



BUSINESS PLAN IN URBAN AGRICULTURE

Business name : CROP Mushroom

Entrepreneur's name : Teodorescu Ana Maria

Name of the enterprise (to be established) : SC
CIUPERCUTA SRL

Country Romania

Address Piatra Neamt-jud. Neamt

* Under the guidance of CICIA, Roznov



EXECUTIVE SUMMARY:

My business idea is to grow mushrooms in a space I own near the city of Piatra Neamt. In addition to their food value, cultivated mushrooms are also a profitable crop, which ensures a high production, which is obtained per unit of surface used, spaces specially designed for this purpose.

In order to implement the idea, I will invest 50,000 euros in the first year, from my own or borrowed funds.

Our product is addressed to all mushroom consumers, i.e. the majority of people interested in a healthy diet, indirectly, our customers will also be the restaurants, pizzerias, patisseries in Piatra Neamt (most of them get their mushroom supply from supermarkets), because they use mushrooms in different preparations.

The main objective of the investment is to increase competitiveness in the mushroom cultivation sector, by applying the highest production standards and the most advanced technologies and ensuring for a continuously growing market, in recent years, some products that meet the demands of consumers, both regarding the price as well as the quality.

Pleurotus mushrooms are much less pretentious than other types of mushrooms. They can grow at more varied temperatures than champignons, between 13 and 20 degrees Celsius. The production cycle is short, of approximately two months, so that more production cycles can be obtained than in the case of other mushrooms and, therefore, a higher yield. Pleurotus mushrooms also have the advantage that they have recently grown in popularity, and the demand is greater than the supply.

By implementing this business plan, we aim to obtain a net profit of 12,700 Euros in the third year of operation.

1. Identification data of the enterprise (to be established)

Teodorescu Ana Maria will be the administrator of the business. She is 40 years old and an ambitious person with organizational, negotiation and communication skills, creative and original. She graduated from the economic professional school - public administration profile and participated in various professional training courses in Italy, where she worked in the field of unskilled labor and wants to start a family business in the field of agriculture once she returns to her homeland .

2. Field of activity: NACE code(s)

CAEN 0113 - Cultivation of vegetables and melons, roots and tubers

CAEN 1039 - Processing and preservation of fruits and vegetables nca



3. Objectives

a) Short term goals

- purchasing the land and obtaining the construction permit.
- drawing up the mushroom construction project.
- building the mushroom house and arranging it.
- connection to the city's water and electricity network.
- equipped with its own heating plant
- hiring unqualified personnel.
- hiring an accountant.
- ensuring a local production of Pleurotus mushrooms.
- creating a space for socializing and meeting other lovers of natural and healthy products.
- intercultural exchanges.

b) Long-term goals

- increasing production capacity through investments in equipment and human resources
- opening a private mushroom preparation laboratory.
- creation of consultancy and design services for the activity of production, conservation and sale of mushrooms.
- creation of a web page presenting the company and its products.
- reaching a turnover of around 23,800 Euros in the third year of operation
- a profit of 12,700 Euros in the third year of operation
- a 10% market share
- improving the quality of cultivated mushrooms.
- employee participation in specialization courses.
- protecting directly productive personnel from the risks to which they are exposed.

4. Products/services

Our products for the first year are:

- Oyster mushrooms Florida
- Mushrooms Pleurotus SAJOR - CASHEW - BROWN SPONGE
- Mushrooms Pleurotus Ostreatus

In the following years, we will diversify production with processed products: dried mushrooms and mushroom preparations (zacusca).

A business within reach of any small investor is the cultivation of edible mushrooms, which sell very well on the domestic market and for export to European Union countries. In Europe, the main mushroom producing countries are France, Poland, Italy and Hungary.

In addition to their food value, cultivated mushrooms are also a profitable crop, which ensures a high production, which is obtained per unit of surface used, spaces specially arranged for this purpose. It should also be noted that agricultural land is not used in the cultivation of mushrooms, but mostly disused spaces, i.e. spaces that have not been given any other use, and reusable, cheap materials were considered for the nutrient substrate.

Another advantage of growing mushrooms is that they occupy small spaces compared to the amount of production, because, being small, in certain periods of development they do not need light or are not influenced by its lack. For this purpose, crops can be made on 3-6 levels, on the same square meter of surface, thus saving space. The profitability of mushroom cultivation is also given by the fact that all the components are consumed from most of them. Thus, the percentage of use represents 99-100%.

