

Organic Seed Alliance – Feb. 5, 2016

Seed Economics: How to Make Growing and Selling Seed More Profitable

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terme coopérative
Tourne-Sol









COG PRACTICAL SKILLS HANDBOOKS

CROP PLANNING

for ORGANIC VEGETABLE GROWERS

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Canadian Organic Growers
Cultivons Biologique Canada











La ferme coopérative Tourne-Sol

www.fermetournesol.qc.ca

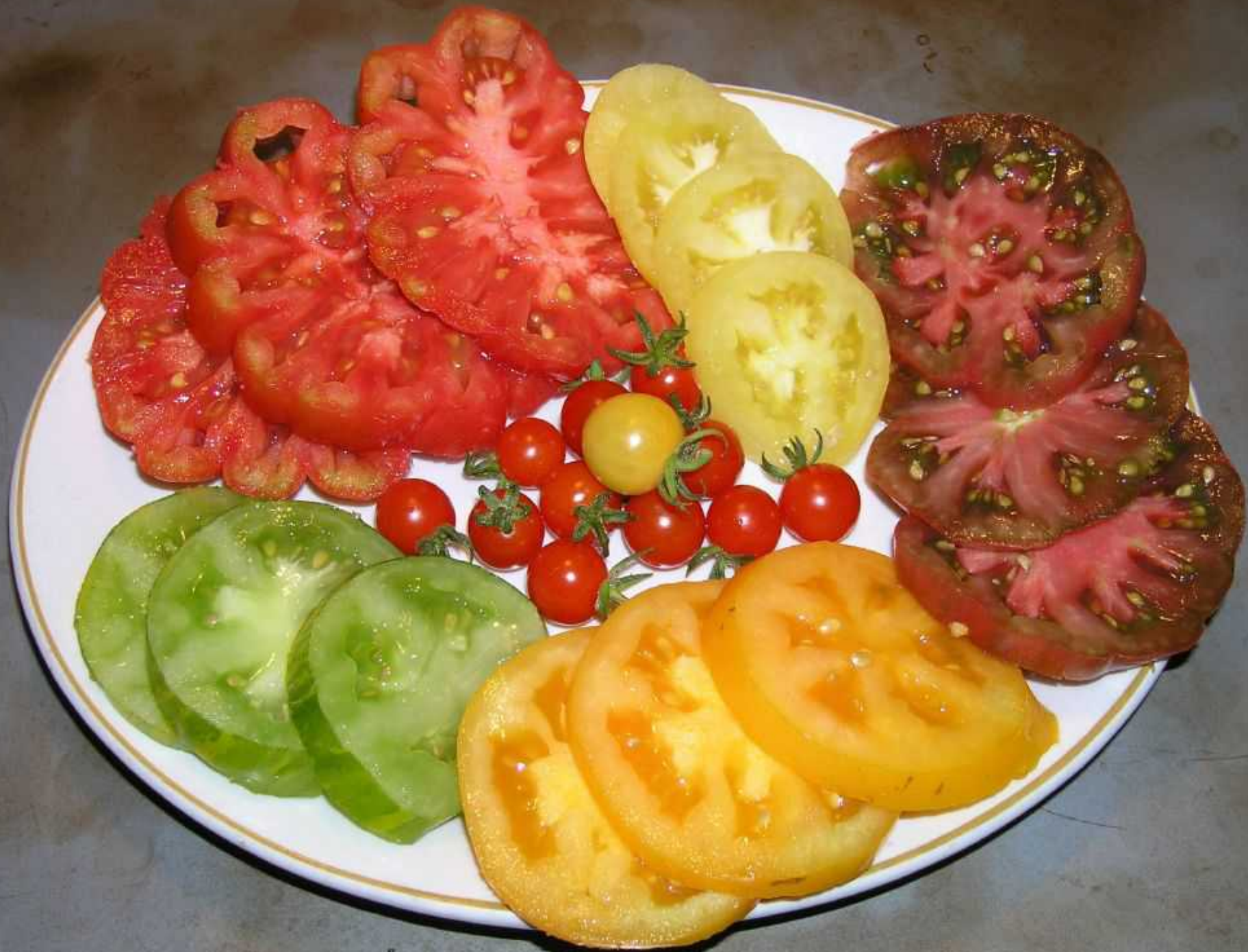
les Cèdres, QC

Légumes Biologiques
Organic Vegetables

certifiés par
EcoCert Canada





















Catalogue de Semences Bio 2014
2014 Organic Seed Catalog

FERME COOPÉRATIVE
Tourne SOL
CO-OPERATIVE FARM



FRUITS ET POINTONS
FRUITES & PEPPERS

3,50\$ ch. 3 / 10\$

FLEURS ET FINES HERBES
FLOWERS & HERBS

3,50\$ ch. 3 / 10\$

VERDURETTES
GREENS

3,50\$ ch. 3 / 10\$

LÉGUMES
VEGETABLES

3,50\$ ch. 3 / 10\$

Tourne SOL

Tourne SOL

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Overview

Selling Seed Wholesale
(to other seed companies)

VS.

Selling Seed Retail
(online order, racks, markets)

Growing Bulk Seeds For Wholesale Prices

Profitability in Space Benchmarks

WARNING

Metric weights and imperial distances
will be mixed
with reckless abandon.

Note: 1 lb = 454 g

\$/acre	Approx \$/bedft
60 000	7.50
40 000	5.00
20 000	2.50
