

futurpreneur 

Essex Deep South Brewery Farm

Business plan

1.0 Executive Summary

Company Profile Summary

The Ontario hop industry is experiencing rapid growth in demand for Canadian product to support the burgeoning craft and microbrewery industry. The Essex Deep South Brewery Farm plans on being at the forefront of this boom by offering locally grown hop varieties. The Essex Deep South Brewery Farm is one of only two brewery farms in Ontario. It will focus on producing high-quality Canadian grown hops and producing a German inspired Canadian beer via their onsite microbrewery. Essex Deep South Brewery Farm is a federally incorporated company owned and operated by George Bachman, Ralph Bauer and Randy Heatley.

Market Research Summary

The Ontario Craft Brewery market is continuing to grow, with growth predictions of over XX% per year. In addition, the beer market continues to diversify as the popularity of 'local' microbreweries increases with consumers. The growth in the Ontario brewery industry is driving growth in the Ontario hop farming sector. However, hop farming lags behind the brewery industry growth due to new methodologies and products for disease and pest control that have only recently become available. With demand for Canadian hops increasing, creating a high quality product will be critical. Essex Deep South Brewery Farm will acquire the specialized equipment necessary for processing hops into a quality pelletized product and implement the newest growing strategies and methodologies for quality hops. Essex Deep South Brewery Farm will be targeting start-up breweries within Ontario that produce less than 15,000 hectolitres a year as well as speciality home-brew supply stores within the local area with its products.

Marketing Summary

Essex Deep South Brewery Farm's key strategy is to be an active member of the Ontario brewing community. Essex Deep South Brewery Farm will participate in beer events and festivals within southern Ontario. Specifically in London, Guelph, Waterloo, Windsor and surrounding areas. At these events Essex Deep South Brewery Farm will target small start-up breweries and representatives of local homebrew specialty stores. Essex Deep South Brewery Farm will offer free trials to interested breweries and homebrew stores. A secondary strategy will be an outreach program to the Niagara College Brewmaster program to develop relationships with brewers before they enter the craft brewery industry. Final, Essex Deep South Brewery Farm will use Twitter and Facebook to engage consumers directly with their brewery, creating a dialogue with local residents about their home grown and delicious beers.

Essex Deep South Brewery Farm is located at 2210 Deer Run Rd, Wheatley, Ontario. The farm is on sandy loam soil with climactic conditions for optimal hop growing. The micro-brewery is at the same location in a refurbished barn. Essex Deep South Brewery Farm will be investing most of its start-up funds into specialized equipment both for the hops harvest and brewery. In addition, Essex Deep South Brewery Farm will purchase plant

stock, liability insurance, and marketing. To ensure harvesting high quality hops, Essex Deep South Brewery Farm will grow the plants from immature rhizomes allowing more control over their success. Essex Deep South Brewery Farm is committed to continuing to innovate and will work closely with the Niagara College Brewmaster program.

Finance Summary

\$40,000 will be required to start the business with the owner's contributing \$13,000 and the remaining \$27,000 from a combination of Futurpreneur Canada and BDC financing. Since Essex Deep South Brewery Farm will be starting with rhizome plant stock the first year will focus on developing the plants' root base and will not have hops for sale. The limited hop output will be used to brew two barrels of beer with expected sales of \$1,600 in Year 1. Hop sales will begin in October of year 2. In year 2, Essex Deep South Brewery Farm will generate \$24,890 in sales, with \$4,600 dollars from hops sales and \$20,290 in beer sales. Essex Deep South Brewery Farm expects the hop yield will reach maximum yield by year four generating \$76,000 in beer and hops sales, while costs decrease as initial infrastructure payments are completed.

2.0 Company Profile

Business Overview

Essex Deep South Brewery Farm is an Ontario hop farm and brewery that is dedicated to growing quality hops while producing German inspired beer for the local craft beer market. Essex Deep South Brewery Farm was established on 01/03/2014.

