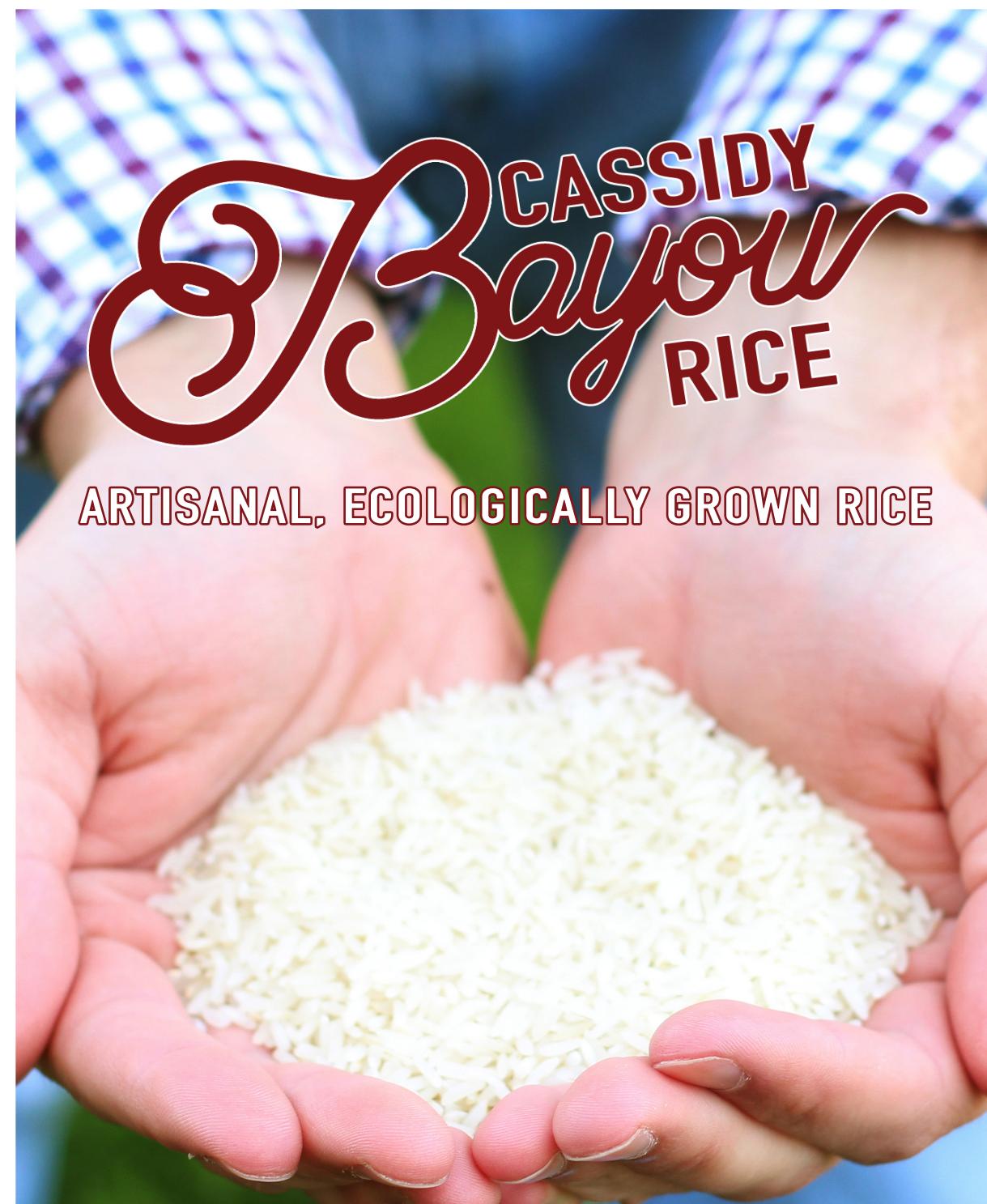


2018 NATIONAL AGRI-MARKETING ASSOCIATION STUDENT COMPETITION



CASSIDY Bayou RICE

ARTISANAL, ECOLOGICALLY GROWN RICE

Sumner
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Introduction

THE FARM

Cassidy Bayou Farm is a picturesque estate nestled in the heart of the Mississippi Delta. The Wagner family has farmed over 270 consecutive crops on their family farm, but in 1990, they realized their land was suffering. The land had been depleted and the water usage was devastating for the region's aquifers. The Wagner family understood that in order to conserve our earth's precious resources, they needed to make a change. They researched, planned and developed a new way to produce rice that has a small environmental footprint and has increased health benefits over traditional rice varieties. The crops work with nature to produce yields consistent with traditional farming practices, while exceeding many of the advantages of organic rice.

