SERVICE PROPOSAL

BUSINESS PLAN FOR THE ELABORATION OF CONTROLLED-ENVIRONMENT AND OPEN AIR AGRICULTURAL ACTIVITIES

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ANNEXE : SOL-AIR CONSULTANTS CORPORATE PROFILE

1-CONTEXT

Four young promoters are looking to develop an innovative agri-foods business, including fish, controlled-environment vegetable culture and transformation involving some of the aforementioned products.

The location for this development is Vankleek Hill, in the Grand Barn, which is vacant at the present time and which is the property of one of the promoters, Thaila Riden.

The controlled-environement activity is expected to be aquaponics, consisting of fish farming, with the fish effluents being used as fertilizer for the following cultures : hot peppers marked by a limited growth, microgreens, and sprouts. A section of the barn will be turned into a food transformation unit, for example for drying the peppers.

However, before we go ahead with such a project, it is imperative that its feasibility and cost-effectiveness be validated through a complete business plan.

SOL-AIR Consultants thus submits the present proposal with the purpose of being selected to outline, write, and set the official business plan. SOL-AIR Consultants specializes in agri-foods development and in environmental issues. It has been called upon to come up with numerous similar business plans over the last 20 years, as shown by the coroporate profile in appendix.

2-METHOD AND PROCESS

- Organizational structure
- Products and general trends related to the demand
- Market analysis for fresh products
- Market analysis for transformed hot peppers
- Marketing strategies
- Organizational aspect of the activities
- Required investments
- Estimated budget
- Recommendations

3-METHODOLOGICAL APPROACH

3.1-Organizational Structure

An initial meeting to establish the start-up process will include an elaborated organizational structure that will meet each party's requirements and expectations, according to everyone's projected contribution and expertise. The structure will also be the basis for an upcoming organizational chart.

3.2-Products and General Trends Related to the Demand

The general trends related to the demand will be presented according to every targetted product hereby stated. We will thus research the market analysis that is already available through specialized organizations and we will screen and analyze every bit of relevant information we will find upon further research.

3.3-Market Analysis for Fresh Products

In order to establish the true demand for fresh products, we will reach out, by means of a questionnaire, to every potential buyer within Eastern Ontario's and Ottawa's supermarkets and grocery stores. This questionnaire will focus on monthly sales, average price, suppliers already in place, regional demand trends, possible local ou regional supplying, and distribution logistics. The following fresh products will make up the study:

- Fishes: tilapia, perch, and sturgeon;
- Microgreens: a maximum of 10 varieties;
- Sprouts: a maximum of 10 varieties;
- Hot peppers : a maximum of five varieties;
- Dayneutral strawberries (ongoing production).

To reach a reliably accurate scape of the regional demand, a maximum of 30 supermarkets or grocery stores will be visited and screened, divided as follows: 10 in Ottawa, 10 in Montreal, four in Gatineau, two in Rockland, two in Cornwall, one in Casselman, and one in Hawkesbury. Restaurants will also be part of the research and analysis, five each in Ottawa and Montreal.

The results will be presented to the clients to clearly determine the priorities, based on facts and actual figures.

3.4-Market Analysis for Transformed Hot Peppers

The same method will be used, in the same supermarkets and grocery stores, be it dried or turned to paste.

The results will be presented along with that of the fresh products.

3.5-Marketing Strategies

The following strategies will be developped and ready to be executed to promote the business:

- Minimum content to be casted and published on the website;
- Social media use;
- Advertising in local media channels;
- Label and wrap suggestions;
- Cost estimation for each intervention.

3.6-Organizational Aspects

The organizational aspects will include:

- Technical description of each activity (fishes, microgreens, sprouts, hot peppers, and transformed products);
- Raw material supply for production and transformation;
- Required permit and mandatory standards legislating transformation operations;
- Workforce needs
- Research and development needs;
- Organizational chart.

3.7-Required Investments

In line with the appropriate surfaces needed to supply the regional market, we will set the the required layout and occupation costs to use the barn and build the internal modules that will be fully equipped for the respective production they will be containing. In order to achieve this phase, we will get estimates from specialists. We will then set out the required equipment for production and transformation and, once again, ask for estimates.

We will then be able to come up with the total cost for the project, thus identifying the possible funding sources.

