The Business of Meat Processing
– Planning and Profitability –

June 2, 2011 Webinar
www.nichemeatprocessing.org
I Need More Meat Processing Capacity. Where Do I Start?

Is a good local processor available?

- Yes
  - Work with them! Book slaughter early and book often.

- No – Too Far Away
  - Work with other producers to ship animals collectively to a distant processor you like. Book early and book often.

- No – None Available
  - Local Processor and I Have Irreconcilable Differences

No – Don’t Like Processor

Talk with processor, be polite and constructive.
- Work with them on their constraints
- Ask how you can participate in solutions
- Respect the challenges of change, especially since you are only one of many customers

When annual volumes exceed 400 head of beef (or ~1200 hogs or ~2000 lambs/goats), start to consider building your own plant.
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.
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<thead>
<tr>
<th></th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
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<tbody>
<tr>
<td><strong>Year 1 Monthly Cash Flow: ABC Meats</strong></td>
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<td>Cash Receipts from Processing</td>
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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