

Picadilly Farm 2014 Annual Report

January 2015

Dear Shareholders & Friends of Picadilly Farm,

This is our **2014 Annual Report**. The report contains information about the activities at Picadilly Farm last year, and an outline of our plans for 2015. As a community-supported farm, we make this available to all concerned. We welcome your feedback about the information presented here.

2014 was an unusual year! Our primary tillage tractor failed unexpectedly in May, high season. Bruce suffered a vertebra fracture to the lower back during a farm accident in July - he coached from the bench for most of the season thereafter. Overall expenses and income both exceeded the budget by a significant margin. We were fortunate (and grateful) that decent growing weather prevailed overall. Our community and the unflappable farm crew rallied to support the day-to-day operations of the farm. There were no dull moments.

We grieved the death, and celebrated the life, of farm friend and former crew member Molly Dowd, who died in a tragic accident in July. Molly once painted a mural with the words, "Today is a gift. Dare to be overjoyed!" We embraced the simple and profound wisdom of her words, helping us to walk with brighter hearts through challenging days.

Weather and Crop Production

The weather really matters, no matter what we do. Whenever we're ready to take credit for new crop successes, we learn that nearby growers fared just as well. But fine tuning plays a role, and the adjustments we make each year reflect new knowledge combined with the experience of one more season on this land.

Growing conditions in 2014 were better than average overall. Spring came a little late, followed by a dry June and a cool, wet-enough summer. Fall was long and mild, and most summer crops were already finished up before they got nipped by the first frost. The last field harvests in late November were a sprint to the finish, before the earth closed up with a Thanksgiving snow storm.

Overall, our certified-organic crop production was quite good, with many crops bringing in yields equal to, or above, our anticipated production. As always, there were some stand-outs and some under-achievers. Great returns rolled in for cucumbers, potatoes, paste tomatoes, sweet potatoes, fall brassicas, fennel, celeriac, summer celery and onions, beets, and parsnips. Spring greens grown under row cover were outstanding – dare we say we grew too many? Our relatively new fabric row cover, called "Proteknet", excludes insects without trapping heat and moisture that cause disease. It is a super, albeit expensive, tool for organic farms -- here to stay for us.

On the "needs improvement" side, our winter and summer squash were set back by squash bugs, by a fungal villain called "scab", and by the usual late summer mildews that affect fruit quality and storage. Fall celery and purple top turnips were complete crop failures. We suffered Late Blight in the potatoes and field tomatoes again. Anthracnose fungus caused more trouble with rot in the red peppers than we can afford to ignore. "Purple Blotch" once again blemished the onion and leek foliage, and we're still stumped for an organic antidote. Spinach was hit-and-miss again. When the crop took well, the harvest

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was great, but we typically saw good takes from just two out of three seedings – barely a passing grade!

We learned a lot in the tomatoes and potatoes this year, and have much to be pleased about even though Late Blight returned once again. For tomatoes in the field, we succeeded in choosing varieties that can still yield acceptably even with the blight, including a type of paste tomato called “Plum Regal.” In the potatoes, we made three changes that seemed to pay off. First, we adjusted the fertilizer to include more potassium and less calcium. Second, we trialed an organic spray of stilet oil, coating potato foliage twice during the season to protect the spuds from potato leafhoppers insects. We were happy to observe much less damage than usual. Third, we achieved better weed control via the tractor-mounted flame weeder, both pre-emergence and also pre-harvest. Even though we mowed and burned off the foliage early to keep blight from reaching the tubers, yields were up. Are we adapting well, or was it luck? Perhaps another season will tell.

In the strawberry patch, we brought in a worthwhile harvest from the new planting in beds of black plastic mulch. We’ll continue to trial this technique, and abandon the old “matted-row” style in which we were suffering from too much leaf spot and root disease. There’s still much more for us to learn about this challenging and beloved crop.

