TGA?

Recommendations :

① Reliability

All five counties showed reliability with increasing trend in sales volume.

② Productivity

Kandiyohi and Otter Tail demonstrated higher sales volumes compared to the other counties.

③ Growth Potential

Kandiyohi stands out as better in terms of sales volume in crops.

Our recommendation would be

KANDIYOHİ

Meanwhile, Kandiyohi is also a well-established market, ideal for TGA to partner with existing players.