

January 1, 2010

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

This is our farm annual report. It contains information about the activities that took place at the farm this past year, a summary of our 2009 income and expenses, and an outline of our plans for 2010. As a community-supported farm, we want this information to be available for all. Please let us know if you have any questions about the information presented here.

### **Production**

We grew 25 acres of diversified crops, with an additional 10 acres in cover crops. Coming into our third production year, our field rotations are more established, and therefore more effective. We had less weed pressure than the two previous years, which led to a greater yield overall. Twenty five acres of crops and 10 acres of cover crops has been our goal for the farm; and so in 2009, we used as much growing space as we plan to for the near future. This summer, after a three year transition period, our crop production was Certified Organic by the state of New Hampshire.

Weather-wise, we experienced another up-and-down season, though thankfully not as challenging as 2008. Spring was warmer than normal. June and July were wet and cool, though we less rain than other places in the Northeast. Our sandy soils don't hold much water, so many of our crops benefited from the excessive moisture, including record harvests of potatoes, onions, and sweet potatoes. Other crops suffered from the high disease pressure that typically accompanies prolonged wet weather. In particular, red peppers, summer squash, and winter squash brought in yields well below average. Our tomatoes were a total loss, struck by the unusually dramatic late blight fungus spreading throughout the Northeast in July. A cool October pushed back fall harvests of broccoli, cabbage and greens. Fortunately, a mild November allowed us a prolonged and diverse late harvest. Extended Season Shares were exceptional this year, thanks to the warm weather through early December.

We expanded our small scale animal production, to include lambs and laying hens, along with the pigs. For the third year, we raised six pigs from piglet to slaughter. Since a portion of their diet was produce seconds, the pigs represented a way to cycle extra nutrients into farm income. We also fed our pigs whey from two local cheese makers, as well as organic grain from a Vermont processor. Three lambs grazed at the farm crew house, keeping the grass mowed and the neighbors entertained. Fifty hens (make that 46, as four have developed a suspicious habit of saying cock-a-doodle-doo) grew to maturity over the summer, and began laying in October. The chickens now live in a mobile coop during the growing season, and we move them several times a week to field sections that have already been harvested – the manure adds another element to our long-term soil care and field rotations. The lambs and hens were also fed organic, locally processed grain, though none of our meat or egg sales have been Certified Organic. While animal production represents a small part of the farm's income (about 2%) and daily activities, the animals are a wonderful complement to the farm, adding a layer of richness, interest, and some nutrients to our fields.

An area beekeeper is now caring for honeybee hives on the farm. Brendan Taaffe, a Brattleboro musician and former farmer, kept up with four hives this season. The cool, wet summer hindered the bees' ability to produce honey during their peak season, and we had a very small honey crop this year. We are hoping that the bees have enough stored honey to survive the winter, as we rely on them for crop pollination. The hives remain healthy.

We worked with a highly experienced farm crew this year. Apprentice Caitlin Burlett has spent years working on farms, including a Vermont orchard, and has her own flock of sheep. She did much of the field seeding this year, oversaw some harvest and packing days, drove the delivery truck in the fall, did most of the sheep care, managed the farm's harvest records, and took charge of a winter farmer's market in November and December. In 2010, Caitlin plans to start her own small CSA in the Brattleboro area, so we look forward to having her in the neighborhood. Our field crew included Antonio in his third season, Adelina in her second, and Jose in his first – the cumulative experience of the group made for a very smooth and efficient work day. In early summer, we hired Zech Brewton to replace a second apprentice, Bill Lamb, who decided not to continue farm work. Zech brought a high level of skill in tractor operating and maintenance, as well as carpentry and general repair, which was very welcome. Shareholder John Tibbetts was a reliable box truck driver in the summer and late fall. Marie Boisvert pleasantly staffed our CSA distributions on Tuesdays, and we wish her the best of luck as she starts up her own CSA in Warwick, MA in 2010. In the summer, we hired a handful of part-time weeders – Noah, Jesse, Darly and Melvin - who diligently kept the farm clean. Of the pack, Alejandro stood out, and he stayed on the crew through Thanksgiving. All in all, an exceptional group, and we are fortunate that many of our crew plan to come back to the farm in spring.

