

How to start in urban agriculture *from business idea to business plan*

Sarajevo University

November 27th, 2020, Online - Dr. Bernd Pölling

Urban Ag: how to start...

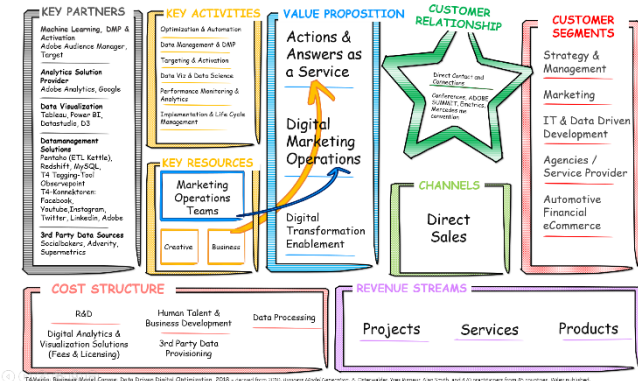
Project „Newbie“

- Overview, Partners
- Tasks and Achievements

From business idea to business plan

- Business idea
- Business Model Canvas
- Business plan

What is happening out there?

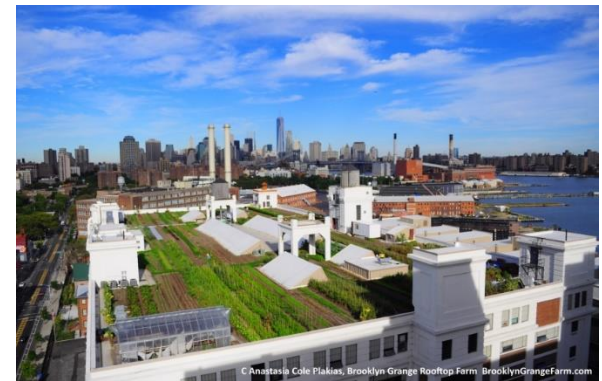


Urban agriculture – terms and definitions

Urban Agriculture

“UA is an industry located within (intra-urban) or on the fringe (peri-urban) of a town, a city or a metropolis, which grows, raises, processes and distributes a diversity of food and non-food products [...]”

(Mougeot, 2000: 11)



Urban agriculture – terms and definitions

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(Mougeot, 2000: 11)

Urban Farming

- economic focus (professional business)
- agricultural / horticultural farms
- mainly at the outskirts and in-rural links

Urban Gardening

Technological & Social Innovations

**New entrants
into farming**

Urban Ag: how to start...

Project „Newbie“

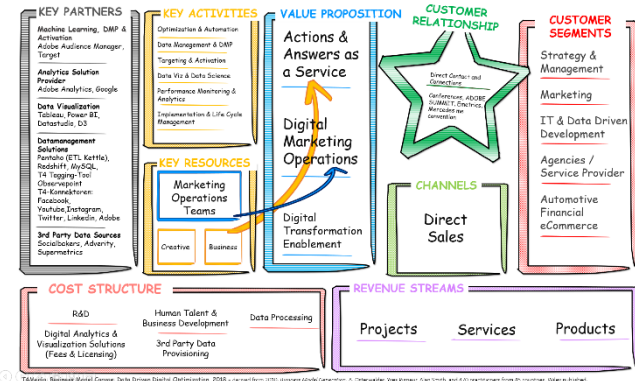
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Newbie

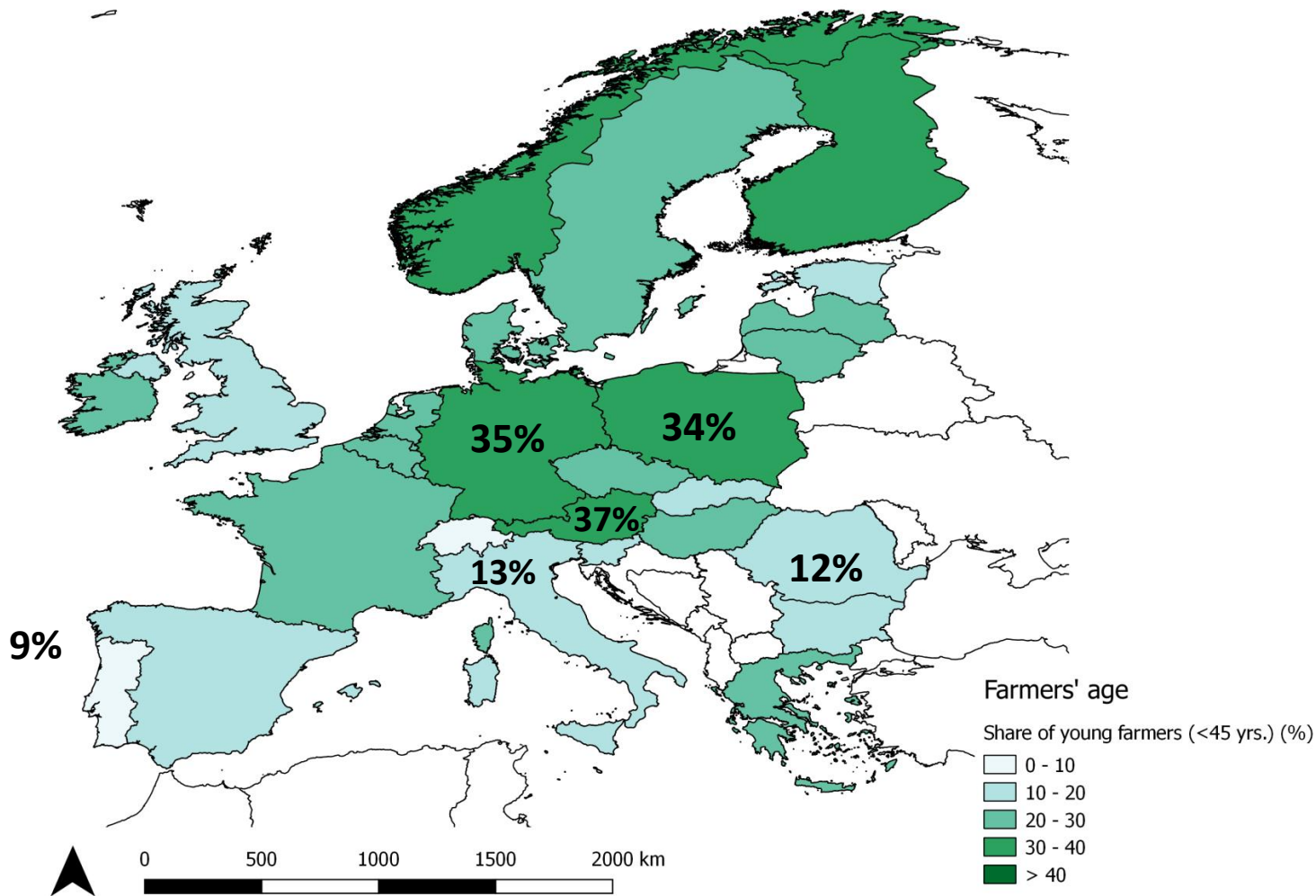
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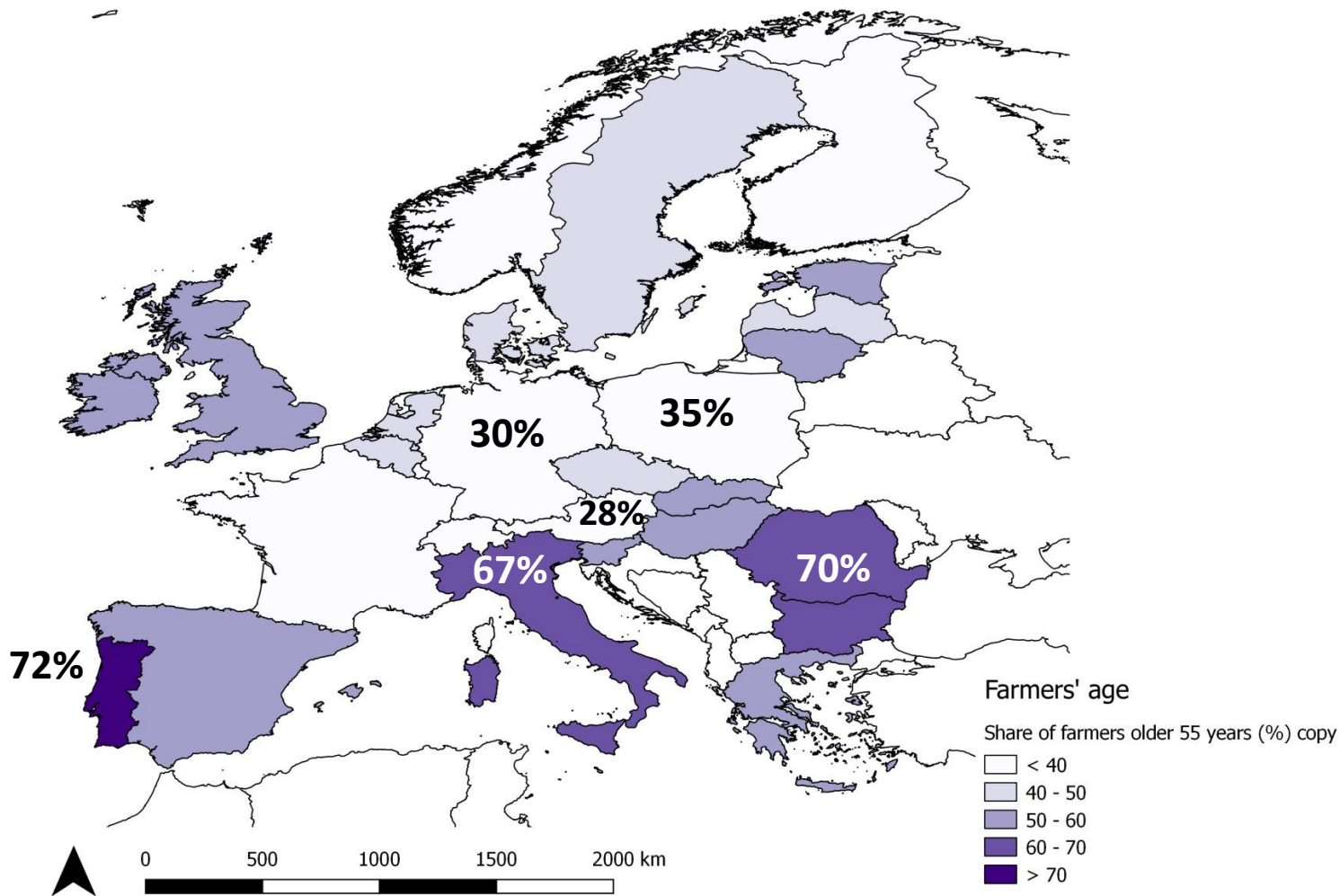
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„Newbie“



