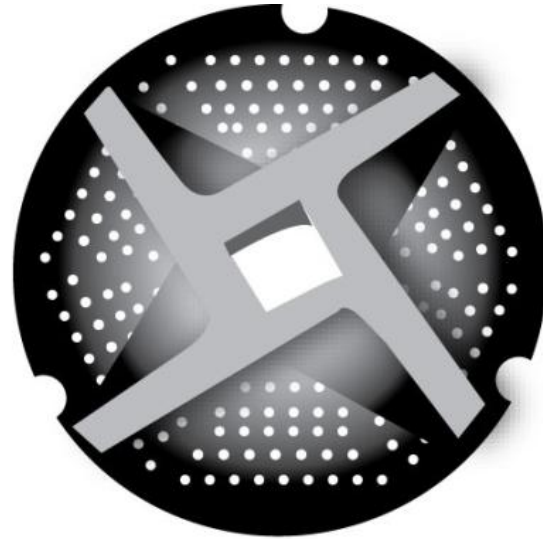


The Business of Meat Processing – Planning and Profitability –



NICHE MEAT PROCESSOR

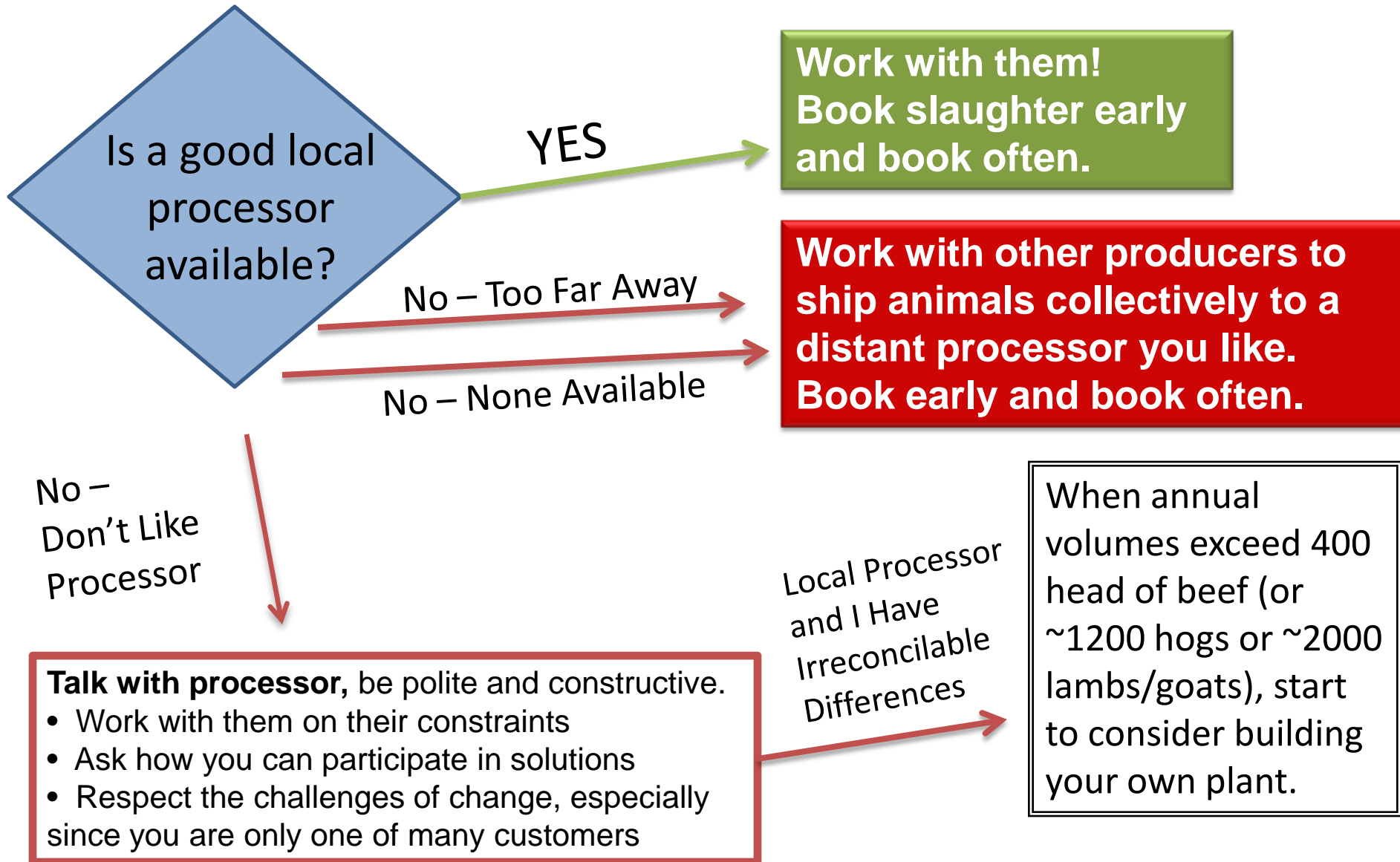
ASSISTANCE NETWORK

June 2, 2011 Webinar



www.nichemeatprocessing.org

I Need More Meat Processing Capacity. Where Do I Start?





