

# JK ORGANIC FARM



## BUSINESS PLAN

18MA20017

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## EXECUTIVE SUMMARY

In JK organic farmsCustomers will be able to purchase organic and locally grown vegetables, chemical- and preservative-free groceries, cruelty-free personal care, and eco-household items at our Market. All of our goods are healthier alternatives to those found in traditional grocery stores. The market was established in response to the growing desire for a local natural food store in the community. To reach these organic items to maximum households, we also provide online delivery. So, people who can't come to the store(i.e, those who live far from the market, people with no transportation, old aged, or pregnant women) can use this delivery option.

This organic market is founded on the sound concepts of conserving natural resources, reducing carbon emissions, growing, hiring, and eating locally grown and prepared foods, providing healthy food as well as making the world a better place to live.

This market was founded to fulfill the growing demands of a community that has similar beliefs and is concerned about what they eat and feed their children.

Organic Farm is a Community Supported Agriculture company. It is a mindset as well as a marketing approach. Farmers generally sell shares (subscriptions) in the following season's produce before the season starts. Each week during the season, the member receives a share of the farm's produce. In some circumstances, members are involved in all areas of the operation's decision-making; in others, the farmer makes all the decisions. Members may pick up their boxes at the farm, at delivery locations, or have them delivered to their homes.

The goal of this business plan is to give a roadmap for short- and long-term objectives. The business plan will be used to assess how well the farm is performing in the future in comparison to its initial objectives and to keep them on track. The business plan also serves as a tool for lenders, as it explains the need for initial capital, the source and use of cash, and loan repayment capacities



## COMPANY OVERVIEW

## Vision

We want to make the food industry a healthy, transparent, and long-term socially responsible enterprise. We strive to be India's world-class fruit and vegetable company by ensuring the highest quality products and customer service through cutting-edge technologies and highly motivated people.



## Mission

The objective of Organic Farm is to grow the best-tasting and highest-quality fruits and vegetables for the local community. It will only utilize natural, sustainable farming practices that are devoid of pesticides and fertilizers. Natural foods and farming methods have a lower carbon impact while also improving the health of customers and the local community. Our goal is to: - By connecting individuals to real food, we hope to encourage healthy communities.

## Goals

- Our main goals are as follows:
- Market leadership, profitability, good corporate citizenship, and long-term growth are all goals.
- To continue to deliver the finest of what the customer desires
- To ensure that the products are readily available to customers.
- Our goals for safeguarding the environment's long-term viability are as follows:
- Soil fertility must be maintained and increased throughout time.
- To employ renewable resources in locally structured production systems as much as possible.
- To achieve a symbiotic relationship between crop production and animal husbandry.
- To supply high-quality products. To safeguard the environment's quality.
- To promote creativity and innovation. Developing in a sustainable manner

## Value Propositions

The organic farm, in collaboration with other suppliers, will meet the market's need for organic food in India. They improve society's food quality by providing high-grade organic veggies and fish. The Organic Farm's purpose is to create awareness of the importance of eating nutritious foods as well as the habit of doing so. Finally, the aquaponics system is used to develop a long-term business. This is one of the most significant value propositions that the organization aspires to provide to society.

### **Competitive Advantage**

Over its competitors, JK Organic Farm will be able to provide the following benefits:  
A courteous, experienced, and well-qualified team of farmers who share its clients' commitment to sustainability and environmental stewardship.  
The certified organic vegetable farm employs cutting-edge gardening and farming techniques.  
CSA memberships are affordable, and you can customize your vegetables and fruits

