**BUSINESS PLAN

Forevermore Fungi**

May ??, 2018

***Executive Summary***

***Value Proposition***Forevermore Fungi was pondered up to the **response to the governments intention to allow agriculture as a form of profitable business. To enhance the opportunity by cultivating a safe environment for the like minded individuals/students that express a deep passion to become involved in future research and development of scientific Fungi (Mycology).**

Although mushrooms have been collected from the wild & cultivated artificially for human food & medicine uses for hundreds of years. The mushroom industry can be fundamentally separated in 3 sections.

1-Cultivated Edible Mushrooms 2- Medicinal Mushrooms 3-Wild Collected Mushrooms

We cultivate to orchestrate the dispersal of Organic farm grown medicinal/gourmet mushrooms by log cultivation and block/bag method. Mushrooms are delicious and nutritious. When there log grown & Organic theres no need for panic, No assuming on what you or family is consuming. This product has nice aromas & earthly subtle flavors that enhances all dishes from all cultures. This product will be focused at “Fork to Farm“ restaurants & our local farmers markets. These fungi are abundant with opportunities to fill a already demand market for high quality mushrooms.These fantastic fungi not only nourish our body but, with every delivery the customer will be delightfully educated on the importance of what there consuming, therefore enhancing customers medicinal awareness about theses mushrooms. Our approach to mushroom farming has it’s uniqueness as far as comparing methodologies of mushroom fruiting. Achieving premium standards with higher weights per flush is our objective. High quality only is achieved by cultivating with nature not against it. Our organic practices are designed to fruit a much higher potency factor pertaining to medicinal quality. We are setting to meet the demands of a increasingly demographic cultivar which is currently in high demand. Our focus is all season cultivating with a emphasis on hyper-local, organic produce directly to our end-consumer.

***Company Manpower Organization & job description.***

***Company Ownership Structure***The company will be structured as a sole proprietorship with an financial commitment to Landowners of 30% of net income of all mushroom sales. CEO will remain sole owner of companies business. Contract will be revised every 6 months if changes need to be addressed.

***The Ownership (CEO)***The company will be structured as a sole proprietorship belonging to one Jonathan, which hold the companies position of CEO of Forevermore Fungi.

 ***Ownership Background***

**Forevermore Fungi CEO**: Makes overall decisions on the direction of all company operations and..

**Landowners**: Owns land, name on property deed, makes suggestions to crops to cultivate, works with CEO on land use and utility management that will best suit Forevermore Fungi sustainability. CEO has a contract with Landowners to pay 30% of all gross sales amounts once Forevermore Fungi is financial sustainable. Financial sustainability is represented in future sale established via contract in dollar amounts larger than annual over head projections within reasonable outcome to pay off business debts first. (I might need some financial verbal support with that last sentence)

**Farm Manager**: Has clear oversight on daily farm performance objectives, response to orders from CEO only and….

**Farm Hands**: Assists with daily tasks given by the Farm Manager and….

***The Goals and Objectives:*** Forevermore Fungi goals are planned in sets which are inlined with sound objectives in bettering the company’s impact and overall business growth. Understanding these types of reporting markers will better prepare the momentum to aide our business. The manner of which I execute my tasks ultimately predicts my approach as a business man & mushroom cultivator. Establishing strategic economic approaches to stay successful in such industry. Listed below are critical pivotal markers of economic growth based off of the current cultivating analysts.

Objectives as follows with expected completion time frames: -Achieving a level of financial sustainability. (Year 3)

-Cultivating product with the a zero Non-Carbon-Footprint. (Year 3)

-Being accredited the USDA Organic certificate of approval. (Year 2)

-Establish 10 produce accounts with a combination of farm to fork & pizza parlor restaurants. (Year 2)

-Establish 10  FoodTruck accounts. (Year 2)

***The Product***Our cultivar product is Fungi aka the mushroom. This mushroom has 2,300 species that contribute historically as medicine & an edible gourmet delight in many famous Asian dishes. On our farm the selection of mushrooms consist of : Shiitake, Oyster (in multiple colors), Lion’s Mane or Pom Pom Ear, Reishi, Maitake, Nameko, White Jelly, Shaggy Mane .This Fungi possesses a good source of vitamin B,C,D, niacin, riboflavin, thiamine, folate, potassium, phosphorus, calcium, magnesium, iron, copper. The Fungi provide carbohydrates, but are low in fat an fiber.

