SPARKLE

Sustainable Precision Agriculture
Research and Knowledge for Learning
how to be an agri-Entrepreneur

SPAIN

EXPLOTACIÓN AGRARIA DE VERGALIJO

BUSINESS MODEL CANVAS in the field of SUSTAINABLE PRECISION AGRICULTURE

STUDY CASES COLLECTION

Co-funded by the Erasmus+ Programme of the European Union

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INFO COMPANY

EXPLOTACIÓN AGRARIA DE VERGALIJO

Address: Miranda de Arga (Aldea de Vergalijo), Navarra

Founding date: (ancient family business, inherited)

Extension: 1700 ha

Crops: maize, sunflower, wheat, barley, forages

Number of employees: 3

Contact
Name: Enrique de Simón
Telephone: 629 11 18 24
Email: enrique.desimon@gmail.com
WebSite (none)
Social (none)

Date of the interview: 22/10/2018, canvas received electronically on Jan2019
Name of the interviewed person (specifying his/her role in the company): Enrique de Simon (co-owner)
Name of the interviewer: Constantino Valero

INFO PA introduced

What kind of PA innovation was introduced in the company?

The profile of this enterprise is a traditional farm business (no new technologies yet) driven by (owned) business experts and managed by a professional agricultural engineer. The success in the business is well established, but the owners are feeling the need of modernization in the farm technologies and procedures. The company is immersed in a process of studying their enterprise, hiring experts in agricultural innovation, and investing in PA solutions.

We have already implemented irrigation of maize fields with remote control 10 years ago, and now we are introducing soil moisture sensors to optimize irrigation.

When?

Along the following months new machines (fertilizers, steering aids for tractors, etc.) are expected; budget for these new technologies is already approved.

Why? What was the motivation / problem to solve?

Other farmers around are evolving towards these technologies.
Market prices are constantly changing, thus reduction in costs is needed and new technologies such as PA are the solution, if wisely used.

How did you learn about these new technological solutions?

Reading documentation at the internet and talking to experts.

Have you been supported / assisted / trained by someone?

At present the company is hiring a consultancy service provided by agricultural engineers, experts in new technologies.

Asociaciones clave

Empresas procesadoras de productos agrarios

Nuevos recursos intelectuales

Actividades clave

Actividades relacionadas con la agricultura de precisión

Recursos Clave

Recursos intelectuales

Compañías de serviciuos

Propuestas de Valor

Precio adecuado para que los clientes de productos agrarios puedan mantener su margen dentro de la cadena de valor del sector

Relaciones con clientes

Relación puntual y económica al mejor postor, con clientes de productos agrícolas

Relación a largo plazo con casa de semillas de girasol y ganaderos arrendatarios

Canales

Venta Directa a los Distribuidores Mayoristas y Empresas Procesadoras mas o menos integradas

Segmentos de Mercado

Venta de trigo, cebada y maíz a Distribuidores Mayoristas y a procesadores que pueden llagar a ser Distribuidores Minoristas
Ventas de semillas de girasol R1 a casas de semillas de girasol normales a procesadores de aceite de girasol
Arrendamiento de instalaciones y pastos y venta de forrajes a ganaderos

Estructuras de Coste

Variabilizar los costes

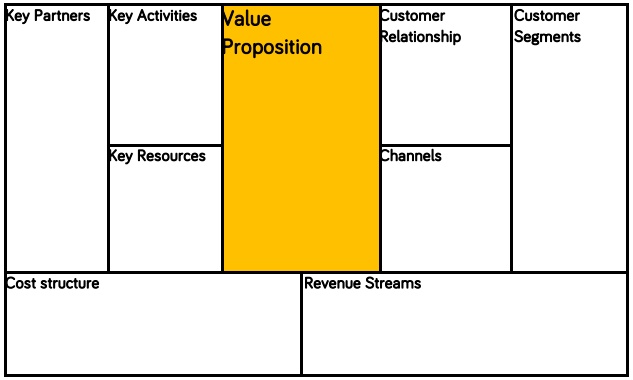
Flexibilización de los costes en relación a su contribución a la generación de valor (mayor productividad)

