



NC STATE UNIVERSITY

POOLE COLLEGE OF
MANAGEMENT

SCRC



Inventory Management & Farmer Age Analysis

Spring 2014

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Company Information

- Began in 2004 – Carolina Farm Stewardship Association and Tobacco Trust Fund Commission Grant.
- Market and distribute wholesale Carolina organic farm produce to retailers, restaurants and buying clubs.
- Farmer owned – 80% of sales go back to their growers.



Scope

Problem

- Average age of farmers increasing
- ECO would like to continue sustainable business growth
- Current IT infrastructure cannot support growth

Actions

- Gather producers birthdays
- Survey top producers
- Gather available IT software information
- Survey food hubs

Objectives

- Define average age of ECO producers
- Identify age change in producers
- Characterize producer population
- Identify IT solutions

Farmer Age Analysis





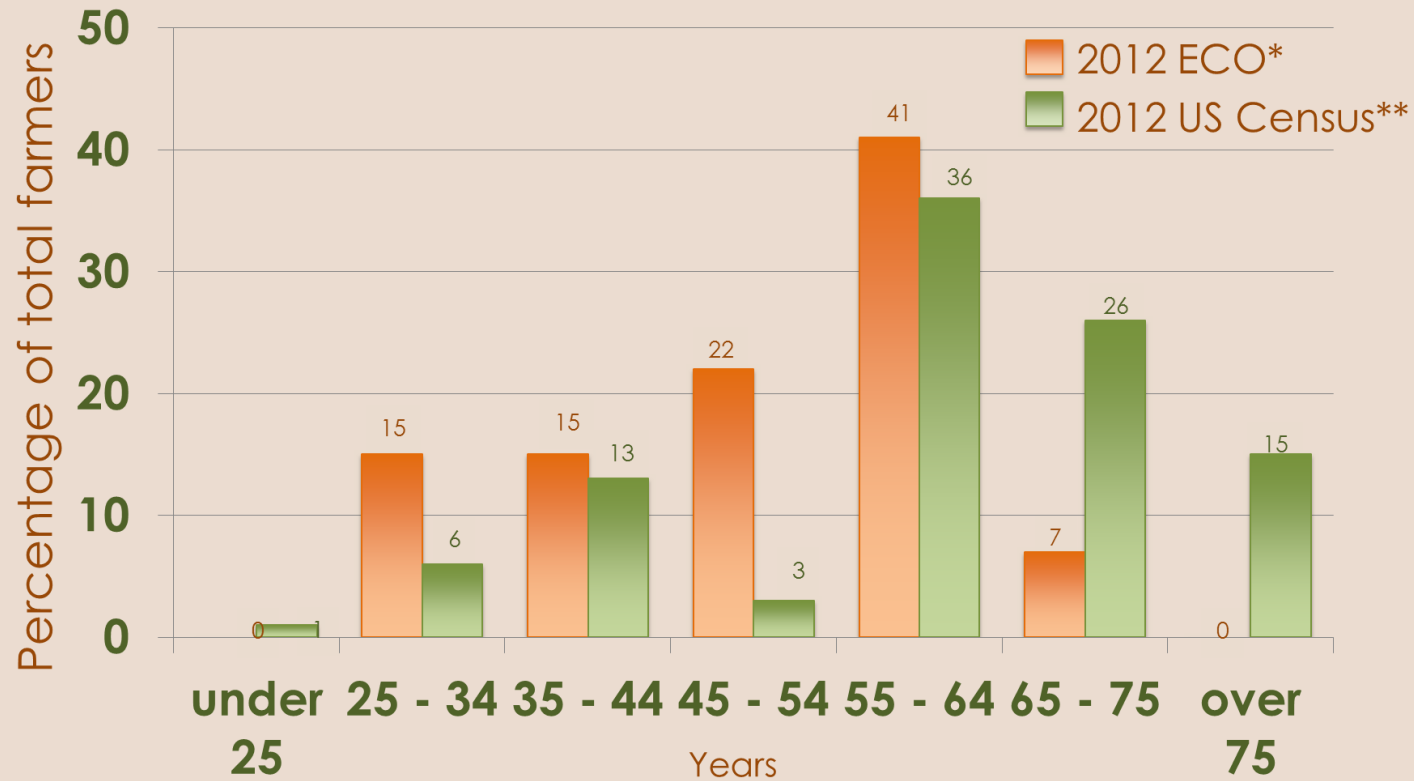
2007 vs. 2012

- Average age of U.S. farm operators increased from 57.1 to 58.3
- 30 year trend of steady increase in farmer age
- U.S. Farmers age 55-75 increased 5%
- U.S. Farmers under age 54 decreased 18%