„Newbie“

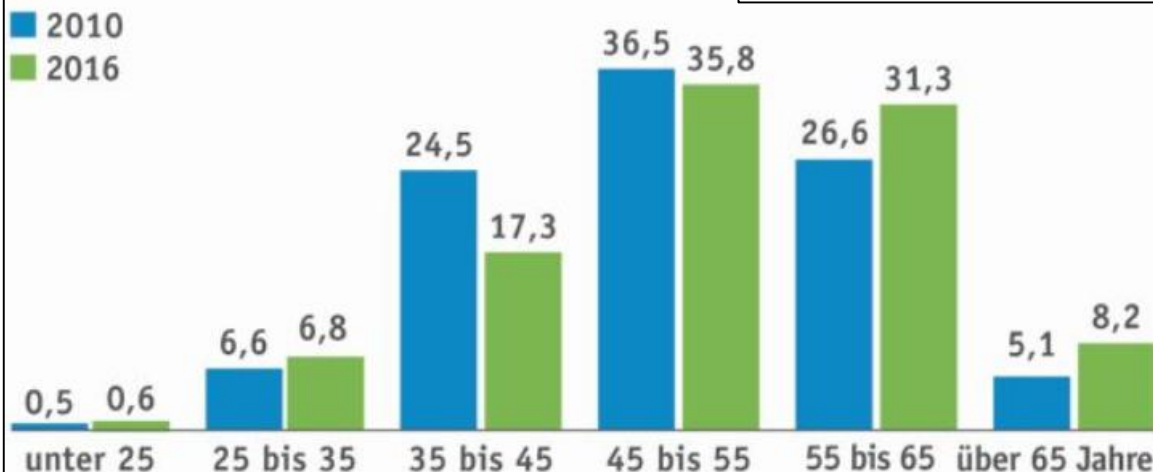


„Newbie“

- Germany

Altersstruktur landwirtschaftlicher Betriebsinhaber im Zeitvergleich

Anteile der Altersgruppen in Prozent

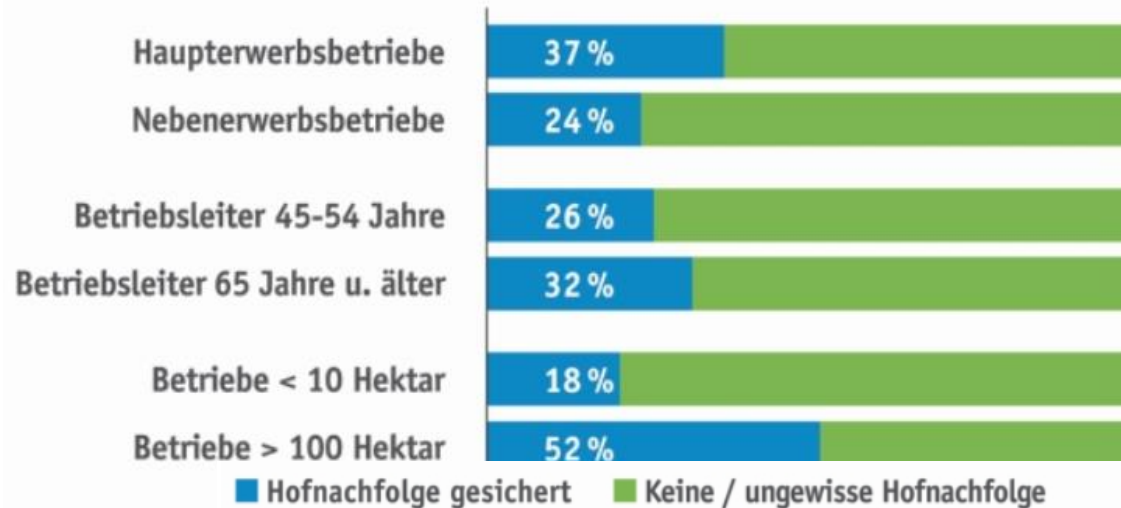


Quelle: Statistisches Bundesamt

© Situationsbericht 2018-Gr35-5

Hofnachfolge gesichert?

Einzelunternehmen mit Betriebsleitern im Alter von 45 Jahren und älter, 2010



Quelle: Statistisches Bundesamt

© Situationsbericht 2017-Gr35-8

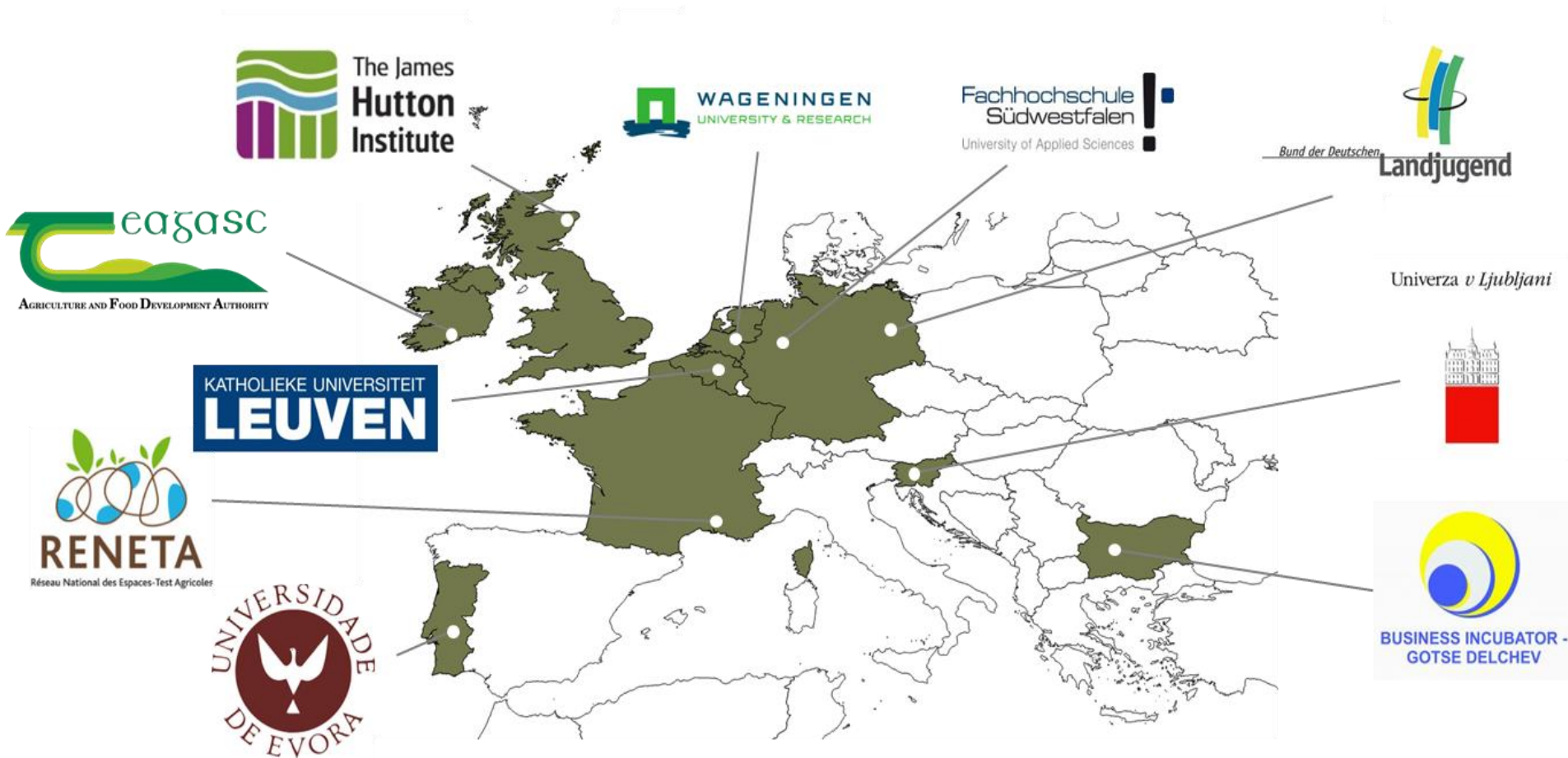
DBV, 2017: Situationsbericht

„Newbie“

- **New Entrant netWork: Business models for Innovation, entrepreneurship and resilience in European agriculture**
- EU HORIZON 2020 project
- 2018 – 2021
- 10 partners
- 9 countries

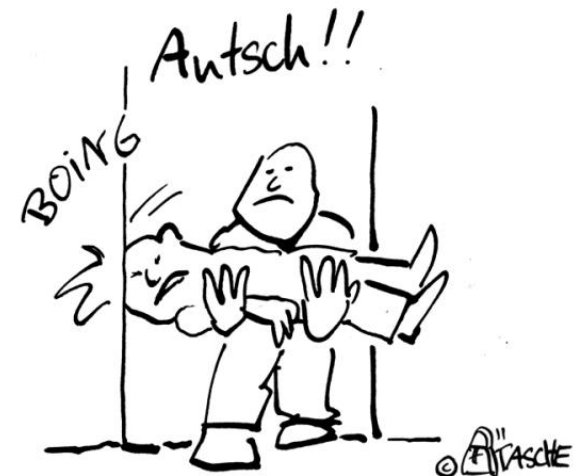


„Newbie“



Project aims

- support new entrants on their way to become an (urban) farmer
- development and spreading of new business and entry models
- pedagogical materials / informationen
- when talking about new entrants:
 - (non-)family succession
 - complete newcomers (ex novo)



Project aims

- trans-disciplinary network
- new and old-established farmers
- associations / organisations
- advisors / consultants
- Researchers / teachers
- industry / service
- NGOs, Food Councils, etc...

