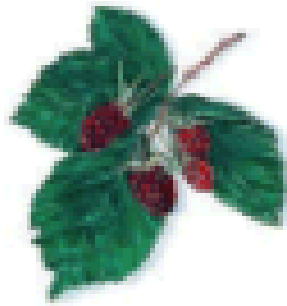


# **KING BRAMBLE FARM**



**Beverly King  
3806 University Circle  
Ogden UT 84408-3806**

**801-626-7232 Voice**

**801-626-7423 Fax**

**[bking1@weber.edu](mailto:bking1@weber.edu)**

## **BUSINESS DESCRIPTION**

King Bramble Farm, LLC (KBF) will be a micro-agriculture business specializing in the growth of red raspberry plants. Although harvesting of berries from raspberry plants can be a lucrative market the primary crop for KBF will be the raspberry leaves. Raspberry leaves are an age old herbal remedy with applications including treatment to ease after-birth pains, increase lactation, ease menstrual irregularities, and to prevent miscarriage and morning sickness. Other applications include use as a treatment for digestive problems, diarrhea, flu, heart disease, mouth sores and conjunctivitis.

For human use dried leaves are typically steeped into a tea; however powders and liquid extracts are also available. It is not unusual to see raspberry tea available on store shelves, but for those seriously involved in herbal treatments, it is more likely that the leaves would be purchased through a health food store or an on-line herbal outlet.

A couple years ago, the owner of KBF, Beverly King, became aware of the use of raspberry leaves as a treatment for mares to help reduce the discomfort, stiffness and irritability of the heat cycle. For those who primarily keep their mares as brood stock, treatment for these symptoms is rarely an issue. However, for those who utilize mares for competition purposes or even for those who find themselves using mares as everyday saddle horses, regulating the ups and downs of the heat cycle can significantly improve performance.

There are several equine products available ranging from prescription medications to herbal remedies. KBF will go into direct competition with a product marketed as "Mare Magic." Initially, though, production will be very low and marketing efforts will be restricted to the local area comprised of Utah and adjoining states.

KBF will be organized as a Limited Liability Company in the State of Utah with Beverly King being a 100% owner. Property approximately one acre in size will be treated as leased to the business in order to further increase liability protection. Sales are not anticipated until the second year. The first year will be dedicated to setting of the root stock, construction of trellises, cultivation of the canes, and experimentation with the ideal harvesting, drying, cutting and storage methods.

While hours of research have been invested, many more are anticipated. The owner will work closely with USU extension services as well as visit other raspberry farms in the region in order to improve her knowledge of the crop.

## MARKET

There are several options to choose from so far as a target market for dried/chopped raspberry leaves. These options would include in various combinations:

- Producing for tea manufacturers.
- Producing for the bulk herbal suppliers.
- Producing for nutraceutical manufacturers.
- Producing for local farmer's markets.
- Producing for human consumption.
- Producing for animal consumption.
- Producing organic.

Based on research and personal experience, Beverly has chosen to specifically target the equine market and begin with a regional presence only. The plants will not initially be raised organic. Several things were considered before coming to this decision.

1. Initial production will be limited with slightly less than one acre dedicated to plant production.
2. Selling to the equine market is not as regulated as selling for human consumption. To sell to tea companies or nutraceutical manufacturers, stringent standards would have to be achieved. As an entry level agricultural business, these standards would be harder to achieve and entry into the market would be much more challenging.
3. The equine market is currently affording a premium price for what is a relatively common product.
4. Organic production could increase the selling price more, but significant evidence is not currently strong enough to justify meeting certification requirements.

Utah is a leader in the ratio of horses to human population. The surrounding states of Wyoming, Colorado and Idaho also have significant equine populations. Many owners are involved in equine competitions of some sort. These competitive environments may be low-key 4H clubs or high-stakes events such as racing or cutting horse competitions. Many horse owners are extremely dedicated to their horse activities and want a horse that is steady and consistent in their performance.

Geldings tend to be the choice of many competitors because they provide a more consistent performance. However, many owners have mares that are extremely competitive. It is difficult, though, to work with a mare that has difficulties through the heat cycles. Many times, breeding the mare is the only way to even out the hormone levels, but breeding will generally also pull the mare out of performance circles. Owners are looking for ways to regulate the difficulties of the mare's heat cycles without using

products that are difficult to administer and expensive or without effecting the future breeding potential of the mare.

Although owners of mares in competition will be a primary target market, any mare owner will be a potential customer. Use of the product will help make the mare more manageable on a day-to-day basis. This makes the mare safer and more enjoyable whether around the barn, out on the trail or in the competitive arena.