10 000	1.25

Calculate Profit In Space

$$\text{yield} \times \text{price} = \$/\text{bedft}$$

Calculate Profit In Space

yield x price = \$/bedft

For Lettuce Heads

900 heads / 300 bedft x \$2.50/head = \$7.50/bedft

\$/acre	Approx \$/bedft
60 000	7.50
40 000	5.00
20 000	2.50
10 000	1.25

Calculate Profit In Space

$$\text{yield (grams/bedft)} \times \text{\$/grams} = \text{\$/bedft}$$

Calculate Profit In Space

yield (grams/bedft) x \$/grams = \$/bedft

For Brassicas

BULK: 3000g/75bedft x \$40/400g = \$4 / bedft
40g/bedft \$0.1/g

Calculate Profit In Space

yield (grams/bedft) x \$/grams = \$/bedft

For Brassicas

BULK: 3000g/75bedft x \$40/400g = \$4 / bedft
40g/bedft \$0.1/g

Pkts: 3000g/75bedft x \$3/4g = \$30 / bedft
40g/bedft \$0.75/g

Crop	Bedft	Yield (g/bedft)	Yield (lbs/acre)	Price (\$/lb)	Harvest (lbs)	\$ Value	\$/acre
Amaranth	25	50	958	\$100	2.8	\$275	\$95,832
Beans	150	80	1533	\$10	26.4	\$264	\$15,333
Brassicas (Rapa, Juncea, Arugula)	200	50	958	\$40	22.0	\$880	\$38,333
Corn	150	80	1533	\$25	26.4	\$660	\$38,333
Cucumbers	50	10	192	\$100	1.1	\$110	\$19,166
Eggplants	25	8	153	\$350	0.4	\$154	\$53,666
Peas	150	70	1342	\$10	23.1	\$231	\$13,416
Pepper	50	7	134	\$350	0.8	\$270	\$46,958
Squash (Summer & Winter)	150	25	479	\$50	8.3	\$413	\$23,958
Tomato	150	10	192	\$350	3.3	\$1,155	\$67,082
TOTAL	1100				114.5	\$4,412	\$34,943