3.8-Estimated Budget

The estimated budget will be set out for the first five years of operation, including the costs, the financial and funding structure, the income sheets, the balance sheets, the cash flow, and the financial statements.

3.9-Recommendations

Recommandations will be given within a timeline to plan the start-up operations. The business plan will be submitted to the clients for their approval.

4-BREAKDOWN AND PAYMENT INSTALLMENTS

Steps	Cost
Organizational Structure	$ 800.00
Products and General Trends Related to the Demand	$ 4,800.00
Fresh Product Market	$ 12,000.00
Transformed Product Market	$ 800.00
Marketing Strategies	$ 800.00
Organizational Aspects	$ 8,000.00
Required Investments	$ 5,000.00
Estimated Budget	$ 4,000.00
Recommendations	$ 1,200.00
Subtotal	**$ 37,400.00**
HST	$ 4,862.00
Total	$ 42,262.00

The payment installments will be as follows:

- A first installment of $ 8,475.00, including taxes, upon signing the agreement;
- A second installment of $ 8,475.00, including taxes, upon presentation of the results of the market study;
- A third installment of $ 16,950.00, including taxes, once the complete business plan is handed in;
- The $ 8,362.00 balance, including taxes, as soon as the business is operating; if ever the project does not materialize, this last amount will not be required nor held against the client.

6-TIMELINE, DEADLINE AND OTHER PROVISIONS

Upon the signed agreement stemming from the present proposal, the mandate will be completed within four months. All the results will be the property of the clients, as we are committed to preserve confidentiality, unless a written consent has been signed by both parties and states otherwise.

Prepared by:

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Pascal Billard

Approved on _____ by:

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APPENDIX

SOL-AIR Consultants Corporate Profile

BACKGROUND

SOL-AIR Consultants specializes in rural development and environmental planning. It was founded in 1996 by Eveline Lemieux, an environmental and marketing specialist, and Pascal Billard, a specialist in agricultural techniques and business management.

AIM

SOL-AIR Consultants is very much aware of international world trade expansion and the rapid pace of technological evolution, including new production and commercial exchange techniques. Services must be adapted to accommodate this reality. SOL-AIR relies on its strong knowledge of the latest trends in products, distribution methods, project management, and commercialization to best meet the specific needs of each client. Of course, SOL-AIR takes into account the environmental impact of any adopted measure.

SERVICES

PROJECT PLANING AND DEVELOPMENT

- Strategic Planning
- Opportunity, prefeasibility and feasibility studies
- Provincial, National and International Market Research
- Agri-Foods Project
- Food Hub feasibility
- Urban Agriculture
- Business Plans
- Financial strategies and approaches
- Product development procedures
- Coaching in tax credits for scientific research and experimental development
- Customized Training

ENVIRONMENT

- Renewable energy (biogas, biodiesel)
- Research to maximize reuse of organic residues
- Renovation planning of mining and forestry sites
- Project management
- Environmental impact studies
- Environmental planning and assessment
- Personalized training and research assistance

SOL-AIR PROFESSIONAL ACCOMPLISHMENTS

Feasibility Studies and Business Plans :

-Food Hub Co-operative (Ontario);

-Farm Machinery Co-operative (French CUMA) growth (Ontario);

-Dairy processing feasibility study;

-Urban agriculture (Montréal);

-Economuseum Network Viability Plan (British-Columbia);

-Organic consumers co-operative (Quebec);

-Processing of grapes into wine (Quebec);

-Establishment of an Organic Fertilizer Co-operative (Prince-Edward-Island);

-Co-operative Non Timber Forest Products Model (Ontario);

-Co-operative organic urban greenhouse development and implementation (Montreal);

-Organic fruit and vegetable marketing co-operative development (Ontario);

-Organic production and marketing co-operative development (Magdalen-Islands, Quebec);

-Switchgrass cultivation and processing into biofuel pellets for use in space heating applications (Bioheat) co-operative model development (Estrie);

-Establishment of a marketing structure for specialty beef (Ontario);

-Thermal energy capture to feed a fish breeding enterprise (Monteregie, Lac-St-Jean, James Bay);

-Sunchoke production and processing (Saguenay);

-Establishment of a processing and R&D centre for berries (Lac-St-Jean);

-Organic potatoes production and processing (Abitibi);

-Establishment of an agricultural development enterprise controlled by a municipality (North-of-Quebec);

