

# Measuring Profitability and Success

A Northeast SARE Funded Project

## Quick Overview

### Yard Birds Farm

Montague, MA  
Angela Roell & Brian Kline  
yardbirdsfarm.com

## Key Points

- Farmed in Boston for one season before transitioning to land in Western Massachusetts
- Expanded beekeeping enterprise with \$5,000 Matching Enterprise Grants for Agriculture grant
- Actively sought farm advisory services
- Started the small farm with personal savings supported by off-farm income



## Farm Snapshot

Yard Birds Farm is a small-scale farm that originated in Boston in 2012 and relocated to Williamsburg, MA in 2013.

Maximizing yield on small plots through succession and companion planting, the farm builds soil health by cover cropping, and using organic mineral amendments.

The couple transitioned to land in Montague, MA in 2014, using sustainable forest management practices to support their beekeeping enterprise.

**After they had started Yard Birds Farm in Boston in 2012**, Brian and Angela soon had a shift in mindset: “As momentum grew, we realized that our dream of conducting place-based education on a farm meant we’d need a ‘place,’ and that our ‘place’ wasn’t urban.” In 2013, the farmers moved to land in Williamsburg, Massachusetts, where

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they farmed as a team, switching between full-time and part-time roles, and used income from off-farm jobs as supplementary revenue streams. With the move to Western Massachusetts, the couple also switched focus from vegetables to beekeeping and beeswax products.

## Business Results

- Made key strategic decisions to align farm with mission and values
- Reduced product line after careful profitability analysis of products
- Secured land on which to expand the farm
- Technical assistance increased financial management confidence

## Farm Financial Highlights

### 2013–2014

- **GROSS SALES:** fell from \$23,430 to \$6,864 as a result of farmland transition
- **PROFIT MARGIN:** loss for entire period
- **NET INCOME:** loss during both 2013 and 2014
- **OWNER INCOME:** no owner income
- **EXPENSES:** \$3,898 increase in expenses
- **CASH:** Used off-farm income to support cash flow
- **LABOR:** Both managing owners worked 50+ hours per week in 2012. This changed in 2014 when the two began to alternate between part-time and full-time roles (i.e., Angela worked full-time on the farm in spring 2015, and Brian worked full time in fall 2015) for better balance of their off-farm job commitments. They had no hired help or payroll, though they hired interns for credit in 2013 and 2014 to help meet labor demands. They have taken no owner's draw but use farm income to cover expenses for cars, insurance, etc.
- **GROSS SALES:** Gross sales per full time employee was approximately \$8,444 in 2013 and \$5,491 in 2014.
- **INVESTMENTS:** \$5,000 Matching Enterprise Grant for Agriculture (MEGA) awarded from the Massachusetts Department of Agriculture for beekeeping equipment and supplies. \$1,000 Natural Resources Conservation Service grant awarded in 2014 from the USDA to develop a sustainable forest management plan.

Key Numbers	2013	2014	CHANGE
Return on Equity (ROE)	-2%	-137%	-53%
Cash Flow Operations	\$560	\$6,047	\$4,269
Profit Margin	-2%	-88%	-174%
Gross Sales	\$23,430	\$6,864	-71%

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## Defining Success

For Angela and Brian, success is being financially solvent, finding personal satisfaction with the farm work, and developing strong relationships in their hill town community.

## Details

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While living in the Boston area, Angela and Brian started a small urban farm using personal savings: “We began our farm with some seed money, and the objective of engaging our local community in food. We participated in garden build outs, panel discussions, and volunteer days to generate buzz about our farm in the Jamaica Plain neighborhood.” However, the couple realized that their “place” wasn’t urban, and in 2013 moved to a small five-acre farm in Williamsburg, Massachusetts. In the first season, their farm brought in gross sales of \$23,430 for bee related products — including honey, queen bees, and beeswax products — and for the seed garlic and greens the farmers grew.

The next year (2014) was a transition year, as the couple moved to a 20-acre farm in Montague, Massachusetts. They received a \$1,000 grant from USDA’s Natural Resources Conservation Service to work with a forester to develop a sustainable forest management plan, with a focus on increasing pollinator-beneficial hardwood plantings and on managing invasive species. In mid-summer, they closed on the 20-acre farm in Montague, and moved onto the property on November 1. They have transported some of their existing farm infrastructure to the new property, such as the walk-in cooler, and will transport the high tunnel before spring 2015. This move, in combination with maintenance of off-farm jobs to support their income, limited the number of hours the two could dedicate to their Williamsburg farm, and 2014 sales and net income suffered as a result.

Farm goals shifted when they transitioned to their new land from quickly building a large number of vegetable enterprises for wholesale markets, to a focus on stewardship of the land and pollinators, and on simultaneously increasing on- and off-farm education opportunities. The farm is also being developed to serve as a community gathering space for outdoor events, overnight stays, workshops, and summer programs. Angela and Brian say, “Taking a huge step back from vegetables was a BIG and scary step for us. Moving

### Farm Mission

To integrate sustainable practices to grow fresh food on a small farm, nourish neighborhood connections, and promote nutritional education, we:

- utilize innovative practices to provide access to high quality food.
- work for social justice by providing access to nutritious local food.
- facilitate educational programming and on-farm research.
- develop strong partnerships in order to improve the health of our community and planet.
- invite suggestions to promote creative discussion to improve our work.

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slowly and learning about our land before beginning to pile on inputs and amendments was an exercise outside of our comfort zone. It has meant re-envisioning our brand and changing how we conduct our business in some radical ways. It is a risk, but it helps us to realign our farm with our long-term goals.” Goals for 2015 and 2016 include expansion of the small orchard on their new farmland to produce plums, apples, pears, peaches, pawpaw, peppercorn, hazelnuts, apricots, and sour cherries in small rounds.

## Business and Management Education

For the Yard Birds farmers, income expectations reduced as the farm model was refined. They redefine “financially solvent” to mean that “the farm pays its own expenses and covers costs of maintenance and repairs, eventually generating a portion of our income, but not [as much as] 50%.” Technical assistance provided Yard Birds Farm with QuickBooks set-up and cash flow planning, which they found a useful tool, but have not used consistently. They will make this a greater priority in the coming years as they settle onto their new land.

The farmers report: “Technical assistance has greatly improved our quality of life by giving us tools to track finances and make educated decisions based on financial viability. Our skills in analyzing enterprises and developing a long-range goal have improved due to technical assistance, courses, and workshops we've participated in.”

## Critical Skills

- Business planning
- Advice and resource utilization
- Continual market and product assessment/analysis
- Careful build-out of farm after move

## Looking Ahead: Upcoming Changes

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In five years, the farm aims to increase its holdings to 100 well-managed hives and 25–30 queen-rearing colonies to produce an annual crop of honey, queen bees for sale, and beeswax-based products. These products will be sold via retail and wholesale channels. The farm plans to harvest firewood from its woodland, and support other local farmers interested in running woodland enterprises (e.g., hog production or mushroom cultivation) by leasing land. They aim to reclaim the forest edges and plant pollinator-beneficial perennials along the borders. On- and off-farm education opportunities will include on-farm workshops, events for children, summer programming, and farm dinners. Production will focus on perennial herbs, fruits and nuts, and a small handful of annual vegetables. The farmers will distribute these via wholesale channels [local food cooperatives and restaurants].