

**SABI** | Sustainable  
Agriculture  
Business  
Incubator



**Build Strong Foundations**

**A Guide for Agricultural  
Entrepreneurs**

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## Define Success From Day One

### Low Case

- Sustainable family income
- Land preservation
- Work-life balance
- Local impact

### High Case

- Regional/national expansion
- Multiple revenue streams
- Team building
- Eventual exit options

### Why This Matters

- Drives capital strategy
- Shapes resource allocation
- Influences partnerships
- Sets personal goals
- #1 Have a goal beyond \$\$\$, purpose sustains

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*"When I started, success was just paying my parents' bills. Then it became about growth at all costs. What I learned is that everyone's version of success is different - and you better know yours before others define it for you."*

- *Howard Schultz, grew up on a farm before founding Starbucks*

## Understanding Total Risk

### Financial Risk

- Personal guarantees
- Debt service coverage
- Asset protection
- Emergency reserves

### Family Risk

- Marriage strain
- Kids' expectations
- Legacy pressures
- Work-life boundaries

### Mental Health Risk

- Isolation in agriculture
- Decision fatigue
- Weather/market stress
- Support systems needed

### Risk Management

Professional support network  
Talk openly about risk  
Clear boundaries  
Exit plan options

## Managing Temptations To Avoid Risk

### Distraction

- Boiling the Ocean?
- Early Partnerships?
- Many SKUs

### Financial

- Keep it Conservative Pre-PMF
- Runway is Key
- Treat Cash as Experiments

### Team

- Early Hires From Trusted Networks
- Hire Generalists Early
- You Know Your Business Best



*Be Joyful, Though You've Considered the Facts*

- *Wendell Berry*



## Understanding Capital Sources

### Customer Financing

- Best for: Direct-to-consumer, predictable production
- Structure: CSAs, pre-purchase, subscriptions
- Advantage: No dilution, built-in market validation
- Challenge: Seasonal timing, delivery pressure

### Debt Financing

- Best for: Asset-heavy farm operations
- Sources: Farm credit, local banks, USDA
- Key: Regular cash flow for repayment
- Watch for: Personal guarantees, covenants



## Understanding Capital Sources


### Equity Investment

- Reality: Most farms don't fit VC/PE models
- VC and PE have different expectations
- Exception: Tech-enabled or scalable processing
- Challenge: Must have clear exit path
- Warning: Misaligned timeframes with agriculture

### Grants & Programs

- Focus: Innovation, conservation, beginning farmers
- Sources: Federal, state, NGO programs
- Benefit: Non-dilutive, no repayment
- Challenge: Time-intensive, specific requirements, can guide you to non-commercial ends



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- *"The best agricultural investments aren't made by investors, they're made by customers. When your customers fund your growth, you're building something real."*

- *Eliot Coleman, Four Season Farm*

## Your Support Board


### Choose People Who Care

- Personal investment in YOUR success
- Will show up consistently
- Willing to have hard conversations
- Complement your weaknesses

### Meeting Rhythm

- Monthly is mandatory
- Share real numbers - good and bad
- Ask for specific help
- Document commitments

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*"Find the people who share your values first, your vision second, and your metrics last. In sustainable agriculture, all three matter, but in that order."*

- Gary Hirshberg, Stonyfield Farm

## Red Flags That Kill Business

### Operational

- Not charging enough to cover all costs
- Growing too fast for cash flow
- Single customer = >30% of revenue

### Market

- No clear differentiation
- Ignoring customer feedback
- Chasing wrong customers

### Financial

- Less than 2 months cash runway
- Mixing personal & business money
- No regular financial review

### Personal

- No outside accountability
- Working IN vs ON the business
- Avoiding hard decisions



*"Nature never breaks her own laws. Neither should  
your business."*

*- Gabe Brown*

## Let's Talk About Failure

### The Reality

- Most businesses fail within 5 years
- Ag has unique seasonal risks
- Failure ≠ Personal failure
- Experience is never wasted

### Protect Yourself

- Keep personal & business separate
- Pay yourself a market salary
- Maintain outside income streams
- Have 6 months personal savings

### Smart Limits

- Set clear "walk away" points
- Define maximum personal risk
- Regular family financial talks
- Annual "stay or go" review

### Recovery Plan

- Plan for Failure
- Document learnings monthly
- Take many cheap bets
- Target being right 70% of the time
- Maintain your reputation

## Let's Talk About Success

### The Reality

- Almost Always Takes Time
- Default Alive
- Hard to Plan For
- After PMF All Team

### Protect Yourself

- Define Boundaries of Success
- Lots of Bad Ideas Come Your Way
- Know you USP and Repeat

### Define Success

- Funding isn't Success
- Sell, Cashflow, Security?
- Am I Enjoying this Audits?
- Nobody wins if you burnout

### Building a Great OS

- Teams Work on Patterns
- Work Yourself out of a Job
- Hire by Cultural Match First
- After 5 people, all about Team

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*"Every farm goes through hard times. The difference between failure and adaptation is having the wisdom to know what to keep and what to change."*

- *Joel Salatin, Polyface Farms*



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## Final Thoughts

### Be Specific

- Do something specific about something specific
- Better to be deep in a niche than shallow everywhere
- Becoming an expert is surprisingly easy at most things if you keep specific in your exploration

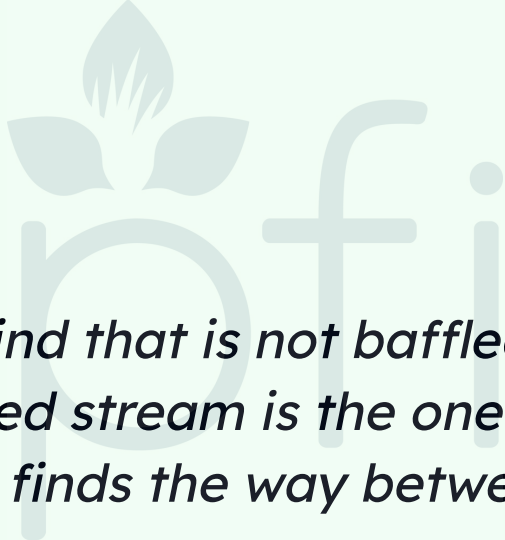
### Keep Moving

- The only way forward is forward
- Small progress beats perfect plans
- Tomorrow's problems need tomorrow's attention

### Stay Hopeful

- Time is your greatest advantage, take bets others can't afford
- Every generation of farmers solves different problems
- The tortoise wins in agriculture... Ignore the noise and run your race

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*"The mind that is not baffled is not employed. The  
impeded stream is the one that sings. Good work  
finds the way between pride and despair."*

*- Wendell Berry*