Mushrooms are an excellent source of high quality protein (18-35%) depending on cultivar type. Some of the medicinal properties among Fungi are called polysaccharides, which are known to boost the immune system. Other types of mushrooms  offer anti- cancer and shown with great effectiveness in lowering blood pressure when properly consumed.

-But are mushrooms really nutritious? Yes!  For example, Shiitake is approximately 18% protein by dry weight, high in the amino acids leucine and lysine (scarce in most grains), and has a significant complement of minerals and vitamins.  Many other mushrooms are equally nutritious. I tell numerous people if you would just dedicate just 30% of the money spent on meat a month, apply that to mushrooms to your diet instead. You will see & feel transformed, noticeable physical performance & mental endurance. There are a number of agricultural bio waste products among our many industries.

Mushrooms are the ultimate health food. Some mushrooms are powerful immune stimulants.  In Japan, extracts of Shiitake are routinely used for cancer prevention, and as adjuncts to chemo and radiation therapies.  The polypore Reishi, and the delicious Maitake (Hen of the Woods), have been shown in clinical studies to produce remarkable benefits for the immune system, in addition to having cholesterol-lowering effects.  One of the most powerful immune stimulants is Active Hexose Correlated Compound (AHCC), which is an extract of a triple mushroom liquid culture in rice bran. One of the mushrooms in AHCC is Shiitake. The immune stimulating property of mushrooms is not too surprising, since in nature, the familiar antibiotics are made by fungi to compete against the plethora amounts of microorganisms in the soil. Mushrooms are very ecologically important, which bring me into my 2nd avenue of sales. The inoculating (when the fungi seed grows and eats carbon matter) preponderance of fungi is yet another expanding and demanding agriculture market being used in hydroponic stores and big name companies, big playoff the *thriving Cannabis cultivation industry*.

-Plants need fungi to live and prosper. While plants perform the daily miracle of transforming sunlight, water and carbon dioxide in the air into sugar, starch, and cellulose via photosynthesis, they cannot break down inorganic materials (e.g. rock).  On the other hand, the fungi lack chlorophyll and so cannot synthesize carbohydrates (sugars and starches), but they can easily break down inorganic minerals into the soluble nitrates, phosphates, and sulfates that are essential to plants. It’s all about the balance of the soil food web among our soils, hello!. Plants have co-evolved with fungi for aeons in this type of "mycorrhizal" symbiosis. Without fungi, plants die. Without plants, fungi cannot thrive. The fungi which also requires water to live, when applied to vegetative crop properly, the growth of new establishing Fungi will enhance the soil hydro wicking ability. This will then maintain a healthier balance of moisture in the soil near the roots, creating a heat stress barrier for a successful propagation.

-How does the product of the company address demand in this marketplace?

There is a demand for an effective treatment to battle the massive health costs associated with our nations diabetes 2 problem spreading rapidly, there is a demand to meet such nutritional deficiencies such as vitamin D. There is current hard science on the amazing boosting qualities theses mushrooms provide for our immune system from taking medicinal marvels.

According to Farrah, Americas consume approximately 900 million pounds of mushrooms a year, unfortunately 95% of that is just one species, the common button mushroom which has it’s variations growth stages creating the Crimini & Portobello mushrooms. (Marketing tool). The current demand for mushroom aren’t currently meet anywhere across the market. Massive amounts of mushrooms are grown here in the U.S. then exported out to Asian whole sale markets. China produces aprox 1.5 billion pounds & Japan more than 300 million pounds of shiitake each year. Direct sales are made through the farmer markets and local fresh restaurants.

