



**VEE BEE FARM**

**A GOLDEN VENTURE**

PRESENTED BY  
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# PROBLEM



HSCOC, 2014

# PROBLEM 1: HONEY DEMAND

- Consumers in rural Wyoming communities have limited access to raw honey
- Natural food stores consistently run out of honey with the current supply
- Online opportunities



Texas A&M, 2013



Paul, 2014

# PROBLEM 2: POLLINATION

- Consistent need of almond growers for bee pollination services



Latoro, 2009



Reddy-Care Physical Therapy, 2009

# PROBLEM 3: EXTRACTION

- Unfilled/unreached market of small bee farmers in need of extraction services



Hive Life, 2013

# SOLUTION

- Value or benefit for customers
- Differentiate between what is currently offered and your product or service



# SOLUTION 1: HONEY

- Produce our raw honey in Wyoming
  - Sell to small community groceries stores, local health food markets (Whole Foods & Big Hallow)
- Offer product online for customer convenience



Emily, 2013



# SOLUTION 2: POLLINATION

- Shipping our bees to California in the winter to pollinate almonds
- Mutually beneficial relationship



The Milkweed Diaries, 2008



Melissa Beattie-Moss, 2009

# SOLUTION 3: MOBILE HONEY HOUSE

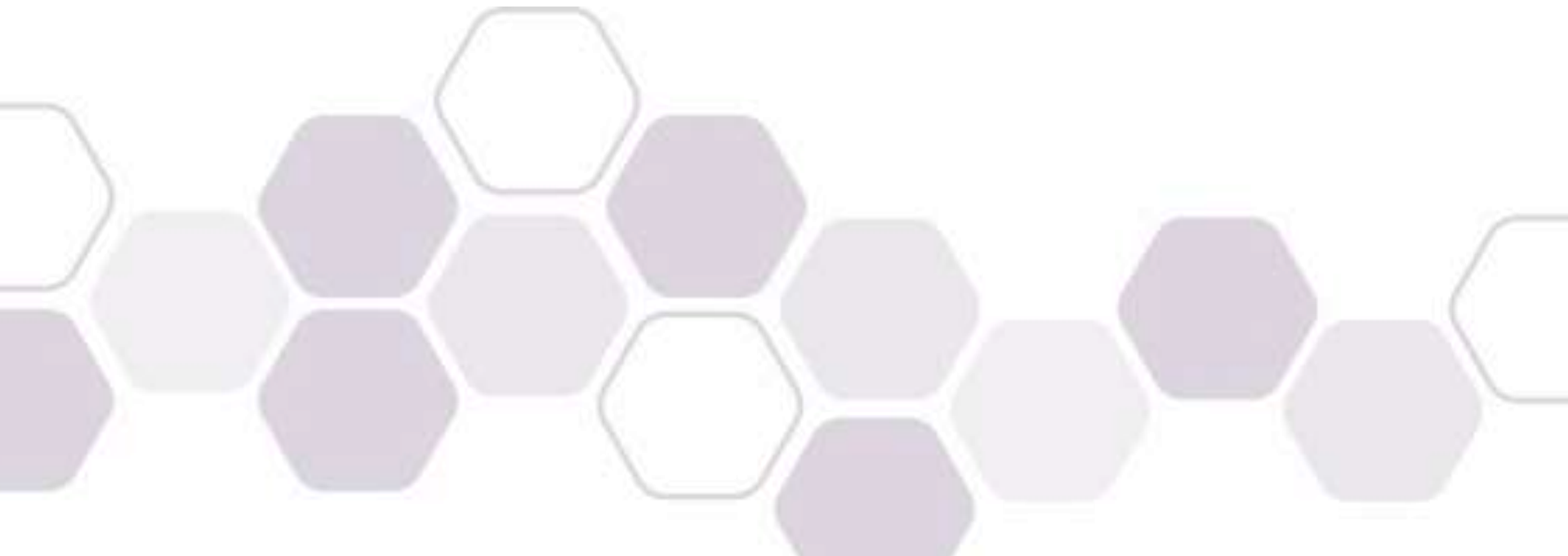
- Provide extraction services to farmers across the region



Alone in the Wasteland, 2014

# CUSTOMER & MARKET

- Who is your target market?
- What does this market value?
- How big is the market?