As organic growers, we try to “sidestep” trouble as much as we can, rather than taking it head-on. We try to accommodate the challenges within a living system of many variables, in faith that the resiliency of diversity means we may lose a little, but not lose all. For example, we typically plant three cucumber successions for summer harvest, rather than just one. That affords three chances to get it right, with a potential harvest from through July and August. But the final planting often gets hit hard by a disease called “downy mildew”, a fungal pathogen that doesn’t survive the winters in New England, but travels north via wind and rainstorms as the growing season progresses. Through a new trial in 2014, we found a resistant seed variety for planting number three, that was tasty as well as prolific. We’ll try it again in 2015, and perhaps be able to push the harvest season into September (don’t tell the crew – harvesting cucumbers in a real workout for the back).

2014 was another learning year for hoop house production. Tomatoes fared better than 2013, though most plants were still covered with aphids and leaf mold by October when we took them out. It seems we almost stayed ahead of trouble with the introduction of ladybugs and another aphid-eating insect, but not quite, so the tide turned. For late fall greens, Allegra did a nice job with planting and managing the crops, all for December harvest. We’ve decided against growing greens for harvest through the winter and early spring in the houses – the life and warmth through the winter months may have exacerbated our aphid troubles. And the expense, mainly the people hours involved in winter production, yielded a product too costly to sell. So we’re still narrowing down our varieties and practices in the houses, as we refine our goals.

Overall, 2014 was an improved crop production year, and maybe future seasons will show if we just got lucky, or if we really did better for nutrient applications, weed control, water management, and all the rest.

Crop production outlook for 2015: *We’ll construct another unheated hoop house, for cherry tomatoes and late fall greens, in the Pick Your Own garden. We’ll give continued consideration to our crop rotations, perhaps making a few changes, as several areas of the fields are too sandy for many crops.*

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We hope to switch from black plastic to an organically-certified, biodegradable mulch (made from corn polymers) for the earlier cucurbit crops. We hope to see several benefits from this different mulching technique, including less trash after harvest, and better habitat for soil biota where we combine the mulch system with either loose straw or seedings of annual ryegrass between the crop beds. We'll tweak the fertilizer and spray applications once again, with particular focus on cucurbits and potatoes. We may, budget permitting, buy a new sprayer and set of seeders, to improve our applications and accuracy. We'll try a few new seed varieties as well!

Land Stewardship

Agricultural resources are precious, and we relish in the opportunity for a livelihood of stewardship here. Picadilly Farm is comprised of 71 acres: 2.5 acres where the farmstead and buildings sit, 45 acres of open land, and the rest a mix of woodland, drainage, and woodside clearing. The farm is intersected by a meandering creek that runs off the hillsides to our northeast and down to the Connecticut River half a mile away. Several ravines divide our three fields. We draw our irrigation water from shallow wells that tap into the high water table. Historically this land has been a dairy farm, going back several generations to the farmhouse construction circa 1865. We transitioned the farm toward certified-organic produce production in 2006, with USDA organic certification awarded in 2008. Picadilly soils are light sandy loam, characterized as the "Agawam" type on government soils maps, with one section of "Ninegret" near the marsh, and several sections of "Windsor" loamy sand fingering through our high spots. These prime agricultural soils are above the floodplain, and are virtually free of stones.

In 2014, we continued a robust effort to keep cover crops thriving on our fallow ground, and to reduce tractor soil tillage. Tillage disrupts the soil's physical, chemical, and biological structure, the very structure that we put so much effort into building. Because tillage is uniquely useful to prepare seedbeds, and eliminate weeds, in an organic system of our scale, we're unlikely to become "no-till" any time soon. By shifting tractor implement use from the more aggressive impacts of rototiller and moldboard plow (we even sold the plow this year!), to the less aggressive impacts disk-chisel and bed former, we're moving in the direction of good stewardship.