Fuentes de Ingresos

Productos con mecanismos dinámicos de fijación de precios y dependiendo del mercado de futuros de Chicago de productos agrícolas y de los precios de referencia en las Comunidades Autónomas mas cercanas

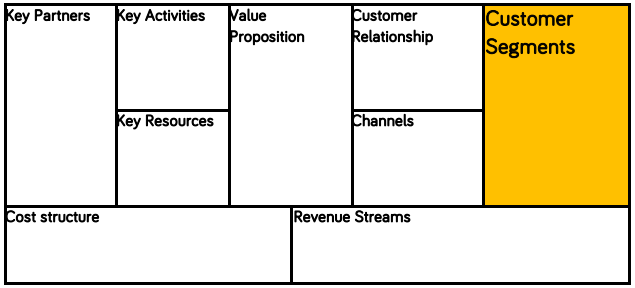
BMC - report

Value Proposition



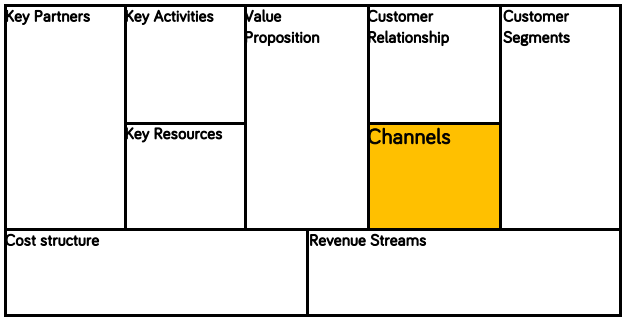
- Adequate price, so as everyone in the value chain feels comfortable and gets a proper margin
- Production of maize, wheat, barley and sunflower for selling
- Production of forages for selling
- Service of livestock feeding and accommodation, for local ovine producers

Customer Segments



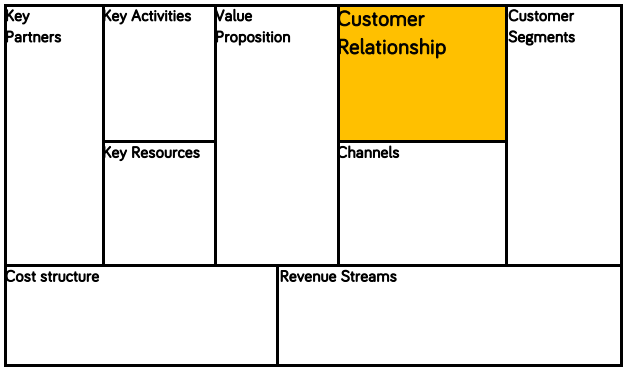
- Selling of wheat, barley and maize to local distributors and wholesale traders
- Contracts with processing industries (human food, fodder)
- Production of certified R1 sunflower seed
- Production of sunflower for oil industries

Distribution Channels



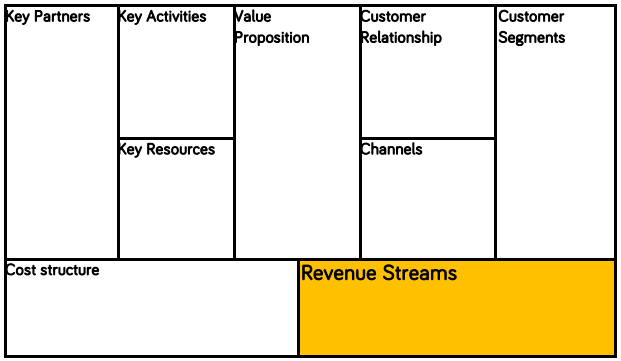
- Direct sale to distributors and wholesalers

Customer Relationship



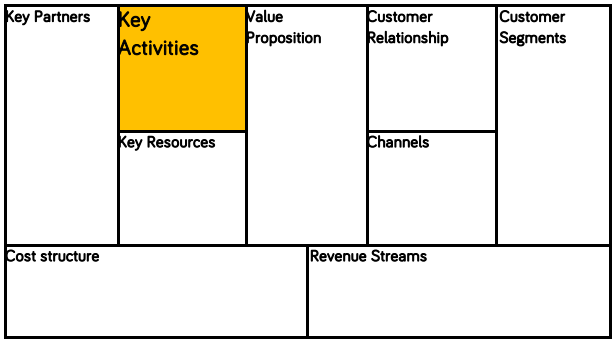
- In some products, best-offer clients, temporary relation based on market.
- Long-term contracts with industries and local stockbreeders