THE RICE

Cassidy Bayou Rice is the healthiest rice on the market today because of its uniquely high amylose and antioxidant content. Its innovative production methods allow the rice to be better for the earth, grown with the region's ecology in mind.

Millennial consumers "vote with their dollars" to decide what traits of their food are most valuable to them. This group will choose Cassidy Bayou Rice because they are concerned with intangible aspects of food production, like the environment, animal welfare, and how the food they eat affects their bodies. Cassidy Bayou Rice gives these shoppers the opportunity to choose a product that caters to their beliefs and leaves them feeling good about their purchase.

Cassidy Bayou Rice has created a full product line of a superior rice product currently offering 6 cultivars of rice creating 16 products including rice blends, rice grits, and gluten-free rice flours.

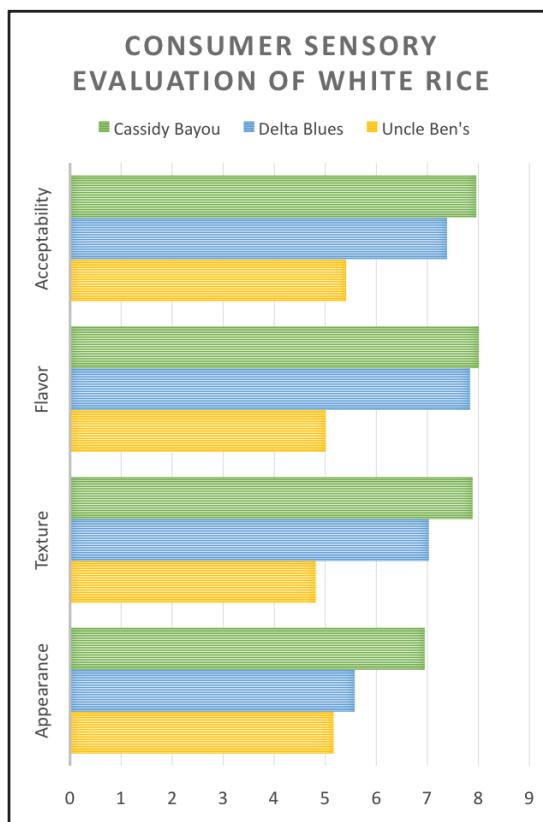
WHAT IS "ECOLOGICAL" FARMING? WHY NOT "ORGANIC"?

The fields at Cassidy Bayou Farm have been turned into bio-systems with elevated carbon sequestration and soil renewal capabilities. The unique on-farm ecological system aids production by reducing dependence on man-made inputs and tillage. Cassidy Bayou Farm is a long-term aquatic environment that allows wetland habitats to thrive. This practice has restored microbial and animal activity in the soil.



The fields are continually flooded, except during harvest, giving a home to fungi, bacteria and algae, as well as invertebrates, amphibians, reptiles and fish. This attracts migratory and non-migratory birds to find a seasonal home on the farm, where waterfowl are integral in production of rice. While on the farm, the birds deposit nitrogen and other micro- and macro-nutrients that are required for the next crop. This allows Cassidy Bayou Farm to reduce tillage, fertilizers, herbicides, fuel and emissions. Cassidy Bayou Rice is not USDA certified organic, but the ecological growing methods produce higher yields and use less of the earth's resources than organically grown rice.

PRIMARY RESEARCH



Sumner Consulting conducted a consumer sensory evaluation where 60 participants tested *Cassidy Bayou Rice* as well as two other long-grain white rice brands — Delta Blues Rice and Uncle Ben's. Each rice was rated on a 9-point hedonic scale on the attributes of appearance, texture, flavor and overall acceptability.

- *Cassidy Bayou* rated higher than Uncle Ben's in all categories.
- *Cassidy Bayou Rice* was deemed more appealing than Delta Blues Rice in the areas of appearance, texture and acceptability.
- No statistically significant difference was found between *Cassidy Bayou Rice* and Delta Blues Rice in terms of flavor.

