

Proposed LETI-CCC Indoor Microgreens Facility Business Plan Summary

1. Grow mixed microgreens in trays on shelving.
Req. investment: startup \$3,695 or \$14,057 to run one year without revenue, e.g., to produce for food banks or consumption by clients.



Startup & Monthly R&E

(These are provisional estimates and may not reflect actual performance due to changes in configuration, volume and other choices.)

2. Est. startup output of ONE production unit (aka "rack"), 79 trays/month @ \$25 = revenue \$2,382. Approx. 2,304 servings/month. Produce presumably sold to local restaurants, etc. This revenue can be increased by repackaging for retail sales in various quantities.

3. Est. monthly op. expenses
labor \$548*, approx. 6 hours/week; total expenses \$944; operating margin \$1,031.

4. G&A
rent, utilities, finance, planning, regulation, admin, IT \$67. (Most G&A expenses would be rolled into LETI-CCC expense lines.)

Net income \$963 (may not equal sum of above due to rounding).

Monthly cash flow \$1,535 includes commissions & labor, which can be allocated to owner-operator or employees. Includes \$130 in payments to organizing entity.

Long-term Potential

With gradual growth over one year from two to eight production units including a three month startup phase, aggregate capital investment becomes \$15,851 after all equipment purchased & installed and all building expectations. The facility is highly portable in case that is required, with relocation requiring about two weeks downtime.

Various models are possible, ranging from fully non-profit with distribution to charitable institutions, fully commercial as support for LETI, sale to individuals...

Net surplus (profit) in Year 2 is projected at \$97,057. The largest expense is labor in all models. A cost of marketing and sales is added.

Gross revenue rises to \$15,875 monthly. Operating expenses rise to \$5,706 giving operating margin of \$10,169 including all payments to vendors. Operating payments to organizing entity rise to \$534/month. A management role is added, which is offset in part by economies of scale.

Net profit after G&A including estimated economies of scale, net income (profit) rises to \$8,088 per month with monthly cash flow of about \$12,924. Presumably this would help fund LETI-CCC.

Revenue and Expenses-Startup

Production			
µGreens: racks, servgs/mo @\$	1	2,528	\$0.297
Revenue & Expenses		<i>Month</i>	<i>Year</i>
Revenue		\$1,975	\$23,700
Operations, labor & materials		\$944	\$11,329
Gross Income		\$1,031	\$12,371
Gen'l & admin expenses		\$68	\$819
Net Income		\$963	\$11,552
Required Investment			\$3,791

Revenue and Expenses-Years 2+

Production			
µGreens: racks, servgs/mo @\$	8	20,320	\$0.178
Revenue & Expenses		<i>Month</i>	<i>Year</i>
Revenue		\$15,875	\$190,500
Operations, labor & materials		\$5,706	\$68,467
Gross Income		\$10,169	\$122,033
Gen'l & admin expenses		\$2,081	\$24,977
Net Income		\$8,088	\$97,057
Required Investment			\$15,851

In pure business terms this concern might be valued at somewhere between \$600,000 and \$900,000 with proceeds benefitting LETI.

The entire detailed R&E and cost structure is available in spreadsheet form by arrangement with the author.