- collecting, assessing and sharing/exchanging
- national and European networks
- special focus: innovative entry and business models



„Newbie“

Brings into the farming sector

- (new) entrepreneurship
- innovations
- Higher competitiveness

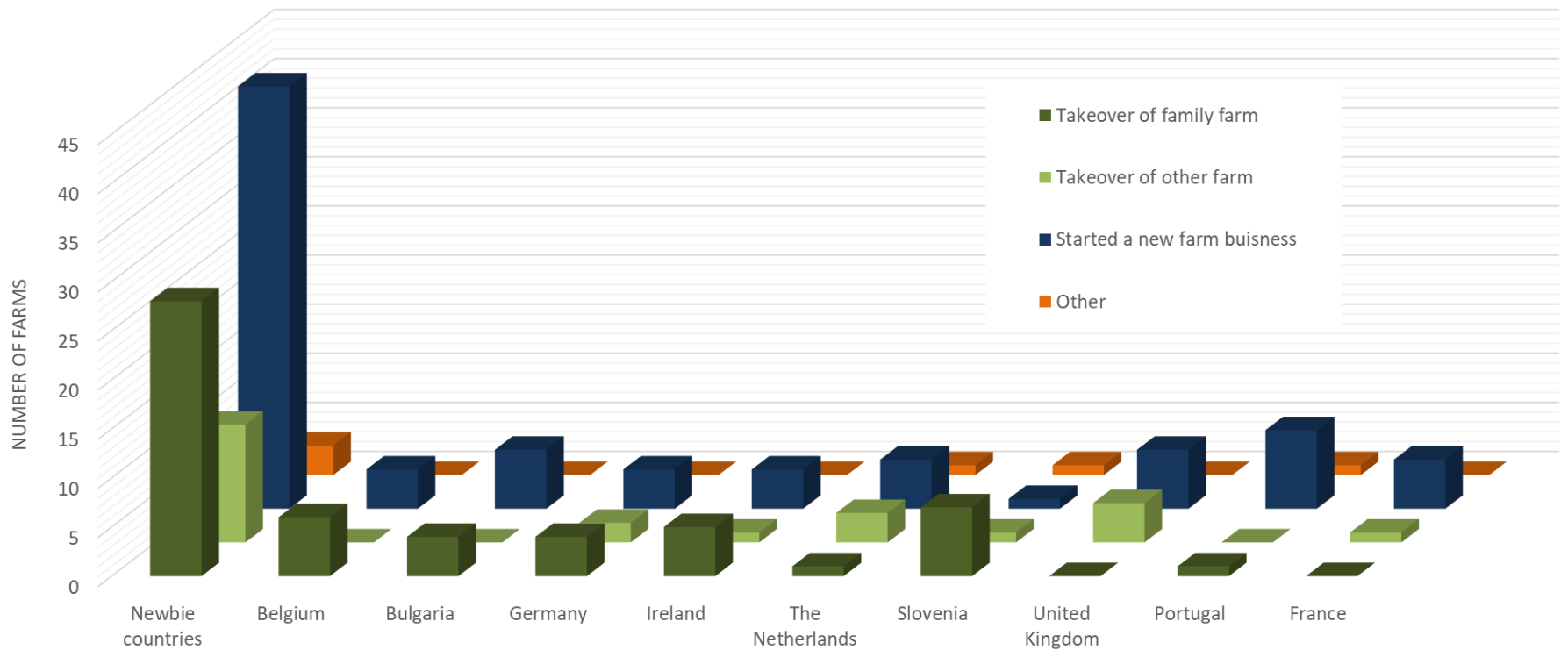
Challenges

- Access to
 - land, capital, knowledge, ...
- Knowledge on entrepreneurial skills, marketing, etc.
- Establishing social networks

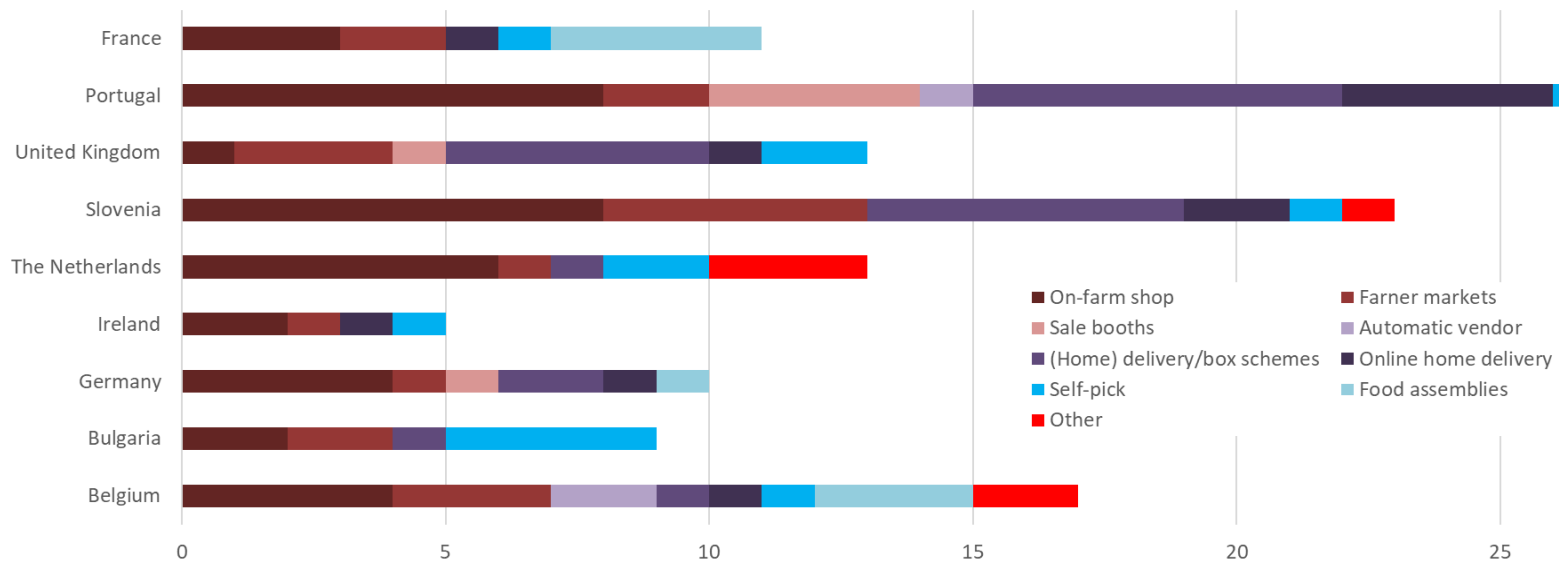


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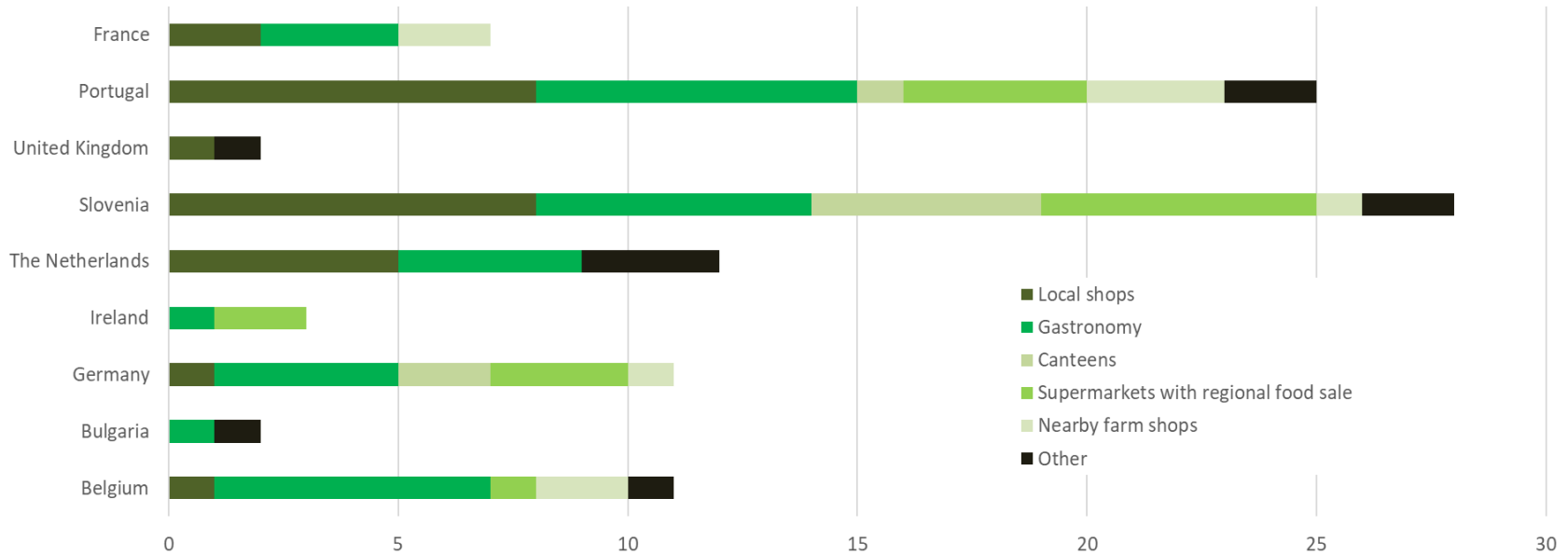
Road into farming