Market Analysis



21% of the world's caloric intake come from rice.³



Rice consumption in the U.S. has reached **31 pounds** per person per year.⁴



75% of U.S. shoppers have made a healthy switch in at least one type of food.⁵



38% of shoppers look for "all-natural" labels at the grocery store.⁵



Rice consumption among millennials has risen from **16% in 2014** to **20% in 2017**.⁴

AMYLOSE & ANTIOXIDANTS: WHY SHOULD YOU CARE?

Amylose is a resistant starch (a type of insoluble fiber), meaning it is not digested but fermented in the gut by healthy bacteria. Studies have shown that increased intake of foods with high levels of amylose have health benefits that far surpass typical rice benefits. According to a study published in PubMed, foods with high amylose levels can: function as a useful prebiotic, boost immunity, reduce weight and help prevent obesity, decrease heart disease risk factors, alleviate diabetes symptoms, potentially lower risk of colon cancer, and improve neurological symptoms.¹

The health benefits of food with high levels of antioxidants are more well-known and equally as important for potential Cassidy Bayou Rice customers. According to the Mayo Clinic, eating foods high in antioxidants helps to protect cells against the effects of free radicals — molecules that play major roles in cancer, heart diseases and other illnesses.²

COMPETITIVE LANDSCAPE

	CASSIDY BAYOU RICE	DELTA BLUES RICE	LUNDBERG FAMILY FARMS	NATURAL HEALING HOUSE	ANSON MILLS
HIGH AMYLOSE CONTENT					
HIGH ANTIOXIDANT CONTENT					
MISSISSIPPI BRANDED					
ECOLOGICALLY GROWN					
ARTISANAL					
PREMIUM PRICE POINT					

Competitors in this market space are other value-added rice brands that offer artisanal rice at a premium price point. Locally, there is one other Mississippi-branded rice, but Delta Blues Rice doesn't boast the high amylose and antioxidant content of Cassidy Bayou Rice and isn't produced using eco-friendly methods.

Lundberg Family Farms produces rice in a similar manner as Cassidy Bayou Rice, placing a high importance on ensuring that the farming practices don't deplete the land of its resources. However, Lundberg is located in California, which doesn't provide a local option for consumers in the southeastern United States.

DELTA BLUES RICE – CASSIDY BAYOU'S MOST DIRECT COMPETITOR:

Delta Blues Rice, the only other Mississippi branded rice on the market, is a geographic neighbor to Cassidy Bayou Farm. The two rice brands share many similarities due to the rices' terroir, the environmental factors that affect a crop's phenotype. Delta Blues was the first mover in the Mississippi artisanal rice market, which has provided more brand recognition within the target market. Despite these factors, Cassidy Bayou can gain an advantage over Delta Blues Rice by focusing on its nutrition and ecological growing methods.

Sources

¹Bird, A, 'Starches, resistant starches, the gut microflora and human health.' March (1): Current Issues Intestinal Microbiology. 2000; 25 - 37

²Mayo Clinic, (February 2017). Antioxidants: Why are they important?. Healthy Lifestyle. Retrieved January 2018.

³Awika, J, 'Major Cereal Grains Production and Use around the World.' (January): Advances in Cereal Science: Implications to Food Processing and Health Promotion. 2011; 1-13.

⁴"North America - Ricepedia." Ricepedia. N.p., 2018. Web. 1 March 2018.

⁵Food Marketing Institute, (June 2016). Analysis: Shopping For Health Presents New Attitudes and Awareness among U.S. Consumers. Retrieved December 2017

MARKET SEGMENTS

The market segments Sumner Consulting is hoping to penetrate are the *Better Buyers* and the *Artisanal Consumers*.

Better Buyers are 24 to 40 years of age and live at least a middle-class lifestyle. They are looking for quality goods that are better for themselves and better for the environment. When looking for products, *Better Buyers* look for "organic" and "all-natural" labels.¹ They want something that will make them feel not only healthier but also happier knowing that it was produced using minimal chemicals.¹

The *Artisanal Consumer* is older than the *Better Buyer* — between 35 and 60 years of age. They also have a higher disposable income and are attracted to high quality items. They want to be able to show off new products to their friends and family. *Artisanal Consumers* tend to be image seekers. They are attracted to products that have nice packaging and are in the premium price bracket. They like purchasing from smaller companies that put more thought into each individual product.¹ *Artisanal Consumers* would rather have less of something per dollar if they know that it is highly valued among their peers.