Calculate Profit In Space

yield (grams/bedft) x \$/grams = \$/bedft

For Beans

80g/bedft x \$10/450g = \$1.78 / bedft

Calculate Profit In Space

yield (grams/bedft) x \$/grams = \$/bedft

For Beans

80g/bedft x \$10/450g = \$1.78 / bedft

80g/bedft x **\$15/450g = \$2.68 / bedft**

Calculate Profit In Space

yield (grams/bedft) x \$/grams = \$/bedft

For Beans

80g/bedft x \$10/450g = \$1.78 / bedft

80g/bedft x **\$15/450g = \$2.68 / bedft**

120g/bedft x \$10/450g = \$2.68 / bedft

Calculate Profit In Space

yield (grams/bedft) x \$/grams = \$/bedft

For Beans

80g/bedft x \$10/450g = \$1.78 / bedft

80g/bedft x \$15/450g = \$2.68 / bedft

120g/bedft x \$10/450g = \$2.68 / bedft

120g/bedft x \$15/450g = \$4 / bedft

Calculate Profit In Space

yield (grams/bedft) x \$/grams = \$/bedft

For Beans

80g/bedft x \$10/450g = \$1.78 / bedft

80g/bedft x **\$15/450g** = \$2.68 / bedft

120g/bedft x \$10/450g = \$2.68 / bedft

120g/bedft x **\$15/450g** = \$4 / bedft

120g/bedft x **\$5/450g** = \$1.78 / bedft

Selling Seeds At Direct Market Prices

Crop	Harvest (lbs)	g/pkt	oz/pkt	Qty Pkts	\$/pkt	Value	\$/acres
Amaranth	2.8	2	0.07	625	\$3	\$1,875	\$653,400
Beans	26.4	25	0.89	480	\$3	\$1,440	\$83,635
Brassicas (Rapa, Juncea, Arugula)	22.0	4	0.14	2500	\$3	\$7,500	\$326,700
Corn	26.4	25	0.89	480	\$3	\$1,440	\$83,635
Cucumbers	1.1	1	0.04	500	\$3	\$1,500	\$261,360
Eggplants	0.4	0.4	0.01	500	\$3	\$1,500	\$522,720
Peas	23.1	25	0.89	420	\$3	\$1,260	\$73,181
Pepper	0.8	0.4	0.01	875	\$3	\$2,625	\$457,380
Squash (Summer & Winter)	8.3	3	0.11	1250	\$3	\$3,750	\$217,800
Tomato	3.3	0.2	0.01	7500	\$3	\$22,500	\$1,306,800
TOTAL	114.5			15130		\$45,390	\$359,489

Wholesale

- \$13K/acre to \$95K/acre
- A couple of clients

Direct Market

- \$70K/acre to \$1.3 million/acre
- 15 000 Packets

Direct Marketing Considerations

The Packet



Tomate Mauve /Purple Tomato

Cherokee Purple

0,2g (~50 semences/seeds)

**Semences Biologiques
Organic Seeds**

certifié par/certified by
Ecocert Canada



SL233

Lycopersicon lycopersicum

Cherokee Purple 72 jrs. Gros fruits rouges avec épaules foncées. Une variété qui convertit les jardiniers aux tomates du PATRIMOINE, délicieux! Indéterminée

Démarez à l'intérieur pour 6 semaines. Plantez après le dernier gel. Plantez chaque 60cm (24") Rangs espacés de 1,5m (60") Plein Soleil. Annuel. Tué par le gel

Cherokee Purple 72 days. Large red fruit with dark shoulders. This tomato wins folks over to heirloom tomatoes. Delicious! HEIRLOOM. Indeterminate

Grow indoors for 6 weeks. Plant after last frost. Plant every 60cm (24") Space rows every 1,5m (60") Full Sun. Annual. Killed by frost.

Lot #SO1002

Emballé pour/packed for 2012

www.fermetournesol.qc.ca 450-452-4271

1025 ch. St-Dominique
Les Cèdres, QC, J7T 1P5

SEMENCES BIO
Tourne-SOL
ORGANIC SEEDS

LM102

Basilic de Gênes
Genovese Basil

2g (+/- 1500 semences/seeds)

Ocimum basilicum

Basilic italien vert avec larges feuilles bonnes pour le pesto, bruschetta, ou les pâtes. Démarrez à l'intérieur pour 5 semaines. Plantez après le dernier gel. Plantez chaque 30cm (12") Rangs espacés de 30cm (12") Plein Soleil. Annuel. Tué par le gel.