Essex Deep South Brewery Farm will produce locally grown Ontario hops for use in the brewing industry, while working to build an audience for their unique craft beer.

Essex Deep South Brewery Farm is a product business. Essex Deep South Brewery Farm will grow, process and package five different hop varieties that are currently in use and in demand in the local brewing industry:

1. Cascade
2. Centennial
3. Chinook
4. Fuggle
5. Mt. Hood

Essex Deep South Brewery Farm will also offer small batch brewed beer sold in 500mL and Growler (1,893mL) bottles. The initial products will be:

- German Style Pilsner
- Smoked Farmhouse Ale
- Seasonal inspired Beer

Please see the appendix for brand labels.

Company History

George Bachman, Ralph Bauer, and Randy Heatley have grown up in the area in and around Wheatley, Ontario. Although they've all left to attend university or college, they continue to come home to visit and work. They are united by their love of craft beer and recognized that their combined skills provided the foundation needed to open a hop farm and brewery.

All three owners are currently enrolled at post secondary education and plan to start the business part-time while completing their degrees and diplomas. Due to the low yield expected from the hop plants in the first year, this strategy allows the company to hit the ground running after graduating with a product already in its second year of growth.

Randy Heatley has been home brewing for the last 3 years and has won several awards for his distinct flavour combinations. He realized that he wanted to make beer his career and has enrolled in the Niagara Brewmaster program at Niagara College. Through this program he's established himself as a brewer to watch within the Ontario Craft Brewers Association. He has also secured a commitment from a London microbrewery to brew larger scale batches with Essex Deep South Brewery Farm hops. Essex Deep South Brewery Farm has registered with the Ontario Craft Brewers Association.

Essex Deep South Brewery Farm has also already registered with the Ontario Hop Growers Association (OHGA) to learn more about the Ontario hop industry and to access their resources and further network within the industry.

To continue to grow their network, Essex Deep South Brewery Farm has started a Twitter and Facebook account to communicate with future customers, agricultural associations and other growers.

Essex Deep South Brewery Farm has already secured 1 hectare of land and purchased plant stock for this season's planting. Through Ralph Bauer's experience running a successful farming operation in the Wheatley area, a business relationship with a neighbouring ginseng farm has been established to share knowledge around trellis farming.

Management

Essex Deep South Brewery Farm is owned and operated by George Bachman, Ralph Bauer, and Randy Heatley. All three are currently students pursuing degrees ideal for supporting a brewery farm.

George Bachman's studies at the University of Waterloo in mechanical engineering provide him hands on skills for operating and maintaining the farm and brewery equipment. His co-op placements have varied throughout his degree and included equipment maintenance at small-scale farms and at grain drying facilities. Through these experiences he has developed knowledge of processing, drying, and storing crops so that they may be sold at over the winter when demand is higher. He just finished his third year co-op at the Waterloo Brewing Company where he garnered practical experience he will build upon at Essex Deep South Brewery Farm. George Bachman will graduate with honours from the University of Waterloo in April 2015.

Ralph Bauer is graduating from the University of Guelph with honours in Food Agriculture and Resource Economics. During university he worked for Simpson Orchards

where he was responsible for scouting various crops for disease and establishing their individualized chemical and spraying schedules. He has spent the last two years as the manager of a successful farming operation in southern Ontario where he's become familiar with futures and options trading.

Randy Heatley is completing his diploma at Niagara College Canada in Brewmaster and Brewery Operations Management. Randy Heatley has established an extensive network of relationships with Ontario craft breweries and brewers through the college's association with the Ontario Craft Brewers Association. He is passionate about beer, brewing and furthering Canadian craft beer. As a member of the newly formed Essex County Homebrewer Organization and the Canadian Amateur Brewers Association he keeps up-to-date on brewing techniques and market changes, while networking with home-brew suppliers. He has been home-brewing for three years and has grown his own hops and barley for use in brewing.

