



Executive Summary

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Introduction

Imagine a world where less food was wasted with more food security. We are facing a global food waste crisis and studies have shown that 30-40% of the US food supply is wasted each year (1). Food with a limited shelf life, like produce, has a much higher level of spoilage and loss can be maximized by supply chain disruptions as we saw with the COVID-19 Pandemic (11). Growers, retailers, and consumers are all looking for a way to maximize their utility while being more sustainable and our company has discovered the perfect solution.

Prime Produce is proud to introduce Incredipeel as an innovative solution to efficiently reduce food waste and prolong the shelf-life of valuable produce. Incredipeel is an edible, all-natural, tasteless, and plant-based coating made from the cuticle layer of other fruits and vegetables that can be applied through dipping, washing, or spraying. This product's coating keeps excessive oxygen out and prevents water loss which are the two main causes of food spoilage. Each type of produce has its own special formulation, and our produce can double or triple the shelf life of products compared to untreated produce (2).

Market Analysis

Market Size

The United States is in fact the world's largest producer of strawberries being valued at 2.8 billion dollars and expected to grow in the future, with more than 52,700 acres (9). California and Florida boast over 350 strawberry producers who grow roughly 98% of the nation's strawberries. These producers collectively grow 42,000 acres, which is equivalent to over 14 million pounds of strawberries. Roughly 300 of these producers are farming in California, with the remaining 50 coming from Florida. (19). One acre of strawberries has the potential to yield over 68,000 pounds (9).

Trends

In 2017, the average American consumed 7.12 pounds of strawberries per year, which was up 4.6% from its previous high in 2016 (13). In fact, strawberries are the third most popular fruit in the United States, with 48% of consumers purchasing strawberries in the past 12 months (16).

Target Market:

Based on our market analysis, we have chosen to target strawberry farmers who have seven or more acres of strawberries. Strawberries are a high value fruit with a low shelf life. These farmers are located in California and Florida. At first, we will be targeting Californian farmers in select Central Coast counties then several counties between mid and southern Florida. These counties were chosen due to their high strawberry acreage and number of strawberry producers.

Customer Profile

Prime Producers are strawberry farmers who grow at least seven or more acres of strawberries. Prime Producers are more than just farmers, they're savvy businesspeople who look to become innovators of new technology. These farmers look to optimize their position in the market with Incredipeel's ability to increase profits while reducing waste. Incredipeel will be perfect to help the current needs of Prime Producers.

Need & Overall Producer Benefit

Prime Producers are eager to find a way to make strawberries last longer. Incredipeel's solution will allow strawberries to last up to three weeks without beginning to spoil. Rather than harvesting the strawberries early in order to get them to market before they spoil, the strawberries will be allowed to ripen causing an increase in consumer value. Not only does this fulfill Prime Producer's needs, but it grows consumer interest in strawberries, and increases producer profit.



Competitive Analysis

Incredipeel enters the market as the only product in the market that is a spray on application for fruits and vegetable post-harvest which will reduce food waste and promote shelf-life. This patented product will increase the value of our customer's strawberries by 50%. Considering that there is no other product like this one the market, there is no direct competition. However, there are two indirect competitors.

Fresh+	<ul style="list-style-type: none"> • Price: \$\$\$ • Shelf life expectancy: 2 weeks • UV light technology that kills contaminants • Does not offer an effective ROI for farmers. (3)
Regalia	<ul style="list-style-type: none"> • Price: \$49.99/ Quart • Shelf life expectancy: 3-7 days • Fungicide that protects strawberries from certain diseases. • Only effective 69% of the time and does not affect shelf life. (14)
Incredipeel	<ul style="list-style-type: none"> • Price: \$16.25/lb • Shelf life expectancy: 3 weeks • Natural coating that helps to extend shelf life. • Cheapest option on the market with the longest shelf life.

SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> - Incredipeel is the only patented and all-natural edible coating that extends shelf life on the market - Proven to have a longer lasting shelf life than all competitors - Best price in the market 	<p>Weaknesses</p> <ul style="list-style-type: none"> - Limited customers for the first few years - Only applicable for fresh produce - Incredipeel is a new technology that has never been brought to the market in the past
<p>Opportunities</p> <ul style="list-style-type: none"> - Significant impact on reducing food waste on a variety of fresh produce across the world - To extend to international markets - Ability to develop new products to reduce food waste 	<p>Threats</p> <ul style="list-style-type: none"> - Competitors could enhance their current technologies to match our shelf-life expectancy - Incredipeel is not a product for commodities like grains - Backlash from consumers who are leery of new technology

Business Proposition

Define and describe the product

Incredipeel is an edible plant-based coating that is applied to a fruit or vegetable in order to extend the shelf life up to 2-4 times the average life. Incredipeel can be applied by washing, dipping, or spraying the coating onto the produce. The coating is made from natural plant materials, such as grape skins and peelings of other fruits and vegetables. Incredipeel creates a skin that protects the produce from excessive amounts of oxygen and prevents loss of water, both of which cause spoilage. For the best results, Incredipeel is applied to produce immediately after harvest. Incredipeel also comes in different formulations which are tailored to extend the shelf life of different varieties of produce. (2).

