

Sylvanqua

Creating the future of restorative food and agriculture

Food will define our future on this planet.

Fundamental changes are required in the production of food in order to meet Sustainable Development Goals (SDG) around food and agriculture

The Five Principles of Sustainable Food and Agriculture (FAO)

1. Conserve, protect, and enhance natural resources
 2. Enhance resilience of people, communities, and ecosystems
 3. Improve efficiency in the use of resources
 4. Protect and improve rural livelihoods
 5. Adopt responsible and effective governance mechanisms
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Conventional farming systems are fundamentally broken

- They produce massive surpluses of commodities, propped up by public subsidies and divorced from both consumer demand and ecological imperatives
- Food products are the end result of agribusiness converting cheap commodities into profit. The profit motive is not balanced by a motive to preserve the natural resource base from which it is derived.
- Farmers who are skilled at developing food products that respond to both markets and ecological needs are at the mercy of structural disadvantages that keep them from competing effectively with this system.

“Sustainable” farming has become stale and ineffective

- Oriented around nuclear families, diversified “small family farms” cannot leverage economies of scale to impact ecologies, pay fair wages, provide an acceptable quality of life for farmers or farmworkers over the long term, ensure stable succession between generations, or generate enough food to impact the market
- After a half-century in operation, niche markets servicing sustainable agriculture (farmers markets & small grocers) are outsold by traditional grocery stores \$400:1
- **Farmers exploring innovative models to solve this problem largely hail from ethnic minority communities lacking the social safety nets and spheres of influence required to capitalize on their ideas**

The background of the slide is a photograph of a rural scene in low light or fog. On the left, there's a dark, silhouetted area that looks like a cluster of trees or bushes. In the center and right, several dark shapes, which appear to be cows or horses, are grazing in a field. The overall atmosphere is hazy and dim.

Better solutions are emerging nonetheless

Resilient, restorative, equitable, and productive agricultural systems



Collective Ownership

Promotes financial equity and makes farming accessible and democratic



Diversity

In everything from products to people creates a resilient system



Integration

Full ownership of the food value chain keeps money in a sustainable system



Scale

Operating at a size that permits real ecological restoration

Sylvanaqua Farms is leveraging these principles to create a large, restorative foodshed in the shadow of the nation's capital



Our Farm Today

- Manages 60 acres of pasture, 20 acres of forest, all leased
- An intensive livestock operation that produces 7,000 broiler chickens, 150 hogs, 20,000 dozen eggs
- Owned by a single principal
- \$360K revenue, 10-12% operating margin
- 4 full-time farmers and 2 part-time delivery drivers and market managers
- Non-integrated: purchases all inputs and does not own markets
- Market endpoints are farmers markets, door to door deliveries, and wholesale (restaurants and small grocers)

Our Farm, Long-Term

- Owns 1,000 acres, manages 5,000 acres through a combination of leases & stewardship arrangements
- A highly diversified operation producing food with both intensive farming and extensive agroforestry: wildstocks and managed foraging supplement livestock and cropping
- Farmer/Worker-Owned
- \$20M+ revenue, 15 - 19% operating margin
- 100 farmers and other support staff
- Integrated: owns nursery, hatchery, feed mill, land, farm equipment, processing plants, distribution, markets
- Market endpoints are shipping services, fleet fulfillment, brick-and-mortar markets, and food service

BY THE NUMBERS: MARKET SIZE

6 Million

Consuming organic products in the Washington, D.C., Baltimore, Richmond, Norfolk/Hampton Roads, and Charlottesville area (est. percentages vary from 40-70%; we've used the lowest number)

\$633 Million

Estimated value of the local market: market size (6M) x avg grocery consumption (\$2.6K) x 4% (share of organic grocery budget)

BY THE NUMBERS: COMPETITOR REVENUE

\$150 Million

Revenue: D'Artagnan Foods (national)

\$2-3 Million

Est. Revenue: Polyface Farms (sub-regional)

\$360K

Est. 2020 Revenue: Sylvanaqua Farms (local)

Our Growth Strategy

- Phase I: (commences Q3 2020)
 - Purchase land base (est. August 2020)
 - Build farmer housing (est. November 2020)
 - Onboard 6 new farmers (est. November - January 2021)
 - Begin scaling to FY 2021 production plan (February 2021)
 - Acquire additional cold and dry storage infrastructure (March 2021)
 - Purchase seed cattle herd and begin breeding (November 2021)
- Phase II: integrates the middle of the supply chain with processing and feed operations, supported by the increased production capacity
- Phase III: expands the market reach of the operation with well-developed distribution capabilities

Our Future Foodshed

Large land base of thousands of acres that provides a meaningful footprint for ecological restoration and a resource base large enough to serve a customer base of tens of thousands

Farmers in community: farmers live on collective-owned land in planned communities that are self-sufficient in housing and food, lowering the cost of living for farmers and reducing cash needs while equity builds in the farm

Facilities / Capabilities

- Warehouse and Distribution Center: Costco/Restaurant-Depot model of a large warehouse space doubling as a retail/wholesale space
- Federally and state inspected facilities for poultry and meat slaughter/fabrication, dairy, fruit/vegetable processing, and food service
- Brick-and-mortar markets providing all-weather, 7 day/week access to our products
- Milling operations that produce flour, hominy, and feed
- In-house fleet for fulfillment

Team

Chris Newman: Co-Founder, Director

Annie Newman: Co-Founder, Director

Brandon Taylor: Livestock

Kendra Beary: Food Forests

Valerie Proctor: Orchards

Sarah Mock: Advancement, Research, & Journalism

Jon Berger: Markets and Fulfillment

Jeremy Kester: Journeyman Farmer

Advisory

Dr. Sarah Taber: Compliance & Audit

Anthony Chang: Advancement

Nikola Alexandre: Forestry & Conservation

Frank Cain & Beth Roach: Seedkeeping

Andrea Cabrales: Business Operations

Critical Next Steps

- Raise \$250K for 50 acres of farmland in Virginia's Northern Neck
- Raise \$300K for farmer housing on the landscape
- Raise \$200K for cold and dry storage facilities

Direct Impact of Investment:

- Create ability to add 6 farmer co-owners to the operation
- Increase production as much as 3x
- Introduce market produce and additional native and wild meats in the 2021 season