***Target Market***In 2016/17 the USDA Economic Research Service reported (REF Vegetable & Pules Outlook published October 27, 2017 ) the farm value of all mushroom crops rose 3 percent to $1.2 billion during July-June. The white mushroom accounts for 71% of all mushroom (Agaricus) sales in 2016/2017, sounds like an opportunity to expand the nations pallet to a more diverse market of mushrooms to consider. Within the market segment, sales volume of fresh mushrooms totaled 812.4 million pounds, while Fresh-Market shrooms made up 88 % of total Agaricus sales. The sales volume of “Specialty mushrooms ( excluding brown Agaricus(Crimini)=white button grown with light), most are sold in Fresh-Markets increased in 4% to 25.5 million pounds which equaled to $96 million in 2016/17.
                                                                    [1,000 dollars]
Agaricus Mushrooms: White=$1.25 per lbs {$863,238}
                                  Brown=$1.57per lbs {$262,600}

Specialty Mushrooms: All Cultivars= $3.78-$5.33 per lbs {$96,183}

 ALL =$1,222,021

Totaling sales in super markets only. Canned processed mushrooms comprise more than half of total U.S. imported mushroom processed mushrooms. Total shipments of U.S. mushrooms reached 27.9 million pounds for the January-August 2017 period. The current market for mushrooms is increasingly “pinning” and new speciesism are always high demand. Our current mushroom  supply is still low per market needs, thus keeping price per lb consistent with incentives high enough for competitors to keep product sound and organically grown.

**Our primary target market will consist of Napa, Solano & Yolo as of now.** Within these counties Forevermore Fungi will provide an assortment of local & exotic organically grown mushrooms. These medicinal Fungi are nature’s best means to provided protection from humanities haunted hickories.
This high demanded Fungi is married up to a locally (Sacramento area) growing niche food consumer, “Farm To Fork” restaurateur’s are popping up all over and these specialty Chefs must buy locally and most importantly organically to meet there restaurants requirements as a “Farm to Fork” establishment. My price per lb will be significantly higher due to my organic methods of culinarily cultivating practices. These areas of food focused consumers will seek restaurants that will market my mushrooms due to the “eat to heal” marketing avenues of approach. The current established knowledge of these fungi’s will be expressed/taught to the buyer. (More instruction on delivery of info will follow) The local food movement is here to stay and only be enhanced by Forevermore Fungi. My current market radius is a mere 2,500 Sq miles & draws a population based off of approximately 750,600 people in just 3 local counties no longer than a hour drive from the farm location. Tourism makes up for even a bigger #’s which these restaurants serve too.
Local gourmet restaurants ( From reference
High-EndPizza Parlors
Farmer markets
FoodTrucks
CSA (Monthly Delivery Service)
Health nutrition grocery stores (No big name stores)
Local Schools
Senior citizens homes.

***Pricing Strategy***

Pricing per pound will have a range from product quality and purpose. There are weather related variables which dictate the end price. There are a few choice methods of cultivating these mushrooms for market. I prefer quality over quantity especially it’s comes to what I preached before “pay the farmer not the doctor”. Lobster Mushroom, Chanterelles, Morchella’s aka Morels, Enoki, Maitake & Pompom speciality type). Selected rare strains can be used as culinary art, theses types comes with a higher price due to there high medicinal properties, such as Reishi known as Japans Mushroom of Immortality.
-These prices will flux on current weather and avenue market to sell : Farmers market, whole sale and CSA delivery options.
-Canned products will come at a later time once facilities are established and lines of market demand is accurate to meet a higher means of return investment.
Variety of cultivars will be paired up with seasonal dishes to meet chefs demands. (Block Grown Mushrooms) BGM per lb= $3-$6 (Log Grown Mushrooms) LGM per lb =$12-$16(Rare Grown Mushrooms w/log) RGM per lb= $17-$25.  ***Farmers Pie Chart of Mushrooming Reality*** This pie chart represents a multitude of percentages divided by efforts given at tasks required to be considered “Mushrooming”.

***The Competitors***Currently my market competitors consist of 25 other farm growers/cultivators of fungi. What dictates my success is the unique advantages I bring to my cultivation practices and how that uniqueness plays into how much labor use to reach a low end cost.