## **Sales**

Picadilly is succeeding as a Community Supported Agriculture farm.

This season, 155 shareholders participated in our local CSA, picking up once a week for 12 or 27 weeks. With the help of shareholder volunteers, we offered local share deliveries to satellite sites in Greenfield, Brattleboro, Swanzey and Keene. Our local CSA grew about 10%, less than we'd hoped, though we were heartened that most of our 2008 shareholders joined us again in 2009. Perhaps the poor economy had a hand in slowing our growth. Even without a tomato crop, we had an abundant harvest each week, above average for quality and quantity, and overall shareholder sentiment was very positive.

We continued our second season of sending pre-boxed shares to eastern MA. We added a fifth site, and went from 100 shareholders to 180, with several of the sites "selling out" at capacity. The shares mostly went off as planned, and we're calling it an above-average share as well.

We continued our third season of partnership with two farms on the north shore of MA, Great Marsh Organics and Long Hill Orchard. Two hundred and twenty bulk-packed shares left our farm for theirs every Friday.

We continued with our Extended Season CSA shares in November and December, largely unchanged from what we offered in 2008. 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), the New Entry Sustainable Farming Project in Lowell, MA (where Bruce worked in 2006) and the Shared Harvest CSA in Lexington, MA (Gretta Anderson), we offered 385 October-December shares. We enjoyed a new partnership with old friends, Meghan and Rob of Riverland Farm in Sunderland, MA, as part of the Shared Harvest CSA.

We were one of the primary vegetable growers for the Farm Direct Co-op on Massachusetts' North Shore. We made 21 weekly deliveries for their expanding membership of 500+ households.

We continue to grow potatoes and winter squash for Waltham Fields Community Farm CSA in Waltham, MA (where Jenny worked in 1998 and 2001).

We came into the fall with an abundant harvest, more than we needed to serve our CSA shareholders. We decided to try and close our income-expense gap with additional sales. From October through December, we sold to area food co-ops, to a handful of other farms, and to Boston Organics. We also participated in the Brattleboro Winter Farmer's Market, with Caitlin leading the charge. Through these sales, we were able to move our surplus produce, and show a better bottom line financially.

### **Infrastructure and Equipment**

In 2009, we continued moving forward with major projects and equipment upgrades on the farm.

In January, we closed on a crew house about  $\frac{3}{4}$  of a mile down the road from the farm. We purchased an empty, foreclosed house on one acre of land, with a barn, for \$72,500, well-below the current assessed value of \$105,000. Buying a crew house had not been in our plan – no new debt had been a high priority. But this was too “right” to pass up. Now, we can offer year-round, comfortable housing to 4-5 crew members, greatly enhancing our ability to attract and retain experienced farm workers and excellent apprentices. We are already seeing the benefits, with more than half of our crew spending the winter in the house with plans to return to work on the farm in March and April.

In the spring, the farm was buzzing with construction activities. We put in a bathroom and utility sink the old milkroom, and turned the rest of the space into a crew break room. We improved and buried waterlines around the wash barn, and upgraded the foundation on the front of the old barn by the road. Our neighbor, Gary Beaman, removed remaining silage bunker walls, and turned a small section of field by the road into a gravel parking area. Neighbor Harold Bigelow greatly improved our washing and distribution areas by installing new entry and loading dock doors.

In the equipment realm, we purchased a used compost/manure spreader from a neighbor, improved the disk chisel with some rolling basket levelers, and bought a few small tractor cultivation tools. Our irrigation system is now in fine shape, with a new diesel pump and completion of the pipeline. We purchased and built what we need to raise chickens and lambs on the farm. Overall, the farm is well equipped, though over time more will be spent to replace wearing assets and to fine tune production improvements.