# CUSTOMER & MARKET – HONEY

- Farmers markets & individuals
- Online
- Retail stores both in rural and bigger communities



Big Hollow Food Co-Op, 2011

# CUSTOMERS & MARKET – POLLINATION SERVICES

- Almond growers in CA that cannot grow crop without bees
  - Almond pollination alone is expected to need 140% of current number of bees in the US today within the next three years. – Dr. Mark Carroll (USDA ARS Carl Hayden Bee Lab) at 2015 Wyoming Bee College Conference

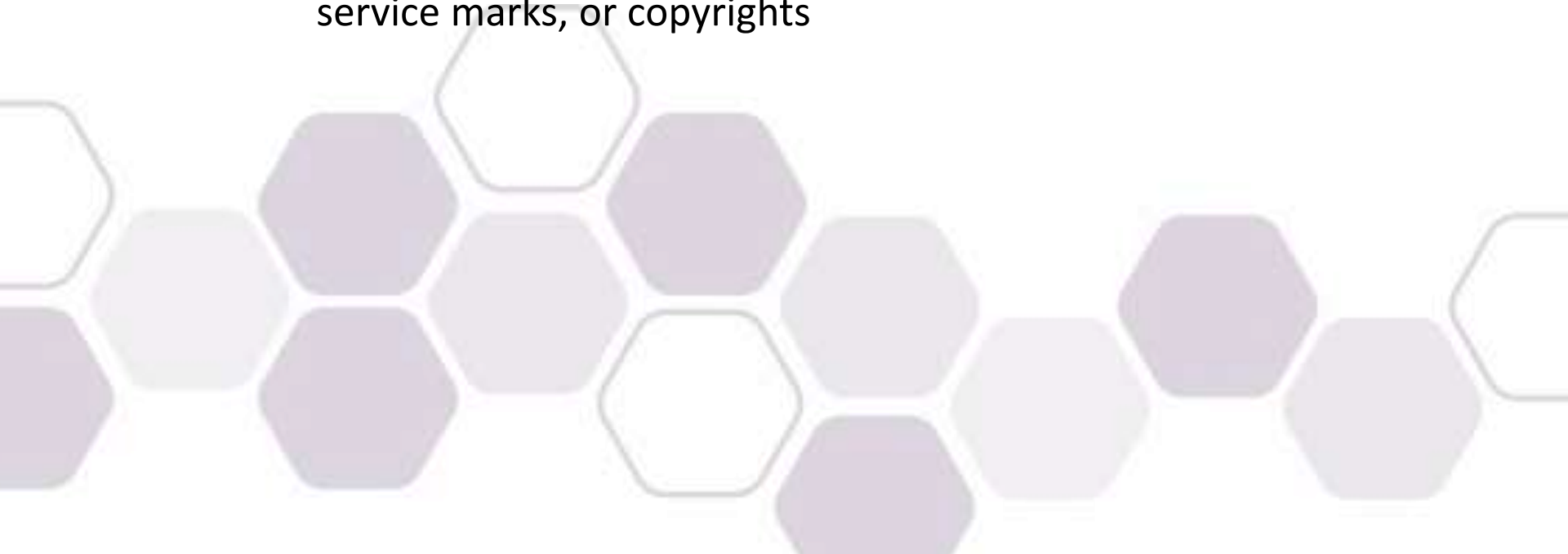
# CUSTOMER & MARKET – EXTRACTION SERVICES

- Small end bee farmers and hobbyists
  - 120 attendees at the 2015 Wyoming Bee College Conference



# COMPETITION

- Types: direct, indirect, current, and anticipated
- Their strengths and weakness
- Your company's differentiation
  - Examples: intellectual property such as patents, trademarks, service marks, or copyrights



# COMPETITION – HONEY

- **Grocery & Health Food stores:** Zeller & Sons Honey/Queen Bee Gardens, Bryant Honey Inc, Cheyenne Honey, & BE's Bees
- **Farmers' Markets:** Cheyenne Honey, BE's Bees, Sweet Tooth Honey and hobbyists
- **Online:** Queen Bee Gardens & Bryant Honey (bulk only)



Robyn Urback, 2012



# COMPETITION – POLLINATION SERVICES

- Many large scale bee farmer ships their bees to California for the winter
  - “In 2013 we had requests for an additional 6,000 to 8,000 hives.” – California Almond Pollination Services,



