

Mountain Harvest Produce Truck
UNC Asheville Social Business Plan (submitted 9/1/12)
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Social Problem Addressed: Established in 1959 by the Housing Authority of the City of Asheville, Hillcrest Apartments houses approximately 227 families considered low-income by Buncombe County standards. Food access has been identified as a significant social problem for this community. According to the World Health Organization, *food access* is defined as “having sufficient resources to obtain appropriate food for a nutritious diet.”¹ Although the nearest grocery store, which sells an array of natural and organic food, is less than one and a half miles away, few residents have access to this food due to unaffordable prices, limited physical mobility, and/or unreliable transportation. Low-income communities tend to purchase more inexpensive and convenient foods that typically contain more refined grains, added sugars, and fat, in order to stretch their food budgets. They will often buy more energy-dense foods that may be filling but are not as nutritious as fruits and vegetables. A comprehensive review of U.S. studies examining neighborhood disparities in food access found that neighborhood residents with better access to supermarkets tend to have healthier diets and reduced risk for obesity (Larson et al., 2009).² Until the residents have access to healthy, affordable food options, such as more fruits and vegetables, subsequent healthy issues, such as obesity and diabetes, will persist.

Proposed Solution: In order to address this critical deficit in nutrition, we propose the creation of a mobile food market, which will provide local, healthy, and nutritious food to residents of the Hillcrest community as well as knowledge on how to use it. In an innovative adaptation, the market will be supplied by contracted backyard-gardeners in the Asheville area with supplementation from local food producers outside of town. These backyard-gardeners will undergo an intensive training course in small-scale Sustainable Agriculture provided by Mountain Harvest before being contracted. After completion of the course, these gardeners will be certified to teach Mountain Harvest Workshops in the Fall, Winter, and Spring months. The market will provide locally “backyard-grown” produce both at current Tailgate Markets around the City of Asheville as well as in Hillcrest at the Community Center parking lot throughout the growing season (April-Nov). Beginning in the Fall (Sept-April), Mountain Harvest will gradually shift the focus to teaching workshops both to increase the customer base and retain a source of revenue when local produce is no longer available. Community involvement in the project will be paramount to the success our social business. From the beginning stages, we have and will continue to work to involve the community in all idea development and hold planning meetings regularly at the community center, to disseminate information, and gather input. A recent visit with the Hillcrest Resident Association by one of our team members resulted in the idea of an at-home produce delivery in the neighborhood, so that our service will be accessible to the elderly. Another advantage of that idea, which was suggested by the residents of the neighborhood, is the establishment of a regular customer base, thus reducing fluctuations in sales.

Marketing Analysis: In the early stages of our social business, our primary market will be the Hillcrest community due to its community-identified need for more affordable, nutritious food. Although most businesses view low-income communities as unviable customers, authors such as Prahalad and Hart “demonstrate that learning to serve the ‘Base of the Pyramid’ (BoP) may indeed be the next frontier of globalization and growth.”³ Our secondary market will be local tailgate market customers. Selling to this market-base will not only provide additional revenue but will also support our relation-based economy operational principles. We believe in fostering long-term, mutually beneficial relationships between ourselves and our customers as well as helping communities increase their social capital through their virtual and real-life interactions with our company.

Marketing Strategy: The strategy we will use to create relationships with the Hillcrest community members is as follows:

- Work with the Resident Association to organize community events that celebrate healthy living and the preparation and consumption of fruits and vegetables, such as cooking demonstrations, cook-outs, or garden art-making activities. This would help the residents feel a sense of pride and ownership in the business. They will recognize the positive direct impact their participation with the company will have on their community. We could also have several promotional events, which could also serve as informational sessions, where we would cook the food we are selling and tell the residents what exactly we do, and why we are doing it.
- Distribute to our primary and secondary markets locally made promotional merchandise that is useful to them, such as t-shirts, key chains, lanyards, cups, bowls, or other cooking-related items.
- Circulate environmentally low-impact flyers within the Hillcrest community and around the city of Asheville that tell the story of our business, emphasizing our long-term goal of helping the city become more food secure.
- Utilize social media outlets to build relationships and tell our story.
- Working with other organizations and companies to design cooking classes that teach community members how to prepare their favorite cultural foods in a delicious and healthy way.