Revenue Streams



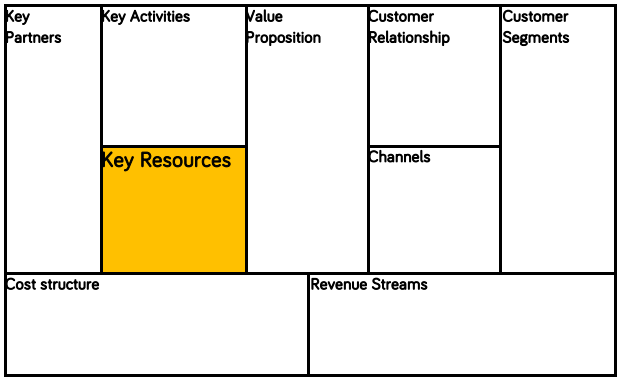
- Sell of produces and renting of facilities / meadows.
- Prices continuously watched and compared with Chicago international market and with local government (regional) reference price lists. In over 90% of produce sales, prices are dynamic.
- 77% of income from processing industries
- 16% of income from wholesalers
- 7% of income from local stock breeders

Key Activities



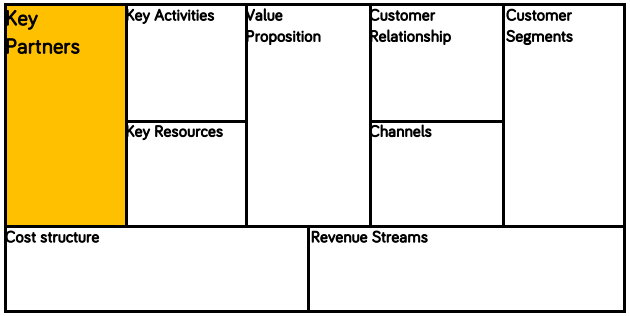
- Optimized traditional agricultural production procedures
- Nowadays moving towards Precision Agriculture technologies. Planned: autosteering, yield maps, variable rate for herbicides/fertilizer

Key Resources



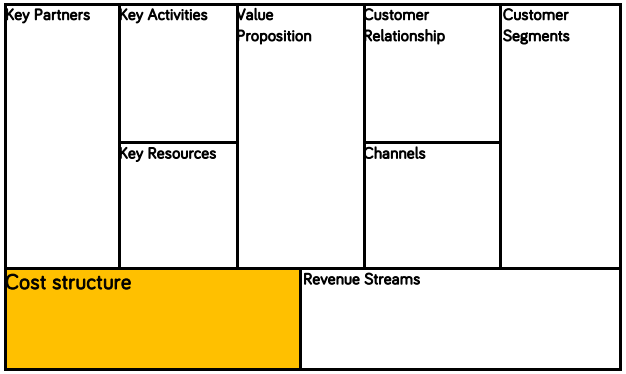
- Owned tractors (3) and traditional farm machinery (seeder, fertiliser spreader, sprayer for herbicides/insecticides, tillage machines). Warehouses and office.
- Service providers (i.e., harvesting)
- Intellectual resources (keen on the use of new technologies)

Key Partners



- Processing industries
- New intellectual resources

Cost Structure



- Conversion of fixed costs to variable costs, when possible
- Flexibilization of costs in relation to their generation of value / productive margins: prioritization of costs towards higher production
- In the last 10 years we have moved from 92% of fixed costs to only 66%

IMPACT ANALYSIS

Barriers:

- Prices of agricultural commodities are low and decreasing
- Costs (fuel, mainly) are increasing
- Open markets (international) push margins down
- Only farmers with modernized production will survive in mid term

Drivers

- Precision Agriculture technologies can help in cutting costs
- Professionalization of human resources, with experts in new technologies can drive the change

Sustainable Precision Agriculture

Benefit

- Better use of resources
- Compliance with environmental legislation

Impact

- Less usage of agricultural inputs
- Higher productions
- Better commercial margin