Location

Essex Deep South Brewery Farm will be a home based business, located at 2210 Deer Run Rd, Wheatley, Ontario. This address is located in the heart of southern Ontario's agriculture heartland. The property at 2210 Deer Run Rd is leased and operated by Ralph Bauer, one of the partners of Essex Deep South Brewery Farm.

Legal Structure

Essex Deep South Brewery Farm is a corporation.

Essex Deep South Brewery Farm will operate as an Ontario Corporation owned and operated by George Bachman, Ralph Bauer, and Randy Heatley.

Essex Deep South Brewery Farm is not interested in securing intellectual property rights at this time.

Vision & Mission

To supply Ontario Craft brewers with quality locally grown hops and producing delicious craft beer that contributes to the establishing Essex County's Beer Tasting Trail.

To grow a quality hop product through consistent monitoring of crop health that can be used to craft distinct local beer.

Professional Advisors

Essex Deep South Brewery Farm will use Ralph Bauer's accountant and lawyer to manage the business's finances and filing of incorporation papers.

3.0 Market Research

Industry Profile & Outlook

Essex Deep South Brewery Farm operates primarily in two industries the Agriculture/Livestock industry and the Distillery/Brewery industry.

The Ontario Hop Growers association (OHGA) currently lists 31 small-scale hop growers registered in Ontario. Ontario hop farming is a new market. According to the OHGA 2012 was the first year “that hops were grown and harvested commercially across all parts of Ontario” producing approximately 5,000lbs. Due to the small amount of hops grown in Ontario most of the hops used in Ontario’s brewing industry are currently imported from the United States of America.

Although the market is under developed there are many operational challenges to producing a quality product. Finding farmland, dealing with local pests and diseases, and the costs of specialized equipment provide barriers to entry. Essex Deep South Brewery Farm will acquire small-scale used equipment and use a cold room to control the temperature of the hops throughout the process in order to produce a quality pelletized hop product. In addition, Essex Deep South Brewery Farm will employ the new fungicide and pesticides recommended by the Ministry of Agriculture and Food to combat known pests.

The hop industry was booming in Ontario until downy mildew all but wiped out the industry in the 1920’s. Until a few years ago, the industry has been inactive within Ontario. The boom in the Ontario Craft Beer market combined with the “buy local” movement has helped to reinvigorate the industry. According to the Ontario specialty crops website a survey in 2009 showed that 95% of Ontario brewer’s expressed interest in locally sourced hops. In 2012, 28 independent growers formed the Ontario Hop Growers Association (OHGA) to create a cohesive voice for Ontario hop farmers.

The ‘buy local’ movement has seen massive growth over the last decade. According to Mike Schreiner, the vice president of an Ontario-based local food organization called Local Food Plus, “statistics show the public trend towards purchasing sustainable food has increased 92 per cent since the beginning of 2007”(Farm Credit Canada, http://www.fcc-fac.ca/en/learningcentre/journal/stories/200801-1_e.asp). In Essex County, there are already hobby hop farms being established to produce local craft beers. In a recent article in the Windsor Star (<http://blogs.windsorstar.com/news/new-local-craft-beer-to-feature-leamington-hops>) local restaurants and farmers already acknowledge the need for a local microbrewery in the area. This coincides with the fact that craft beer sales in Ontario have more than tripled since 2002. In fact, craft beer sales are “the fastest growing segment within the LCBO’s beer category” (Ontario Craft Brewers, Media Fact Sheet 2013). Essex Deep South Brewery Farm looks to fill the niche of a microbrewery in the region.

Local Market

According to Mom and Hop’s Ontario Brewer’s Directory there are 143 microbreweries in Ontario and the Ontario Hop Growers Association has 31 registered hop farms. However, there is only one other brewery farm in La Salette, Ontario.

Since the implementation of the Niagara College Brewmaster’s program there has also been an influx of new breweries and brewpubs across the province. Essex Deep South Brewery Farm will target these start-up breweries within the southern Ontario region and homebrew supply stores. They will also look to promote their farm as a destination for locals and craft beer enthusiasts to visit the hop yards during their tasting and beer purchase.