Types of direct sale

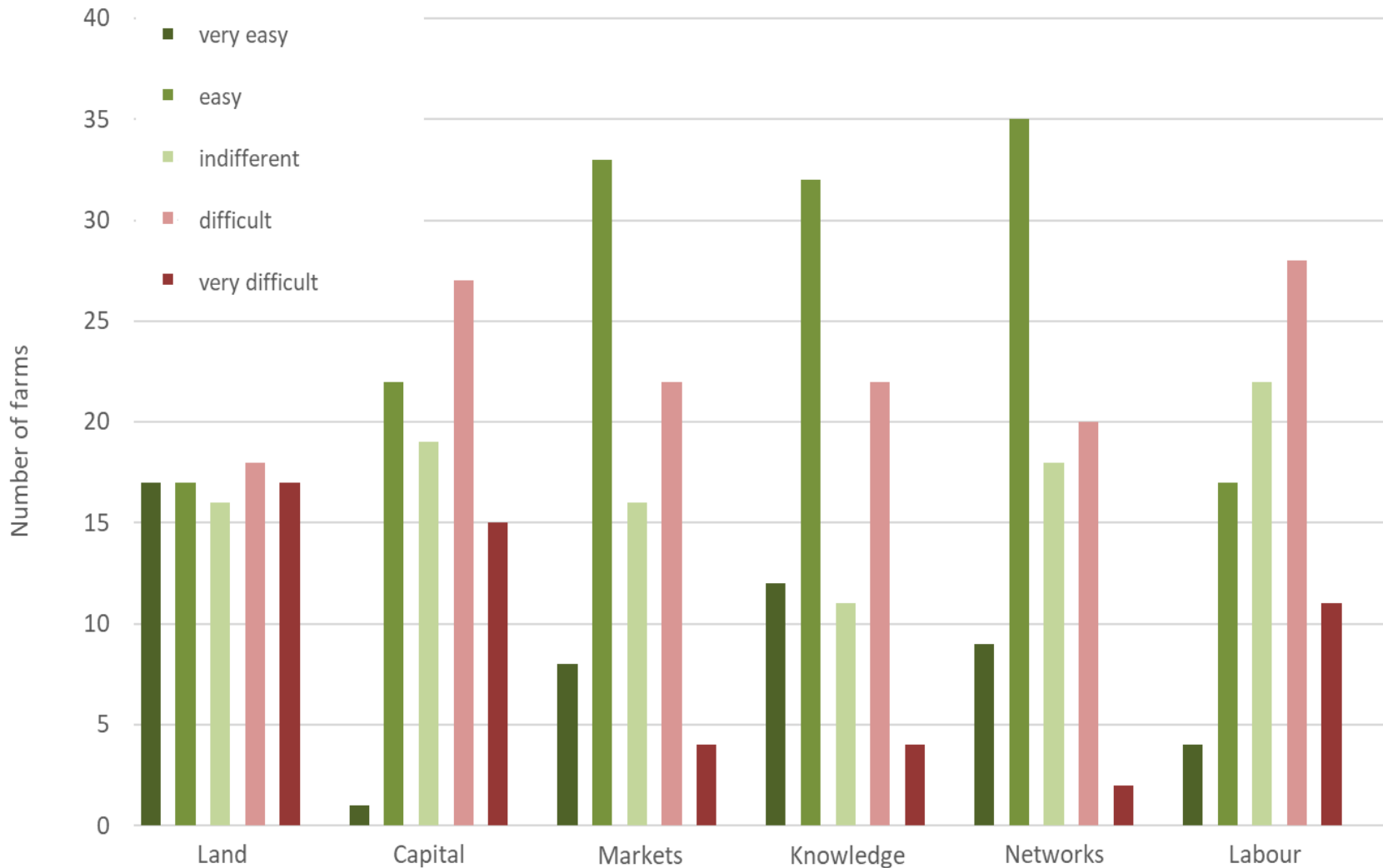


Types of short chains

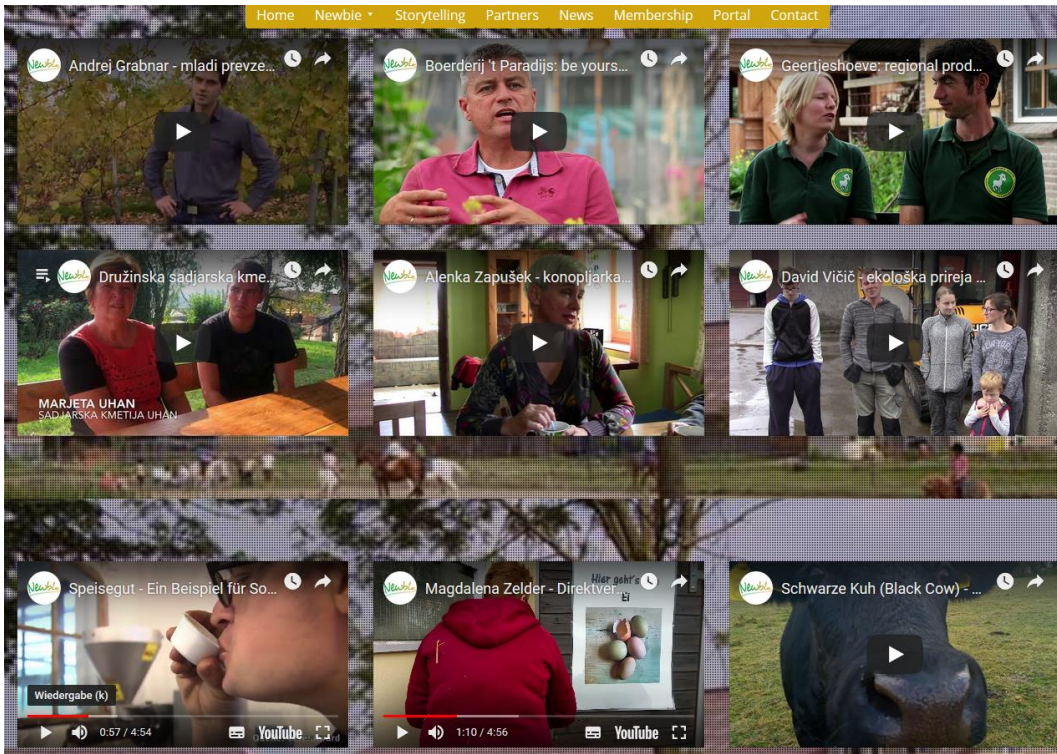


„Newbie“

Access to key resources



„Newbie“



Brothers Vercammen – Farm Tallaart



Tallaart is a vegetable farm focusing on short supply chains and a range of broadening activities.

Entry Model: Merging of two family farms

Business model: Vegetable farm with short supply chain marketing and a range of broadening activities

Short description:

Evi Van Camp runs together with her husband and brother in law a vegetable farm, of which they sell the produce mainly through their own farm shop and through markets. They organize and engage in a wide range of broadening activities, including the organization of farm visits and guided tours, the organization of recreational activities for families such as a corn maze, the provision of educational services for schools, and the provision of green care services on the request of different care institutions.

Start of the farm:

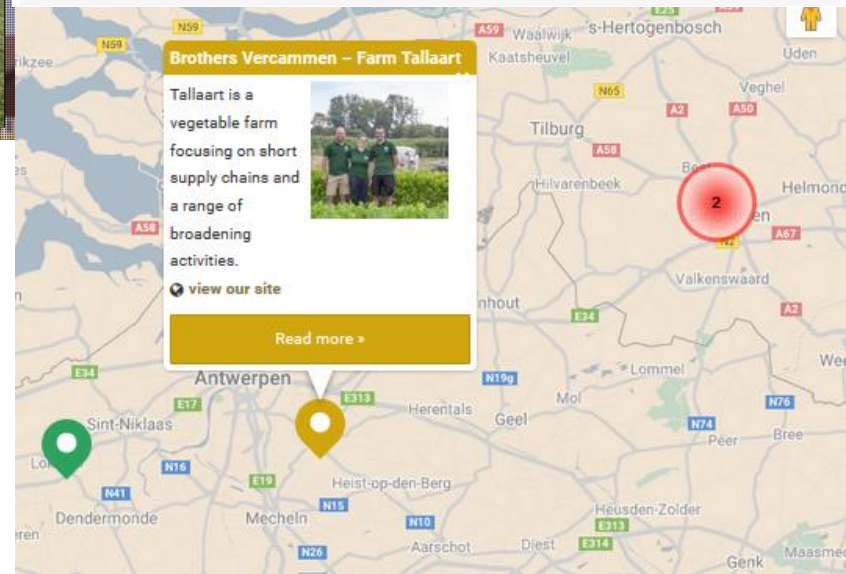
The grandparents of Evi had a farm. Evi always dreamt of taking over the farm, although her parents initially did not think it was a good idea. She saw her grandfather doing some farm negotiations, and decided that she could do better. After her studies bio-engineering and meeting her husband, whose family also had a farm, they decided to merge both farms and start with a vegetable farm focusing on short supply chain marketing.

Main motivations:

Evi's main motivation is showing people what life on the farm is about, which they try to achieve through their farmshop and the range of broadening activities they are involved in. Evi think it is sad that agriculture in Flanders has often a bad image, and wants to show people all the services that are delivered by farmers to society, including environmental, educational, green care, and recreational services.

Key success factors:

- The support of the whole family, as well Evi's as her husband's family help around wherever they can
- Evi's educational background: her bio-science engineering studies really helped her in gaining management and marketing skills, which allowed her to develop her own business plan.
- Through her job as a consultant at Boerenbond, the largest farmers union in Flanders, Evi has a strong network she can turn to for advice.



Key working fields

- Case study collection: „Stocktaking and inventory“
- Networking
 - Steering Groups
 - Discussion Circles
 - International exchanges
 - Awards
 - ...
- Toolkits
 - For new entrants (and retiring farmers)
 - For higher education institutes
 - For consultants / advisory services
 - ...

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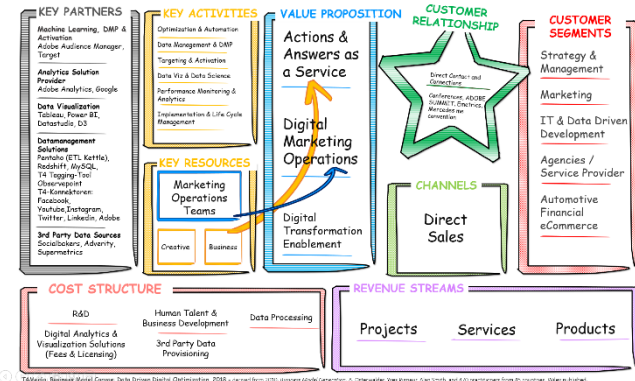
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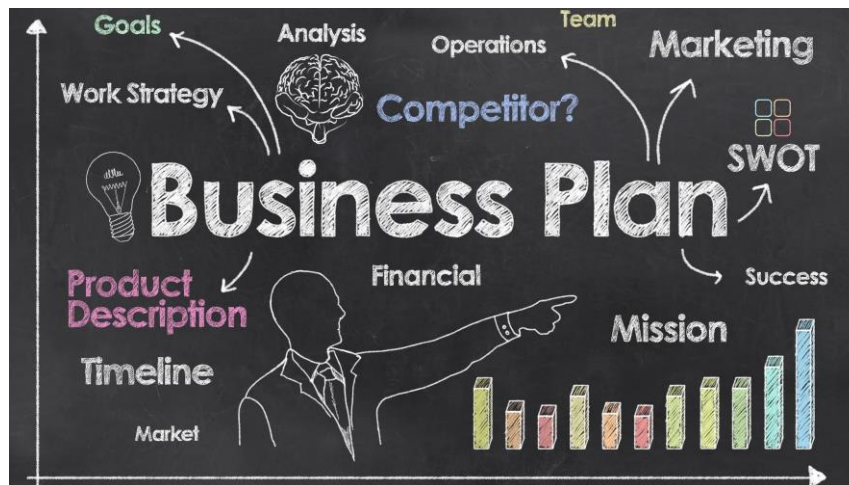
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From business idea to business plan

What is a common path to become a new (peri-)urban farmer?

