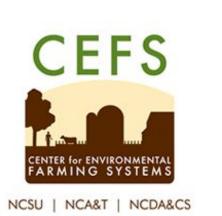
Stand-alone Fresh Produce Cross-docking Facility

Agriculture Innovation Center



Project Overview

AIC is a new fresh produce cross-docking facility located in XXX.

The purpose of AIC is to link local growers to large scale channels.

Currently, AIC is not generating enough profit to remain revenue neutral.



Buyers

Abundant resources to help farmers get started

Growers

Consistent,
locally sourced
produce.

Potential to enter larger, diverse markets

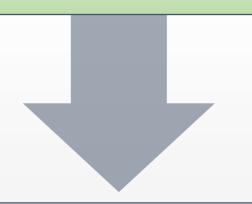
Aggregation of produce, making the center a one-stop pickup

Cost Analysis Model

Income			Year 1			
	Price		Qty Projected		Total	
Office Rental	\$250.00	per month	5	mo/yr	\$1,250.00	
Dry Storage (4 x 4 space)	\$35.00	per month	2	spaces/mo	\$840.00	
Cross-Docking:						
Per case charge for cooler	\$0.75	per case	15	cases/day	\$4,106.25	
storage per day		per day				
Cooler Rental:						
Per pallet	\$120.00	per pallet	4	pallets/mo	\$5,760.00	
Freezer Rental	\$120.00	per pallet	4	pallets/mo	\$5,760.00	
Processing Room	\$20.00	per hour	20	hrs/mo	\$4,800.00	
Equipment:					\$0.00	
Manual Mulch Layer	\$10.00	per day	50	days/yr	\$500.00	
Rental						
BCS Tractor	\$80.00	per day	40	days/yr	\$3,200.00	
Mulch Layer	\$10.00	per day	30	days/yr	\$300.00	

Process

Define
Utilization of the facility is lower than the initial forecast.



Measure Volume of produce is at a minimum, operating costs and expenditures are higher than



Analyze
Collect the cross-docking
facility costs.



Improve Create cost analysis model.



Control
Update quantity usage and costs, as needed.

Cross-docking Process











Farmer arrives at cross-dock

Unload produce

Cooler Storage

Freezer Storage Processing Room Buyer pick up produce

Observations

Recommendations

AIC is not generating enough revenue.

• Create cost analysis spreadsheet to see what is needed to maintain cross dock facility as revenue neutral.

Growers do not have the certainty to see the value that can be added.

- Communicate the benefits of using the facility from a farmer's standpoint, as well as from a buyer's standpoint.
- Conduct marketing campaign.

Not all growers are interested in "selling wholesale" due to GAP certification costs.

• Encourage growers to get GAP certified by showing benefits of becoming certified.

No connection between AIC and buyers, strictly between farmers and buyers.

• Focus on small scale outlets such as restaurants to get exposure, then eventually expand to larger outlets.

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