



Executive Summary

Prepared for : Clients, Investors, Business Associates

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Proposed Start Date : Spring, 2025

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Vision

The vision of Fala Farms is to create a community based, agricultural business model in which high percentage CBG hemp is grown in order to facilitate a fully self-sufficient homestead, and eventual homesteading community. Our 5 year plan involves a rapid growth agricultural process which will yield 25 acres of prime CBG hemp, copious premium produce, and total agricultural self-sufficiency by 2025. (for greater detail please visit www.FalaFarms.farm)

Challenge

Our number one challenge will be to help fulfill the high demand for CBG hemp flower and biomass in the great state of Nevada. This high demand has existed even before the legalization of hemp farming and processing in Nevada, which occurred in 2016. Due to the lag in supply within the rapidly emerging CBG market, there is, and will continue to be, a high demand for hemp farmers to produce high quality CBG hemp flower and biomass in the state of Nevada.

Solution

Our solution to the unbalanced supply and demand CBG hemp market in Nevada is to produce as much high percentage CBG hemp as possible on our modest 80 acre farm in Eureka County. The revenue generated from harvesting these hemp crops will enable and empower us to manifest the total self-sufficiency vision of our farm, homestead, and eventual larger homesteading community. (**Details of our 5 yr plan** can be reviewed at www.FalaFarms.farm)

Go to Market Strategy

Fala Farms has adopted a simple, traditional, and highly successful Market Strategy, which has been the foundation of successful modern farming ventures; “grow a crop which is in high demand, and sell it to the wisest bidder”. Due to Nevada’s “closed borders policy” (which does not allow for the import of hemp biomass into the state) the supply of hemp is considerably less than the demand: Thus, the average wholesale market price for CBG hemp in Nevada is not only considerably higher than that of CBD hemp, but is also considerably higher than the benchmark national market price for either. Further, according to *Hemp Benchmarks* (the most reliable source for aggregate hemp price reporting) the national average spot price of CBD hemp flower for December, 2022, approached \$500/lb. (up \$300/lb. since April, 2020 ~ for graphic analysis [click here](#)). Since its inception, CBG hemp has consistently outperformed the CBD hemp market, and CBG is projected to continue that trend (for *Nasdaq’s* CBG market analysis [click here](#)).*

* (For [Research & Markets](#) 2023 Global Canabinidol Report [click here](#))

***Go to Market Strategy (cont.)**

Phase 1 : Purchase agricultural land that is easily adaptable to hemp farming.

- ~ *Excellent agricultural land* has been secured in Crescent Valley, Eureka County, Nevada.
(Established with Western Outdoor Properties : GPS Coordinates to Center: 40.470, -116.443 :
Real Estate Contract Available Upon Request)
- ~ *The land gradient* varies from shallow, rolling hillocks, to gently sloping pasture, as well as mostly flat wild pasture. All 80 acres of grassland has been excellent wild grazing for Pronghorn, Elk, and free range cattle in the valley. The soil is a type of sandy loam which is ideal for growing many varieties of the grass family, as well as various types of produce.
- ~ *Water Rights* included with the land purchase; 1 acre foot/acre of land, annually (18k gal/day/yr)
(proper efficiency of irrigation would easily allow for the cultivation of up to 50 acres annually)

Phase 2: **Fundraise \$540,000 USD** in order to install all agricultural infrastructure, supplies, and business components necessary for the successful establishment of *Fala Farms Freehold*, including a \$90,000 investment in silver & gold bullion as a contingency profit generation option.

Phase 3 : *Purchase, and install, all agricultural and business components* needed for the infrastructure of *Fala Farms agricultural model*. (including basic housing & facilities for farmhands)

- ~ *Agricultural components* being a Water Wells, Irrigation, Seeds/Starts, Fertilizer, Fencing, Cultivation, and other necessary supplies/components as detailed in the budget on page 3.
- ~ *Business components* being Agricultural Insurance (crop, transport, umbrella comprehensive), Permitting & Licensing, and other components as detailed on the following page.

Note : *Fala Farms has been researching and monitoring the emerging wholesale and medicinal markets for CBG hemp**, which is projected to vastly outperform the recent past-peak-trends of the CBD market. According to current research, the spectrum of cannabinoids which has been isolated and accentuated within certain hybridized CBG hemp strains, may have even greater health benefits than that of CBD, as well as the ability to be transformed into other beneficial cannabinoids. (click link below for analysis) *

* (<https://thehempmag.com/2018/08/hemp-cannabinoid-cannabigerol-cbg/>)

BUDGET :**Overhead and Profit Margin for Year 1**

The table below will detail the agricultural, and business infrastructure costs incurred during year 1, as well as the bottom line revenue which the overhead will generate for year 1.