Key Competitors / SWOT Analysis

| | Strengths | Weakness | Opportunities | Threats |
|--------------------------------------|--|--|---|--|
| Doug Sinclair | <ul style="list-style-type: none"> • In operation for almost 2 years • Strong working relationships with local brewpub | <ul style="list-style-type: none"> • Only grow 2 varieties of hops • No specialized equipment for pelletizing or drying hops | <ul style="list-style-type: none"> • Deliver more hop varieties • Produce a higher quality hop product by using a proper trellis system | <ul style="list-style-type: none"> • Doug Sinclair could undercut Essex Deep South Brewery Farm price points |
| Ramblin’ Road Brewery Farm | <ul style="list-style-type: none"> • Large brewery farm with substantial financial backing • Well established marketing and social media presence | <ul style="list-style-type: none"> • Lack of focus on hops. Growing potatoes and barley too. • Operating a working brewery and potato chip factory | <ul style="list-style-type: none"> • Focus solely on hops and brewery production | <ul style="list-style-type: none"> • Ramblin’ Road could look to expand further into Southern Ontario for hops production |
| Essex Deep South Brewery Farm | <ul style="list-style-type: none"> • Small scale operation with full control of growth and processing of hops. • Established network within the local brewing and farming community. | <ul style="list-style-type: none"> • New to the hop industry and will need to perfect the production process. | <ul style="list-style-type: none"> • Developing Wheatley as a destination for hops and craft beer enthusiasts | <ul style="list-style-type: none"> • Due to increased demand, market could become flooded with new competitors. |

Target Market

Essex Deep South Brewery Farm is focused on selling both to other businesses (B2B) and directly to consumers (B2C).

Essex Deep South Brewery Farm's business target market is:

- Small-scale breweries/brewpubs with less than 15,000 hectolitres of yearly production within Ontario (scope)
- Breweries interested in sustainability through local farming (industry)
- Breweries and specialty home-brew supply stores looking to support local businesses and develop the community (behaviour)
- Breweries and specialty home-brew supply stores seeking an alternative to imported hops (behaviour)

Essex Deep South Brewery Farm's consumer target market is:

- Single or married males over the age of 19 (demographics)
- Students planning to enrol in agriculture or brewery related fields (demographics)
- Beer drinkers who are interested in trying new things and experimenting with flavours (lifestyle)
- Family income: \$30,000 (demographics)
- Household concerned with supporting local businesses and developing the community (behaviour)
- Located in Southern Ontario's Wheatley, Leamington, and Windsor communities (scope)

Keys to Success

It will be necessary for Essex Deep South Brewery Farm to maintain visibility in the market place through involvement in local growers' conferences, craft beer events and festivals where brewery staff and sales representatives congregate. They will augment this with online the use of social media. In addition, Essex Deep South Brewery Farm will continue to develop their relationships with the Ontario Craft Brewers Association and the newly formed Essex County Homebrewer Organization.

Besides constantly monitoring and caring for the crop, Essex Deep South Brewery Farm will strive to implement hop growing/processing methodology and strategies developed at the University of into their operations.

4.0 Sales & Marketing

Pricing Strategy

Competitors currently charge \$12-25 per pound of dried hop pellets and \$10-20 per

pound of whole leaf hops. Prices will vary according to variety and the overall quality of the product.

Essex Deep South Brewery Farm will sell locally grown and processed dried hop pellets in 1-pound bulk packages for \$17.95 a pound.

The pricing of Essex Deep South Brewery Farm hop products will maintain a competitive price point while reflecting the high quality of its product.

Marketing Strategy

Networking within the Ontario Brewing Industry

- Face to face networking at local craft beer events and festivals.
- Booth setup during Student orientation at Niagara College.
- Outreach program to the Ontario Craft Brewers Association through contacts at Niagara.