### **Customer Retention**

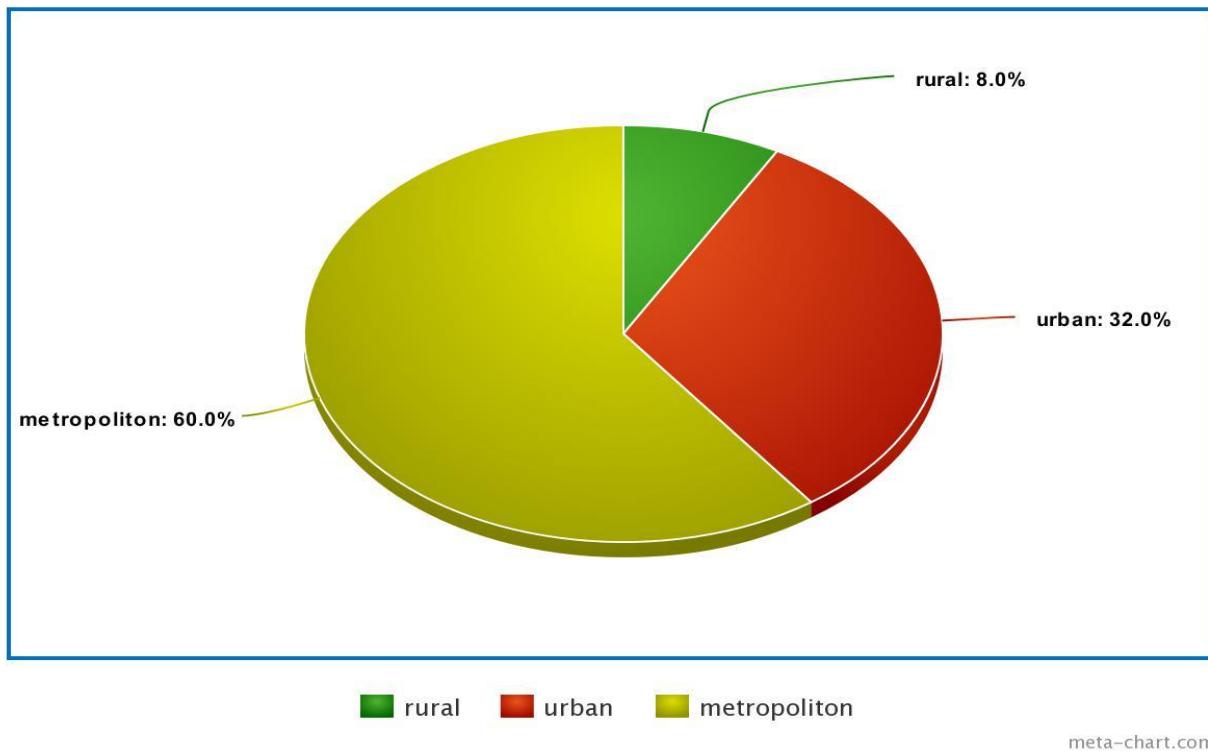
Today, the taste and awareness of organic products are growing all over the world. People are ignoring inorganic foods because they are health conscious. Organic foods are preferred and accepted over inorganic foods. Inorganic foods have a detrimental effect due to the high amount of chemicals used in agriculture, shifting consumer tastes and preferences to organic foods, which has led to the growth of the organic product market. This survey focused on some areas and investigated consumer perception and satisfaction with organic products. In addition, this study analyzes consumer decisions when purchasing organic products. Studies show that purchasing organic products is considered safe for consumers. Studies show that people are more likely to buy organic products, despite the relatively high prices.



## **Industry Analysis**

### **Market size**

The percentage of the population who prefer Organic vegetables is 8% rural 32% urban and 60% metropolitan area.



Organic farming is the next revolution so at least 40% of the population will prefer organic food items and the percentage can easily go up to 65% in the next five years and the business will surely be profitable, and increasing the number of stores and delivery services will boost the revenue

### **Market Analysis**

Most of the people in our country spend their time online, especially people from rural areas of all ages. Thus, we have plans for marketing beyond the traditional style. We will give priority to Digital Marketing for promoting our brand and selling products. As we have some certified experts in search engine optimization that provoke us to choose digital marketing. First of all, we will invest in web design because our website will be the center of all our digital marketing efforts. Here people could find any information about our product easily, they could order products as they need, they could learn about in which way we cultivate, also they could learn the feedback of people towards our farm and whether we are certified or not. Without a well-designed website, it is not possible to give answers to all questions that have customers. The more we will be flexible and transparent we will gain the trust of people

### **Customer Analysis**

Given the increased desire for organic products, our consumers might be anyone of any age, but we will focus on those in metropolitan areas because they are more conscious of eating



fresh food than those in rural areas. Rural people can develop organically for themselves, however urban people do not, which is why our target market is those who reside in cities.