Advantage #1- Organically Grown

Advantage#2- Vitamin D Enriched (more info on this methodology needs to be inputted in Operations of product)
Advantages# 3 Non-Carbon Foot Print Cultivation ( try to meet 100% as best as possible)This will bring a abundance of awareness from the UC Davis sector which i can use Grant $$ for advancement in tech and use of laboratory/apprenticeship program.

Currently there is a huge import & export market of mushrooms. This will assist my own market grow a foundation to take over other lower quality competitors.

\*Competitor Strategies*This information will be filled in after my recon of a few farms and what there lessons learn dictated.

**Operations**

*Daily Operations*Day to day operations will fluctuate on the current ambient temperature/ moisture levels which will dictate what and which cultivar is fruiting. Our Farm will have a full-Time staff of security personnel on duty keeping our area secure. From mushroom harvesting to bolt laying for next cultivar of fungi ( Lions Mane). Ruining these task as effectively possible with creating the least amount of carbon footprint as much as possible Organically.

*Operational Facilities*The main operation of Forevermore Fungi is located approximately 5 mins from highway 505 in the city of Winters. The areas consist of agricultural crops of wall-nuts, olives, almond production. The main operation of bolt (timber logs used as mushroom production) inoculation will start on the ? facing side of the house and finish on the ? entrance of the property to allow a leaner flow of crop production. Suitable acres will be renovated out for the mushroom laying lanes which will accumulate approximately 5,000 logs. Long amounts will need to be a scalable to achieve some fluxing with produce purchases. The amount of logs will only increase amount per year, only if gain is projected with a risk assessment performed pre the expansion of establishing bolt laying lanes.

*Staffing*As of right now myself run 95.5% of the daily operations of the company with assistance from a local college student whom will be donating his labor in share for the educational OJT gained and the possibility of receiving pay via a Grant monies or future business earnings.
-Landowners will help with build-up, planting a mix of Chinese Herbs and fruits as another plant cultivar. Attendance mostly on weekend and or when help is needed.
-As owner myself will be at residence 95% of the time.
-Security of the area will be monitored 24/7 via camera surveillance.

*Suppliers*Any outsider will have to meet the USDA Organic standards.

**Capital Requirements Plan**

*Capital Requirements*Land cost
Labor cost
Material cost
PG&E cost.

*Capital Repayment Plan*Any repayment will be made into a written contract with essential information pertaining to an suggested amount relayed (Higher payed back if all possible) and once finically sustained.

***ALL MONIES REQUIRED***

***Capital Requirements:-$Build out cost: $10,000.00 (approx)***

***Supplies: $500.00 (Office & Operations)***

***Drill’s : Angle Grinder Dewalt DWE402 4.5 11-Amp Paddle Switch){5x $90.00 each (Amazon) = $500.00 includes shipping-Amazon***

***Raw Materials: $2,000.00***

***Dunk tanks: 150 gallons 2x2x6 ( 49lbs)***

***Wood Chipper: ????$$$***

***Climate Control Delivery Vehicle: Beer delivery truck and trailer, Fridge Storage***

***Start up capital needed: $20,000.00-$30,000.00***

***Projected business bank loan mount: $50,000-$100,000.00 (after 2nd successful season)***

***Land cost:*** Monthly payment of $1,500.00 to keep positive balance with bank loan.

***Labor criteria :*** Personnel employed at Forevermore Fungi will have to meet a specialized criteria to be employed as a farm hand.

Requirements as follows: -Must be at least 18 years of age.

-Must be enrolled in to a horticultural related college class with a ones’s major designated to Agriculture/ horticulture or mycology

-Must maintain at least 2.5 GPA consistently

-Must dedicate at least 20 hours of time on farm

-Must maintain a time card and record of informative aspects from experiences

Production costs for mushroom cultivation will vary depending on a few factors. Acquiring high quality organic carbon materials must be set in advance to prevent production delays to client/consumer.