¹ <http://www.who.int/trade/glossary/story028/en/>

² <http://www.politiquessociales.net/IMG/pdf/neighborhood.pdf>

³ <http://proxied.changemakers.net/journal/300508/framework.pdf>

Launch Strategy & Requirements: The launch of Mountain Harvest will happen in two parts. In February of our first year, we will begin the Sustainable Agriculture training courses. This time of the year is typically the start of the main growing season and thus would provide course participants hands-on sustainable agriculture experience. In April, the actual Mountain Harvest produce truck will start making its rounds. This will be seen as the actual launch of the business, and we plan to collaborate with the Resident Association of Hillcrest to throw a kick-off event to promote the business. The full-time employee will pick up produce from back-yard gardeners and local farmers and drive the truck to Hillcrest and local markets to sell. S/he will also be in charge of the training courses. The part-time Mountain Harvest employee will also start in February and take care of publicizing the business to the residents of Hillcrest and other people of Asheville. Start up costs will include living wage salaries for both employees for a six-month time period, along with the costs of buying the truck and fuel, and maintenance costs for the same time frame. It will also include the costs of initial promotional items for the kick-off event and costs to put on the launch party. With all of this, the estimated initial launch cost of this venture would total \$30,000. Money for the venture would come from angel investors, donations, and a small business loan that would cover the costs that investors and donations could not.

Financial Plan & Sustainability: The budget for the initial year of operation for the Mountain Harvest Produce Truck is expected to be approximately \$90,000.

Mountain Harvest Expenditures	Initial Cost	Regular Cost (Annually)
Truck (used Toyota Pick-up)	\$5,000	
Truck Maintenance		\$300
Tent	\$50	
Folding Tables	\$100	
Promotional Materials		\$250*12= \$3,000
Petroleum (transportation)		\$300*12= \$3,600
Produce Supply		\$3,000*8= \$24,000
Salaries (1 full-time, 1 part-time)**		\$3,000*12= \$36,000
Benefits		\$500*12= \$6,000
Communication Technology	\$200	\$120*12= \$1,440
Annual Expenditures		\$79,690

Mountain Harvest Revenues	Fund-raising	Sales (*month)
Friends of Mountain Harvest	\$50*500=\$25,000	
Donations	\$100*12=\$1,200	
Produce (at Hillcrest) *3/2 profit		\$2,250*8= \$18,000
Produce (at City Markets) *4/2 profit		\$3,000*8= \$24,000
SA Courses (Preserving Food)		\$900*8= \$7,200
SA Courses (Growing Annual Vegetables)		\$900*8= \$7,200
SA Courses (Perennial Gardening)		\$900*8= \$7,200
SA Courses (Keeping Chickens)		\$900*8= \$7,200
Annual Revenue		\$97,000

The “Friends of Mountain Harvest” program will offer regular market-goers the benefits of receiving premium discounts on certain market days, a Mountain Harvest Tote bag, and a t-shirt, as well as an exclusive invitation to the Annual Mountain Harvest Community Celebration. Friendships must be renewed annually. Produce will be sold at a reduced rate in the Hillcrest Community (3/2) in comparison to the City Markets (4/2), where (2/2) is the bulk price of the produce purchased from gardeners.

Impact Summary & Social Benefits: We are confident that the impact of our social business will be positive. The people of Hillcrest will be able to have access to fresh, local fruits and vegetables because our prices will be lower than the conventional grocery stores, and we will be creating a business venture that is for the people and by the people. Families will be able to more regularly prepare and eat nutritious food for themselves and their children. Also when children are exposed to healthier foods at an earlier age, it helps them form good habits that they can carry into adulthood. This, in turn, will lower their risk of obesity, diabetes, and other health issues. Creating the mobile market will also give people more dietary variety by introducing them to new food options. The larger community of Asheville will also benefit by gaining greater social awareness about the food security issues affecting many members of our community. They will also have an immediate way to take action towards alleviating this issue by buying a “Friends of Mountain Harvest” membership or becoming a certified backyard-gardener produce supplier.