We continued amending the soil with a broad spectrum of beneficial nutrients and organisms, in tandem with more specific applications tailored to crop demands. We delivered crop amendments via broadcast spreading over complete areas before planting, drop-spreading on top of existing crop beds, spraying crop foliage with the tractor boom sprayer, and feeding via the drip irrigation lines placed under plastic mulch. In particular, we applied a fertilizer with increased potassium to many crops including: winter squash, summer onions, celeriac, celery, potatoes, tomatoes, peppers, and winter squash. Except for the peppers, yields were up for all. Potassium is a nutrient that promotes good fruit size and skin quality, and possibly the butternuts stored better last fall with additional potassium provided to those plants. We also delivered more calcium to the brassica crops like broccoli, kale, cauliflower, cabbage, rutabagas, and turnips. The fertilizer blend for those also contained humates, a mined substance that acts much like miniature sponges in our soil, holding onto nutrients in a way that's readily available to soil organisms and crop roots. In the fall, we spread a blend of calcium, derived from several sources, on the acres that will have cash crops in 2015. The benefit of a fall application was to allow time for organisms in the soil to "digest" the calcium, so as to improve its availability to our crops come spring. The blend of several sources also created a more diverse array and timing of availability, which works well for our style of diverse organic production, though it cost more than a more standard lime application. Taken together, all of these efforts add up to good

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stewardship of our land resource, along with improving yields of the crops we harvest, with more diversity and density of nutrients packed into each delicious bite!

In 2014, we completed a contract with the Natural Resource Conservation Service, in which NRCS shared costs with us to implement specific erosion-control practices on the farm. The work was done by Becky and Jay of Hinsdale Gravel Company, with Jeff Carter for the cement work. They installed a grassed waterway with three cement road crossings, to convey excess storm water on our main field through a rock-lined chute to safe drainage. The project went beyond the planned time-frame and budget, inspiring some concern. But we had quick affirmation of the benefit during an August downpour of 2+ inches of rain. At one point we observed a rush of storm water, eight feet wide and inches deep, carried successfully away without soil erosion, leaving our nearby crops in good shape. Students from Northfield Mount Hermon High School, as well as a few shareholder volunteers, joined us to plant 400 shrubs along the drainage chute. Many of the students were out of their comfort zone doing muddy work on a chilly day, but they stuck to it, and finished the whole job with plenty of laughs.

***Land Stewardship Outlook for 2015:** We'll continue to appreciate the gift of this good land, as we deepen our knowledge, commitment, and experience in this place. One new initiative will be to improve the native pollinator habitat and population. In part with financial and technical assistance from the Cheshire County Conservation District, we'll plant a number of native flowering shrubs in the marsh field, along with grass-and-clover strips and possibly new berry rows there. The plan with the CCCD also includes flowering plants that we'll seed into a portion of our field-bordering roadways.*

Infrastructure and Equipment

Picadilly Farm infrastructure and equipment are currently in fine shape, and decently maintained.

Our wash barn and CSA distribution shop renovations have been super. Early in the year, Rob Mitchell Construction expanded the concrete floor level of our wash barn into the previously-sloping portion of the old upper barn, and put in a loft overhead. Harold roughed in some "finish work," setting us up with the first draft of a new area for CSA distribution and storage. Harold also installed a third walk-in cooler in the wash barn, an upgrade we've been considering for some time, for fall sweet potato curing and storage that is more energy efficient than doing this in the propagation greenhouse. We have enjoyed the renovations so far – more space in the wash barn, more space for the CSA distribution, a new entrance for shareholders, and a roomy storage loft. We will appreciate these upgrades for a long time.

A small, but deteriorated, section of the garage barn exterior was re-sheathed and re-stained. Along with a little more staining at the north end, we've pretty much painted our way around the garage barn during the past couple years.

At the crew house on 117 South Parrish Road, Harold replaced sills and siding in the storage room. The water heater and washing machine were replaced in 2014. The Assistant Manager's house, at the north end of the farm property, needed some water line work, and we learned how best to keep the lines and filters clean.

In May, we suffered the loss of our old tillage tractor when the engine seized during spring tillage. Though we knew this well-used tractor, a 1970's Massey Ferguson 1155 that we bought from Albert

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along with the farm, was in line for replacement, we'd hoped for more time. Sam, from Manning Hill Farm, generously lent us a tractor for several weeks. In a quick turnaround, we bought a used 2009 Kubota M126X. Though Bruce did have one crazy moment when the front axle separated from the chassis (close call!), the new tractor has proven to be an appropriate and beneficial replacement. The unexpected bill in the expense column prompted sales of two older tractor implements that we were no longer using -- an old plastic mulch layer and a tine weeder.