Production/service plan to be completed:

No. product ively	Product name	Year 1 quantity kg	Year 2 quantity kg	Year 3 quantity kg
1	Pleurotus Florida mushrooms	3000	3000	4000
2	Mushrooms Pleurotus SAJOR - CASHEW - BROWN SPONGE	3000	5000	6000
3	Mushrooms Pleurotus Ostreatus	3000	5000	6000
4	Dried mushrooms	0	100	500
5	Mushroom zacusca (traditional romanian food)	0	100	500

5. Machinery, equipment and tools

- culture rooms, floors: 100 sq m
- shelves for culture rooms
- conditioning / ventilation system, consisting of vaporizer with fresh air chambers, cooling chamber, heating chamber, air distribution, overpressure slots
- command and control system for a room with air/compost temperature sensors, CO2 pump, central computer
- thermal plant
- humidification system

6. Marketing and Sales

a) Potential suppliers to the company

No.	Name of materials supplier	productively	Quantity (per year)	Price per unit.	Value (Euro) per year
1	Nutrimold SA Iasi Italspawn	Mycelium	200 kg	4	800
2	Korona-Hungary	Compost	1000 kg	7	7000
3	Leroy Merlin Agroland	Peat	100 kg	1.6	160
4	PHYTOMAG	Disinfectant substances	100 packs	9	900
5	DEDEMAN Mathäus	Foli	300 KG	8	2400

6	Christian Food Industry	Casero	18000 pcs.	0.45	8100
7	APA SERV SA	The water	200 m ³	1.5	299
	SC DISTRIGAZ NORD SA	Methane gas	25320 kWh	0.062	1570
8	It's him	Electricity	32400 Kwh	0.136	4406
9		Transport	50 trips	20	1000

b) *Potential customers of the company*

No. crt	Customer (Name and address)	Value (Euro)	% of sales
1	The squares of the city of Piatra Neamt	5,040	40%
2	The pizzerias	1,890	15%
3	restaurants	1,890	15%
4	Own store sale	3,780	30%
Total		12,600	100%

c) *Competitors*

- d) 1. Forest fruit and mushroom collection center "AMY", Borca-jud. Neamt
e) 2. Ciupercaria Pleurotus Sabaoani-jud. Neamt

7. Organization and management

For the smooth development of the activity of the mushroom farm, the company has a manager and 1-2 unqualified workers as staff.

The accounting service will be outsourced.

8. SWOT ANALYSIS

STRENGTHS +	WEAKNESSES –	INTERNAL FACTORS
<p>1. Cultivation of mushrooms requires little investment, has a continuously developing domestic sales market, and an export market with huge potential.</p> <p>2. Mushrooms do not need special growing conditions, they do not require the existence of an actual agricultural land, they grow and are harvested in cycles and waves.</p> <p>3. There is no other profile company in Piatra Neamt with this standard, only one in the county.</p> <p>4. The demand for mushrooms is greater than the supply. They are sought after all year round, especially during fasting periods because they have great nutritional, gastronomic and even therapeutic value.</p>	<p>1. Being a business in the FIELD production, the level of fixed expenses is high.</p> <p>2. The company is at the beginning</p> <p>3. Higher prices at the beginning.</p> <p>4. Irregularity in deliveries.</p> <p>5. Lack of equity.</p> <p>6. Insufficient knowledge in the field of mushroom cultivation.</p>	



<p>5. Fast forward. With an intensive mushroom culture, 5 - 6 harvests are obtained per year.</p> <p>6. Multiple expansion and export possibilities.</p> <p>7. Favorable legislative framework for SMEs plus the possibility of financing through European funds.</p> <p>8. It can start as a family business.</p> <p>9. I am products healthy, being referred to and "vegetable meat ", they have no cholesterol, and CONTAIN element MINERAL and enzymes.</p> <p>10. The culture substrate is easily obtained from vegetable and animal by-products and residues.</p>		
<p style="text-align: center;">OPPORTUNITIES +</p>	<p style="text-align: center;">THREATS –</p>	
<p>1. People are becoming more and more aware that food is very important, and more interested in investing in quality food.</p> <p>2. Increased tendency to introduce new, high-quality products on the market.</p> <p>3. Subsidies from the state.</p> <p>4. Increased consumer interest in healthy food with a low impact on the environment.</p> <p>5. Local and regional policies to promote local products.</p>	<p>1. Imports at low prices, especially those from Poland.</p> <p>2. The legal regulations for opening such a business are strict and will become even stricter in the medium term.</p> <p>3. Increasing competition over time.</p> <p>4. Lack of working capital.</p> <p>5. The economic-financial crisis at the national and international level causes the decrease in the purchasing power of products and services among the population, the restriction of the activity of the economic sectors and implicitly the increase in the unemployment rate.</p> <p>6. The application of new standards that increase production costs.</p>	<p>EXTERNAL FACTORS</p>