Business Proposition

MISSION STATEMENT

The mission of Cassidy Bayou Rice is to grow rice at the highest quality with honesty, integrity and family values, all while conserving the earth's precious natural resources.

KEY PLANNING ASSUMPTIONS

- Product has access to enter into sales channels.
- Fields are setup to recycle water in the event of a drought.
- Acreage is readily available for additional ecological farming in the event of a higher than expected demand.
- Enough seeds are harvested to replant the following year.
- Contains higher amylose and antioxidant levels than competitors.
- Ability to infuse the high antioxidant and amylose levels of weedy red rice into other domesticated strands making the rice the healthiest available on the market.
- Consumer demand for natural and health-conscious products will continue to rise.

GOALS

- To grow from 0.1% to controlling 0.3% of the natural rice market by Y3.
- Have brand awareness of 15% in the natural rice market within the southeast region.

OBJECTIVES

- Offer unique, high-quality rice while maintaining an environmentally friendly operation.
- Reduce shipping costs.
- Grow as many quality calories possible at the least expense to natural resources of soil, water, air and space.
- Maintain claim as the healthiest rice on the market.

Sources

¹Industry Insight Monthly, (February 2017).Today's Natural and Organic Shoppers. Retrieved December 2017.

Action Plan



PRICE

- Cassidy Bayou Rice will be sold to retailers for \$3.10/lb. The rice and rice products will be packaged in two pound bags with a suggested retail price of \$8.25 each. This price will be the same across all rice products in the Cassidy Bayou Rice line, and will provide retailers with a 30% markup.



PLACE

- When Better Buyers are shopping for products, they will be able to find Cassidy Bayou Rice at specialty brick and mortar retailers, farmers' markets and southeastern chain retailers such as Publix, Whole Foods and Kroger markets.
- Better Buyers will also be able to shop for Cassidy Bayou Rice from the comfort of their homes. Cassidy Bayou Rice will be available online at CassidyBayouRice.com and Amazon.com. Shoppers that choose these online retailers will enjoy the benefits of the Cassidy Bayou Rice products shipped directly to their doors.
- In year one, Cassidy Bayou Rice will focus on the southeastern United States, where the quality of Mississippi Delta rice is well understood. In years two and three, as brand recognition grows, Cassidy Bayou Rice will expand into the greater south area and into regions with higher concentrations of the target market.



DIGITAL MARKETING

- Facebook and Instagram: Posts on Facebook and Instagram will include cooking tips, recipes and cooking videos demonstrating to viewers how to make the recipes posted on the social media websites.
- Pinterest: Recipes and instructional cooking videos will be pinned to Pinterest on a regular basis. The Pinterest page will consist of several different boards to separate the categories of Cassidy Bayou Farm's rice products and to help the users find new recipes.
- Website: Product information, recipes, a gallery of photos of the rice and the farm and a store locator will be contained on CassidyBayouRice.com. Additionally, the website will feature information about the background of Cassidy Bayou Rice and both the ecological and water conservation systems in which the farm participates.

SOCIAL MEDIA CONTESTS

- *Rice-ing to the Top:* a cooking competition between consumers of Cassidy Bayou Rice's products. Contestants who post the "best" recipe using one or more of Cassidy Bayou Rice's products online to Cassidy Bayou's Facebook page will receive a free bag of their favorite type of rice product from the company. This contest will take place on a bimonthly basis, and recipes will be voted upon by followers of Cassidy Bayou's social media pages.

- *No More Mr. Rice Guy:* The winning contestants of *Rice-ing to the Top* will be posted at the end of the year for followers to vote for the best recipe out of all of the year's winning recipes. The winning contestant will receive a free bag of their choice of rice or rice flour product from Cassidy Bayou Rice and their recipe will be featured on the back of the corresponding product's package in stores and on Cassidy Bayou's social media pages.



PRODUCT

- Cassidy Bayou Rice believes in food that has a small impact on the earth's resources and a large impact on the health of those who consume it. All of the rice using ecological growing methods and is bred to be the healthiest rice on the market with the highest levels of antioxidants and amylose. Cassidy Bayou Rice is a line of 6 varieties of rice milled and blended to create 16 different branded rice products.

