Inventory Management & Farmer Age Analysis

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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%
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?

- Yes: 34%
- Same: 25%
- Decrease: 8%
- N/A: 33%
Inventory Management
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

<table>
<thead>
<tr>
<th>System</th>
<th>Advantages</th>
<th>Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quickbooks &amp; Excel</td>
<td>• Affordable</td>
<td>• Labor Intensive</td>
</tr>
<tr>
<td></td>
<td>• Easy to learn</td>
<td>• Inability to scale up</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Not specialized</td>
</tr>
<tr>
<td>Custom Software</td>
<td>• Custom to needs of business</td>
<td>• Cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Difficult to update</td>
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<td></td>
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<td>• Hard to communicate with other programs</td>
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Inventory Management

Needs & Features

- Mobile Software Integration
- Invoice for customers
- Pack lists for warehouses
- Traceability
- High-Speed Reporting
- Shelf-life reporting
Currently Used Programs
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”