## **MARKETING STRATEGY**

The product will be marketed under the name “Mare Focus”. Trademarks have already been filed even though product will not be available for market for over one year. Packaging will include the image of a horse being lead by a person.

Several marketing strategies will be utilized:

- Ads and write-ups in local horse newspapers including Horse Power and Rocky Mountain Horse Journal. Ads in these monthly newspapers are relatively cheap and have a steady readership.
- A booth at the Utah Horse Expo in March. Attendance by thousands of horse enthusiasts during the three-day expo creates an excellent opportunity for one-on-one sales, product promotion and distribution of information packets.
- Booths at horse competitions. Several prime horse competitions will be selected throughout the year including breed shows, the national cutting horse competition or regional dressage shows.
- Web-site. A web-site will be created with details concerning the product use and advantages. Orders will be accepted on-line, by fax or by mail.
- Wholesale sales to equine feed and supply stores. Local feed and tack stores such as IFA, A.A. Callisters, Rocking E, etc. will be personally approached to sell the product. The product will be wholesaled at 25% below suggested retail.

Packaging will include information for the web-site, phone and address so that customers can easily place follow-up orders.

It is foreseen that product will be limited, so marketing efforts will be analyzed frequently so as to not over-market.

## COMPETITION

There are several products available to assist with the management of mares. Below is the catalog description for a selection of these products.

*Regu-mate – Indicated to suppress estrus in mares. Allows for management of prolonged estrus conditions and scheduled breeding during the normal breeding season.*

*Directions: administer orally at the rate of 1 ml per 110 lbs daily for 15 consecutive days. 1000 ml. Cost through KV Vet - \$234.95*

Regu-mate is not considered a primary competitor. It is useful to delay or manage peak breeding times. Requires special handling especially by women. Very expensive and not seen as daily long-term treatment.

*Psycho Sally – Herbal support for the hyper “psycho” mare. Developed for the competitive mare during training or pleasure mare who is difficult when she cycles. Also supports in calming the troublesome mare. Ingredients: slippery elm bark, dong quac, burdock root, artemesia frigida, blue vervain, uva ursi, chaste tree berries, and damiana lecy. Suggested use: ¼ to ½ scoop twice daily. Course herbs and powder. 1 oz scoop provided 2 lb bkt. Cost through KV Vet - \$54.95*

*Relax Saver – RelaxSaveris a powerful formula that exerts a natural relaxing effect on the central nervous system by regulating receptors in the brain known as GABA-A receptors. It helps relax nerves. RelaxSaver is great for difficult to ride or train horses, moody mares, gelding with “studdish” behavior, trimming or shoeing, traveling and stallwalkers. Directions: Feed 1 scoop in a.m. and 1 scoop in p.m.. Each 3 lb container contains 180 scoops – approximately a 3 month supply. Powder. Scoop size is approximately 1 TBLS. 3 lbs. Cost through KV Vet - \$99.99*

*Moody Mare – These herbs are formulated to help overcome the PMS blues. Mares are well-known for their occasional moods and behavioral problems which are often related to the estrus cycle. A relaxed mare is more attentive and concentrates on the task at hand. Winner of the Best Product Award at 1996 Equitana USA. Ingredients: alfalfa, basil, chamomile, dandelion, golden rod, marigold, rosemary and vervain root. Directions: Feed 2 to 3 scoops per day per 1000 lbs of body weight. Approximately a 1 month supply. 2.2 lbs. Cost through KV Vet - \$38.95*

*RelaxHer – The all natural Stress Reducing Aid for Mares. RelaxHer Blend is an ideal feed supplement for the excitable, uptight and tense mare without the use of habit-forming narcotics. The blend is based on the Equine Relax Blend formula with the addition of the herbs black cohosh and wild lettuce, which are specifically geared to ease tensions that may affect the mare. Usage: For a 1000 lb horse, add ½ scoop of RelaxHer Blend to feed twice daily. The scoop measures 2 oz. Powder. Cost through KV Vet – 2 lbs - \$38.95, 4 lbs - \$64.95*

*Mare Magic – End the night “mare”. Mare Magic is an all natural herbal supplement. Mares love the taste and can be fed Mare Magic throughout the year. One scoop daily will help to influence a quiet disposition in your horse. USA Equestrian permitted. Will not test. Directions: Add to the horse’s ration once daily. Add 1 extra scoop on the day of an activity. For best results use daily all year. Cost through KV Vet – 8 oz (60 servings) - \$14.95, 32 oz (240 servings) - \$45.95*

*Wendals Herbs – Raspberry Leaves. Assist mare in foaling and cleansing; tone pelvic and uterine muscles. Also effective in helping to maintain a healthy digestive system. Contains raspberry leaves. Feed average horse 2-3 scoops daily at least one month before and one month after foaling. 2.2 lbs last about 28 days. Do not use during early pregnancy. Packaged in a bag because they’re too fluffy to fit in a pail. Cost through Horse Health USA – 2.2 lb - \$41.99*

Both Mare Magic and Wendals Herbs – Raspberry Leaves are comprised solely of dried/chopped red raspberry leaves. We will go into direct competition with these two products.