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From business idea to business plan



Business ideas in (peri-) urban farming



From business idea to business plan

Business ideas → Business Models

- Different definitions and interpretations
- Emerged in the 1990s
- Important are the “who”, “what” and “how”
- Common definitions:



“The business model explains how **value is created for the customers** and how **value is captured for the company** and its stakeholders”

Henriksen, Bierre, Almasi, Damgaard-Grann 2012: 31

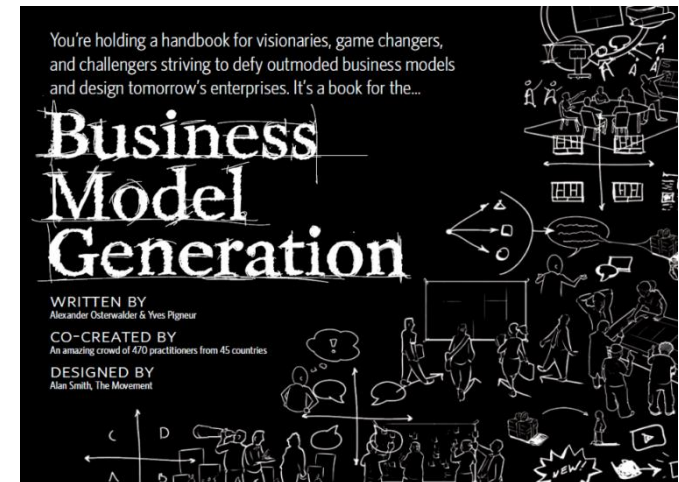
“A business model describes the **rationale of how an organization creates, delivers, and captures value**”

Osterwalder & Pigneur 2009: 14

From business idea to business plan

Business ideas → Business Models

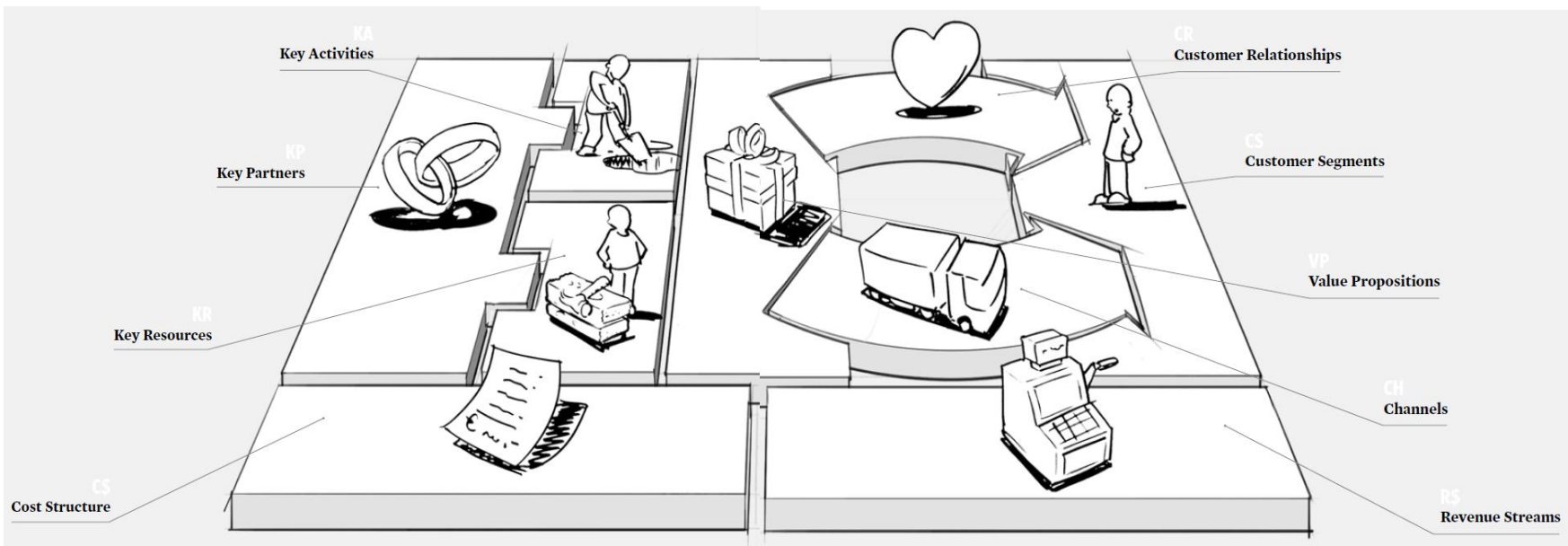
- Strategic management template by Osterwalder & Pigneur, 2009
- Nine basic building blocks oriented towards customers, offer, infrastructure, and finances
- Tool to
 - Emphasize key success factors
 - Detect barriers / problems
 - Compare competitors
 - Create new ideas and BM
- Already used to analyze UA case studies, e. g. in NL, U.S., Vietnam, Latin America, EU



From business idea to business plan

Business ideas → Business Models

- Strategic management template by Osterwalder & Pigneur, 2009

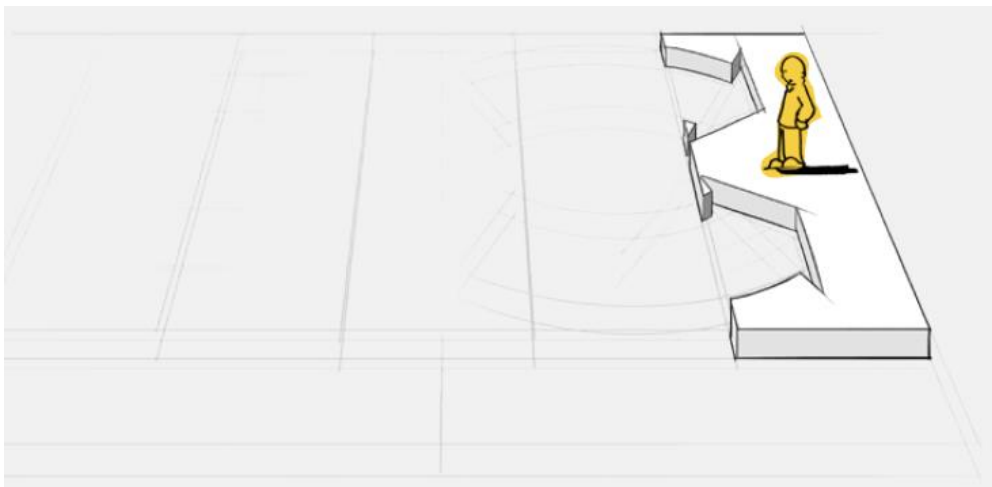


From business idea to business plan

Business ideas → Business Models

Customer Segments

- Customer Segments define the different groups of people or organizations an enterprise aims to reach and serve
- Customers are the heart of any business model
- Different types of Customer Segments:



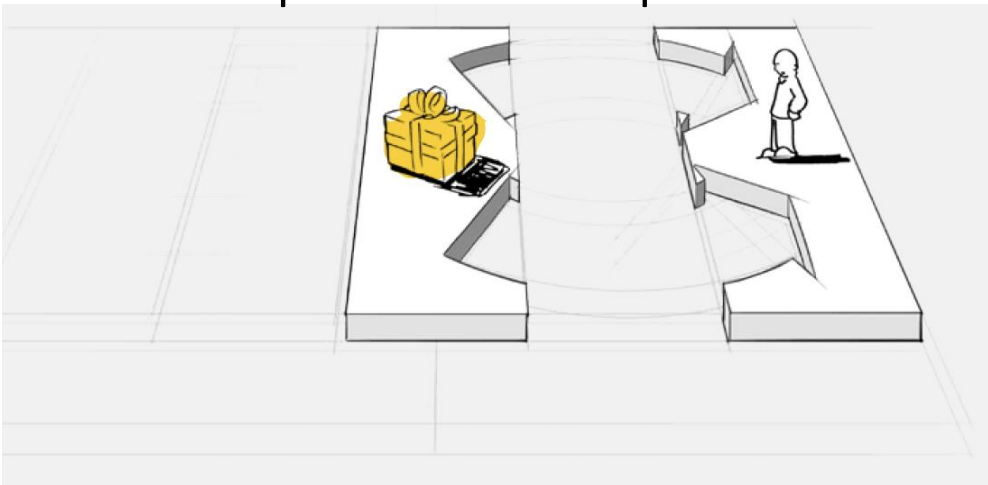
- Mass market
- Niche market
- Segmented
- Diversified
- Multi-sided platforms/markets

From business idea to business plan

Business ideas → Business Models

Value Proposition

- Value Propositions describe the bundle of products and services that create value for a specific Customer Segment
- Aggregation (bundle) of benefits that a company offers customers
- Examples of Value Propositions:



- Products, Service
- Newness
- Price
- Convenience
- Design
- Customization
- ...

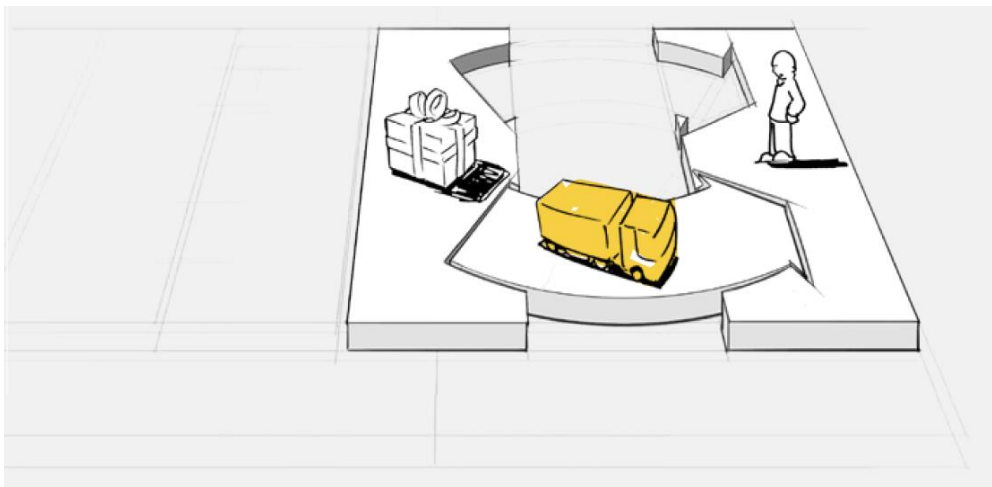


From business idea to business plan

Business ideas → Business Models

Channels

- The Channels describe how a company communicates with and reaches its Customers to deliver a VP
- Communication, distribution, and sales channels
- Direct and indirect channels exist
- Channels have five distinct phases