***Infrastructure & equipment priorities for 2015:** We have materials in the barn for another hoophouse for Pick-Your-Own tomatoes, purchased with cost-sharing help from the NRCS. We'd like to have the farm entrance and driveway re-paved, a project that could be well-timed this year, as the town of Winchester is likely repaving our section of South Parrish Road. For equipment, we're likely to acquire an additional set of seeders, to increase the precision with which our crop seeds are planted, especially those that we spend a lot of hand time thinning (like carrots). We're looking at a second boom sprayer with a larger coverage area than the one we have, to reduce tractor traffic and associated damage over maturing crops. This implement would allow us to improve foliar applications of crop stimulants, as well as certified-organic pesticides or fungicides. Before tackling more in the washbarn and CSA distribution areas, we'll try to replenish our rainy day fund. We're still awaiting the specific guidelines of the Food Safety Modernization Act, which are sure to dictate which materials and procedures will be appropriate in those spaces.*

Animals

In 2014, the Picadilly animal roster included another run of six pigs, a trial round of 15 turkeys, our three well-loved barn cats, plus pet bunnies and ducks for the family. In the bee-keeping department, Brendan Taffee, who had been managing a few hives, decided to take at least a year off, while we think about new ways to improve hive vigor and to insure the bees have enough forage all season long.

Our pigs arrived in the beginning of June, as eight-week-old piglets from Look Farm in Marlboro, VT. They were mutts, blending Yorkshire and Berkshire breeds. They feasted on an abundance of produce scraps from our washbarn, with supplemental organic grain every day. Shareholders regularly walked out to visit them, with a pack of children often led by our Beckley, who would frequently hop right in the pigpen (much to the despair of the adults who do the laundry!). In November Peter Sibley, from Round Mountain Farm in Northfield, trailered the pigs to Adams Farm slaughterhouse in Athol, MA. All of the pork was sold by the half or quarter animal, mostly to returning buyers. The price of \$4.90 per pound of the animals' hanging weight was up, \$.15/pound over 2013, reflecting the steady increase in organic feed prices. Breaking down operating expenses and income, the farm earned an acceptable return raising pigs, comparable to our vegetable production.

One change in our pig production this year was in processing the meat. Several of the buyers elected to have some portions of ham and bacon cured without nitrites at Noack's Meat Products in Connecticut. Unfortunately, Noack's has been so backed up that our smoked and cured pork is still not ready as of this writing!

Talking turkey, we bought 15 little turkey poults in June. They came from the Murray McMurray hatchery in Pennsylvania (always a leap of faith, having live animals shipped in the mail!). Our poults were a heritage breed called "Blue Slate". We chose them because heritage breeds have the advantage of being more hardy and amenable to the outdoors than their modern counterparts, and also because

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the hatchery was sold out of other choices. The turkeys lived on our house porch for a few weeks, cared for by Beckley and Jesse. Just after Bruce's accident, several folks from the crew stepped up to take on care of the birds – Allegra, Alex and Anna rustled up a coop, and kept the birds fed and watered in our marsh field. Over the months ensuing, half of the birds either escaped to the trees or were taken out by predators. After processing, the birds weighed in at just 6-12 pounds. A lot to learn, still!

***Animals outlook for 2015:** We plan to continue with the pigs. We'll try another round of turkeys, likely with a different breed and a new housing arrangement. Hopefully the honeybees will be back, along with more habitats for native pollinators. One of our beloved barn cats, Coco, went missing in December, and we've realized we won't see her again. The farm kids are hoping for ducklings come spring.*

Labor

Picadilly Farm employed 25 people last season, who put in a combined 17,500 hours on the farm. This represents a 6% increase in employee hours over the previous season. Seven employees lived in the two farm crew houses, while the rest lived locally.

Allegra Halverson worked her third season with us, becoming the **Assistant Manager** after two years on the field crew. She took the A.M. baton from Susie Parke-Sutherland without breaking stride. She did well via her can-do approach, supporting management with thoughtful realism. She helped fill the gap after Bruce's farm accident in July, with more work hours, and more time than anticipated conducting the crew. She also took over the management of share box packing for our eastern MA shares on Tuesdays and Thursdays, with many 5am starts to her day – thanks Allegra!