Green Italian basil. Large leaves are easy to use in pesto, bruschetta or any pasta dish. Grow indoors for 5 weeks. Plant after last frost. Plant every 30cm (12") Space rows every 30cm (12") Full Sun. Annual. Killed by frost.

Lot #HM14040

Emballé pour/packed for 2015





Seed Packet Costs

Task	wage	Total Hrs	Labour Cost	Materials	Materials	Total Cost
Seed (production cost is assumed in production enterprise.)	\$12.50		\$0	Seed	\$4,400	\$4,400
Pack seed Packets (50pkts/hour)	\$12.50	300.0	\$3,750	Packets & Labels	\$1,050	\$4,800
Germination Tests (15 min per lot x 80 lots)	\$12.50	20.0	\$250			\$250

Marketing Outlets

Mail Order / Website

Racks

Events (Markets, Seedy Saturdays, ...)

Print Catalog? Mailing List?

Seed Marketing Costs

Task	wage	Total Hrs	Labour Cost	Materials	Materials	Total Cost
Order fulfilment (300 orders x 20 min/order)	\$12.50	100.0	\$1,250	Postage	\$900	\$2,150
Events (6 events x 10 hours)	\$12.50	60.0	\$750	Fees (6 x \$100)	\$600	\$1,350
Events Travel (6 x 3 hrs)	\$12.50	18.0	\$225	Gas+vehicle wear (6x180mi.x \$0.45/mi.)	\$486	\$710
Events Meals	\$12.50		\$0	Meals	\$90	\$90
Seed Rack Management & Customer Service	\$12.50	40.0	\$500	10 Racks	\$500	\$1,000
Website	\$12.50	40.0	\$500	Webstore Costs	\$500	\$1,000

Overhead







Seed Overhead Costs

Task	wage	Total Hrs	Labour Cost	Materials	Materials	Total Cost
Business development	\$12.50	100.0	\$1,250	Ads + Branding + Business Cards	\$1,000	\$2,250
Seed Room	\$12.50		\$0	Shelving & containers	\$200	\$200
Seed Room	\$12.50		\$0	Rent	\$500	\$500
Office Expenses	\$12.50		\$0	Misc	\$500	\$500

Other Overhead

Bookkeeping

Memberships/Dues

Bank Fees

All kinds!

Expenses

	Hrs	Labour Costs	Product Cost	Total Cost
Packet Cost	320	\$4,000	\$5,450	\$9,450
Market costs	258	\$3,225	\$3,076	\$6,301
Overhead	100	\$1,250	\$2,200	\$3,450
Total Costs	678	\$8,475	\$10,726	\$19,201

Seed production is accounted at \$4400

Income

Income	packets	\$/pkt	\$ Amount
Seed Orders	7000	\$3	\$21,000
Seed Racks	5000	\$2	\$10,000
Unsold Seed	3000	\$0	\$0
Total Income	15000		\$31,000

Budget

Income	\$ Amount
Seed Orders	\$21,000
Seed Racks	\$10,000
Unsold Seed	\$0
Total Income	\$31,000
Labour cost	\$8,475
Materials cost	\$10,725
Total Expense	\$19,200
Profit	\$11,800

Direct Market Profit

\$11 800 net profit

\$8 475 labour

678 hours (& more!)

Cost to produce 1 packet

Input	Total	Note
Seed Cost	\$0.29	\$4400 in seeds / 15000 Packets
Packet Cost	\$0.07	
Labour cost	\$0.25	50 pkts in an hour @ \$12.50/hr
Overhead	\$0.25	
Cost per Packet	\$0.86	

About \$1 to produce

Important to control seed cost

Packet retails for \$3.50

Rack

We get \$1.75

- Pkt Cost: \$1.00

= Marketing/Profit: \$0.75

Webstore / Event

We get \$3.50

Additional \$1.75 for
marketing/profit

Sales Reflection

\$5000 of seed packed into 10000 packets

Or

\$5000 of seed packed into 5 boxes

Merci!

Thanks!

Fermetournesol.qc.ca
goingtoseed.wordpress.com