## Competitive analysis

Organic farming is not new in Telangana but the approach we are trying to implement was done by none. Our main motive is to replace the traditional farming style with organic farming with the help of advanced machinery and by educating the local farmers we will also act as a medium of selling products directly from farmers at a faster rate

### Porter's five forces analysis

#### The threat of substitute products:

Some other products and companies offer the same product, but they are not organic, for lower pricing and faster delivery.

Walmart is gradually providing organic food at competitive costs in its stores.

#### Buyers

Customers are becoming increasingly concerned about the environment and the provenance of their food, and they are willing to pay a premium if the quality is guaranteed.

#### Rivalry among competitive sellers

Organic has become a hard-to-ignore trend since it can be quite profitable, and everyone is attempting to cash in on it.

#### Potential new entrants

Greater entries will give life to more competition and possibly allow a more reasonable pricing approach because there aren't many suppliers currently and expenses can be expensive.

#### Determinants of supplier power

There aren't enough organic farmers, and the supply chain can't keep up with the rising demand.

To ensure a 100 percent pure organic product, it is costly and difficult to migrate.



## SWOT Analysis

### Strengths

- A favorable agricultural climate.
- Increasing domestic and global demand for organic products.
- Availability of organic manure for farms.
- A long tradition of organic production.
- Innovative farmers and low labor costs.
- Biodiversity in food crops.
- Less garbage in society.
- In the organic farming procedure, farmers have not only been able to avoid chemicals and pesticides but have also been protecting the environmental balance.
- Low resource consumption.
- Low rate of price for organic manure.
- Prevalent various promoting agencies.

### Weaknesses

- Homestead land gets priority for organic manure and little remains for big farms.
- The quality of organically grown crops and vegetables is much better, so organic farming produces fewer crops per unit of land than modern farming.
- Absence of accreditation, standard, and certification. Certification of organic products is very much crucial.
- Government restricted policy and laws.
- Lack of marketing skills of farmers they only conducted with the domestic market.
- don't have any awareness or information about the international and national markets.
- Media campaigns and untrained neighbors put pressure on trained farmers to use chemical fertilizers and pesticides.
- We have a disorganized marketing channel.

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- Inadequate scientific evidence and slow active pest management method.
  - Lack of required machinery, and lack of Human expertise in the recycling industry.
  - Weak Management.