Harold Bigelow, after years of independent and part-time work with us (and many years before of helping Albert with the dairy farm here), became the new **Field and Equipment Technician**. When he wasn't pitching in with the full-season crew, his ability to make good on a whole host of independent projects really smoothed out the bumps and blips that can "crop up" in any production season, but particularly did so in 2014 when Bruce was sidelined.

Full Season Crew at Picadilly receive a competitive hourly wage, plus farm produce, sick pay, an annual pay raise, year-round housing for most, and delicious birthday treats. In 2014 the full season crew included veterans Antonio Mendez, Iver Mendez, and Adelina Reyes. They were joined by new crew members: Alex Parker, Willie Nesson, Heather Wodehouse, Keith Zehr and Julie Thibodeau. We almost had too many hands on deck in the spring, with such an experienced and no-nonsense group. Plenty of work came on as the crop production, and harvest season, kicked in. Julie left in late summer, to focus on her own farm in Winchester, and Keith left early in the fall, to help out with the soybean/corn harvest on his family farm in Illinois. Everyone else worked long hours into November. Willie is now off to start his own farm venture in Maine - we'll especially miss his extra attention to Picadilly wholesale, and his enduring optimism. We're planning to have the others back again.

The **Weeder Crew Leader** was Anna Elbon, and she was great! Anna had a knack for motivating the troops, while uniting a cast of diverse age and experience in common cause. We hoped she would join us again for 2015, but she landed a great job as the farmer at a non-profit community farm in New York state. Thanks to all of the 2014 weeders, including: returners Brian, Hannah, Caleb, Shawn, and Karl; along with Lily and Molly. We extend an extra measure of gratitude to Shawn and Karl, who

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were here the Saturday afternoon when Bruce hurt his back, and were so very steady and kind. We say goodbye to Brian, who after three summers spent weeding here, has finally “graduated” – from Picadilly and from college – by landing a full-time accounting job. Keep eating your Picadilly veggies, Brian!

Neighbor Ken Neilson joined the roster in October, as our weekly **Barn Cleaner**. He did a great job, working independently, with a gentle eye out for well-being of the cats and other farm pets.

We hired a new **CSA Shop Manager** for the farm, Carol Kahler. Already a shareholder for three seasons previous, Carol was a quick study and enjoyed the job, welcoming shareholders and keeping the produce bins stocked. She never wavered, and made many friends among shareholders. We’ll be happy to have her back this year!

In the transportation and distribution sector, Alex (Full-Season Crew) most often did the Keene deliveries, while Doug McCarthy returned for another season to execute the complicated eastern Massachusetts share deliveries, to 13 sites on two days. Locally, shareholders Lindel Hart, Lisa and Frank Bass, and Lucinda McGovern, all volunteered their time and spaces to bringing shares to Greenfield MA, and Brattleboro VT. In eastern MA, more than a dozen site hosts worked with us to keep produce distribution smooth for nearly 400 shareholders – thanks to Jane, Julie, Peter & Deb, Ben, Andy, Don, Meryl & Jane, Jason & Gena, Cheryl, Jocelyn, Flava, Eileen and Shun, Archie & Adrienne.

Sarah Loomis, from our 2014 farm crew, volunteered her time to create our spiffy new weekly shareholder newsletter. She shot the beautiful photos and worked up the recipes. We’re looking forward to working together again in 2015, when Sarah may join the farm staff for office and special events management work.

Our safety committee, consisting of Heather, Allegra, Harold and Jenny, met quarterly and made many suggestions and improvements for safety and good working relationships on the farm.

***Labor outlook for 2015:** We’ll work again with Allegra, Harold, Iver, Antonio, Adelina, Heather, Alex, Joe, Doug, Carol and Ken. Hopefully some of our summer weeders will also return. We plan to hire some administrative help for office work and special events. We’re trying to figure out how to beef up our weeder crew in August, when the weeders typically return to school just as the fall carrots need to be weeded.*

Sales

Picadilly Farm is well established as a Community Supported Agriculture farm, along with a developing wholesale market since 2013. Nine years since the first field plowing, the size and scope of the farm’s sales are relatively stable.

