

Case Study: Wolfe's Neck Farm

How a socially-motivated nonprofit becomes a socially responsible business

Wolfe's Neck Farm Background

When Erick Jensen joined Wolfe's Neck Farm as farm manager in 1997, the foundation that owns the farm had limited resources to fulfill its mission of promoting alternative sustainable agriculture in the state of Maine. He was faced with old farm equipment, a small herd of beef cattle that had had very little planning in its breeding, and a few education programs which were mostly directed toward the non-farming community.



After spending a few years tackling the immediate needs, Erick decided to build a model for alternative agriculture that would help other farmers and producers to market their products. In 2001, the Board of Wolfe's Neck agreed to promote environmentally and ecologically sound farming practices with other growers in Maine. The result would be premium prices for the farmers and producers producing a natural product, and a sustainable alternative for farmers to keep their farms productive and out from under development pressure.

Common Good Ventures and Wolfe's Neck Farm

Strategy execution is sometimes the hardest part of running a sound business. While he had lots of farming experience, and a degree in farm management, Erick envisioned a program that would be much larger than one farm and which would require careful planning and controls. He decided to start an enterprise to further the mission of sustainable agriculture and Common Good Ventures had the business experience and the strategic vision to help him make it happen.

Through Common Good Ventures' model of long-term partnerships and hands-on management coaching, its President, Kristin Majeska, had gained a deep understanding of the goals, and strengths of Wolfe's Neck Farm. She and Erick developed a business plan. Common Good Ventures invested start up dollars in the "Big Beef" project and helped Wolfe's Neck find other sources of start-up dollars. The farm established production and feeding protocols, submitted labels to the USDA for approval, signed up beef producers around the state of Maine and identified a distributor in Boston. In August of 2001, the first shipment of 4 head of cattle entered the supply chain under the Wolfe's Neck Farm All-Natural label.

Common Good Ventures and Erick spent the next year building the Wolfe's Neck Farm brand, educating farmers and producers, setting up reporting systems and making contacts in retail markets for natural beef products. Two large chains began purchasing small orders of Wolfe's Neck Farm natural beef during 2002, and by the end of June 2002, sales of Wolfe's Neck Farm Natural Meat grow to \$1.3 million dollars. Producers were getting a 6-10% premium per pound for their cattle, and more calves were staying in Maine for the program rather than being shipped at commodity prices to mid-west feed lots.

In August 2002, Wolfe's Neck Farm became the natural beef supplier for Hannaford Supermarkets in New England. Wolfe's Neck ended 2003 with sales of about \$4 million and put over \$600,000 in premium income (income which otherwise did not exist) into Maine's farming communities.

Wolfe's Neck Farm sustained this growth with minimum staff and investment (total of \$200,000 in grants) largely because of the partnership with Common Good Ventures and the responsive business expertise, resources and contacts that Common Good Ventures brought to the table. Regular meetings kept the work focused; systems and reporting allow Erick to know what issues need immediate attention, and the partnership with Common Good Ventures facilitated the interpretation of trends as well as strategic and tactical decisions.

Going for profit: Everybody Wins

By 2005, sales of Wolfe's Neck Farm beef reached \$12 million. The tremendous growth of both the natural beef industry and the Wolfe's Neck Farm brand prompted the decision to take the business for-profit in June 2005 allowing for improved capitalization and a more sophisticated business approach, as well as a natural "exit strategy" for the CGV partnership. In essence, the brand outgrew its foundation board's expertise and ability to properly capitalize it. The label, with Erick remaining at its helm is now sold by Pineland Farms Natural Meats. The Wolfe's Neck Farm board will retain

licensing rights to the name, Maine farmers continue to reap the premium for their naturally raised cattle; the business has access to state-of-the-art agricultural facilities and research, and Wolfe's Neck Farm can stick to its roots of farm education while grazing cattle for the Pineland Farms operation.

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