Developing a Social Media presence: Twitter, Facebook

- Creating awareness of Essex Deep South Brewery Farm operations and developing a presence on social media forums frequented by the target market (such as breweries and homebrew clubs).

Sample Give-aways

- To create awareness of product quality within the home-brewing community Essex Deep South Brewery Farm will offer free 1oz packages to home-brewers at home-brew club gatherings and events.
- To increase awareness of product quality within the professional brewing community Essex Deep South Brewery Farm will offer free 1-pound trial hop packages to small-scale breweries and local brewpubs.
- Trial products will be given only to leads that have expressed interest in locally grown products and limited to one free trial per individual/company.

Primary Marketing Activity

Essex Deep South Brewery Farm primary marketing activity will be networking with sale representatives, brewers and breweries. This will occur informally at local craft beer events and festivals. Essex Deep South Brewery Farm will introduce their brewery farm and its hop and beer products.

Essex Deep South Brewery Farm will also attend professional networking events hosted by the Ontario Hop Growers Association and Ontario Craft Brewers Association. While attending these events Essex Deep South Brewery Farm will provide business cards to individuals who express interest. Essex Deep South Brewery Farm will assign numerical codes to a set number of business cards entitling choice recipients to a free trial ounce of hops or 5% off the purchase of a Growler. As Randy Heatley completes his diploma at Niagara College he will attend beer festivals and events within the Niagara and greater Toronto area. Ralph Bauer and George Bachman will attend beer events and festivals within southwestern Ontario region including Windsor, London, and Guelph. The costs

per event will range from \$5-\$40 dollars for admission with an average around \$20 dollars.

Essex Deep South Brewery Farm will work with a graphic designer to design a brand identity for the business cards and will have 1000 cards printed at an estimated cost of \$500 for the printing and design work. The estimated cost of trial product given out will be \$200-300 per year. It is expected that 90% of Essex Deep South Brewery Farm's customers in the first 2 years will be acquired through these networking events and will generate mentions and 'likes' furthering Essex Deep South Brewery Farm's social media presence.

Marketing Objectives

Goal #1: One networking event per month for the first year of business while Essex Deep South Brewery Farm's owners complete their schooling and the hop plants develop. In year 2, these will increase to 3 events per month.

Goal #2: To sell 320 bottles of craft beer in year 1.

Goal #3: To develop a social media following on Twitter and Facebook of 500 Twitter followers and 500 likes on Facebook.

Positioning Statement

Essex Deep South Brewery Farm is a brewery farm focused on producing a locally grown high quality hop and using it to make delicious craft beer.

Sales Process

Essex Deep South Brewery Farm sales cycle is one – two months.

Essex Deep South Brewery Farm sales cycle is focused on securing breweries and home-brew supply stores to stock their product. At the start, Essex Deep South Brewery Farm will depend on the network established by the three co-owners in their schooling/co-op locations (Niagara, Waterloo, and Wheatley).

The sales process will begin with each attending local beer networking events hosted by the Ontario Hop Growers Association and Ontario Craft Brewers Association. At these events, the representatives of Essex Deep South Brewery Farm will talk informally about the launch of the brewery farm. They will ask questions about other endeavours and their connection to the hop and brewery industries. Depending on their audience, they will focus either on their desire to create a local Canadian grown hop or experimenting with small batch beer brewing.

If their audience expresses interest in either product, the Essex Deep South Brewery Farm representative will provide them a business card with a discount code for either a trial 1 oz. of hops or 5% off the purchase of a growler.

It is expected that 50% of the audience will follow-up about claiming their offer and that of those 45% will result in purchase of additional hops or beer products.

Strategic Alliances

Essex Deep South Brewery Farm has formed a strategic alliance with Doug Sinclair. He has been in the hop farming business for 2 years and has experience combatting local pests and diseases. Doug Sinclair has provided introductions to local restaurateurs as potential leads for selling kegs to in future.