**NICHE MEAT PROCESSOR
ASSISTANCE NETWORK**

Small Meat Processors BUSINESS PLANNING GUIDEBOOK



What's in the Guide:

Business Planning Basics

A Real Business Plan from a
Real Meat Processor

Considerations for Other
Plant Configurations

Business Planning
Assistance/Resources

Cash Flow Templates

BUSINESS MISSION AND STRATEGY

This part includes the **mission statement**, **strategic goals** and objectives – what you actually hope to accomplish – and **financing needs** (this last item is sometimes called the start-up summary, for start-up businesses).

Guidance for this section

Again, you should know all the information in this section. This is the place for you to state what you want to do. The financial needs information should be based on good estimates for costs that you have received from contractors and suppliers. You will need to develop building designs or blueprints to get good estimates for construction costs. Many larger contractors will include design drafting as part of their construction services package.

Goals usually refer to a general direction you want to go, while objectives usually lay out how you will accomplish the goals.

This section also could include a description of supply chain partners and a short list of keys to success. If you are approaching private funders, such as venture capitalists, you will probably need an exit plan to tell investors how they will get their money back.

WHAT THE ABC MEATS PLAN SAYS: Business Mission and Strategy

Mission Statement

Our goal at ABC Meats is to give you the very best product and customer service so that we may earn your trust and future business.

Strategic Goals

- Acquire federal inspection for slaughter and processing;
- Expand the retail and wholesale business for specialty jerky, ham, and sausage products by using networks already developed by the local "Buy Fresh, Buy Local" Initiative;

MISSION STATEMENT

A short statement about what your company is and what it does. If you also include a vision statement, it should convey key points about the business that will help guide decisions.

An OBJECTIVE should be SMART:

Specific
Measurable
Achievable
Relevant
Time-bound

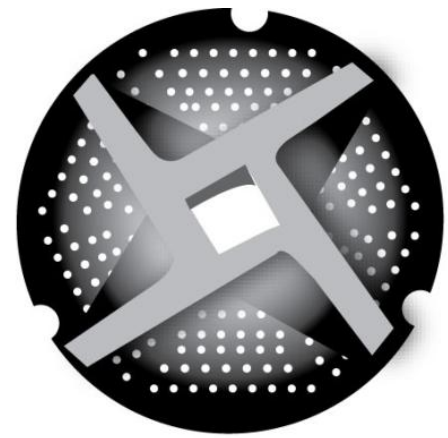
A GOAL requires DRIVE:

Directional
Reasonable
Inspiring
Visible
Eventual

CASH FLOW

Money in and out of your business checkbook, usually examined on a monthly basis. Cash flow is calculated before accounting for depreciation and revenue taxes (if any); it is real cash in-hand.

	A	B	C	D	E
1	Year 1 Monthly Cash Flow: ABC Meats	Month 1	Month 2	Month 3	Month 4
2		January	February	March	April
3	Cash Receipts from Processing	\$71,079	\$70,814	\$84,973	\$45,479
4	Cash Receipts from Retail	\$8,333	\$8,333	\$8,333	\$8,333
5	Cash Receipts from Wholesale	\$2,083	\$2,083	\$2,083	\$2,083
6	Cash Available (Start Up Operating Capital)	\$0	\$11,929	\$23,096	\$42,462
7	General Expenses (Cash Out)				
8	Raw Materials	\$10,949	\$10,908	\$13,962	\$5,604
9	Ingredients	\$1,488	\$1,483	\$1,898	\$762
10	Packaging	\$6,582	\$6,558	\$8,393	\$3,369
11	Officer Wages	\$2,724	\$2,724	\$2,724	\$2,724
12	Hourly Wages	\$22,639	\$22,639	\$22,639	\$22,639
13	Payroll Expense	\$2,339	\$2,339	\$2,339	\$2,339
14	Contract Labor	\$471	\$471	\$471	\$471
15	Dues and Subscriptions	\$74	\$74	\$74	\$74
16	Interest Expense	\$9,196	\$9,179	\$9,161	\$9,143
17	Property Taxes	\$109	\$109	\$109	\$109
18	Laundry	\$204	\$204	\$204	\$204
19	License	\$90	\$0	\$0	\$0
20	Legal and Accounting	\$0	\$0	\$1,313	\$0
21	Vehicle Expense	\$292	\$292	\$292	\$292
22	Replacement Tools	\$174	\$174	\$174	\$174
23	Telephone	\$70	\$70	\$70	\$70



NICHE MEAT PROCESSOR

ASSISTANCE NETWORK

The guide and template are available online:

www.nichemeatprocessing.org

“Tools for Businesses” menu

Click on “Business Planning”

Other resources on that page:

- * CISA Cash Flow Template for a Small Meat Plant
- * Meat Processing Feasibility Studies