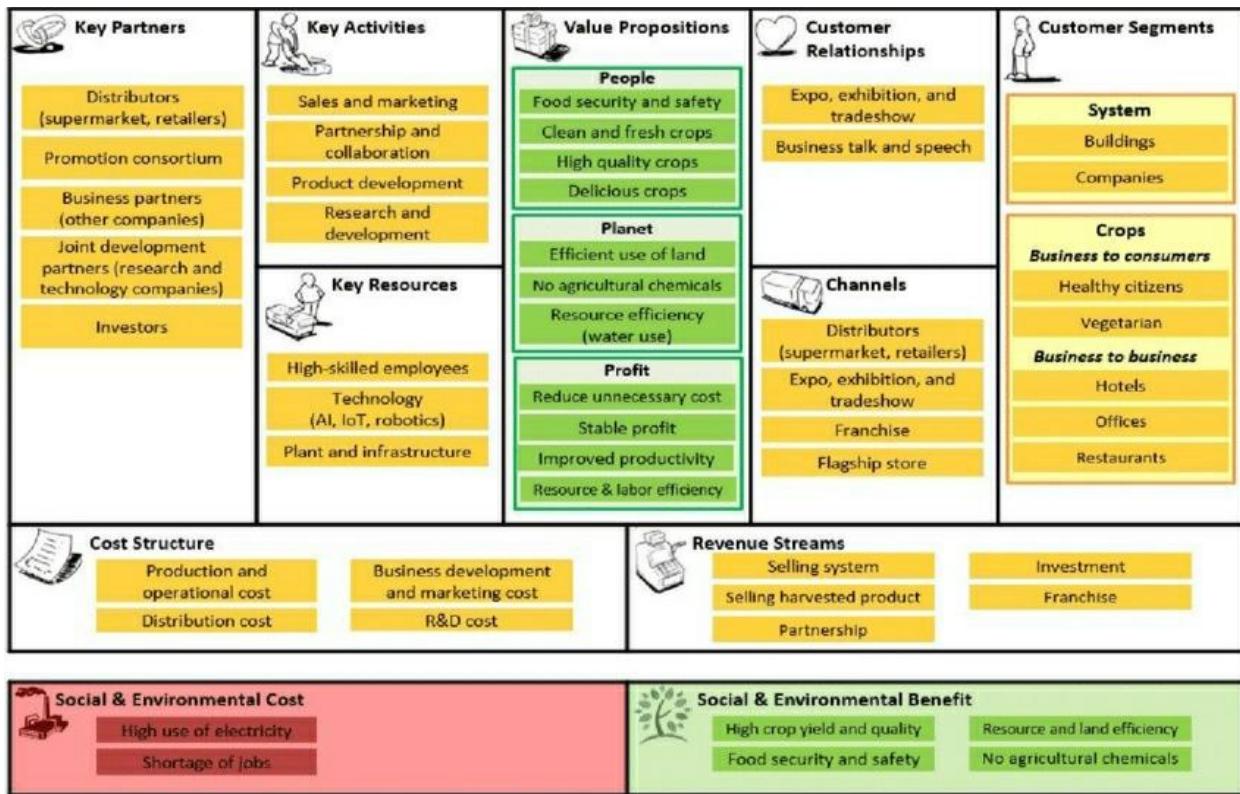
### Opportunities

- Increased awareness of adulterated food.
- NGO activities to create awareness about health hazards and other diseases through eating non-organic products.
- Organic vegetables will have gained so much demand in the marketplace and will be sold at higher prices.
- Plenty of organic waste for composting.
- Availability of sufficient labor with reasonable wages.
- Organic rice has high demand in domestic and export markets.
- Demand supply gap will make room for organic farms products business.
- The government's one household one farm program.

### Threats

- Environmental vulnerabilities due to climate change.
- The government doesn't encourage organic farming causes it produces low products on more land than non-organic farms.
- Declining soil health.
- Price of the organic food.Excessive processing formalities.
- Government's laws and policies. Promoting the use of organic fertilizers should be a priority of the government if it wants to promote eco-friendly farming.
- Continuous decrease of domestic cattle. The problem of faithful declaration causes all kinds of products to be offered under declarations like "without pesticides", "eco-friendly" or even organic. People may not accept organic products if they are not marketed correctly.

### Business model Canvas



## Marketing Plan

JK Organic Farm will utilize product differentiation to stand apart from the competition. By growing wholesome organic produce, offering farm-to-door service, and actively engaging with its members, JK Organic Farm will go above and beyond to maintain and grow its member base, JK Organic Farm will be the premier organic community supporting agriculture in India by offering at least 30 of the most delicious and mouth-watering organic vegetables available in the local growing area and by providing exceptional relationships with its members, its community and the planet.



## Pricing Strategy

JK Organic Farm will utilize a fair price for a fair value. Some research suggests that the Organic farm is usually lower in price than grown food from local markets and is often less than foods from the supermarket. This could be a selling point for attracting new members, however, it is also important to note this is not about cheap food.

## Promotion and Advertising Strategy

The best strategy is word-of-mouth advertising. When people are happy with their shares they tell friends, JK Organic Farm will place brochures with other Organic businesses such as the local organic stores and neighboring dairy farms. JK Organic Farm's website will provide additional marketing information. In addition to its map and location in the off-season, the JK farms will provide lectures to civic and environmental groups. During harvest time, the farm will be open to the public to browse and purchase surplus from the harvest bounty. They will also host special events such as Earth Day.

## Website

JK Organic Farm's website will be a vital key in marketing. In addition to providing its history, location, and contact information, the site will also have links to its organic affiliations. The website will also have links to the current weekly newsletter (during the season) and off-season the owners will maintain a blog of what items are currently going to seedlings in the greenhouse

and what new and exciting products will be available in the upcoming season. The site will also take advantage of social media and have a Facebook link as well.