Gross Revenue Generation for Year 1 : \$1,500,000 USD (detailed below)

Note: Although the December, 2022 national benchmark price for CBG hemp flower approached \$500/lb., in order to make conservative budget estimates, and account for any unlikely severe fluctuations in the CBG market, Fala Farms has used the April of 2020 market-low price of \$150/lb.

Yield (Hemp) : 1 lb./plant | 1000 plants/acre = 1000 lbs./acre | 10 acres = 10,000 lbs.

Return (USD) : 1 lb. = \$150 | 1000 lbs. = \$150,000 | 10,000 lbs. = **\$1,500,000 USD**

Description	Quantity	Unit Price	Cost
Water Well Installation w/ Solar Power Pump System (3.2 kWh)	1	\$ 45,000	\$ 45,000
Fencing (Deer/Rodent/Wind Combination)	1	\$ 21,000	\$ 21,000
Cultivation (Tractor/Equipment Rental OR local farmer for hire)	1	\$ 5,000	\$ 5,000
Irrigation System	1	\$ 21,000	\$ 21,000
Fertilizer (Organic Liquid Fish Emulsion)	100 x 5 gal.	\$900	\$9,000
CBG Seeds (White OR La Crema 2.0) and/or CBG Starts	1kg &/or 5k	\$ 21,000	\$ 21,000
Pole Barn Construction Supplies (36'x 36') x 3	3	\$10,000	\$30,000
50ft Cargo Container / Galvanized & Secure (Harvest Storage)	1 Rental Unit	\$5,000	\$5,000
Nevada Agricultural Permit, Licensure, Inspection & Testing	1	\$10,000	\$10,000
Agricultural Insurance (multi-catastrophic) Annually	1	\$36,000	\$36,000
Septic System (Composting Toilet & Outhouse Building)	1	\$ 5,000	\$ 5,000
Residential Caravans (Housing for Coordinator & Farmhands)	5	\$ 5,000	\$ 25,000
Labor Overhead for Farm Hands (Planting & Harvest)	3	\$ 10,000	\$ 30,000
Miscellaneous Supplies/Expenditures	1	\$ 25,000	\$ 25,000
10% Expense Cushion + 10% (+/+) Inflation Rate (2022/2023)	1	\$72,000	\$ 72,000
Physical Silver & Gold Contingency Profit Generation Option	1	\$90,000	\$ 90,000
Total		\$0	\$ 450,000

*Estimated **Net Profit** : \$1,500,000 - \$780,000 (Client Returns & Cost of Living) = **\$720,000 USD**

Investors' Returns on Debt Offerings

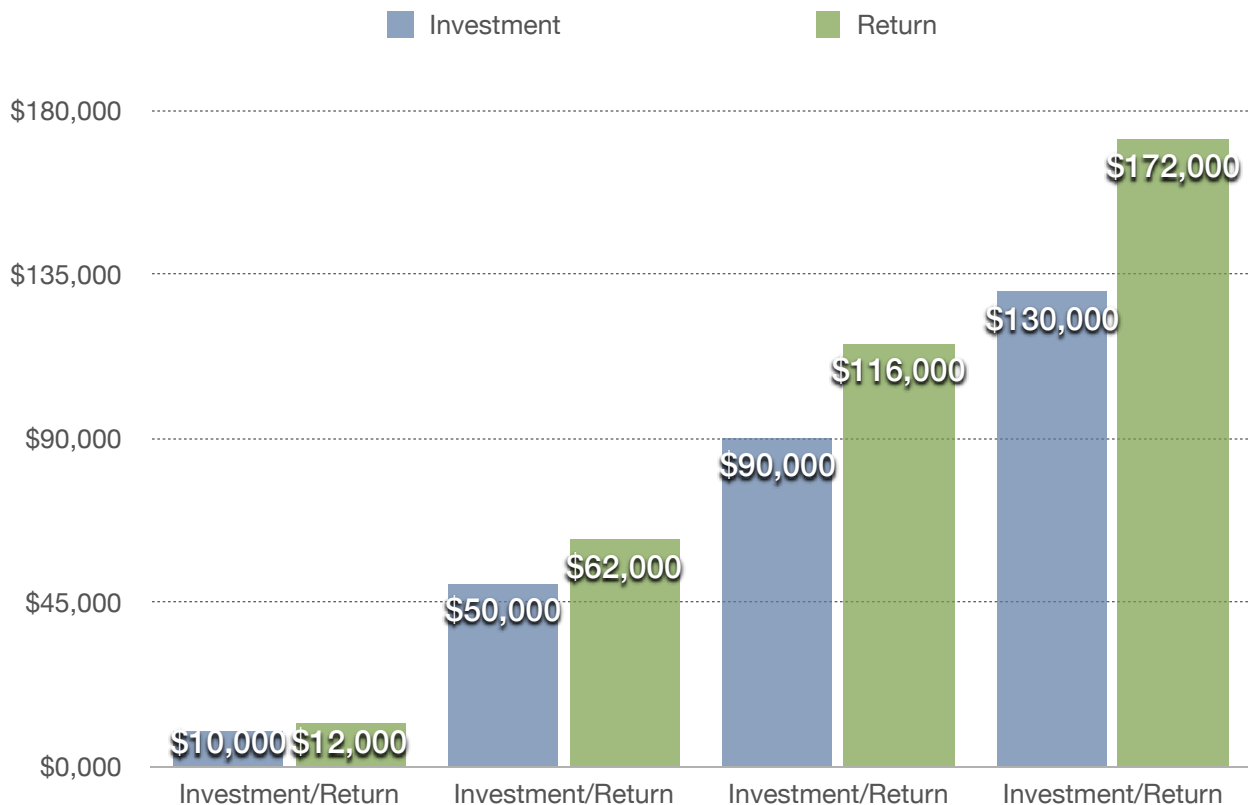
Fala Farms Freehold is offering an exceptional 20% return (18 - 36 month term)* on investments of \$10,000, with special incentives for investors who choose to invest more, as follows . . .