PROMOTIONS

- Trade promotions will help Cassidy Bayou Rice establish and maintain relationships with marketers of its products. Because retailers are vital to marketing the rice products, Cassidy Bayou Rice will hire a sales manager to attend trade shows, communicate with the retailers and sustain the relationship between Cassidy Bayou Rice and the retailers by offering high product margins and in-store promotional efforts to move the product.
- Cassidy Bayou Rice will set up booths at local farmers' markets and food festivals across the southeastern United States. Samples of the cooked rice products, such as cookies made from Cassidy Bayou's rice flour, will be available at grocery stores, along with brochures including information about the health benefits of the rice and the story and mission of Cassidy Bayou Rice.
- Cassidy Bayou Rice will partner with PeachDish, a national meal kit delivery service that features specialty southern foods.

PUBLIC RELATIONS & EVENTS

- Cassidy Bayou Farm will offer farm tours to the public to show how their rice is produced. Tours will also show different steps of rice production. The tours will allow guests to learn more about what goes into Cassidy Bayou Rice and the values the family holds dear. Guests will also have the chance to purchase rice products and see different recipe ideas.

GIVING BACK

- Cassidy Bayou Rice believes in sharing their harvest, partnering with organizations to facilitate this mission. Cassidy Bayou donates rice locally, regionally and internationally to organizations and ministries who provide assistance in times of environmental crisis or to individuals or communities that lack adequate nutrition. To date, Cassidy Bayou's partners have helped deliver 31,080 pounds of rice, amounting to 233,100 servings.

FINANCIALS

Marketing and Development Costs			
	Year 1	Year 2	Year 3
Cost of Trade Shows	\$5,000	\$5,000	\$5,000
Social Media Maintenance	\$10,000	\$12,000	\$12,000
Company Website	\$10,000	\$5,500	\$5,500
Digital Advertising	\$10,000	\$13,500	\$15,000
Blogger Shipping & Handling	\$125	\$250	\$250
In-Store Kiosk and Samples	\$3,000	\$4,000	\$5,000
Slotting Fees	\$30,000	\$35,000	\$40,000
Sales Manager	\$47,000	\$47,000	\$47,000
CRM Technology	\$3,600	\$3,600	\$3,600
Monitoring & Measuring	\$12,000	\$12,000	\$12,000
Donated Rice Cost (Charity)	\$1,500	\$2,000	\$3,500
Total Costs	\$132,225	\$139,850	\$148,850

Income Statement			
	Year 1	Year 2	Year 3
Income			
Gross Sales	\$266,650	\$311,990	\$352,584
Discounts/ Returns	\$13,166	\$15,396	\$17,409
Net Sales	\$253,485	\$296,594	\$335,175
Expenses			
Production Cost	\$4,975	\$5,465	\$6,200
Operating Costs	\$110,222	\$133,936	\$142,131
Marketing Expenses	\$132,225	\$139,850	\$148,850
Total Expenses	\$247,422	\$279,251	\$297,181
Net Income	\$6,063	\$17,343	\$37,994
Profit Margin	2.39%	5.85%	11.34%

MONITORING & MEASURING

CAC to CLV Ratio (ROMI)

Achieve a 3:1 CLV to CAC ratio by end of Y3.

Measuring:

The CAC (Customer Acquisition Cost) and CLV (Customer Lifetime Value) should be measured every 6 months to calculate up-to-date ratios.

Not Meeting:

Restructure customer relationship management (CRM): automated email lists, blogs, loyalty programs, and/or other techniques that capture customer loyalty.

Meeting:

Boost CRM strategies to continue to capture CLV, while maintaining strategies to keep CAC low.

Market Share Objectives

Obtain 0.3% of the market for natural and organic rice in the United States by end of Y3.

Measuring:

Measure market share by comparing sales revenue to the sales revenue of competitors offering similar products.

Not Meeting:

Focus marketing efforts toward customer acquisition and increased customer satisfaction.

Meeting:

Expand target market and regional sales area.

Brand Awareness

Reach 15% brand recognition, and 8% brand recall with target market by Y3.

Measuring:

Track brand awareness.

Not Meeting:

Restructure promotional activities and online marketing efforts to reach more of the target market.

Meeting:

Expand offerings to a larger variety of stores frequented by the target markets.

Crisis (Contingency) Plan

Sumner Consulting has a team of trained professionals to handle any crisis as it arises.

Crisis Plan: assess risk, correspond internal and external communications, take necessary action, use information to reduce future risk.