5.0 Operations

Location(s)

According to the Barth-Haas Group Hop Atlas the optimal conditions for growing hops match the environmental conditions of Southern Ontario. The Hop Atlas identified well-draining sandy loam as the best soil for growing hops. Essex Deep South Brewery Farm is located in an ideal hop growing area. The area was a major tobacco producer for many years due to its well-draining sandy loam soil.

Legal Issues

Essex Deep South Brewery Farm anticipates the following legal issues:

- Business licenses
- Location & zoning by-laws
- Operating licenses (i.e. child care centres, gas stations, etc.)
- Industry specific licenses (i.e. dentistry, alternative health care etc.)
- Contract agreements (partnerships, independent contractors etc.)

Essex Deep South Brewery Farm will be located on land already leased, appropriately zoned, and insured by 1855552 Ontario Ltd, and will pay a rental fee of \$1/year.

Essex Deep South Brewery Farm will be using Ralph Bauer's lawyer to provide direction on further insurance requirements and to review any contracts with customers. The lawyer has provided assistance with registering and incorporating Essex Deep South Brewery Farm with the provincial and Federal government. The lawyer has also already submitted to the Alcohol and Gaming Commission of Ontario (AGCO) applications for: a Liquor Sales Licence, a Manufacturer's Licence and an Excise Duty Licence.

Insurance Issues

Essex Deep South Brewery Farm requires insurance for owners, partners and key employees, insurance for business property and earnings, liability insurance.

Human Resources

Essex Deep South Brewery Farm will have 0 full time staff.

Essex Deep South Brewery Farm will have 3 part time staff.

George Bachman, Ralph Bauer and Randy Heatley will fulfill all of the required staffing roles during start-up. As each owner is currently registered full-time in school working part-time aligns well with allowing for the first year of hop plant growth.

Process/Production

The customer will purchase hops by the pound in pellet form.

Hop Process/Production.

1. Essex Deep South Brewery Farm will adapt used farm equipment easily acquired in the local area such as orchard sprayers; Ginseng posts and trellis' to the specialized tasks of hop farming.
2. Essex Deep South Brewery Farm will setup trellis infrastructure in 1 hectare.
3. 1000 hop rhizomes will be planted by hand on the farm.
4. Essex Deep South Brewery Farm will adapt used tobacco kiln into an oast house (drying house).
5. Essex Deep South Brewery Farm will string the trellis system and train plants to grow up it.
6. After the growing season the plants will be harvested.
7. The hop cones will be removed and transferred to the oast house where they will be dried.
8. The cones will be processed through a pelletizer and packaged into 1-pound products.
9. The harvest will be processed and stored in a freezer until sold.
10. The hop product, once pelletized and packaged can last up to 2 years in cold storage. Essex Deep South Brewery Farm will remain in contact with the purchaser until the hops have been used in order to assure customer satisfaction.

Risk Assessment

Essex Deep South Brewery Farm will focus the majority of its efforts on promoting the business through community events. If these efforts should prove ineffective at acquiring customers Essex Deep South Brewery Farm will shift its focus to the secondary marketing strategy via social media promotion, specifically Twitter and Facebook. Essex Deep South Brewery Farm will use social media to interact with beer bloggers and brewing enthusiasts in order to encourage them to report on the brewery farm and its hop and beer products.

Essex Deep South Brewery Farm strength relies on the farming expertise and methodology of George Bachman and Ralph Bauer. Should their experience fail in to maintain the health of the plants and are unable to supply a viable harvest after year 2, Essex Deep South Brewery Farm will bring in a veteran hop farmer to act as a consultant during the next growing season.

Essex Deep South Brewery Farm is dependent on the brewing skills of Randy Heatley. If after a year of beer production, product inventory is accumulating, Essex Deep South Brewery Farm will look into hiring a veteran contract brewer to help establish beer recipes for their hops.

