

December 31, 2008

Warm winter greetings from Picadilly Farm! We hope this finds you enjoying the New Year.

This is our farm annual report. It contains information about the activities that took place at the farm this year, a summary of our 2008 income and expenses, and an outline of our plans for 2009.

## Production

We grew 23 acres of diversified, mixed vegetables amidst a growing season that, weather-wise, was notably challenging. An unusual spring drought, followed by excessive summer rains, resulted in low crop yields and variable produce quality from July through early September. The June harvest was normal, and the harvest from mid-September to mid-November was good, allowing us to "catch up" a bit from the meager summer. An early hard freeze in mid-November found us scrambling to chip the last root crops out of near frozen ground! All in all, not our best growing season. Nonetheless, we harvested about 266,000 pounds of produce from our fields.



We raised six pigs from piglet to slaughter. Since a portion of their diet was produce seconds, compost scraps, etc., the pigs represented a way to cycle extra nutrients into farm cash. We also feed them whey from two local cheese makers, as well as grain. The meat was sold easily to friends and shareholders. The pigs were a fun draw for visitors the farm, and for our daughter Beckley as well.



Jenny managed 3 bee hives, primarily for crop pollination. We did not have a honey crop this year.

We worked with two apprentices, Susie Parke-Sutherland and Kate Galassi, who lived with our family during the growing season and willingly took on any task. We employed 4 more people on the farm crew, totaling nearly 5000 hours of work over the course of the season. Two part-time delivery drivers and special projects assistance from previous farm-owner, Albert Hudson, rounded out

our farm help.

## Sales

Community Supported Agriculture shares are the heart of our farm. In 2008, we continued to work to build our base of CSA shareholders. We decided last winter that we, indeed, want our farm to be entirely about CSA and Co-op growing. To that end, we discontinued sales at Farmer's Markets and through wholesale accounts. We are pleased with this direction!

This season, 140 shareholders participated in our local CSA, picking up once a week for 12-27 weeks. We almost doubled our CSA size from 2007, with most of the 2007 shareholders returning.

One hundred shareholders participated in our new delivered, pre-boxed CSA in eastern MA. Jenny's old friend in Arlington, Jane Hammer, helped to put this together. The season went off without a



hitch, and we'll expand modestly in 2009.

Two hundred shares left the farm every Friday. We packed these in bulk for our partner farms in West Newbury and Newburyport, MA.



We continued with our Extended Season CSA shares in November and December, largely unchanged from what we offered in 2007.

We sold out of 50 boxed shares locally, delivered to Keene, NH and Greenfield, MA, in November and December. We also partnered with several other farms to offer Extended Season shares to their regular season CSA shareholders. Between Sunrise Farm in White River, VT (run by Bruce's brother, Chuck), Appleton Farms in Ipswich, MA (our old stomping grounds), and the Belmont, MA CSA (Gretta Anderson), we offered 425 Nov/Dec shares.



We were the primary vegetable grower for the Farm Direct Co-op on Massachusetts' North Shore. We made 21 weekly deliveries for their 350+ members.

We did some contract crop growing for two other CSA's. The farmers at Waltham Fields Community Farm, in Waltham, MA, were happy to have us grow potatoes and winter squash for their 320 share CSA. We also grew winter storage crops for High Hill Orchard, a CSA in Meriden, CT.

We enjoyed the use of a Picadilly Farm promotional poster and a fifteen minute video presentation - thanks to Russ Barry, our farm partner at Great Marsh Organics in Newburyport, MA, for creating these for us.

### **Infrastructure and Equipment**

2008 was another building year for Picadilly Farm, in terms of equipment, physical infrastructure, and administration.

For equipment, we purchased a used a disk-chisel, a used rotary mower, some new cultivating attachments for tractor work, and a new potato digger.

For infrastructure, installing irrigation line and getting the system running was a major spring project. Albert, Bruce and the crew buried about 1500 feet of 4" pipe, with six hydrants spaced at various intervals through the growing field. Albert Hudson renovated the west end of the Old Barn, attached to the Wash Barn, for use as a new CSA share pick-up space - Albert did a really beautiful job, and just right for our expanding CSA. He also installed a new stepped walkway for access to the new distribution area, and built two new sliding doors for the front of the Old Barn. We improved lighting around the most-used areas of the farmstead. We contracted out the work of re-roofing the north half of the Old Barn, painting the other metal barn roofs, and converting one of the two silage bunkers into a parking area. We also hired others to remove the old milking parlor and feed bunk, to pour concrete floors in these areas, and to build a second produce cooler.

Another piece of infrastructure is the property itself, and in 2008 we continued collaboration with the Natural Resource Conservation Service, a government agency, to establish best management practices and to reduce

erosion/runoff hazards around the farm.

We were pleased to finance all of these equipment purchases and infrastructure upgrades through our regular operating budget.

The administrative work of the business is established and running smoothly. This past season, we began to do (almost) all of our shareholder communication by email, which has reduced our paper use and enhanced communication.

### **Community Involvement**

Picadilly Farm increasingly involves a robust community of people giving and getting much. We held several shareholder potlucks, a spring Open House, and a few volunteer days. Arranged by one of our crew, Zac, we hosted a traveling group of performers, the Old Time Horse drawn Spectacular. They gave a show on a warm fall evening to a crowd of over 100 folks. We hosted tour groups from The Farm School, UMASS, and a local farmer alliance.