Raspberry leaves alone serve simply to tone the uterus and make the cycles less painful. They provide no sedatives, estrogens or analgesics. They will not disqualify the mare from competition due to drug testing. And they can be used as a long-term supplement to help maintain the mare’s reproductive health. Horses enjoy the taste and will eat the leaves as readily as a treat.

Horse owners who are familiar with herbal remedies, know that most herbs can be purchased direct from herbal supply websites or through health food stores. There is a great variance of price. An 8 oz package of Mare Magic runs almost \$30 per pound. Prices for raspberry leaves from various internet herbal sites range from \$8.95/lb to \$3.95/lb. A huge difference attributed primarily to Mare Magic’s targeted marketing efforts.

Herbalcom.com is the site that offers the product at \$3.95/lb. The origin is listed as Albania. Beverly has purchased raspberry leaves from this site and found the product to be very satisfactory. KBF realizes that many customers will become sophisticated enough to purchase directly from these types of suppliers. KBF also realizes that many horse owners can be drawn in by packaging and sales techniques specifically targeting the horse owner. We love to spend money on our horses!

Our niche will be local production, personal selling and lower costs compared to Mare Magic and Wendals Herbs. Because most of our sales will be direct to the consumer, we can price well below our competition and still charge a much higher price than would be possible selling to the herbal supply market. The product will be marketed as a daily supplement for use with mares not in foal. Packaging will clearly disclose the contents, the history of use as a medicinal, and recommended dosages. Complete contact information including web-site, address, phone and fax will also be included.

## OPERATIONS

### **Crop Cultivation**

Beverly King owns a piece of property in Willard, UT 120' x 300' (less than one acre) that will be dedicated to growing the raspberry plants. It is generally recommended to utilize two acres for development of new herbal crops, but the owner is restricted at this time to this smaller piece of land. Raspberries particularly thrive in relatively cool marine climates such as the Pacific Northwest and even Bear Lake, but Willard also does well with raspberries. Willard is the center of a great amount of fruit production.

A raspberry plant can live and produce for more than 30 years if it is planted in well-drained soil and cared for properly. The property that will be utilized is well drained, but the soil will need to be supplemented with compost and natural fertilizers. The plants will be soak irrigated weekly. Ideal soil Ph range is between 6.0 and 6.5.

Root systems are perennials, shooting up canes which produce fruit in their second year. Canes should be pruned out after the second year to allow for new canes to emerge. Some harvesting of fruit will take place, but the cultivation of large healthy leaves will have priority. Plant varieties will be chosen for cane production rather than fruit characteristics. Good canes can grow eight to nine feet during a season. Root stock should be planted 30" apart in rows eight to ten feet apart. Trellis systems are required to support the canes.

Based on property dimensions, capacity is anticipated at 115 plants per row and 14 rows for a total of 1,610 plants. Start-up costs are estimating a cost of \$1.20 per plant for an initial root stock cost of just under \$2,000. Bare root stock may be available for less. Soil preparation costs and trellis system costs will be much more substantial than the cost of the plants.

Each plant will be allowed ten to twelve canes. Leaves are collected throughout the growing season and are best before any fruit ripens. Again, KBF will encourage the growth of canes rather than fruit, so our season will extend longer. Only one-third of the leaves should be removed. Much research still needs to be performed in order to accurately estimate production volumes. This business plan will be updated as better information is available. Currently, it is estimated that one pound of dried and cut product will require 400 to 500 fresh raspberry leaves. It is anticipated that leaves equivalent to  $\frac{3}{4}$  pound of dried product can be harvested per plant annually. Allowing for an initial loss of 10% of the root stock (the owner is new to agriculture,) 1,086 lbs of product should be harvested in the second year.

While KBF will not target organic certification, use of pesticides and herbicides will be avoided as much as possible. As this is a micro-enterprise, these methods will be more viable than would be true for a larger enterprise. Lady bugs and praying mantis will be released to reduce the likelihood of aphid destruction. Drip irrigation will deliver water only to the plants in order to reduce weed growth between the rows. Beverly King has a

small tractor that will be utilized to groom between rows and hand labor will be used between the plants. Mulch and compost will be utilized. Raspberries can be susceptible to mildew, which will be monitored for closely and treated as necessary.