Natalie Muller, 2014

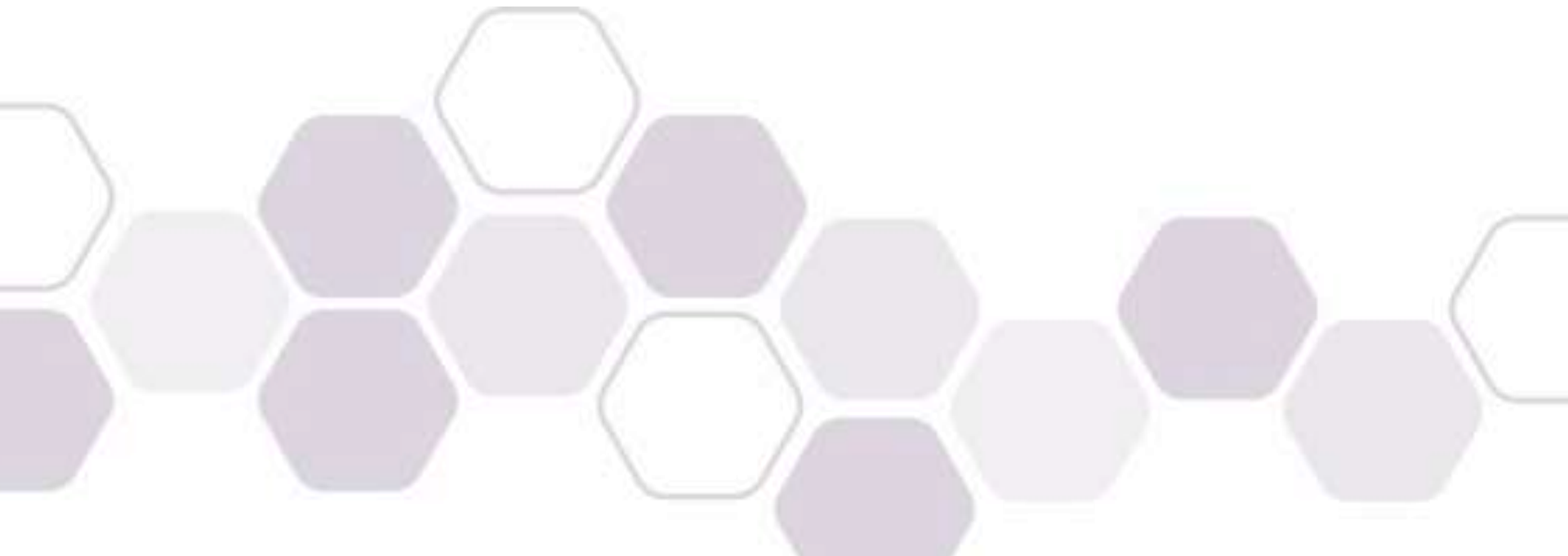
# COMPETITION – EXTRACTION SERVICES

- Within Wyoming:
  - BE's Bees in Laramie
- Surrounding area:
  - Copoco's Honey in Fort Collins
  - The Living Systems Institute in Denver



# MARKETING & SALES

- Where is your target market located?
- How do I notify them that my product or service exists?
- How do I get my product or service to them?



# MARKETING & SALES

- **Bottled honey sales**
- **Extraction services:** market to other farmers regionally through bee conferences
- **Pollination:** a matter of setting up the logistics
  - Almond Board of California and California Almond Pollination Services, Inc.