If Essex Deep South Brewery Farm is unable to produce a product for market after year 3, or if after year 3 Essex Deep South Brewery Farm sales are less than \$20,000 and not showing profitability Essex Deep South Brewery Farm would declare bankruptcy and close. Essex Deep South Brewery Farm's lawyer would handle this as would the negotiation and selling of assets to repay any remaining small business loans.

6.0 Financials

Start-Up Costs and Cash flow

The example business plans do not include start-up costs, cash flow or income statement example content. To review how to create these elements for your business, please visit www.futurpreneur.ca/en/bplan and use the free online business plan writer. Not only does it provide tips and tricks on what to include but it also outputs a custom spreadsheet with all the formulas you will need.

Break Even Analysis

Hop Breakeven Analysis

Product = 1lb of hops - \$17.95

Costs = everything required to maintain the plant for growing season - \$1.33

Overhead = all associated business costs (rent, equipment, salaries, loan payments)
- \$25,000

Overhead / (Product - Costs) =
\$25,000 / (\$17.95 - \$1.33) = 1,504 lbs.

Essex Deep South Brewery Farm must sell 1,504 lbs. of hops to breakeven. Essex Deep South Brewery Farm anticipates producing 0 hops for sale in year 1. It anticipates it will achieve its breakeven point at the start of Year 3.

Growler Breakeven Analysis

Product = 1 litre of beer at \$6.99

Costs = bottle and ingredients to produce 1 litre of beer - \$2.64

Overhead = all associated business costs (rent, equipment, salaries, loan payments)
- \$15,000.

Overhead / (Product - Costs) =

$\$15,000 / (\$6.99 - \$2.64) = 3,449$ litres of beer

Essex Deep South Brewery Farm must sell 3,449 litres of beer to breakeven. Essex Deep South Brewery Farm anticipates it will achieve its breakeven point in Year 3.

Sales Forecast

Key Assumptions for Essex Deep South Brewery Farm

- A yield of 1.5lbs/plant producing a total of 1500lbs in year 2 and increasing year over year until Year 4.
- Seasonal hop sales, with October-March being low and April-September (pre-harvest) being high
- No hops for sale until October year 2 (after harvest)
- 4 - 5% of each harvest will be given away as trials.
- 1lb of hops will be used to produce 1 barrel (117.35L) of craft beer
- Essex Deep South Brewery Farm will use 5% of each harvest for their own brewery
- Growler sales will account for 8% of total brewery sales
- 500mL bottles will account for 92% of total brewery sales
- Damage/lost product is estimated at 3% of total brewery output

Year One Sales Forecast (Including Assumptions)

April - March - \$1, 634.50

- There will be no hop sales during year 1 as the plant stock grows.
- Sale of 30 growlers & 356 500mL bottles
- Attended Essex County Homebrewer Organization holiday party
- Attended Niagara College student orientation fair

Year Two Sales Forecast (Including Assumptions)

April - \$425

- 10 growlers refills sold
- 90 500mL bottles sold
- Featured article in the Local Business section of the Windsor Star
- Attended two events for the Ontario Craft Brewer Association
- Attended Essex County Homebrewer Organization monthly meeting
- No hops for sale until

May - \$1,475

- 16 growler refills sold
- 36 growler sold
- 186 500mL bottles sold
- Announcement of Randy Heatley winning Niagara College Brewmaster award in Ontario Craft Brewer Association newsletter
- Attended Essex County Homebrewer Organization monthly meeting
- Attended Microbrewer meet-up hosted by Wellington Brewery
- Attended Ontario Hop Growers Association season kickoff

June - \$1,795

- 25 growler refills sold
- 30 growlers sold
- 280 500mL bottles sold
- Release of seasonal small batch beer incorporating local strawberries
- Promotion by strawberry farmer at Leamington Farmers Market of new seasonal beer
- Presentation at Niagara College Microbrew club on hop production and micro-brewery start-up
- Participation in Essex Country Craft Beer Festival

Cash flow

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Income Statement

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