Key Planning Assumptions

- Incredipeel is the only company that uses an innovative, edible, plant-based, flavorless formulation to prolong the shelf-life of produce
- Strawberry producers' need and willingness to use the Incredipeel formulation has been researched and is considered to be extremely high
- Over one third of food in the United States is wasted or lost in the supply chain (18).
- Incredipeel has access to Prime Produce's production, distribution, and sales facilities in the United States, and has full financial backing from the company

Objectives/Goals

- Sell \$1,185,245.10 of Incredipeel in our first year
- Net a \$190,350.36 gross profit in our first year
- Achieve 95% customer satisfaction in our first year

Strategy Statement

Incredipeel is a revolutionary innovation for the fresh fruit and vegetable industry that uses natural ingredients to preserve produce longer by up to two to four times the standard shelf life. This leads to reduced food waste and increases producer profitability. Incredipeel extends the shelf life of produce which will allow producers to charge a premium price to the retailers they sell to. Producers are able to charge an extra \$0.65/lb of strawberries that were treated with Incredipeel.

Action Plan

Product

Incredipeel is positioned to create producer value by increasing the shelf life of fresh strawberries.

Price

Incredipeel will be sold to producers for \$16.25/lb. One pound of Incredipeel can be used to treat 50 pounds of strawberries. Strawberries wholesale price is \$1.30/lb. Incredipeel will be sold in 24 pound bags for 396/bag. One 24 lb bag of Incredipeel will treat a standard pallet of strawberries which equals 1200 pounds. The standard pallet of strawberries has 1200 pounds of strawberries (21).

Place

Incredipeel has chosen to focus the launch of our product to California and Florida. This area was chosen due to the high acreage of strawberries produced. Strawberry production in California is focused in five counties on the southern coast: Monterey, San Luis Obispo, Santa Cruz, Santa Barbara, and Ventura counties. Our company headquarters and production facilities are based in Central California. We chose this location because of its proximity to grape producers and other fruit and vegetable producers as these are the primary sources of the inputs for Incredipeel. Looking at the future and expansion to other produce types, being headquartered in the center allows for expansion across the state. In Year 1, we will target the two highest strawberry producing counties in central California of Monterey and Santa Cruz. In Year 2 we will expand into San Luis Obispo, Santa Barbara, and Ventura counties. In Year 3 we will expand into the top strawberry producing counties in Florida.

- Strawberry acres produced in California in 2012 (4)
 - Monterey: 14,017
 - Santa Cruz: 3,860
 - San Luis Obispo: 620
 - Santa Baraba: 5,743
 - Ventura: 10,941
- Strawberry acres produced in Florida (Columbia, De Soto, Seminole, Pasco, Miami-Dade, Polk, Hillsborough (5)
 - Florida: 9,494 acres

Promotion

Personal Selling/Customer Support

Prime Produce will hire 2 salespeople in order to sell Incredipeel directly to our target customers in California. Salespeople will be responsible for establishing rapport with potential customers and providing information about Incredipeel. We will have one representative to service our southern California producers and one for our central California producers. They will be the main contact for all Prime Produce customers in their territories. Customers will contact their salesperson for customer support, troubleshooting, and general questions regarding our business. Additionally, they will work closely with our marketing team to create effective promotional materials to give to our target customers. Finally, they're responsible for calling on local stores to promote Incredipeel to consumers. We will continue to bring on more salespersons once we broaden our market outside of California.

Affiliations

Prime Produce is planning to collaborate with the North American Strawberry Growers Association to reach all farmers and then more locally with the California Strawberry Commission. Our partnership with these organizations will help Prime Produce gain more recognition and acceptance from the strawberry growing community and build our credibility immensely. The California Strawberry Commission is the leading strawberry association in California, which is by far the largest market for strawberry growers in the country. With the majority of our target market growers subscribing to and receiving information from these associations, our partnership will have significant promotional benefits.