9. Business

Model

Canvas

Business Model Canvas

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
<p>STRATEGIC PARTNERSHIPS:</p> <p>1. Optimization and economy</p> <ul style="list-style-type: none"> - purchase equipment technological that to CREATE artificially conditions _ climate to optimize them _ development <p>2. The reduction risk and A uncertainty .</p> <ul style="list-style-type: none"> - registration in groups of producers <p>3. Purchase SOME resources and specific activities .</p> <ul style="list-style-type: none"> - consulting SPECIFICATIONS - institutions publicly 	<p>output mushrooms pleurotus , Troubleshooting , Platform / Network __</p> <hr/> <p>Key Resources</p> <ul style="list-style-type: none"> - Resources body - Resources humanity - Resources Finance 	<p>- The value nutritional value of the product , bio- natural quality free fertilizers chemical , the advantages eating the product as a real one meat substitute _ and with savings difference for BUDGET CONSUMER</p> <ul style="list-style-type: none"> - We use a quality mycelium superior , again on NEAR recipes traditional methods of composting appeal and a series of preparations ecological , natural (phytohormones , growth bioregulators) , who have the right aim RECOVERY top of the substrate cellulosic by _ the mushrooms our _ 	<p>- In phase incipient , through the sale products after model .</p> <ul style="list-style-type: none"> - Advertise on the means of own transport - For started , after the first sample harvest of mushrooms we will try to distribute products wholesale stores , canteens , restaurants , pizzerias with title _ free of charge , in a presentation with packaging light , ecological , which value __ Grades the product , packaging that contain visible identification data _ and contact of the company . - Press release , social media . <hr/> <p>Channels</p> <ul style="list-style-type: none"> - Advertising through mass media - Realization a website 	<ul style="list-style-type: none"> - The food market public (restaurants , pizzerias , canteens institutions , hospitals , companies , schools , kindergartens). - People physical .
Cost Structure			Revenue Streams	
<p>The costs of setting up the company , purchase equipment and materials , wages employees , marketing.</p>			<ul style="list-style-type: none"> - The sale of mushrooms . 	

11. Financial projections

- a) *Expenses/Costs* may refer to: Cost for installation, One-Time or Start-up Costs, Repairs and Maintenance, Equipment and Tools (Fuel, Equipment leases, Rentals, Processing equipment, Tools, Truck), Seed & Soil Materials, Fertilizers, Seed, Soil preparation, Supplies, Human Resources & Personnel, Insurance, Training and professional development, Accounting, Consulting, Contractors, Legal, Sales and Distribution, Storage, Marketing and Advertising, Signs, Licensing, Utilities (Electric, Telephone, Water, Sewer , Heat, General and Administrative (Bank Charges, Computers, Insurance, Liability, Licenses, permits, and fees), Taxes - entity or corporation, Promotion for opening, Community recruitment, Opening ceremony or other costs you estimate)
- b) *Income* : sales value

- euros -

Profit & Loss Projection	Year 1	Year 2	Year 3
Income			
Projected Sales (Production*Price)	12,600	18,480	23,800
Grants and other income	50,000	20,000	20,000
Total Income	62,800	38,480	43,800
Expenses/costs			
Annual setup and removal	100	100	100
Total repairs and maintenance	500	1000	1000
Equipment and Tools	30,000	5,000	0
Seed & Soil Materials	1,100	2,400	3,100
Human Resources & Personnel	18,480	18,480	18,400
Sales and Distribution	1,300	1,300	1,800
Marketing and Advertising	2,050	2,050	2,050
Utilities	3,300	2,000	2,000
administration	5000	2000	2000
Taxes	500	553	600
Total expenses/costs	62,330	34,883	31,050
Net Profit (Loss) = Total Income- Total expenses	470	3,597	12,750

12. Sustainability of the project and impact on the area/people

The production space can be raised to a height of 2-3 meters, and the harvest and sales can increase, since the mushrooms are planted on special bales that can be overlapped.

We aim to expand the business through:

- opening a private mushroom preparation laboratory
- creation of consulting services for the activity of production, preservation and marketing of mushrooms.
- creation of a web page for the presentation of the company and the products.
- mushroom processing: zacusca, pickled mushrooms, etc.
- social activities in partnership with schools to present the business model to students.



- meetings with other residents of the city who want to practice urban agriculture.

13. The project financing:

- The Romanian state also grants a financial support of 800 lei/ton of mushrooms sold.
- European funds.

14. Risks

Cultivation of mushrooms is a new field, it involves many risks that, due to negligence or ignorance, cause significant damage to inexperienced growers.

Among other risks that the start-up business may involve are:

- the uncertainty of success, because this field is still in a relatively new stage, there are no precedents to help us avoid the threats that may appear during the cultivation process
- the lack of experience and youth of the business initiators can also be a risk
- the fact that collaborations have been established with a few agents, with only one more important client, is a risk that can seriously affect the business when it materializes
- being a field that seems to become very profitable in the future, there is a chance of many competitors appearing on the market, leading to increased competition, lower prices and at the same time lower revenues
- the culture of mushrooms can be easily compromised if we do not deal effectively with the prevention of diseases and pests.