## Marketing Programs

JK Organic Farm will actively work to engage its members and local community by:Creating fliers and brochures and posting in community gathering places such as community centers, farmers markets and other environmentally centric businesses.Word of Mouth will play an important role

## Sales Strategy

In order to meet these goals, the farmers will continue to rely on advertising fliers, its online presence and most importantly word of mouth. The word of mouth recommendation from a satisfied member not only generates an opportunity for repeat business, but also is beneficial in recruiting new members.

# Operation plan

## Inventory of Physical Resources

- Land, soil, water
- Infrastructure: Buildings, Irrigation, Fencing, etc.
- Access to highways
- Costs, timing, inventory, maintenance calendar, and other inputs: equipment, materials, and inputs
- Each piece of machinery/equipment Supplies such as irrigation and fencing etc..
- Inputs, such as seeds, manure

## Human Resources

- Owners, employees, family/friends involved in farm
- For each person: Skill set, Preferred tasks, Availability for labor, Backup person for the task
- The person responsible for making sure each task gets done
- Timing of peak labor needs, Decision-making procedures, Additional labor needed

## Planning

- The process of thinking about the tasks required to attain the desired objective is known as planning.
- It is the first and most important step in achieving desired outcomes. Planning can become a management process in organizations, to identify goals for a future direction and decide on missions and resources to fulfill those goals.
- Managers may create strategies such as a company plan or a marketing plan to achieve the objectives.

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- There is always a reason for planning. The intention could be to attain certain goals or targets. Is it possible that you're wondering why it's so crucial for our organic farm?
  - Because of a variety of factors, including the fact that planning promotes efficiency, decreases risks, and makes the most efficient use of our organic farm's time and resources.
  - The plan will be as follows
  - Soil management
  - Seed management
  - Crop diversity
  - Weed and pest management

## Management Team

- Karthik and my family will be the sole owners and operators of JK Organic Farm.
- Mr. Karthik will be in charge of all office and accounting tasks, including calculating the initial garden expenditures, seed costs, and planting times.
- The produce will be harvested by both owners.
- For each additional acre of farmed land, JK Organic Farm will engage one apprentice farmer.
- They intend to hire part-time delivery drivers and a bookkeeper in the future.

### Management Team

- The farm will be actively managed by Karthik. The preparation of a precise planting guide and the creation of living soil will be among the farm management responsibilities.
- There will be no dependency on off-farm inputs or chemical pesticides/fertilizers, and only sustainable and organic farming methods will be used.
- Crop rotation, planting cover crops, adding finished compost and mulches, promoting beneficial insects, weed management, watering, and harvesting are all examples of growth strategies.
- The administrative Head, Production Head, Marketing Head, and IT Head will do their respective jobs
- In addition, Mr. Karthik will be in charge of compiling precise financial records for their tax accountant.

## Financial Plan

The financial plan also focuses on how much financial funding should be prepared for the start-up stage and the expected profits for the first year. The balance sheet, cash flow, profit and

loss tables, and financial ratios are not created in this thesis. Thus, all of them should be analyzed and forecasted in order to give a comprehensive look to the whole project.

	required
Machineries	
Tractor	50
pipe	100
pump	100
raw materials	
seeds	5000 units
manures	400 units
organic composts	1000 units
working force	
daily laboor	200
manager	4
supervisor	2
electrician	4
watch man	10
sales dept	25
marketing executive	5