Another piece of infrastructure is the property itself, and in 2009 we continued collaboration with the Natural Resource Conservation Service, an arm of USDA, to establish best management practices and to reduce erosion/runoff hazards around the farm. This season was mostly a planning one, with several projects now shovel-ready for 2010.

While it is our intention to pay for equipment and infrastructure costs out of our annual operating income, we were unable to do that in 2009, primarily due to the crew house purchase. We dipped into the farm's cash reserves to finance the down payment and necessary improvements on the house.

The administrative work of the business is established and running smoothly.

### **Community Involvement**

Our presence in the community continues to grow. We hosted multiple farm tours, including a group of girl scouts, several groups from the Winchester after-school program, and a UNH Twilight Meeting for area farmers in July. Shareholder Kate Rossiter helped to organize a calendar of shareholder social events, including a spring open house, a well-attended strawberry shortcake picnic, and a relatively unattended potato dig and roast (guess the shortcake was more appealing!). Picadilly again partnered with Fair Winds Farm and the Riverview Café in Brattleboro, offering our produce for a “Feast in the Field”. We topped off the year with a fabulous, first-annual Picadilly Farm harvest supper and dance at the community center in Winchester. Seventy+ shareholders shared a meal, watched a slideshow about the season, played games, and danced to the lively music of farm beekeeper Brendan Taafée. Momentum is definitely picking up for these simple, free, family-friendly farm events.

We continued to offer weekly donations of our surplus produce after CSA distributions to local hunger-relief agencies. Volunteers from Post-oil Solutions came out weekly, for the third year running, to sort and deliver produce to agencies in Brattleboro. The Northfield Food Pantry also picked up weekly boxes for their distributions. As the Vermont Food Bank is developing an extensive and successful gleaning program in their state, we’ve found that their volunteers are less able to cross the river to glean at our NH farm, so very little was gleaned from our fields through the season. We made up for it in the fall, though. With huge bumper crops of potatoes and late fall carrots, we put out the call for harvest help. It was answered by volunteers from Post Oil Solutions and the School for International Training in Brattleboro, by the Northfield Area Progressives, and by the Winchester Food Pantry and the Winchester Knights of Columbus. In all, more than 40 people harvested and delivered over 4000 pounds of potatoes and 1000 pounds of carrots to hunger-relief agencies throughout our tri-state area. From within this group of volunteer, we may have the foundation for regular farm gleaners in the future.

Several anonymous donors purchased and subsidized CSA shares for the community and for low-income shareholders: one for the Winchester Learning Center, an early childhood education program serving low-income families; a second for the Early Sprouts program at the Child Development Center at Keene State College; and a third donation was shared among CSA shareholders, who would not have been able to participate otherwise. We extend special thanks to the donors of these gifts!

## **Financial Summary**

The farm is on stable financial footing, though certainly still in “start-up” mode. We continue to make contributions to farm infrastructure, equipment and debt-repayment.

Our personal income from the business stayed steady from 2008 to 2009, and we did not have to supplement our income with off-farm work. To have a sustainable income, that allows us to pay our expenses, including adequate health insurance and retirement savings, we intend to increase our steady income from the farm by about 40%. As our significant start-up and business debt-repayment expenses recede, we expect to be able to increase family income appropriately.

A summary of the 2009 income and expense report, as well as our budget for 2010, follows below. Picadilly Farm LLC now owes \$120,000 to 3 lenders, who we’d like to re-pay within the next 5-6 years. The business also now holds a 15-year mortgage of \$73,000 on the farm crew house, which is paid from the annual operating budget. The current assessment of the crew house is \$105,000, so this represents a good investment for the business on many levels. Jenny and Bruce hold the farm mortgage personally, and Picadilly Farm LLC rents the land and barns from us.