Average Age of ECO Farmer



Principal Operator by Age Group, 2012



*Source: Eastern Carolina Organics and NCSU Farmer Survey

**Source: USDA NASS, 2012 Census of Agriculture, Preliminary Report

Farmer Surveys



Farmer Surveys

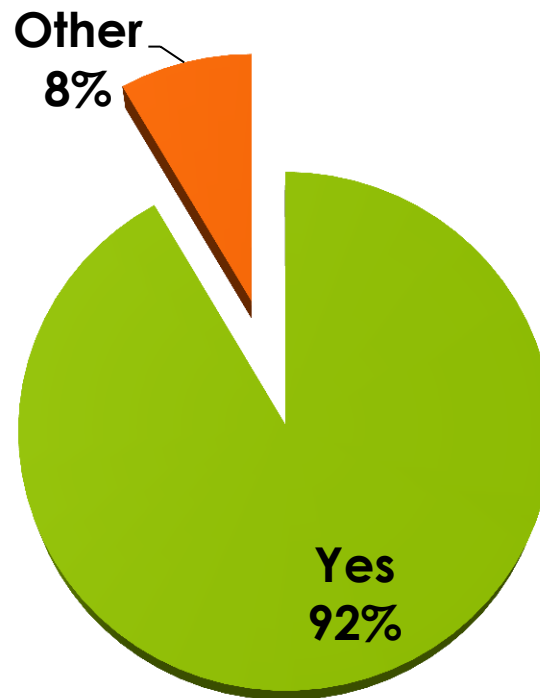
- Top 10 Farmers
- 10 year period (2004-2013)



Survey Questions

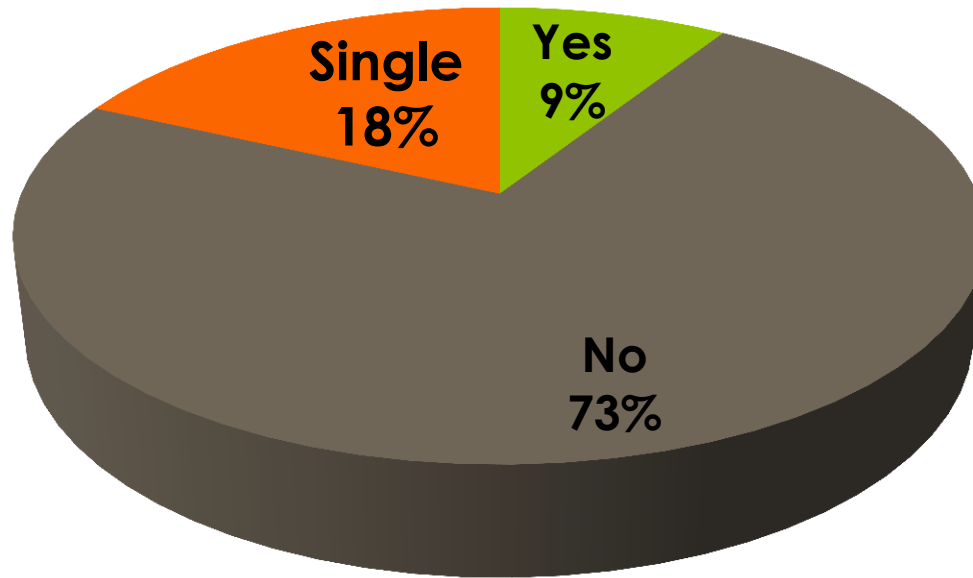
1. Is farming your primary occupation? (or do you also hold an off farm job?)
2. If you have a spouse/partner, does he or she hold an off-farm job?
3. Do you see any younger members of the family or employees taking over your business or starting their own farm in the next few years?
4. What other market channels do you sell to, including: (check all that apply)
5. Do you intend to increase the amount you sell to ECO in the coming year?
6. What % of your product do you sell through ECO?