	Year1	Year2	Year3	Year4	Year5	
Revenue	250000	270000	300000	320000	350000	
Total cost of Revenue	30000	32000	40000	41000	42000	
Gross Profit	220000	238000	260000	279000	308000	
Gross Profit/Revenue %	88%	88.14%	86.66%	87.18%	88%	
depreciation						
New machinery	50000.00	0	10000	5000	0	
new book value(tractor,etc...)	50000.00	45000	50500	55500	49950	
depreciation @10%	5000	4500	5050	5550	4995	
Operating Expenses						
Amortization	500	550	600	650	700	
Electricity	2000	2200	2400	2600	2800	
Rent	5000	5000	5000	5000	5000	
Marketing	7000	7500	7400	7600	7500	
Transportation	3000	3200	3300	3200	3000	
organic manure	9000	9400	9500	9600	9990	
Depreciation	5000	4500	5050	5550	4995	
water bill	2000	2500	2500	2400	2800	
salary	22000	25000	26000	28000	30000	
other expenses	9000	7000	9100	9200	9300	
Maintenance	10000	12000	11000	13000	14000	
seeds	6000	6000	6200	6100	6500	
Operating expences	80500	84850	88050	92900	96585	
Operating Profit	139500	153150	171950	186100	211415	
Operating Margin	55.80%	61.26%	68.78%	74.44%	84.56%	
EBIDTA	145000	158200	177600	192300	217110	
Interest	5000	8000	7000	2000	7000	
Profit Before Tax	140000	150200	170600	190300	210110	
Income Tax @ 30%	42000	45060	51180	57090	63033	
Net Profit	98000	105140	119420	133210	147077	
Net Profit/Revenue %	39.20%	42.05%	47.76%	53.28%	58.86%	



Balance sheet	year1	year2	year3	year4	year5
<b>Assets</b>					
cash in hand	10000	90900	161990	286560	409870
closing stock	10000	15000	16000	15000	12000
trade receivables	500	500	500	500	500
Plant & Machinery	50000	45000	50500	55500	49950
<b>total Assets</b>	<b>70500</b>	<b>151400</b>	<b>228990</b>	<b>357560</b>	<b>472320</b>
<b>Equity and Liabilities</b>					
fully paid up equity	20000	20000	20000	20000	20000
reserves and surplus	50000	52000	54000	52100	60000
trade payable	2000	1000	2000	1000	2000
short term loan	100000	80000	40000	40000	20000
long term loan	3000	2000	1000	2000	1000
<b>total</b>	<b>175000</b>	<b>155000</b>	<b>117000</b>	<b>115100</b>	<b>103000</b>



Cash flow					
<b>Cash flow from operating activities</b>					
Net profit	98000	105140	119420	133210	147077
Adjustment for D&A	5500	5050	5650	6200	5695
inventory	-5000	-1000	1000	3000	2000
Trade receivable	0	0	0	0	0
Trade Payable	0	0	0	0	0
	98500	109190	126070	142410	154772
<b>Cash flow from Investment activities</b>					
land	0	0	0	0	0
machinery	0	0	0	0	0
purchase during year	0	0	0	0	0
sold during year	0	0	0	0	0
	0	0	0	0	0
<b>cash flow from financing activities</b>					
long term bank loan	1000	1000	500	1000	1000
repayment of loan	-500	-1000	-500	-500	-500
short term bank loan	-20000	-40000	0	-20000	0
investment by founders	2000	2000	1000	500	680
divident	-100	-100	-2500	-100	-100
	-17600	-38100	-1500	-19100	1080
<b>Net cash flow</b>	<b>80900</b>	<b>71090</b>	<b>124570</b>	<b>123310</b>	<b>155852</b>
cash balance	10000	90900	161990	286560	409870
	90900	161990	286560	409870	565722

## Conclusion

The ill effects of the conservative farming system are felt in India in terms of the unsustainability of agricultural production, environmental deprivation, health and sanitation problems, etc. Organic agriculture is gaining momentum as an alternative method to the modern system. Many countries have been able to convert 20% percent of their cultivated areas into organic farming. The demand for organic products is rising fast. It seems that India is lagging far behind in the adoption of organic farming. Government policymakers need to pay attention to the level of organic farming. Most people in India are at risk of harming their health if they eat too many non-organic products. In this situation, only the rapid spread of organic products can save people's health. Health-conscious people tend to buy organic products but at a high price. So here is the opportunity to establish organic farming in India for business purposes. For this reason, we have decided to set up a profitable organic farming company that produces products without the use of chemical fertilizers or pesticides. A company with many departments such as management, human resources, finance, management, marketing, and production. Building strong partnerships between these departments is critical to survival and profits from the company. By effectively managing our business, we can contribute to the construction of a health-conscious society.



THANK YOU