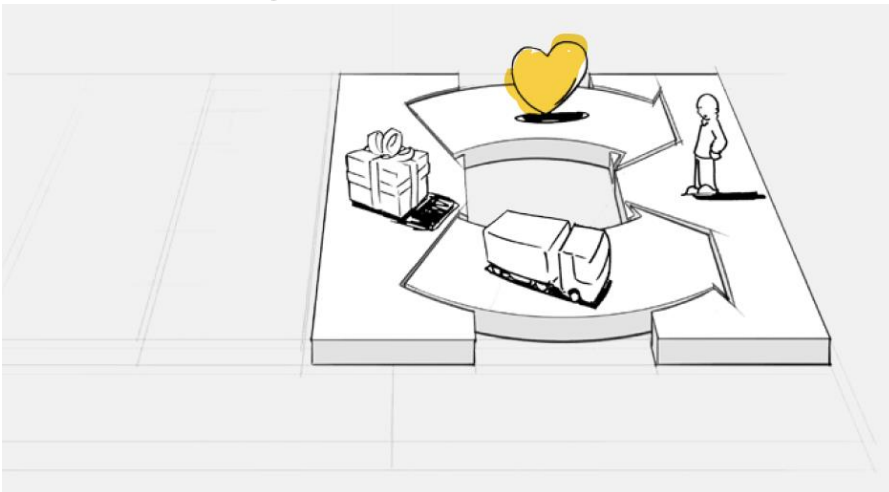
- Awareness
- Evaluation (of VPs)
- Purchase
- Delivery
- After sales

From business idea to business plan

Business ideas → Business Models

Customer Relationships

- CRs describe the types of relationships a company establishes with specific Customer Segments
- range from personal to automated
- driven by customer acquisition, customer retention, boosting sales (upselling)
- Categories of CRs:



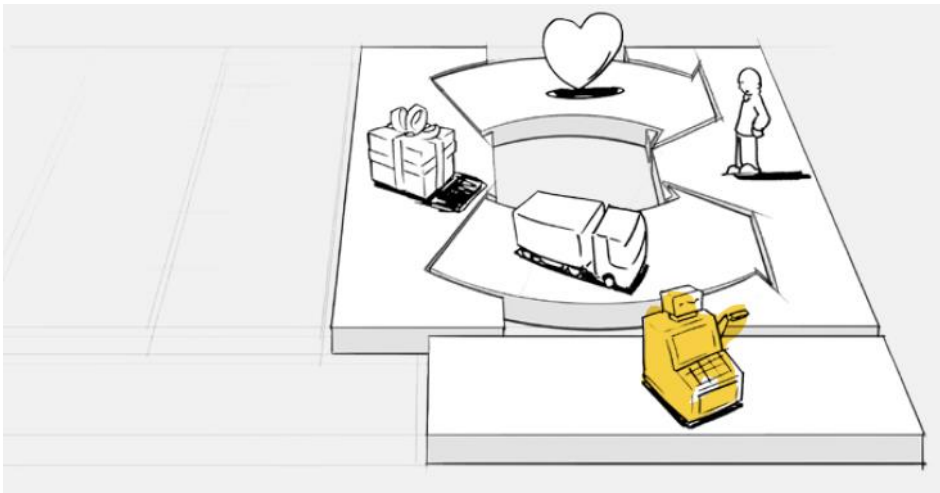
- Personal assistance
- Dedicated personal assistance
- Self-service
- Automated services
- Communities
- Co-creation

From business idea to business plan

Business ideas → Business Models

Revenue Streams

- RSs represent the cash a company generates from each Customer Segment
- Several ways to generate Revenue Streams:



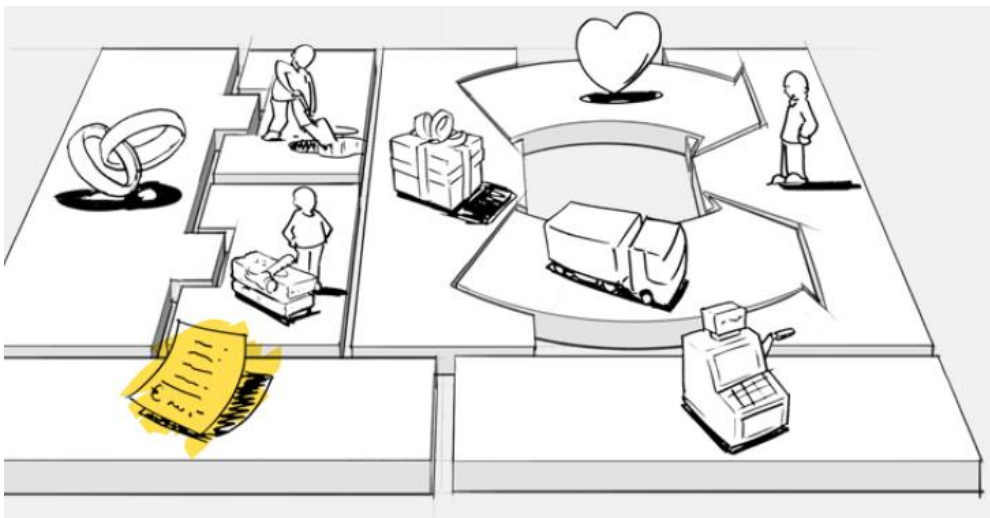
- Asset sale
- Usage fee
- Subscription fee
- Lending/Renting/Leasing
- Licensing
- Brokerage fee
- Advertising fee

From business idea to business plan

Business ideas → Business Models

Cost structure

- Cost Structures describe all costs incurred to operate a business model
- Cost-driven [minimizing costs where possible] vs.
- Value-driven [focus on value creation: premium VPs, personalized service, etc.]



- Fixed costs (salaries, rents, etc.)
- Variable costs
- Economies of scale
- Economies of scope

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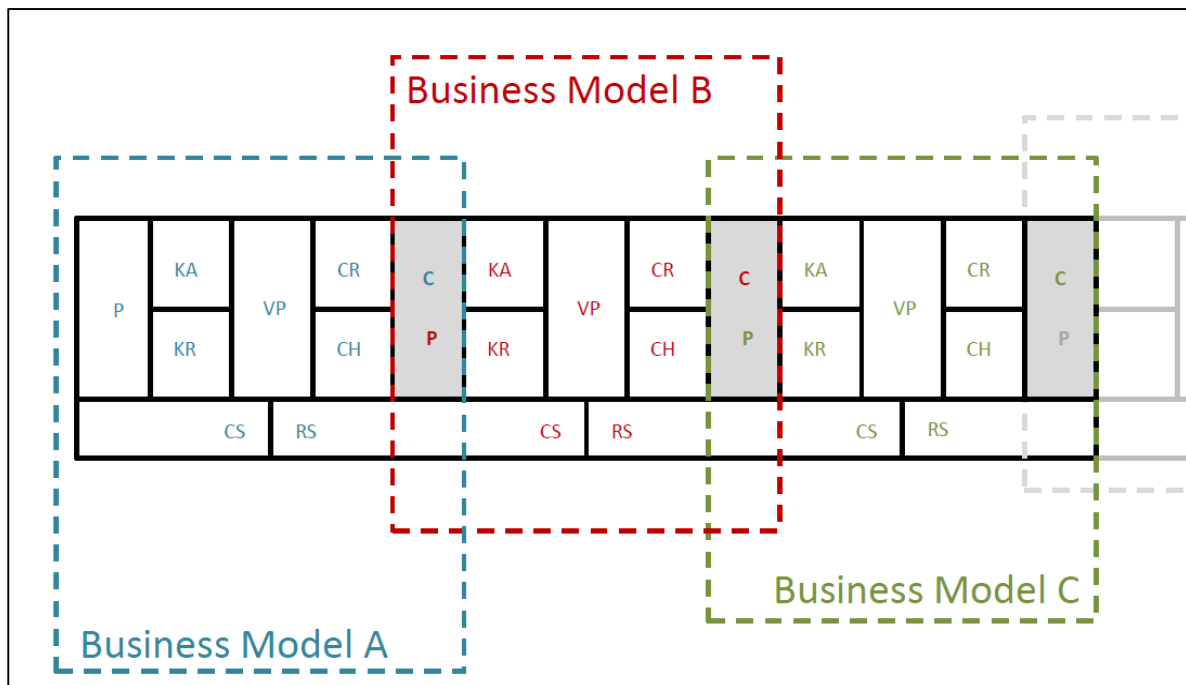


8. Key Partnerships <i>The network of suppliers and partners that make the business model work</i>	7. Key Activities <i>The most important activities a company must do to make its business model work</i>	2. Value Proposition <i>The bundle of products and services that create value for a specific Customer Segment</i>	4. Customer Relationships <i>the types of relationships a company establishes with specific Customer Segments</i>	1. Customer Segments <i>The different groups of people or organizations that the company aims to reach and serve by its products and services</i>
	6. Key Resources <i>The most important assets required to make a business model work</i>		3. Channels <i>How a company communicates with and reaches its Customer Segments to deliver a Value Proposition</i>	
9. Cost Structure <i>All costs incurred to operate a business model</i>		5. Revenue Streams <i>The cash a company generates from each Customer Segment</i>		

From business idea to business plan

Business ideas → Business Models

“It is likely that an analysis of one individual business model does not sufficiently represent trading partners located up and downstream in the chain” *Lundy, M., 2012: 63*



Stadsboeren in Nederland

Professionalisering van de stadsgerichte landbouw



Green Deal: Nationale Federatie Stadsgerichte Landbouw i.o.



van
Bergen Kolpa
Architecten



afdeling brexit



CANVASMODEL STADSLANDBOUW Maarschalkerweerd





LAHDEN AMMATTIKORKEAKOULU
Lahti University of Applied Sciences

THE BUSINESS PLAN

Case: Organic Farm in Ho Chi Minh City, Vietnam

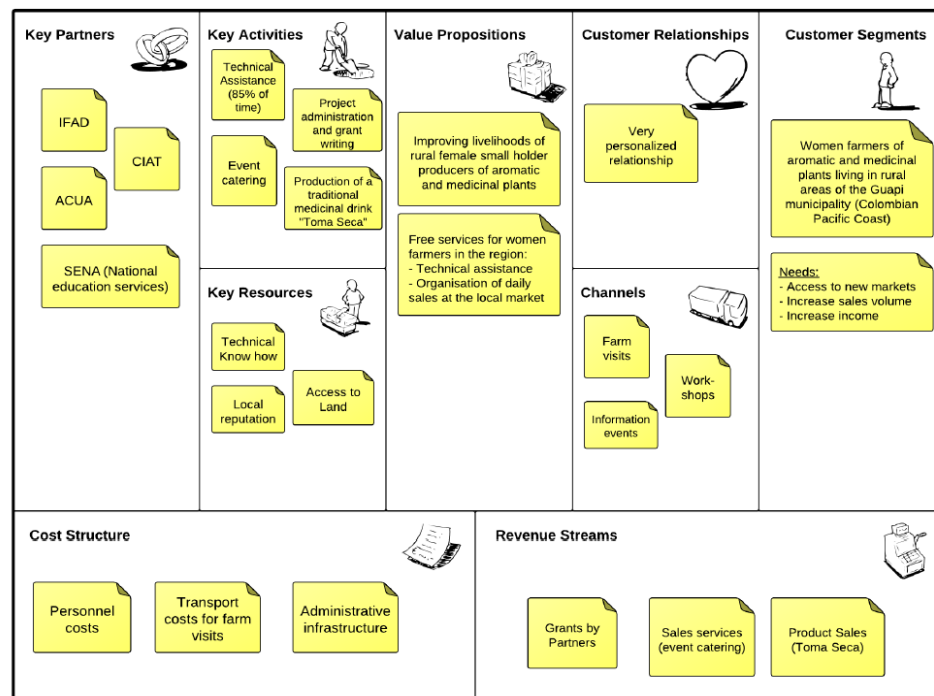
LAHTI UNIVERSITY OF APPLIED
SCIENCES
Degree programme in
International Business
Thesis
Autumn 2013
Tri Nguyen
Minh Truong