In 2014, we offered our CSA shares through the same established streams:

- Local shares for farm pick up
- Boxed December shares to extend the season, at the farm and in Keene
- Boxed shares delivered to eastern Massachusetts
- Collaborative shares with Waltham Fields Community Farm, in Waltham MA

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- Extended season shares for Sunrise Farm CSA, in White River Junction VT
- Partnership in Shared Harvest CSA, for winter shares, to Arlington MA and Boston's south shore.

Locally, Picadilly Farm CSA grew to 360 shareholders, up from 301 in 2013. Half of the increase can be attributed to our new once-a-month shares. About 74% of local shareholders were Full Season participants (25 weeks), 18% were Summer Season shareholders (12 weeks), and the remaining 8% were Once-a-month shareholders. Most folks picked up at the farm. The Mix-and-Match distribution style on the farm continued to be successful and well-liked. We delivered about 60 shares to off-farm pick-up sites in Keene and Brattleboro. For the Keene delivery, we established a new pick-up site at Cedarcrest Center for Children with Disabilities, enthusiastically arranged by their head of Dining Services, Anna Piergentili. Our overall shareholder retention rate from 2013 was fine, at just over 80%, but definitely down from previous years.

Our eastern Massachusetts CSA sold out again in 2014, even earlier than the year before. Egg Shares, provided by our neighbors at Wingate Farm, were also sold out. For 23 weeks, we delivered 400 pre-packed shares to pick-up sites in nine eastern Massachusetts towns. We added two new shareholder pick up points in Newton – at the YMCA and at Elaine Construction. 69 % percent of the 2013 shareholders renewed for 2014, a slightly higher renewal rate than average for these shares. Most weekends, a trickle of shareholders traveled out to the farm, to visit and enjoy the Pick Your Own garden.

Collaboration with Waltham Fields Community Farm (MA) again went well, building on the relationship we've had with this special place ever since Jenny worked there sixteen years ago. For the fourth season now, Picadilly grew 100 regular season shares for WFCF. We delivered the produce in bulk on Tuesdays and Thursdays, for Waltham staff to incorporate into their farm distributions to a 500-share urban CSA. In 2014 we discontinued the additional sales of winter squash to WFCF, and scaled back on potatoes – two crops whose yields are not consistently profitable for us on a wholesale basis.

Picadilly offered 100 extended-season December shares for local shareholders, with pick-ups at the farm, at The Works Café in Keene, plus a new site at Greenfield Community College in Massachusetts. Bruce's brother, Chuck, at Sunrise Farm in White River Junction, VT, again offered Picadilly produce to extend his own farm season into November and December, for about 30 of his regular season shareholders.

Our growing for the Shared Harvest CSA continued in 2014. Shared Harvest is a multi-farm CSA that serves Massachusetts shareholders in Arlington, Canton, Hingham and Buzzards Bay. Distributions take place from October through February. Our organizer, Jane Hammer from Arlington, is a dear friend, and brings together a number of growers and value-added producers to create a very nice monthly share of local food. Picadilly again contributed about half of the organic vegetables, with our friends at Riverland Farm in Sunderland, MA, contributing the other half. Our collaboration is easy and fun and Jane did an excellent job pulling the details together.

We enjoyed a banner wholesale year in 2014, due both to higher yields than anticipated, and to maturing vendor relationships. About 14% of the 2014 farm income derived from wholesale, compared to 6% in 2013. Sales more than doubled to the Monadnock, Greenfield and Brattleboro Food Co-ops.

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Though wholesale sales have not been the central part of our mission, they allow us over-produce for the CSA stream (to help ensure we “got it”), then have an outlet for the surplus. They also allow us to devote growing space to our most profitable and reliable crops. We are also happy to be reaching a broader local audience. Additional buyers in our region included: Brattleboro Memorial Hospital, Blueberry Fields Market, and Monadnock Menus in Keene. Additional buyers in eastern Mass included Boston Organics plus a good number of community/CSA farms.

Each year we pre-arrange to grow crops for other growers, usually on other CSA farms. In 2014 we focused contract production on fall carrots and sweet potatoes, and grew many fewer potatoes and butternut squash. Dropping the spuds and squash was a good call. We’re still analyzing the success of the carrots and sweet potato grow-outs, but we think it’s a good shift for the farm.