***Log retrieval and Storage.***

The best time to for cutting logs are either in the winter months for spring inoculation or from August through October for late summer or fall inoculation. Funds are needed to build 4 long inoculation tables that will hold and act as a staging area for log inoculation of the Fungi seed (mycorrhizal). I have access to living, well watered trees without sign of decay. Using dead trees won’t be suitable for mushroom cultivating due to the already airborne fungi that have already inoculated the tree when it was first alive. Dead or unhealthy trees will either lower your yields or per event production altogether.

***Inoculation Material cost:***

Inoculation Drill bits 5/16th x10= $100.00

Angle Speed Grinder’s x 5 = $500.00

Cheese Wax, 100lbs = $100.00

Organic Straw/alfalfa mix= 25 bales $100.00

1000 Logs = $500.00+travel & labor

Some cost needed to conduct renovation work for initial build out of Log laying lanes, shade cloth to cover bolts (timber longs that have been inoculated with mushroom seed) to maintain proper moisture levels

-Mushroom Plugs: ( ½ in length 5/16th in diameter) Used to inoculate wooden logs with mushroom seed. - -Cost: 1500 Plugs $200.00 approximately, Spawn can stay viable for up to 6months in a refrigerator.

Log cultivation is usually done with logs 4 to 6 inches in diameter with a length of 3 to 4 feet. Oak is particularly good fo the cultivation of most mushrooms though many other hardwoods work well also, such as poplar, aspen, sugar maple, willow, alder and birch among others. Conifers are to be avoided for the cultivation of mushrooms. Logs generally begin production 6 months to 1 year after inoculation; after which, they usually continue to fruit for years after. A general rule for log growing is that for every inch in diameter a log is thick, this counts for a year of growth. Example, 4 inch diameter log = approx 4 years of fruiting mushrooms. Each Log will receive approx 20-30 plugs (length dependent) = $5-$6 per log after mushroom seed has been introduced to timber longs. The bolts require inoculation time period which is needed for the mycorrhizae to eat the carbon sugar with in the log.The first flushes of Mushrooms will fruit once a environmental stressor is act upon the logs to force a fruiting.

***PG&E Costs:*** Our over all objective is to produce enough power “organically” with the least amount of carbon foot print as possible. Achieving such tasks will require the business to plan ahead to implement sustainable practices to run financial production down. Future build out of solar and wind power generations will be built accordingly.

***Company Assets***The Mushroom farm sits on a beautiful ??? acres of harvesting agricultural land perfect for farming many cultivars. There is residential homes built on the property as well. Power is ran to the house via city PG&E.Agricultural farming hand tools.

***Advertising***Our marketing strategy will consist of a multitude of approaches to reach our target markets. We have two huge areas of interest when looking at whom will buy our fungi. Remember this Fungi fixes nature as well as yourself.
Forevermore Fungi will be known for it’s exclusive organic practices which will translate our local populace as super healthy and medicinal, let’s not forget that food and medicine both share it’s origins of birthright.
I will establish a Facebook page designated for Forevermore Fungi. I will also be working with a marketing team to significantly enhance my advertising output with an much larger broadcast radius

***Product Patents***Currently working on NDA (Non Disclosure Agreement) for priorities of details of cultivar techniques.

Fortified vitamin D enrichment via intellectual properties by Organic means.
Another way we push the edge to enhance the health and benefits these mushrooms provided is by Organically certified Sun Dried Curing. This patent curing not only is completely green clean energy but has the ability to enhance the potency of Vitamin D to be sequestered and increased by approximately 200%..

Non-Carbon Footprint Productions (N.C.F.P)

***Future Products***One of the biggest benefits of cultivating mushrooms is there isn’t a single piece of waste that cant be used to help the revenue flow of the company. One of the main ways we as “mushroomers” contribute to Argo renewability is through our shroom base compost and teas. Mushrooms are duel purpose as an additional product. These fantastic fungi hold the capacity to positively enhance the propagation of a multitude of products which feed easily into the already current high demanded agriculture soil amendment industry. The edible/medicinal benefits of these complex creations is only one of the many factors these fungi have favorable effects on.

There types of growth configurations that will allow the application of “mushroom wear”,growing a leather type material which can be cut and mended into patterns.

Questions to be answered………………………..

This page is left blank

.