



## **MIGS VEGETABLE FARM UPDATE**

**October 2020**

This year has been a very dramatic year. The Covid-19 pandemic has left an indelible mark on the whole world and MIGS Farm has had it's share of the challenges. We have had to dig deep in order to navigate the challenges.

### **Challenges**

MIGS Farm suffered losses due to the lockdown and a rainstorm that damaged the smallest Greenhouse unit we have. This was in addition to the damages from the previous year(2019) to all the greenhouse structures on the farm except the small unit ( which got damaged in June of this year).

We have lost some subscriptions customers who's renewal dates coincided with the lockdown. Most of them cited financial concerns as their reason. This has affected the expected growth and income projections that we made for the year.

Furthermore, prices were down significantly this year due to drop in demand. We believe this was because hotels, restaurants and schools ( major consumers of our products) were locked down hence the reduced demand and subsequent low prices.

Another challenge is our inability to pay our loan to Naventure on schedule. We are working on the possibility of using some equity cash injection from the founder to make some payment before the end of 2020.

We have also since made repairs on all the damaged Greenhouse units except the Net-house (Which we decided to allow the land to fallow) and change the covering in 2021, before the planting season.

### **Management**

On the management side we have adopted a different approach to ensure better results.

We have decided to bring in a farm intern who is a Navigator. He was trained for full time 'marketplace ministry'. He has accepted to work with us in the short term while receiving help on becoming a better entrepreneur. His presence reduces my work load and the farm's dependence on me.

He is in charge of supervising the work on the farm and is living in house with me. He has since implemented some ideas that have brought us some respite. For instance, they spend at least 3 days a week on the farm full time every week with all the staff. This has reduce operational costs significantly and also ensures that there is a closer attention being paid to the crops on a day to day basis. (and highlights the need for staff quarters).

He has also created work schedules and weekly goals for the farm, which helps the staff team to focus on priorities and meet work targets for the week.

Because of this experiment, MIGS farm is considering the idea of setting up a training centre and programme on the farm. The idea will see interns set up different agricultural projects along the entire value chain to compliment each other. MIGS farm will generate some income by providing training, mentoring, accommodation and land or equipment lease to interns. In return, interns get shared resources like security, facilities and cheaper land.

### **Production**

We have been able to sustain production in our other 3 greenhouses, (that is both 1,000 sqm, and a 2000sqm). We decided to focus on producing in one unit at a time, given the low demand, low prices in the market and our limited financial status.

We have been thereby been able to sustain our monthly supplies to eleven of our subscription customers consistently and selling the surplus in the open market.

However, prices are on the rise again and we hope to be able to get some improved income from this. All the funds made from sales were used in overhead costs and production.

### **Plans for the future**

- Use the management model we are testing now to improve the systems and processes on the farm, for the future. Key Processes requiring improvement are Production and Marketing.
- Prioritise accommodation facility for staff to live on the farm full time in 2021. Budget for this will be around \$12,000.
- Test a new value creation model in 2021, where more interns can work on the farm as part of their training to become farm owners. Different business ideas along the agriculture value chain will be selected for inclusion. We can lease out land and equipment to the interns to use for 6 months to 24 months (eg. Bee keeping, Tomato processing, Herbs production for export, flower production, free range Chicken production, etc). We intend to test this idea in 2021. The cost per intern for this project will be \$3,500, including training, coaching and mentoring, full board internship, and equipment rental. Duration per intern will be 18 months.
- Our plan is to begin to embark on a marketing drive to shore up our subscription. We also intend to continue to perfect our production process that will ensure we supply subscribers unfailingly while trying to build the subscriber base.
- We also plan to make an equity cash injection of about \$40,000 into the farm between now and first quarter of 2021, in order to boost activities on the farm and ensure survival.