-Establishment of a regional organic certified slaughterhouse and processing plant (Hautes-Laurentides);

-Delicatessen project (Abitibi);

-Commercial carrot production and storage start-up (Témiscamingue);

-Establishment of a vegetable processing micro-industry factory (Abitibi);

-Organic certification of the whole region of Abitibi-Témiscamingue;

-Organic cereal milling for pork production (Abitibi);
-Production and processing of medicinal plants (Centre du Québec);
-Organic cereal planning and production (Abitibi);
-Organic pork development planning (Abitibi);
-A five year development plan for the production and transformation of hemp into paper (Abitibi);
-Artisanal fruit processing (Témiscamingue);
-A five-year development plan for regional linen production and processing (Abitibi-Témiscamingue);
-A five-year development plan for a horticultural enterprise in a First Nations community (Témiscamingue).

Business Opportunity studies, Co-operative Development and Master Plans

-Organic fertilizer production co-operative development (Prince-Edward-Island);
-Co-operative organic urban greenhouse development and implementation (Montréal);
-Organic fruit and vegetable marketing co-operative development (Ontario);
-Organic production and marketing co-operative development (Magdalen-Islands, Quebec);
- Switchgrass (*Panicum virgatum*) cultivation and processing into biofuel pellets for use in space heating applications (Bioheat) co-operative model development (Estrie);
-Regional and organic agriculture development plan in Abitibi (Quebec);
-Agriculture diversification in a rural area (Sainte-Anne-de Prescott, Ontario);
-Pre-feasibility study of organic farms networking (Abitibi-Témiscamingue);
-Elaboration of an agricultural and forestry master plan for a municipality (James Bay);
-Opportunity study in order to maximize thermal energy reuse (Abitibi and Lac-St-Jean);
-A pre-feasibility study on non traditional cereal processing into flour (Lac-St-Jean);
-Validation of a concept in restaurant business, for the Business Bank of Canada;
-Compilation of an index which indicates the technological-economical opportunities for the cultivation of field and greenhouse grown fruit and vegetables.

Market Studies and Marketing Plans

-Organic vegetable production (Ontario)

-Small native fruits (North-of-Quebec);

-Organic feed (Quebec);

-Natural inputs for organic production (Eastern Canada);

-Wild native fruits processing for the international market (Lac-St-Jean);

-Establishment of a regional organic product commercialization structure (Abitibi-Temiscamingue);

-North-American market for an organic micro-brewery;

-Collaboration on an international market study of organic pork;

-Establishment of regional market and marketing strategies for greenhouse coloured peppers, cucumbers, strawberries, and herbs (Abitibi-Temiscamingue);

-Potential market for superior quality potatoes with a new packaging format for Abitibi-Temiscamingue, Quebec and Ontario;

-Marketing strategies for processed fruits;

-Development and accomplishment of marketing strategies for superior quality potatoes with a new packaging format (Temiscamingue);

Training Program

-Farm-product marketing (Lac-St-Jean);

-Agri-foods product development;

-Blueberry expansion planning (Temiscamingue);

-Organic gardening for beginners;

-Specialized training in ornamental greenhouse production (Quebec);

-Wild small fruit processing and commercialization (Lac-St-Jean);

-Conception and production of a guide for the detection of plant insects and illnesses common to the Abitibi-Temiscamingue region;

-Management, administration, and market access strategies, for the directors of a horticultural enterprise in a First Nations community (Temiscamingue);

-Composition and presentation of a documented report concerning production techniques, budget management, commercialization, and the processing of cruciferous plants and field berries (blackcurrants, gooseberries, and redcurrants).

Environmental Evaluations/Assessment

-Museum in Stanstead environmental site assessment, phase 1 (Eastern Townships);
-Reestablishment of a lakefront beach (Abitibi);
-Establishment of agro-industry (Abitibi and Lac-St-Jean);
-Establishment of an organic feed mill;
-Use of bark and combined paper sludge for the revitalization of bark-covered land;
-Impact assessment for the establishment of a plant for processing linen;
-Impact assessment for the establishment of a small plant for vegetable processing;
-Renovation of certain designated mining and forestry sites;
-Expansion of a horticultural enterprise in a First Nations community.

Research and Development

Supervision of many projects, technical report writing (in most instances, these are confidential for business propriety reasons).