We've been working with a group in Brattleboro, Post Oil Solutions, to offer our harvested surplus and field gleanings to hunger-relief groups in the area. Thanks to a donation to the farm, we again donated produce to the Winchester Learning Center, an early childhood education center in town. A group in Northfield, MA, sponsored a share for the new Katie's Cupboard Food Pantry.

### **Financial Summary**

A summary of the 2008 income and expense report, as well as our budget for 2009, follows below. For the first time, our family was fully supported by our income from the farm! The business is on sound financial footing. In addition to the mortgage responsibility, Picadilly Farm LLC owes \$130,000 to 3 lenders, which we'd like to pay off within the next 5-6 years.

	2008 actual		2009 projections	
<b>Income</b>				
Animal sales	\$4,400	1%	\$4,500	1%
CSA shares, on farm	\$56,000	16%	\$87,000	22%
CSA shares, off farm	\$121,000	35%	\$172,000	43%
Extended season CSA shares	\$64,000	19%	\$51,000	13%
Contract/Co-op growing	\$89,000	26%	\$80,000	20%
NRCS Program payments	\$7,600	2%	\$5,500	1%
<b>Total Income:</b>	<b>\$342,000</b>		<b>\$400,000</b>	
<b>Operating Expenses</b>				
Animal production	\$2,300	1%	\$2,200	1%
Employee wages	\$88,500	29%	\$111,600	33%
Admin, Insurance, Certifications	\$8,355	3%	\$10,980	3%
Growing expenses	\$42,700	14%	\$48,600	14%
Repair & maintenance	\$10,700	4%	\$12,000	4%
Fuel and oil	\$13,700	5%	\$14,700	4%
Utilities	\$9,000	3%	\$14,900	4%
Farm mortgage, property taxes	\$39,400	13%	\$39,400	12%
Crew housing, mortgage, taxes	\$3,000	1%	\$9,600	3%
Start-up debt repayment	\$23,800	8%	\$20,800	6%
<b>Capital Expenses</b>				
Infrastructure	\$25,300	8%	\$22,000	7%
Equipment	\$13,500	4%	\$16,300	5%
Crew House	\$20,000	7%	\$13,000	4%
<b>Total Expenses:</b>	<b>\$300,255</b>		<b>\$336,080</b>	
<b>Surplus (pre-tax):</b>	<b>\$41,745</b>		<b>\$63,920</b>	

## Outlook for 2009

In 2009 we plan to continue upon the trajectory we outlined in our start-up business plan. Our experience from 2 growing seasons has influenced many of the details, but the big picture stays the same. Amidst the farm development, we hope to feel more relaxed, confident and balanced.

*Production:* The maximum acreage for field crops will be realized in 2009 - approximately 26 of our 35 tillable acres, up from 23 in 2007. We've divided the fields into 4 eight-acre blocks, plus 3 acres for Pick Your Own. Nine acres each year will be managed without market crops, to build fertility and reduce weed, pest and disease pressure. During the 2009 growing season, we will continue to refine and develop a longer term view for beneficial crop rotations, fertility improvements, and for some measure of livestock production to compliment the produce. We want to continually become better farmers! And, we'll have more field help in May and June, to help us achieve these goals.

*Sales:* We will offer 175-200 CSA shares on the farm, 150 boxed shares delivered into eastern MA, and 225 shares delivered to our farm partners in MA. We'll be the primary vegetable grower for the Farm Direct Co-op. We'll continue with the same number of Nov/Dec Extended Season shares. And, for just one more season, we'll contract grow squash and potatoes for 320 shareholders at Waltham Fields Community Farm. We will be able to offer our produce with only a slight increase in price, to offset the rising costs of our inputs like seeds and fuel. We hope that Picadilly Farm food will be enjoyed as a staple for many to rely on.

Infrastructure: Our priorities will be:

- Expand the parking lot
- Bury the remaining above-ground water line around the wash barn
- Insulate the wash barn and share distribution areas, so they can be minimally heated
- Install a bathroom in old milkroom for crew and visitor use
- Improve the aesthetics of the farm, especially around the parking and distribution areas
- Perform minor roof and siding repairs on all barns, as well as a structural repair to the Old Barn
- Build a new cold frame area for hardening off seedlings.
- Develop shelter and fencing infrastructure for additional animals on the farm
- Expand available housing for the farm crew

*Organic Certification:* We hope to have our farm certified for organic production within the National Organic Program. Though we see that the program is more profit and procedurally driven than we envision for Picadilly Farm, we are philosophically "organic". By certifying the operation for at least a few years, we will then be better positioned to incorporate the best and discard the rest.

*Community:* We will be happy to maintain or increase our special events at the farm, and our produce donations to those who will benefit. We will also continue establish this farm as a place where many can contribute to, and enjoy the benefits of, local agriculture.

We continue to feel grateful and lucky. There has been widespread support for our work here. Though the efforts are still monumental, so is the satisfaction and reward. Thank you to everyone who joined with us, to help Picadilly Farm advance, take root, and flourish in 2008.

Bruce and Jenny, Picadilly Farmers