Sales outlook for 2015: We’ll steam ahead with CSA shares sales, plus some extra wholesale to round out the crop plan and the budget. We’ll try to match 2014 share numbers, or increase local share numbers slightly. Share prices will go up \$20- \$25 per share, as we strive for a gross income of \$25K per acre. We’ll continue to refine our wholesale list to reflect crops we can grow most profitably. We’ll continue the shift towards bulk fall carrots and sweet potatoes (those sandy-soil-loving crops!) for contract growing.

Financial Summary

Financially, Picadilly Farm is stable, though 2014 was more exciting than our book keeper (Jenny) prefers. Though the financial year was stressful - between the expensive tractor replacement and increased labor costs after Bruce’s accident - we’re overall pleased to have come through to the other side of these challenges. Cash flow is tight this winter, and we have a freeze on capital spending until we can re-build our rainy day fund, but we’re feeling confident in the strength of the farm business to continue and thrive.

In 2014, income was up 11% from our budget. Share sales were vibrant. Shareholders even offered extra payments for the season to cover our anticipated shortfall, to the tune of nearly \$5000! We “cashed in” wherever we could to avoid additional debt – we sold unused equipment, took the farm credit card bonus, and very actively worked the wholesale angle. The growing season was better than average, a card that really fell in our favor.

Expenses were up 16% from our budget. Of course, the unbudgeted tractor replacement, plus labor costs were slightly higher when Bruce was out. As well, the costs of organic growing supplies have spiked. We’ve increased what we anticipate spending on fertilizer, seeds, field supplies and distribution supplies by about a third.

Picadilly Farm owes three lenders. The business has a mortgage of \$63K on the farm crew house, which is paid from the regular operating budget. We financed a new delivery truck in 2013 at low interest, with three more years of payments due from the regular operating budget. Finally, to capitalize the business in 2006, we gathered up about \$250,000 in resources, from our own savings and from several private lenders. One remaining loan of \$100,000, interest-free from a friend, is still outstanding. We made no payment on this loan in 2014.

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Jenny and Bruce own the farm personally, and Picadilly Farm LLC rents the land and barns from us. Our mortgages are held by the Farm Service Agency/US Department of Agriculture and by the previous farmer owners.

A summary of the 2014 income and expense report, as well as our budget for 2015, follows below.

	2014 projections		2014 actual		2015 projections	
Income						
Animal product sales	\$6,000	1%	\$5,700	1%	\$6,000	1%
CSA shares, on farm	\$153,000	26%	\$170,000	25%	\$168,000	26%
CSA shares, off farm	\$330,000	56%	\$335,000	49%	\$328,000	51%
Contract growing	\$25,000	4%	\$21,500	3%	\$34,000	5%
Wholesale & shop sales	\$77,000	13%	\$113,500	17%	\$99,000	15%
Gifts, equip sales, honorarium	\$0	0%	\$9,500	1%	\$1,000	0%
NRCS Program payments	\$0	0%	\$28,280	4%	\$8,000	1%
Total Income:	\$591,000		\$683,480		\$644,000	
Expenses						
Animal production	\$5,000	1%	\$4,800	1%	\$5,100	1%
Payroll (owners excluded)	\$227,000	47%	\$237,500	41%	\$247,800	46%
Admin, Insurance, Certifications	\$27,400	6%	\$24,883	4%	\$29,050	5%
Marketing & events	\$2,100	0%	\$1,880	0%	\$2,200	0%
Purchase for resale	\$4,500	1%	\$7,600	1%	\$7,500	1%
NH taxes	\$2,800	1%	\$2,500	0%	\$2,500	0%
Growing expenses	\$71,000	15%	\$104,500	18%	\$95,400	18%
Repair & maintenance	\$22,000	5%	\$26,000	4%	\$29,000	5%
Fuel and oil	\$14,100	3%	\$13,700	2%	\$14,200	3%
Utilities	\$14,900	3%	\$16,000	3%	\$16,200	3%
Farm rent	\$18,000	4%	\$18,000	3%	\$18,000	3%
Crew house mortgage & taxes	\$11,000	2%	\$11,400	2%	\$11,600	2%
Box truck loan repayment	\$10,440	2%	\$10,440	2%	\$10,440	2%
Start-up loan repayment	\$20,000	4%	\$0	0%	\$20,000	4%
Capital Expenses						
Infrastructure & Equipment	\$28,000	6%	\$77,500	13%	\$18,000	3%
NRCS Program expenses	\$3,000	1%	\$27,200	5%	\$9,400	2%
Business Expenses, pre-tax:	\$481,240		\$583,903		\$536,390	
Surplus:	\$109,760	23%	\$99,577	17%	\$107,610	20%