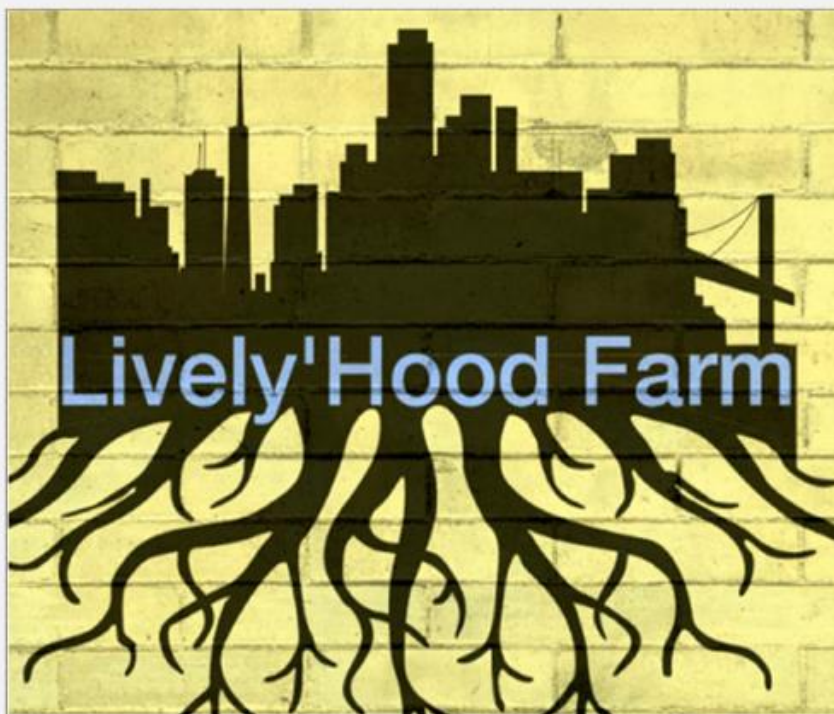


LINK METHODOLOGY

A Participatory Guide to Business Models that Link Smallholders to Markets

Business Model Canvas of Chiyangua, Colombia



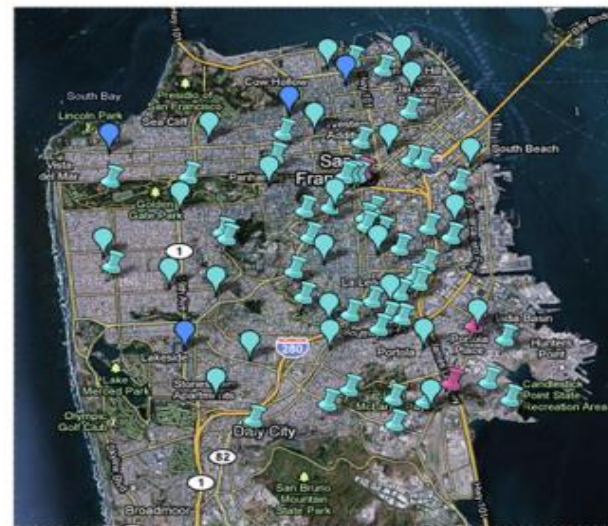


Lively'Hood Farm

Strategy Plan

In Partnership with SF Environment

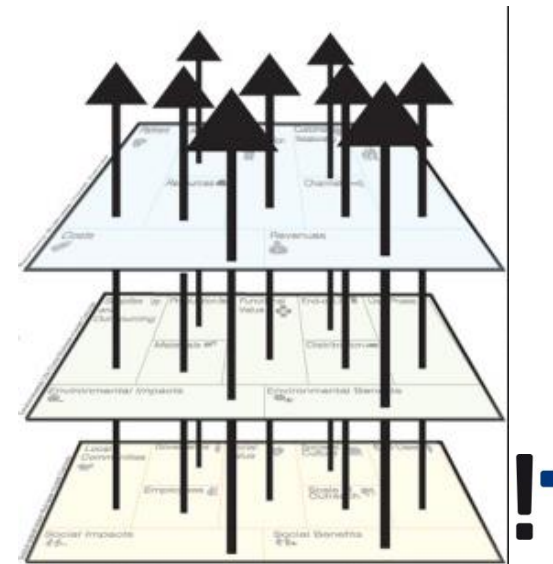
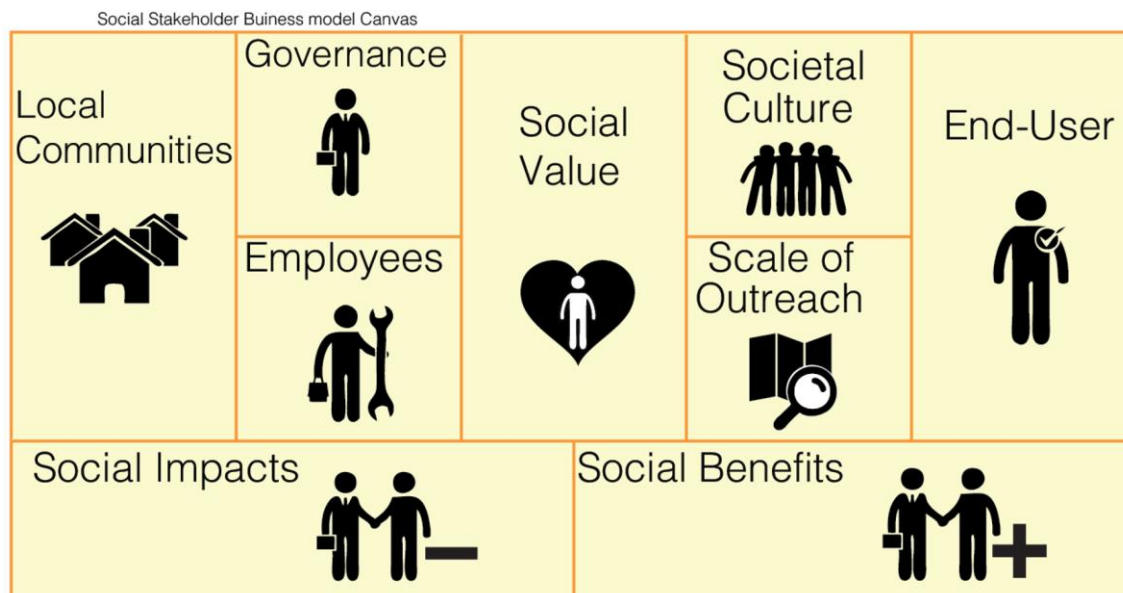
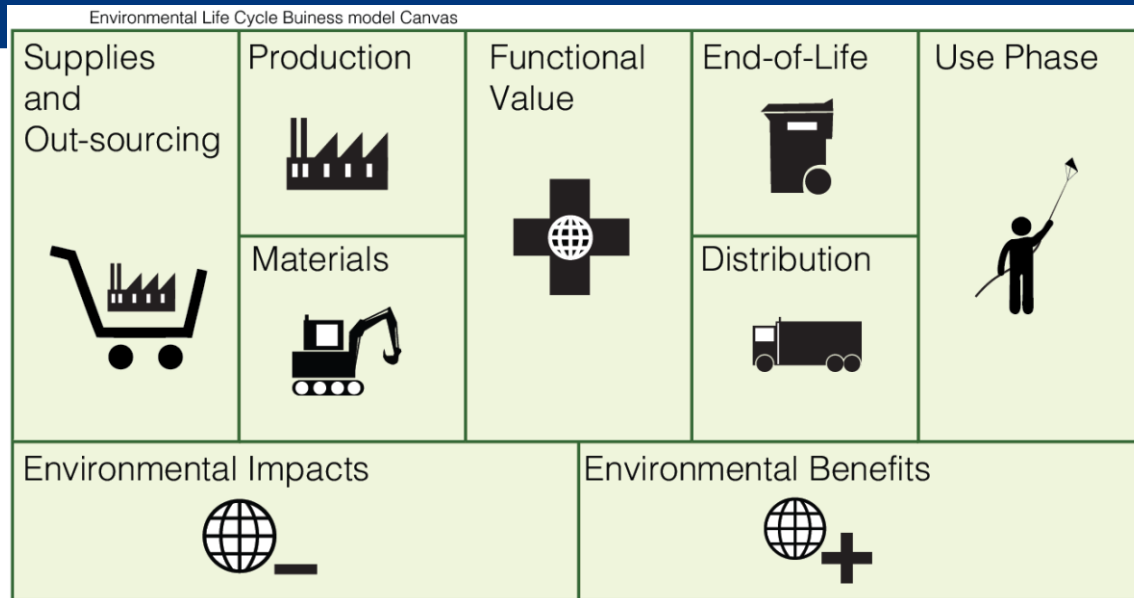
Shivani Ganguly, Piper Kujac, Miranda Leonard,
Jennifer Wagner, Zachary Worthington
Presidio Graduate School
SUS6050 Spring 2011



Lively'Hood Farm Business Model Canvas

Key Partners	Key Activities	Value Proposition	Customer Relationships	Customer Segments
High End Restaurants Grocery Stores Community Organizations Processors	Farming & Processing Marketing & Sales Logistics Planning	Locally Grown Fresh & Delicious Neighborhood Pride Customized Orders Unique Produce	Personal Co-creation Community	High End Restaurants Grocery Stores Individuals
	Key Resources Physical Intellectual Human Financial		Channels Direct Third Party Onsite Farmers Markets	
Cost Structure	Consumables Labor & Overhead Packaging	Equipment Tools Structure	Revenue Streams	Produce Honey Value-add products

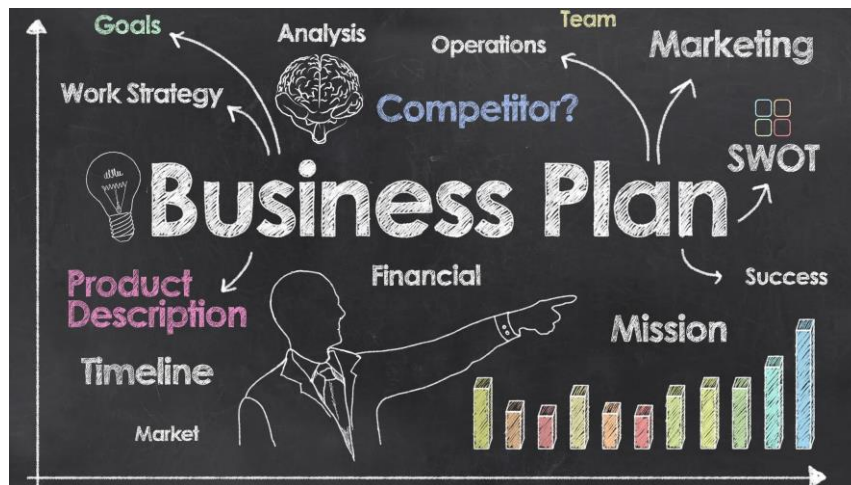
From business idea to business plan



From business idea to business plan

What is a common path to become a new (peri-)urban farmer?