	2009 actual		2010 projections	
<b>Income</b>				
Animal sales	\$7,500	2%	\$8,400	2%
CSA shares, on farm	\$74,500	18%	\$85,000	20%
CSA shares, off farm	\$172,500	41%	\$195,000	45%
Extended season CSA shares	\$40,000	10%	\$40,000	9%
Contract/Co-op growing	\$96,000	23%	\$85,000	20%
Wholesale/winter market	\$21,000	5%	\$15,000	3%
NRCS Program payments	\$5,900	1%	\$5,900	1%
<b>Total Income:</b>	<b>\$417,400</b>		<b>\$434,300</b>	
<b>Operating Expenses</b>				
Animal production	\$8,100	2%	\$7,400	2%
Payroll (J&B excluded)	\$111,000	32%	\$138,000	42%
Admin, Insurance, Certifications	\$14,800	4%	\$15,100	5%
NH taxes	\$2,800	1%	\$1,500	0%
Growing expenses	\$59,000	17%	\$60,000	18%
Repair & maintenance	\$9,200	3%	\$10,000	3%
Fuel and oil	\$9,100	3%	\$11,600	4%
Utilities	\$12,600	4%	\$14,200	4%
Farm rent (from J&B)	\$18,000	5%	\$18,000	5%
Crew house mortgage, taxes	\$8,200	2%	\$9,650	3%
Debt repayment	\$12,000	3%	\$10,500	3%
<b>Capital Expenses</b>				
Infrastructure	\$41,800	12%	\$20,000	6%
Equipment	\$18,200	5%	\$15,000	5%
Crew House purchase and renovation	\$23,000	7%	\$0	0%
<b>Total Expenses:</b>	<b>\$347,800</b>		<b>\$330,950</b>	
<b>Surplus (pre-tax):</b>	<b>\$69,600</b>		<b>\$103,350</b>	

## Outlook for 2010

2010 will be another building season for the farm.

*Production:* Our envisioned maximum acreage for field crops was realized in 2009 – approximately 25 of our 35 tillable acres. We'll continue to grow 25 acres, with a focus on increasing yields and improving crop quality. During the 2010 growing season, we will continue to refine and develop a longer term view for beneficial crop rotations, fertility improvements, and for livestock production to compliment the produce.

*Labor:* Many of our 2009 employees intend to return in 2010, so we're well-positioned for the coming year. We've hired Susie Parke-Sutherland into a new, year-round Assistant Manager position. Susie worked as an apprentice at the farm in 2008, and had spent the last year working on farms in Hawaii

and California. We're thrilled to have her back in a role that builds upon her strengths and supports Jenny and Bruce with management tasks.

*Sales:* Our sales have stabilized. We will offer 150-200 CSA shares on the farm, 200 boxed shares delivered into eastern MA, and 225 shares delivered to our farm partners in MA. We'll be a primary vegetable grower for the Farm Direct Co-op, and will grow potatoes and squash for Waltham Fields Community Farm. We'll offer extended season shares through our farm and other marketing collaborations. We hope that Picadilly Farm food will continue to be enjoyed as a reliable staple for many.

*Infrastructure:* Our priorities will be:

- Insulate the wash barn and share distribution areas, so they can be minimally heated
- Build more storage for fall and winter crops
- Enact NRCS-funded projects for erosion control: expanding a riparian buffer at several field edges; and improving drainage around the barns and greenhouses.
- Improve the aesthetics of the farm, especially around the parking and distribution areas
- Research possibilities for expanding our hoophouse and greenhouse production

*Community:* The fall Harvest Potluck and Contra Dance has definitely become an annual tradition! We'll continue with events on the farm, including a spring open house and shareholder work days. We plan to maintain the regular donations to area hunger-relief agencies that are in place for CSA surplus. We'd like to expand upon connections with volunteer gleaning groups who harvested at the farm this fall, including the Winchester Food Pantry. We'll arrange again for donated shares for the Winchester Learning Center, as well as subsidized shares for low-income shareholders. We will also continue establish this farm as a place where many can contribute to, and enjoy the benefits of, local agriculture.

Overall, we continue to feel grateful and lucky. There has been widespread support for our work here - thank you to everyone who joined with us, to help Picadilly Farm advance, take root, and flourish in 2009.

*Bruce and Jenny, Picadilly Farmers*