CASE STUDY
Developing an Expansion Plan for a Local Farm

Recommendations
The Fox MC team found that expansion was critical for PFEC’s future sustainability. To help with this plan, the team developed a three year ramp-up at a new expansion site and included along a five-year financial plan.

Through research and evaluation, the team projected that PFEC would need to raise $885K to complete expansion to the second site. By allocating these costs over three years, PFEC had an opportunity to grow by adding new CSA member, while controlling its variable costs. This keeps year-to-year capital expense requirements manageable for the farm. This phased ramp-up helped to minimize risk for PFEC.

Results
Since the project’s conclusion, Pennypack Farm and Education Center has expanded to a second site consisting of 44 acres. By expanding to this second site, PFEC added additional CSA shares that generate revenue for the farm, increased its educational programming, and added new on-farm events.

Client Profile
Located in Horsham, PA, Pennypack Farm and Education Center (PFEC) is a non-profit, community supported agriculture farm (CSA) that began growing organic vegetables and berries in 2003 on leased land in Eastern Montgomery County. Following 9 years of notable growth, PFEC had an opportunity to lease additional land in 2012. This offered a way to expand operations and accommodate a large waiting list of people interested in the farm’s CSA. At the same time, the new land introduced potential challenges that PFEC aimed to address before expanding operations.

The Project
To help with this project, Pennypack Farm and Education Center engaged Fox Management Consulting (Fox MC) to develop a business expansion plan for the farm. The plan capitalized on opportunities available through the land expansion while recommending strategies to mitigate potential challenges.

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<th>Expansion Achieves Labor Economy of Scale</th>
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<tr>
<td>Expansion</td>
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<tr>
<td>0%</td>
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Farm labor as a percentage of total variable farming expense