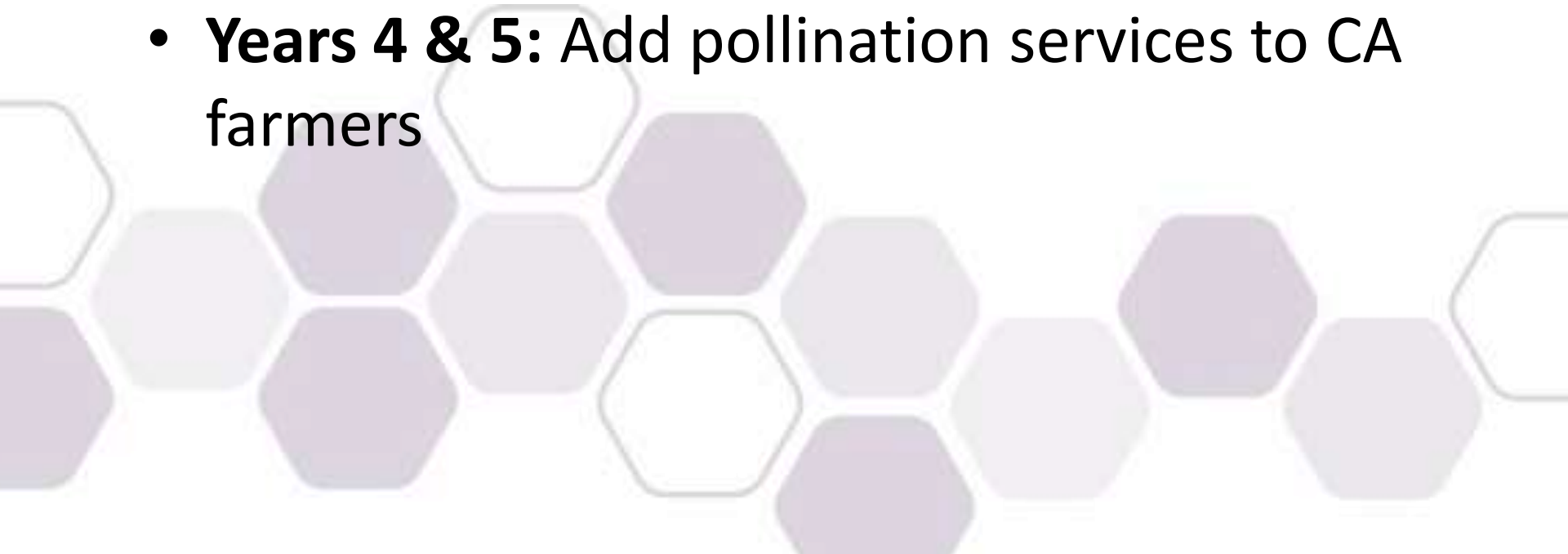


# MANAGEMENT TEAM

- Limited Liability Company
- Management Roles
  - Steve – operations
  - Carrie – bookkeeping, marketing, & sales



# REVENUE MODEL

- **Year 1:** Honey sales directly to customers
  - **Years 2 & 3:** Add farmers' markets, retail stores, online, and extraction services
  - **Years 4 & 5:** Add pollination services to CA farmers
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# FINANCIALS – HONEY

				2014	2015	2016	2017	2018
			<b>Est. Hives</b>	<b>6</b>	<b>35</b>	<b>75</b>	<b>150</b>	<b>250</b>
Pounds produced				346	2,016	4,320	8,640	14,400
	2014 % of sales	2015 % of sales	Post-2015 % of sales					
<b>Revenues</b>								
Direct/Farmer's Market	100%	70%	45%	\$2,074	\$6,048	\$ 7,776	\$15,552	\$25,920
Big Hollow	0%	10%	15%	-	1,179	3,791	7,582	12,636
Retail/stores	0%	10%	15%	-	988	3,175	6,350	10,584
Online (to ship)	0%	10%	25%	-	1,109	5,940	11,880	19,800
<b>Total Revenue</b>				<b>\$2,074</b>	<b>\$11,743</b>	<b>\$24,570</b>	<b>\$49,140</b>	<b>\$81,900</b>
<b>Total Expenses</b>				<b>\$1,904</b>	<b>\$2,998</b>	<b>\$4,242</b>	<b>\$6,644</b>	<b>\$9,730</b>
<b>Honey Income</b>				<b>\$169</b>	<b>\$8,746</b>	<b>\$20,328</b>	<b>\$42,496</b>	<b>\$72,170</b>

# FINANCIALS – EXTRACTION

	2014	2015	2016	2017	2018
Customers	<b>0</b>	<b>3</b>	<b>5</b>	<b>8</b>	<b>14</b>
Honey extracted (lbs)		1,296	2,160	3,456	6,048
Rev/lb		\$0.75	\$0.75	\$0.75	\$0.75
<b>Extracting Income</b>		<b>\$972</b>	<b>\$1,620</b>	<b>\$2,592</b>	<b>\$4,536</b>



# FINANCIALS – POLLINATION

	2014	2015	2016	2017	2018
Revenue (\$200/hive)	0	0	0	30,000	50,000
Expenses (freight & care)				9,930	14,539
<b>Pollination Income</b>				<b>\$20,071</b>	<b>\$35,461</b>

# Financials – Income Statement

	2014	2015	2016	2017	2018
Income/Honey Sales	169	8,746	20,328	42,469	72,170
Income/Extraction		972	1,620	2,592	4,536
Income/Pollination				21,814	36,723
Operating Income	169	9,718	21,948	66,702	113,423
Total Expenses	7,000	10,395	12,138	14,439	19,396
<b>Net Income/Loss</b>	<b>\$6,830</b>	<b>\$678</b>	<b>\$9,810</b>	<b>\$52,462</b>	<b>\$94,032</b>

# SCALABILITY



Robert Harding, no date found

- Capital expense per hive
  - \$305 1<sup>st</sup> year
  - \$67 2<sup>nd</sup> year and after
- Profit per hive after initial investment
  - \$474
- Operating 5,000 Hives
  - \$1,525,000 capital expense
  - \$2,370,000 annual profit

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# QUESTIONS?