Raspberries are self-fertile with bees serving to transfer pollen. Raspberries can be produced during the winter in greenhouses, but again, KBF will not attempt this.

### **Drying, cutting and packaging**

Due to the small size of this operation, the drying, cutting and packaging will be fairly labor intensive. Commercial grade dryers are available new for about \$300. It may be possible to pick up used for even less. The leaves dry in several hours, so drying of two to three batches per day is feasible. One pound can easily be dried per batch.

Equipment for cutting is readily available in the industry. Initially, a couple commercial blenders will be utilized. Bags will be hand filled and each bag will be weighed in order to ensure accuracy.

Obtaining the proper level of dryness will be a requirement. Once the product is dried and cut it will also be processed through a shifter until no humidity is detected in order to prevent molding of the product. The owner will work closely with USU to understand and develop the ideal processing standards.

Bags will be purchased from a local supplier. Each bag will be moisture and light resistant. Once each bag is filled, it will be sealed. A zip lock feature will be included so that the customer can re-seal the package after each use.

Labeling will provide recommendations for use as a product to relieve symptoms of the equine estrus cycle; a disclaimer stating that it is a herbal product and has not undergone scientific testing as a medication; and will provide contact information for KBF.

### **Labor**

Beverly King will treat this as her personal endeavor and strive to provide most of the labor herself. She does work full-time, so her labor will come during evenings and weekends. When necessary, she will hire youths ages 14 – 17 from the community to assist. She will assure that she complies with labor laws and keeps the environment safe for employees. Bramble bushes are not enjoyable to work around and protective wear will be strongly recommended. Due to the small acreage involved, it is not foreseen that much labor will be hired.

The plants will be allowed to produce some berries. The time during the berry harvest will be the time when outside labor will be most needed. Berries will be sold wholesale to local fruit stands. Willard is located at the center of Utah Famous Fruitway with many stands selling direct to the consumer.

There will also be opportunities for salespeople to sell the product at the horse expos and equine events and through personal sales efforts. Sales persons will be considered independent contractors paid commission only at the rate of 20% of retail sales.

### **Management**

Beverly King has a master's degree in accounting and years of experience in performing accounting in business. Beverly will perform all accounting duties for KBF.

Marketing efforts will also be directed by Beverly. She will be responsible for design and labeling of packaging, development of the web-site and layout and placement of ads. The independent sales people will be utilized as much as possible to sell at booths, although scripts will be utilized to properly educate sales staff and control information disbursed.

Beverly already has a 1-800 number, a fax line and all the office equipment required to manage administrative duties. A merchant account will be acquired in order to facilitate customer's payments with credit card.

Beverly is in the process of completing the paperwork to form the LLC and will maintain appropriate paperwork for the company.

Although farm products sold direct to the consumer are not subject to sales tax, a sales tax number will be obtained in order to accommodate all sales circumstances and in order to be certified as a resaler for purchasing of bags and supplies.

### **Insurance**

While liability risk is considered to be low, both product and property liability insurance will be obtained.

## FINANCIAL

### Start-up Costs

Revenues will not be derived until year two. Costs to get the business to that point are detailed below:

Root Stock	\$ 2,000
Soil Prep	3,000
Trellis systems	5,000
Bugs	300
Insurance	600
Licensing and ID's	50
Website Development	500
Supply Inventory (initial)	300
Dryer, blenders, shifter	500
Unforeseen	1,000
Total	<u>\$13,250</u> =====

All costs of start-up will be personally financed by Beverly King through use of a home equity loan. Land and some equipment are already owned and some start-up labor will also be supplied by Beverly's husband and sons.

Beverly understands that definite risks are involved. As an inexperienced agriculture producer, she realized that plant loss may be higher than expected, product volume may be lower or the market may not exist as anticipated. She feels that a start-up investment of \$13,250 is within her risk capacity. Potential for future growth will be determined once a financial history can be analyzed.

### Assumptions – Financial Forecasts

The following assumptions have been used for preparation of the financial forecasts.

- Product will retail for \$14.75 per pound.
- Sixty-five percent of sales will be at retail, thirty-five percent will be at wholesale.
- Sales people will receive a 20% commission. Eight percent of sales will be made by sales people.
- 1,000 lbs of product will be sold in year 2. The remaining product will be either lost during production or used for promotional purposes.
- The company will cover costs of booths, but sales people will cover their own travel, lodging and food expenses.

Forecasts are for the first year of sales, beginning in May of 2007.