In-Store Promotions

We will be doing in-store promotions such as ads, discounts, and tabling events. We are going to target higher-end, organic chain stores, like Whole Foods. By partnering with these stores, we hope to create a pull effect by energizing consumers to look for and buy Incredipeel products.

Promotional Gifts

Prime Produce will be investing in promotional gifts for our target customers. Gifts will include branded apparel and they will be used as a way to introduce and inform our target market about Incredipeel, as well as thank you to customers. Additionally, we will be entering all our customers into a raffle with the chance to win an all-expense-paid vacation. The more product they buy from us, the better of a chance they have to win.

Website

Prime Produce will have a website with information about Incredipeel. We will post tutorials, testimonials and have a Q&A section where farmers can have questions answered by our experts, as well as offer suggestions to others. A user-friendly interface will be used making our website available on all devices. The website will also feature a cost-benefit analysis and a way to get in contact with one of our salespeople.

Social Media

The creation of a Facebook page will allow us to reach our target market most effectively and can also be a platform to answer questions or concerns of customers. A YouTube channel will also be created to post videos and testimonials about Incredipeel. We will promote our pages using optimization strategies to ensure our target market is seeing our information.

Digital Marketing

Prime Produce will use search engine optimization to get Incredipeel to the top search result, leading to higher website traffic and product awareness.

Media Kits

Following the launch of Incredipeel, media kits will be sent out to a number of trade and grower publications in an effort to generate excitement and publicity about our product. Publications will include Fruit Growers News, American Fruit Grower, and Good Fruit Grower Magazines, as well as many more localized fruit or farming publications.

Giving Back

At Prime Produce, giving back to the community is an important part of our business. We intended to work with the cities of Los Angeles and San Diego to create community gardens. We will be in charge of the upkeep and maintenance of the gardens. They will be free to everyone in an effort to support those struggling with food insecurity. We also plan to support "Ag in the Classroom" - a program that promotes nutrition, healthy eating, and basic agriculture in schools in our target region.

Financial Evaluation

Financial Statement

	Year 1	Year 2	Year 3
Pounds of Incredipeel	72,938	287,856	850,357
Price (Retail)	\$ 16.25	\$ 16.25	\$ 16.25
Gross Sales Dollars	\$ 1,185,245.10	\$ 4,677,663.90	\$ 13,818,299.04
Less: Discounts*	\$ 23,704.90	\$ 93,553.28	\$ 276,365.98
Less: Returns	0	0	0
Net Sales	\$ 1,161,540.20	\$ 4,584,110.62	\$ 13,541,933.06
Less COGS	\$ 355,573.53	\$ 1,403,299.17	\$ 4,145,489.71
Gross Margin	\$ 805,966.67	\$ 3,180,811.45	\$ 9,396,443.35
Personal Selling	\$ 300,000.00	\$ 600,000.00	\$ 1,000,000.00
Public Relations	\$ 275,000.00	\$ 765,000.00	\$ 3,000,000.00
Sales Promotions	\$ 5,770.10	\$ 10,233.19	\$ 62,579.92
Less Marketing and Development Costs	\$ 580,770.10	\$ 1,375,233.19	\$ 4,062,579.92
Less Operating Expenses	\$ 34,846.21	\$ 137,523.32	\$ 406,257.99
Net Income Before Tax	\$ 190,350.36	\$ 1,668,054.95	\$ 4,927,605.44

**assuming 2/10 net 30 and 20% of customers take the discount*

- Year 1 includes acres in Monterey and Santa Cruz counties (California)
- Year 2 adds acres from San Luis Obispo, Santa Barbara, and Ventura counties (California)
- Year 3 adds acres from Columbia, De Soto, Seminole, Pasco, Miami-Dade, Polk, and Hillsborough counties (Florida)

Monitoring and Measurement

Goal	Measurement	Fails to Meet Expectations	Exceeds Expectations
Sell \$1,185,245.10 of Incredipeel in our first year	Analyze monthly and yearly sales report	Reconsider price and target market	Expand product availability to more farmers in more counties
Achieve 95% customer satisfaction in our first year	Communicate with sales representatives Send out surveys to customers	Analyze customer responses to discover areas of improvement.	No corrective action needed
Net a \$190,350.36 gross profit in our first year	Analyze income statements	Review expenses Evaluate if we are in the right target market	Expand product into more than California and Florida Use extra profit to fund more Research and Development

Conclusion

Incredipeel has the opportunity to change and improve not only the strawberry market but produce as a whole. Prime Produce's main goal is to combat this food waste issue, starting with strawberries. We plan to be a long-term solution in food waste for an ever-growing world population.

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