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From business idea to business plan

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Diese zehn Schritte bieten eine Orientierung, um Ihren Businessplan zu erstellen:



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Business models of urban agriculture

- Specialization
- Differentiation
- Diversification

(van der Schans, 2010)

- Cost reduction
- Differentiation
- Diversification
- Shared Economy
- Experience
- Experimental

(Pölling et al., 2015)

When adjusting adequately to the cities, “commercial farming in urban areas is surviving and even prospering.”

(Gardner, 1994: 100)

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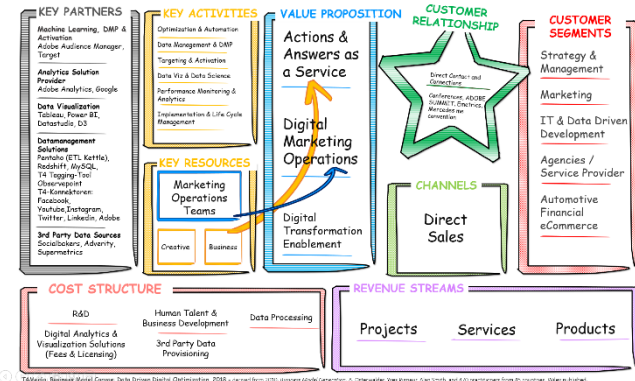
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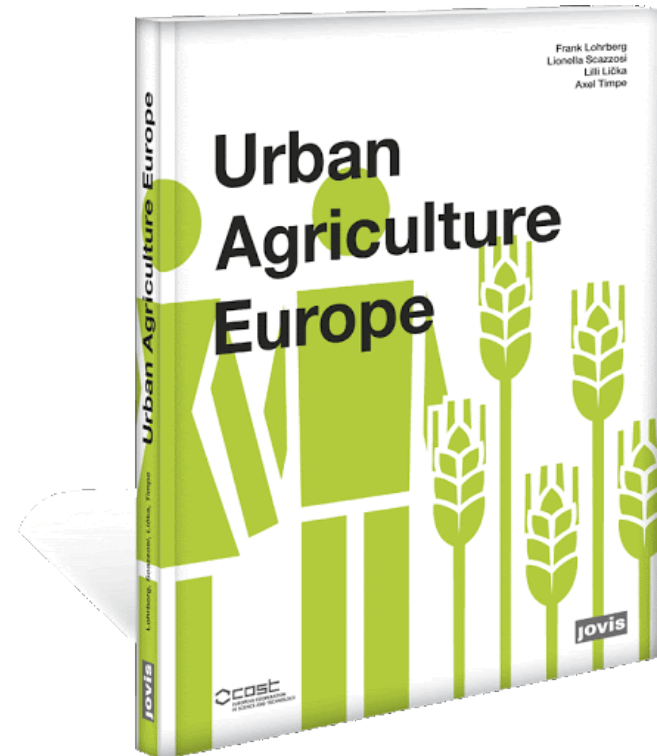
What is happening out there?



What is happening out there?

EFUA: European Forum on Urban Agriculture

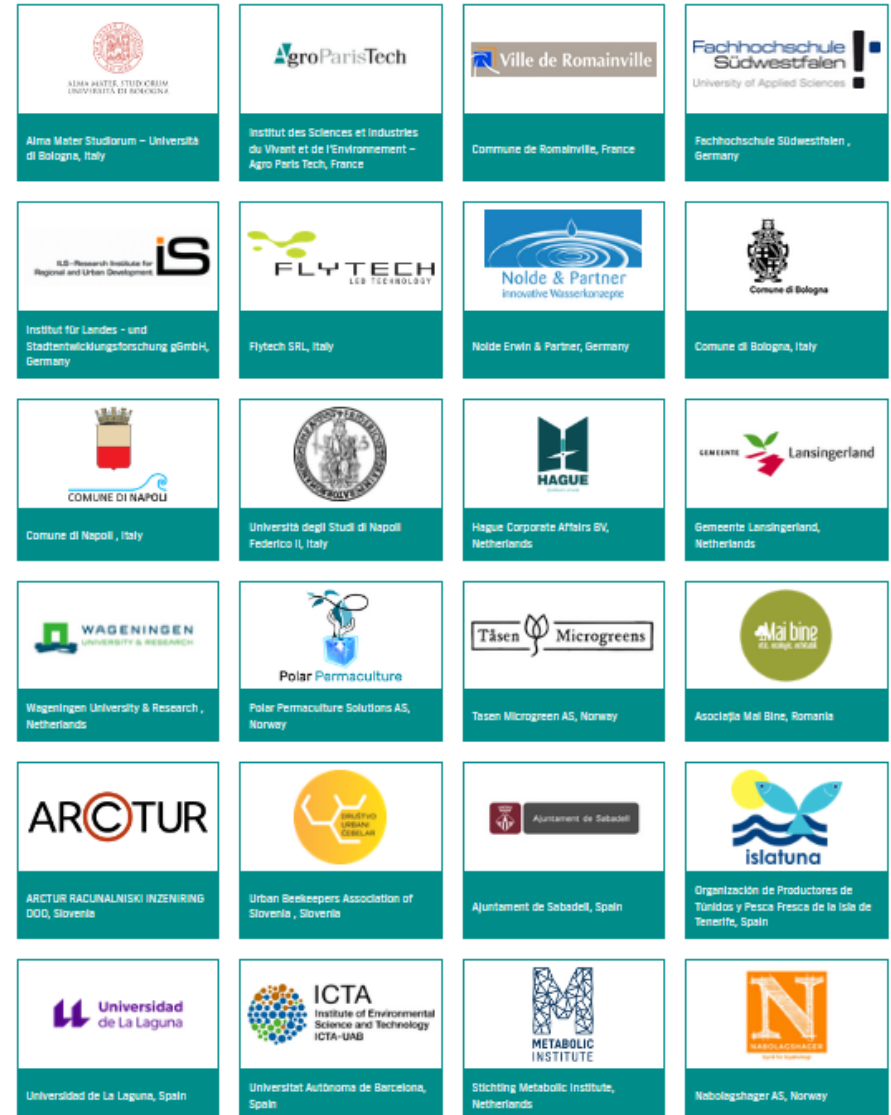
- RWTH Aachen University
- 2020-2024



What is happening out there?

FoodE

- University of Bologna
- 2020-2024



Sarajevo University (UNSA), November 2020

44, Bernd Pölling – Fachhochschule Südwestfalen

The Triple Challenge



MALNUTRITION

Currently 70% of all deaths in Europe can be ascribed to non-communicable diseases that are affected by what and how much we eat



CLIMATE CHANGE

In a business-as-usual scenario with increasing greenhouse gas emissions global average temperature is projected to increase by 4 degrees in 2100



URBANIZATION

GDP per capita in urban regions is 24% higher than the EU average and GDP per capita in rural regions is 30% lower than the EU average

Our Solutions



HEALTHY FOOD

Research shows that healthy food is primarily plant-based food



REDUCING GHG EMISSIONS

Plant-based food has significantly lower greenhouse gas emissions



LOCALIZED FOOD SYSTEMS

Localized foods systems may increase resilience and strengthen urban/rural cohesion



Community-based urban farms and gardens

Post-industrial areas often lack green spaces for public use. Turning unused urban land into productive community gardens can have a positive impact on locals, contributing to improved mental and physical health through exposure to nature and healthy sources of food and a community feeling.

Dortmund

A 10,000m² food forest - a self-sustaining woodland ecosystem designed for food production - will be created together with local residents next to the Huckarde district.

Additionally a permaculture orchard with fruits, nuts and berries, will enhance soil fertility. Located next to the open vegetation on the slopes of the former landfill site of Deussenberg (NBS 1), the orchard will increase availability of pollinator flora, thus creating a connection to NBS 8 (pollinator biodiversity).

Turin

Abandoned parts of the Sangone Park will be redesigned and used for community urban gardens. The aim is to improve the safety of the area and encourage community activities and productivity. In the Piemonte Park, 2.5 hectares of land will be used for social farming activities including teaching, training and for job placements.

Additionally a pollinator garden with an apiary for honey production will be developed on a former industrial site, linking NBS 3 with NBS 8.

Zagreb

The Serveto 'City Garden' will initially have around 100 units (and can be extended to



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This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 101017784.

What is Connecting Nature?



Connecting Nature is a €11.4m five year project funded by the European Commission's Horizon 2020 Innovation Action Programme. With 30 project partners from industry, local authorities, local communities, NGO's and research in 16 countries, and hubs in Brazil, China, Korea & The Caucasus (Georgia and Armenia). Our aim by project end is to position Europe as a global leader in the innovation and implementation of nature -based solutions.

What is happening out there?



What is happening out there?

- Research programme: 2021-2027

HORIZON-CL6-RCU-2021-00-00: Integrated urban food system policies – how cities and towns can transform food systems for co-benefits

<i>Conditions related to this topic</i>	
<i>Type of action</i>	Research and Innovation Action
<i>Technology or societal readiness level</i>	Activities are expected to achieve TRL 2-6 (according to the activity) by the end of the project – see General Annex D.

This initiative will focus on transforming urban food systems to deliver co-benefits in support of the European Green Deal priorities and the Farm to Fork Strategy for a fair healthy and environmentally friendly food system, as well as of the EU's Climate ambition for 2030 and 2050.

Expected outcomes:

- Cities and towns across Europe will achieve a heightened understanding of their city-region food system, and of how to make these healthier, circular and resilient;
- The concept of Local food environments will be better understood and taken into account in local planning, in view of driving people towards healthier food choices;
- More cities and towns will take inspiration from exiting good practice initiatives (e.g.:

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