Farming is Primary Occupation



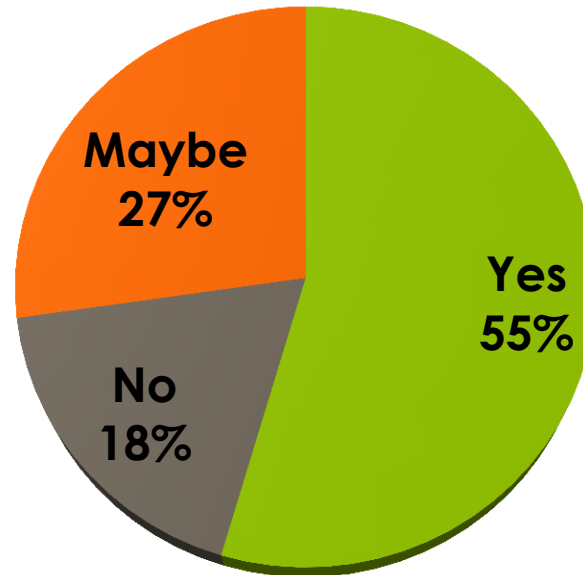
Only 45.1% of US farmers report farming as primary occupation

Spouse/Partner Holds off Farm Job



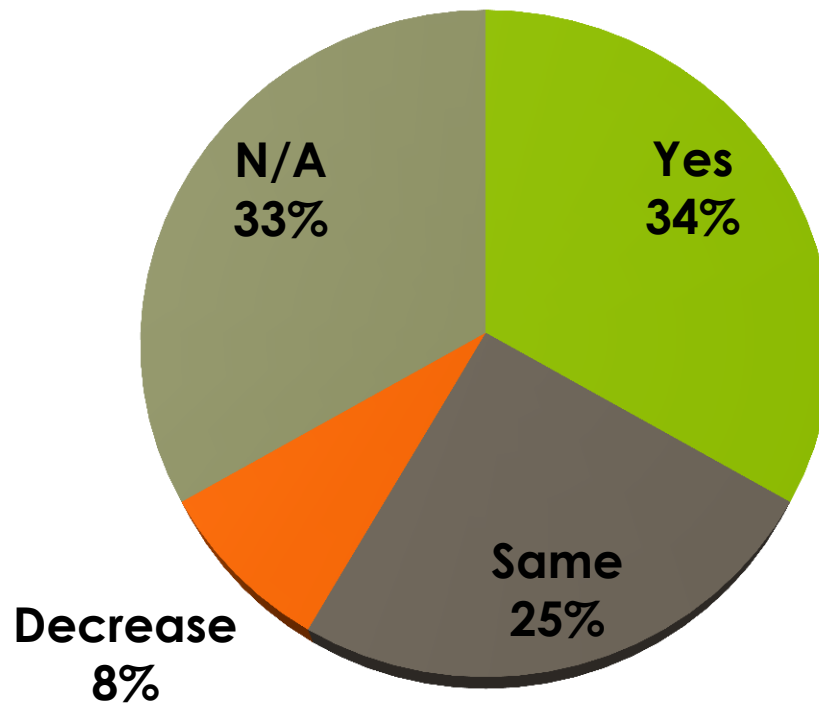
48.7% of US Farmers work off farm 100 days or more every year

Farm Transition Plan



- *55% of ECO's top producers have a definite farm transition plan*
- *From 2007-2012, NC lost 2,700 farms (62,560 acres)*

Do you plan to increase the amount you sell to ECO?



[illegible]

Survey Questions

1. What is your company currently using for inventory management?
2. What do you see as the benefits of this system?
3. What are some limitations of using this system?
4. How would you rate the cost/value of this system?
5. What is your company currently using for customer relationship management?
6. What do you see as the benefits of this system?
7. What are some limitations of using this system?
8. How would you rate the cost/value of this system?

Limitations of Current Systems

System	Advantages	Limitations
Quickbooks & Excel	<ul style="list-style-type: none">• Affordable• Easy to learn	<ul style="list-style-type: none">• Labor Intensive• Inability to scale up• Not specialized
Custom Software	<ul style="list-style-type: none">• Custom to needs of business	<ul style="list-style-type: none">• Cost• Difficult to update• Hard to communicate with other programs



Currently Used Programs



Overall Project Conclusions

Finding affordable
& comprehensive IT
solutions is a
challenge for most
food hubs

Majority plan to
maintain or
increase sales to
ECO

ECO farmers are
consistently
younger than
national average

Majority of ECO
farmers have
farm transition
plan

Majority of ECO
farmers identify
primarily as
“farmers”