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Financial Outlook for 2015: Keep looking forward. Don't panic. Be flexible, generous and grateful. Keep the equipment and the backbones in good condition. Success is in the details, and a good attitude will help.

Community

Our Picadilly community is lively and strong, with shareholders and farm crew at the heart. Many shareholders have been involved for multiple seasons, and solid renewal rates reflect a wonderful cadre of supporters who we count on as they count on us, and with whom we enjoy friendship. We particularly appreciated community support this year after Bruce's accident – how can we express our gratitude to Albert, Susie, Olivia, to many farmer friends who helped us out here and there, and to everybody who showed up with a supportive word or food for our family? Thank you!

Our primary public event of the year was the fifth annual Family Folk Chorale Summer Concert in June. The Chorale, of Arlington MA, regaled a barnyard crowd with favorite folksy songs. The sun was shining, and many farm strawberries found their way onto local ice cream and delicious shortbreads baked by farm shareholder Julie Robinson.

Over the course of the season, various groups came to tour the farm and to volunteer in the fields. In April, we hosted adult students from the Farm School (Athol MA), for an annual educational tour. Students and faculty from Northfield Mount Hermon School volunteered during a planting day in spring. We held our annual farm open house in May. In July, a volunteer group from TheMove in Boston stayed at the farm for a second annual volunteer weekend, working, learning, and cooking sublime food. Over that weekend, CSA shareholders joined in the effort to weed the fall brassica field. Youth from Keene's Cedarcrest Center came for a summer farm visit with their caregivers. The Winchester School sent various student groups to the farm, and in October we hosted our daughter Beckley's third grade class from the Monadnock Waldorf School, for a day of planting wheat and moving rocks. Shareholders and community volunteers joined in for two late season harvest days, with hundreds of pounds of carrots and beets from those harvests going to the Community Kitchen in Keene and the Winchester food pantry. We enjoyed all of these opportunities to connect and engage around good farming work.

Jenny presented two workshops to other growers this year on farm marketing and profitability, for UNH and for the Northeast Organic Farming Association. Bruce joined the board of advisors for Monadnock Menus, a relatively new non-profit group that is working to aggregate and distribute local food to institutions and businesses in Cheshire County. And if you saw the new documentary about the history of co-operatives, *Food for Change* by Steve Alves, then you got a few glimpses of our Picadilly fields in the footage!

Surplus farm produce was donated every week to the Winchester Food Pantry on Tuesdays and to the Community Kitchen of Keene on Fridays. Volunteers from these two groups really make it work – special thanks to those who picked up and delivered the produce: Ed and Mary Ann Raynor of Hinsdale, and Sarah Harpster of the Community Kitchen. We always have extras leftover from CSA distributions and from surplus harvests. This was a banner year for surplus and field gleaning, and the farm donated over 12,000 pounds of produce to help feed people in our community who are food insecure.

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Taken all together, the breadth and growth of community involvement really shines. We're thrilled to be so well-received, supported, and enjoyed here. From plant-based diets, to plant-based livelihood, to plant-based community fun, it's clear to us that agriculture and community grow together well.

We are once again grateful for a successful Picadilly year, deeply appreciative for all the support and affirmation that carried the day. Through farm work we push ourselves to overcome challenges, celebrate good, embrace the weather, and to marry our fortune to an honest livelihood. Over time we find that the work, begun as repetition, soon becomes ritual, and from there becomes even a bridge to the spiritual. The farm is our compass, with points true toward earth, stewardship, community, and health. Thank you for partnering in this good work with us!

Warmly,

Jenny & Bruce Wooster
Picadilly farmers