For each increment of \$10,000 invested beyond the initial \$10,000 investment, investors will receive an additional 1% return beyond the base return of 20%.

* *Term of Investment/Return*: Returns will be paid in annual installments (including harvest bonuses), to be completed no later than 36 months after initial investment date, and no earlier than 18 months.

* (Investments can be negotiated and customized per individual client's request)

Examples :



Note: For the client who wishes to invest the entire **\$540,000 USD**, *Fala Farms* is happy to offer (in addition to the base return) 5% of the harvest's profit as an annual bonus, up to 3 years.

* (Returns on Investments can be granted via Silver, Gold, or Arable Land upon request)

Contingency Plan & Exit Strategy :

In the unlikely case of failure regarding this highly successful, and generationally proven, agricultural business model ~ upon which *Fala Farms LLC* has based its project proposal ~ contingency plans and/or exit strategies have been devised.

Options & Contingency Plans :

1. **Capital Leveraging & Precious Metals Profit Option:** Generation of a collateralized loan for the same amount as the base overhead capital (\$540,000 USD). This loan would actually double the total amount of working capital available for the Fala Farms Project, totaling \$1,080,000 (\$500,000 of which would then be invested in physical silver & gold bullion. At the end of the 36 month investors loan term, the profit generated from the capital gains on the sale of a portion of the silver & gold bullion would be adequate to payout the total yields on clients term investments.

2. **Contingency Plan #1:** Due to the fact that upon completion of year one, the entire agricultural infrastructure will have been constructed, successfully installed, and fully functional, the unlikely failure of the initial crop will be of little concern. As a result of the large amount of financial cushion included, not only in the itemized budget (\$35k cushion), but also within the requested amount of the initial loan (an additional cushion of \$100k), *Fala Farms LLC* would easily be able to invest in another installment of Hemp Seed and/or Hemp Starts (small live plants - a \$25k investment) and still have plenty of capital remaining for other farming needs, as well as cost of living, in order to maintain a viable business in year number two (2) of the project. (**Note:** It is extremely unlikely that the entire initial crop would fail, as even in severe cases most farming projects will only lose half of the crop as a worst case scenario. Further, in order to turn a profit and repay its loan, and/or investors, in full, the *Fala Farms Project* only requires that 50% of the initial crop be successfully harvested. In the event of total failure, an insurance claim would be made that would cover the cost of at least 50% of the harvest, if not the entire profit which would have been gleaned from a fully successful harvest).

3. **Contingency Plan #2:** In the unlikely event that Fala Farms LLC would choose to forego a second attempt at bringing a crop of hemp to fruition, the entire project could be sold, rented, and/or leased on an annual basis. Seeing as \$40,000/year (\$3,500/month) is a very reasonable annual lease amount for a fully functioning hemp and produce farm of 80 acres capacity, leasing, then, becomes a completely viable option for the repayment of a 15 or 30 year agricultural loan. In addition to contracted, time-constrained payments, it is also common to include within the terms of an agricultural Lease, that the Lessee pay the Leaser a percentage of the initial and/or subsequent harvest(s), which is commonly set at 10% of the income resulting from the sale of the harvest.

Exit Strategies :

- 1) As mentioned in Contingency Plan #3, Leasing the fully functioning farm to an outside farmer, farming agent, or potential future partner of *Fala Farms LLC*, is a viable exit strategy.
- 2) As a final option, an Outright Sale of the business, and/or land & infrastructure, is a last resort, and completely viable option, for an exit strategy.

~ Thank you for your time and consideration of this summary ~